





## CERTIFICATE

I, DIANE BARRANS, Executive Officer of the Alaska Student Loan Corporation (the "Corporation"), HEREBY CERTIFY that the attached Custodian/Depository Agreement dated as of May 1, 1988 (the "Custodian/Depository Agreement") between the Corporation, First Trust Washington, as successor trustee to Seattle-First National Bank, as Trustee, and the State of Alaska through its Department of Revenue, was authorized by Resolution No. 88-2 adopted by the Board of Directors of the Corporation on May 26, 1988. The Custodian/Depository Agreement has been compared by me with the original thereof, and it is a true, accurate, and complete copy of said original. Said Custodian/Depository Agreement has not been altered, amended, or repealed but is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of June 1996.

  
DIANE BARRANS  
Executive Officer

## CUSTODIAN/DEPOSITARY AGREEMENT

WHEREAS, Alaska Student Loan Corporation (the "Corporation") and Seattle-First National Bank (the "Trustee") have entered into a Trust Indenture dated as of May 1, 1988 (the "Indenture") pursuant to which the Corporation intends to issue its Student Loan Revenue Bonds (the "Bonds") from time to time; and

WHEREAS, the proceeds of the Bonds will be used to finance certain student loans (the "Financed Loans"), and the Bonds will be secured by a pledge of the Financed Loans as well as other student loans held in the Master Student Loan Fund created under the Indenture or any Series Student Loan Fund created under the Indenture (such loans and the Financed Loans collectively referred to herein as "Pledged Loans"); and

WHEREAS, the Corporation and the Trustee desire that the State of Alaska (the "State"), acting through its Department of Revenue and as the agent of the Trustee, (i) hold the proceeds of the Bonds from time to time and disburse said proceeds at the direction of the Corporation to borrowers of the student loans financed with said proceeds and (ii) receive and hold in custody payments from the borrowers of the Pledged Loans and transfer such payments to the Trustee at the time and in the manner required in the Indenture or directed by the Trustee, all as further set forth herein; and

WHEREAS, the Corporation and the Trustee further desire that the Alaska Commission on Postsecondary Education (the "Commission") hold the Pledged Loans in trust for the benefit of the Trustee and perform other functions with respect to the Pledged Loans as set forth herein;

NOW, THEREFORE, the Corporation, the Trustee, the State, and the Commission hereby agree as follows:

SECTION 1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

"Agreement" shall mean this Custodian/Depositary Agreement dated as of May 1, 1988, as amended and supplemented from time to time.

"Commission" shall mean the Alaska Commission on Postsecondary Education created by AS 14.42.015.

"Corporation" shall mean the Alaska Student Loan Corporation, a public corporation organized and existing under

the laws of the State of Alaska, and any successor to its functions.

"Department of Revenue" shall mean the Department of Revenue of the State of Alaska.

"Financed Loan" shall mean any Student Loan financed with proceeds of any Bonds.

"Indenture" shall mean the Trust Indenture dated as of May 1, 1988, by and between the Corporation and the Trustee, including exhibits thereto and all amendments and supplements thereto.

"Pledged Loans" shall mean the Financed Loans and any other Student Loan held in the Master Student Loan Fund of the Indenture or any Series Student Loan Fund of the Indenture.

"Trustee" shall mean Seattle-First National Bank, as Trustee under the Indenture.

All other terms not otherwise defined herein shall have the meaning set forth therefor in the Indenture.

#### **SECTION 2. RECEIPT AND APPLICATION OF BOND PROCEEDS.**

(A) At the direction of the Corporation and subject to the requirements of the Indenture and any applicable Supplemental Indenture, the Trustee shall deposit with the Department of Revenue all or part of the proceeds of any Series of Bonds designated by the Corporation in said direction for the purpose of disbursing such proceeds to borrowers of Financed Loans. The Department of Revenue shall receive such proceeds and shall hold the same, together with any investment earnings thereon, in the Alaska Student Loan Corporation Trust Fund, which is hereby created as a special trust fund for the benefit of the Trustee to be held in trust by the Department of Revenue as agent of the Trustee.

(B) The Department of Revenue shall hold any Bond proceeds, and the investment earnings thereon, as the agent of the Trustee, and such proceeds and investment earnings shall never be, or be considered or treated under any circumstances as, any part of the property or assets of the State of Alaska or any subdivision thereof but, rather, shall at all times prior to their disbursement as provided in (D) of this Section to borrowers of the Financed Loans be, and be considered and treated as, part of the Trust Estate and shall not be commingled with any other funds or accounts.

(C) At all times pending disbursement of any proceeds of Bonds to borrowers of the Financed Loans in

accordance with (D) of this Section, the Department of Revenue shall invest and secure such Bond proceeds as provided in Section 9 of this Agreement and shall transfer all earnings from such investment to the Trustee for deposit in the Revenue Fund on a monthly basis or otherwise at such time or times as may be requested by the Trustee.

(D) At the direction of the Corporation, the Department of Revenue shall disburse proceeds of Bonds held under this Section in the Alaska Student Loan Corporation Trust Fund to honor warrants payable to borrowers of the Financed Loans. The Commission shall keep complete and accurate records of each such disbursement identifying, at a minimum, the date of disbursement, the amount disbursed, and the name and address of the borrower.

**SECTION 3. SERVICING OF PLEDGED LOANS BY COMMISSION; INFORMATION REGARDING PLEDGED LOANS.** (A) The Commission agrees to act as servicer of the Pledged Loans and, in such capacity, shall hold the original notes evidencing the Pledged Loans in a safe place on its premises in trust for the benefit of the Trustee and, further, shall maintain complete and current accounting records with respect to each of the Pledged Loans, including, but not limited to, the name and other identifying information of each obligor of a Pledged Loan, the principal amount of each Pledged Loan awarded to the obligor, the current principal balance of each Pledged Loan, and the payment status of each Pledged Loan. The Commission agrees to service all Pledged Loans in a prudent and diligent manner and in compliance with all applicable required law, including the Alaska Student Loan Program and any other program under which the Pledged Loans was made.

(B) The Commission and the Department of Revenue hereby agree to permit inspection at all reasonable times by the Trustee or its agent (including its auditors) or by the Corporation or its agent (including its auditors) of the Pledged Loans and the records of the Commission or the Department of Revenue relating thereto.

**SECTION 4. NOTICE TO OBLIGORS OF ASSIGNMENT OF INTEREST IN PLEDGED LOANS.** The Trustee may mail, and the Commission shall mail upon direction from the Trustee, a notice to each obligor of a Pledged Loan advising such obligor that such Pledged Loan has been pledged as security for the Bonds. In such notice, the Trustee or the Commission, as the case may be, may also direct such obligor to make loan payments to the Department of Revenue as the agent of the Trustee at the address stated in the notice or, if applicable, to the financial institution and to the address established pursuant to Section 6(C) hereof. The Trustee shall mail, or cause to be

mailed, such notice only at such time or times as the Trustee considers necessary to perfect its security interest in any of the Pledged Loans, to assure that payments with respect to each of the Pledged Loans are made in a timely manner or otherwise to protect the interests of the holders of the Bonds.

**SECTION 5. PAYMENTS RECEIVED BY CORPORATION.** If the Corporation receives any payment of a Pledged Loan, the Corporation shall receive and hold such payment in trust for the Trustee or for the Department of Revenue, as agent of the Trustee, shall exercise no ownership or other rights with respect thereto, and shall remit the same promptly to the Trustee or the Department of Revenue, as agent for the Trustee.

**SECTION 6. STATE TO ACT AS AGENT OF TRUSTEE; CREATION OF PLEDGED LOAN PAYMENT TRUST FUND; DELEGATION OF DUTIES.**

(A) The State, acting through its Department of Revenue, agrees to act as depository and agent of the Trustee for the purpose of collecting all payments of any Pledged Loans and temporarily holding and investing the same in trust for the benefit of the Trustee in accordance with this Agreement and thereafter disbursing such payments, together with investment earnings thereon, to the Trustee in accordance with instructions from the Trustee. The Department of Revenue shall hold and invest Pledged Loan payments, together with all investment earnings thereon, solely on behalf of and for the benefit of the Trustee, shall apply such amounts solely for the purposes and in accordance with the provisions hereof and the Indenture, and shall not mingle such amounts with any moneys or other assets contained in any other account or subaccount of the State of Alaska or any subdivision thereof except the Corporation. All such Pledged Loan payments and investment earnings shall at all times be a part of the Trust Estate.

(B) There is hereby created as a special trust fund for the benefit of the Trustee the Pledged Loan Payment Trust Fund. All Pledged Loan payments received by the Department of Revenue pursuant to (A) or (D) of this Section shall promptly be deposited in the Pledged Loan Payment Trust Fund and, pending disbursement to the Trustee, invested and secured in accordance with Section 9 hereof. The Department of Revenue agrees that, for so long as there is any amount on deposit in the Pledged Loan Payment Trust Fund, it will keep and maintain said fund separate and apart from any other funds or accounts of the State.

(C) The State, acting through its Department of Revenue may delegate its duty to collect payments of Pledged Loans under (A) of this Section to a financial institution or another department of State government; provided that any account established with such financial institution or other

department of State government shall be a trust account for the benefit of the Trustee (as to which the State agrees to act as trustee) and shall be clearly designated as such; and provided, further, that such financial institution, as the agent of the State, must have the power to act as a trustee and must agree so to act for the benefit of the Trustee with respect to any amounts received by it pursuant to a delegation under this Section 6(C); and provided, further, that while any amounts are on deposit in an account created with said financial institution, such financial institution shall invest such amount in accordance with Section 9 hereof.

(D) The State may provide for payment of any Pledged Loan by an employee of the State of Alaska through a payroll deduction plan provided that the State shall promptly transfer to the Pledged Loan Payment Trust Fund any amounts so deducted from employees' pay checks. The State agrees that such amounts so deducted shall never be considered property or assets of the State but, rather, are and shall be treated and considered as payments by the individual employees which, upon their receipt by the State, as depository and agent of the Trustee, are part of the Trust Estate.

(E) The Department of Revenue shall provide the Commission with such information concerning investment earnings and Pledged Loan payments received hereunder as the Commission requires and at such times as the Commission requires so that the Commission is able to satisfy its duties under Section 8(A) hereof.

**SECTION 7. RELEASE OF ASSETS.** The State shall release to the Trustee any or all assets held by the State (or any agent of the State) hereunder at such time or times as the Trustee shall direct.

**SECTION 8. REPORTING AND OTHER ACTIONS.** (A) The Commission shall keep true and accurate records of all payments collected and all disbursements made under this Agreement. The Commission shall promptly deliver to the Corporation and to the Trustee all information as either of them may reasonably request from time to time in connection with any amounts held hereunder and, in any event, shall provide the Trustee with a monthly report identifying each of the Pledged Loans which has been originated or paid off since the most recent report, separating the Pledged Loans as between Pledged Loans credited to the Master Student Loan Fund under the Indenture and Pledged Loans credited to a Series Student Loan Fund under the Indenture. The Department of Revenue shall cause any financial institution described in Section 6(C) to keep on microfilm tape copies of all checks and other evidences of payment received by it pursuant to this Agreement and shall provide the

Corporation, the Commission, and the Trustee with reasonable access thereto during normal business hours. The Trustee and the Commission hereby acknowledge receipt upon the execution hereof of microfilm listing all Pledged Loans credited to the Master Student Loan Fund under the Indenture and all Pledged Loans credited to the 1988 Series A Student Loan Fund under the Indenture simultaneously with the execution hereof.

(B) The Commission and the Department of Revenue shall cooperate fully with the Corporation and the Trustee (including, without limitation, by providing the Corporation and the Trustee with access to (1) all books, records, tapes and other information relating to Pledged Loans or any amounts held hereunder and (2) officers and other personnel of the Commission or the Department of Revenue, in each case during the Commission's or the Department of Revenue's, as the case may be, normal business hours and as often as any of them may reasonably be requested) in order to effectuate the transactions contemplated by this Agreement. Provided the Commission or the Department of Revenue is first indemnified by the Corporation to its satisfaction with respect to its expenses, the Commission or the Department of Revenue, respectively shall take such actions and make such inquiries with respect to this Agreement as shall be requested by the Corporation or the Trustee.

**SECTION 9. INVESTMENTS.** (A) All Bond proceeds and other amounts held hereunder by the State shall be invested and reinvested, pending their application herewith, in Investment Securities within the meaning of such term as set forth in the Indenture. Pursuant to the terms of the Indenture, the definition of "Investment Securities" may change from time to time with the adoption of supplements to the Indenture. As of the date hereof, "Investment Securities" means

- (a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;
- (b) Obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America;
  - Export-Import Bank
  - Farmers Home Administration
  - General Services Administration
  - U.S. Maritime Administration
  - Small Business Administration

- Government National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development (PHA's)
  - Federal Housing Administration;
- (c) Bonds, notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's, issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (d) U.S. Dollar denominated deposit accounts, federal funds and banker's acceptances with commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase;
- (e) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1" by Standard & Poor's Corporation and "P-1" by Moody's Investors Service, Inc. and which matures not more than 270 days after the date of purchase;
- (f) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation;
- (g) Pre-refunded municipal obligations defined as follows:

Any Bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions has been given by the obligor to call on the date prior to maturity or as to which irrevocable instructions has been given by the obligor to call on the date specified in the notice, and (A) which are rated, based on the escrow, in the highest rating category of Standard & Poor's Corporation and Moody's Investors Service, Inc. or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (a) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions

referred to above, as appropriate; and (ii) which fund is sufficient, as verified by an independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

- (h) Investment agreements approved in writing by AMBAC Indemnity and;
- (i) Other forms of investments approved in writing by AMBAC Indemnity.

(B) Investments of Bond proceeds under this Section shall mature or be subject to redemption at the option of the holder at such times as will permit the Department of Revenue to comply with the requirements of Section 2 for the use of Bond proceeds. Investments under this Section of any other amounts shall mature or be subject to redemption at the option of the holder at such times as will permit the Department of Revenue to transfer amounts to the Trustee on at least a monthly basis or, if so directed by the Trustee, on a more frequent basis. Any such investments shall be held by or under the control of the Department of Revenue, in trust, as agent for the Trustee and while so held shall be a part of the Trust Estate, and the interest accruing thereon and any profit realized from such investments shall be transferred to the Trustee at least monthly for crediting to the Revenue Fund.

(C) All investments hereunder shall conform to any applicable requirements or limitations of the Indenture. The Department of Revenue agrees that it will comply with the provisions of the Indenture and any Supplemental Indenture with respect thereto and any Letter of Instructions pertaining to arbitrage or other Federal tax law limitations on the investment of amounts described in this Section.

(D) All amounts held under this Agreement by the Department of Revenue shall be held in trust for the benefit of the Trustee and shall be invested in Investment Securities or continuously and fully secured for the benefit of the Corporation and the holders of the Bonds either (i) by lodging Investment Securities as collateral with the Trustee as custodian, having a market value (exclusive of accrued interest) not less than the amount of such moneys or (ii) in such other manner as may then be required by applicable Federal or State laws and regulations regarding security for, or granting a preference in the case of, the deposit of trust funds; except that it shall not be necessary for the Department

of Revenue or any Depositary to give security under this subsection for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds. The Department of Revenue shall not be responsible for any losses resulting from the investment of moneys in the funds and accounts created hereunder, so long as such investments are made in accordance with this Agreement.

**SECTION 10. RESIGNATION OR RELEASE OF STATE OF ALASKA.** (A) The State (whether acting through the Department of Revenue or the Commission) or any successor thereto hereunder, may at any time resign by giving notice thereof to the Corporation and the Trustee, provided that no such resignation shall be effective until a successor (who must be acceptable to AMBAC Indemnity Corporation for so long as any of the 1988 Series A Bonds remains Outstanding) shall be chosen and shall have assumed the State's duties hereunder by a written instrument satisfactory to the Corporation and the Trustee.

(B) The Corporation and the Trustee may at any time by joint action release the State from its duties hereunder but only if the Corporation and the Trustee have obtained a successor (who must be acceptable to AMBAC Indemnity Corporation for so long as any of the 1988 Series A Bonds remains Outstanding) capable of performing the functions contemplated by this Agreement in a manner consistent with the operations of the Corporation. In the event of a default by the State under this Agreement, the Trustee may appoint a successor (who must be acceptable to AMBAC Indemnity Corporation for so long as any of the 1988 Series A Bonds remains Outstanding) to the State.

**SECTION 11. TERMINATION OF AGREEMENT.** This Agreement shall terminate at the time mutually agreed upon by the Trustee and the Corporation and, in any event, upon the discharge of the Indenture in accordance with the terms thereof. Upon termination of this Agreement other than upon discharge of the Indenture, the State shall transfer all Bond proceeds, Pledged Loan payments, investment earnings and other amounts then held by it hereunder to the Trustee. Upon termination of this Agreement with the discharge of the Indenture, the State shall transfer all Bond proceeds, Pledged Loan payments, and other amounts then held by it hereunder to the Corporation, subject to the rights of AMBAC Indemnity Corporation as insurer of the 1988 Series A Bonds.

**SECTION 12. SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 13. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the same signatures thereto and hereto were upon the same instrument.

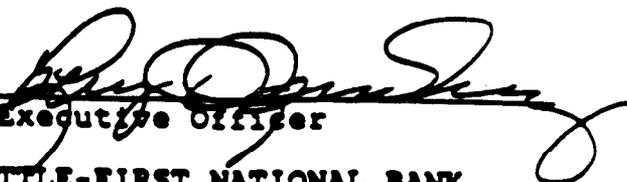
SECTION 14. SEVERABILITY. The provisions of this Agreement are severable. In case any provision of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, this Agreement shall be construed as if such provision had never been contained herein.

SECTION 15. ALASKA LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Alaska.

SECTION 16. EFFECTIVE DATE. This Agreement shall be effective immediately upon the execution hereof by the parties hereto.

IN WITNESS WHEREOF, the parties have signed this Agreement as of May 1, 1988.

ALASKA STUDENT LOAN CORPORATION

By   
Executive Officer

SEATTLE-FIRST NATIONAL BANK,  
as Trustee under the Indenture

By   
Authorized Officer

STATE OF ALASKA

Through its DEPARTMENT OF REVENUE

By  6/20/88  
Deputy Commissioner

Through its ALASKA COMMISSION ON  
POSTSECONDARY EDUCATION

By   
Executive Officer

## CUSTODIAN/DEPOSITARY/SERVICING AGREEMENT

WHEREAS, Alaska Student Loan Corporation (the "Corporation") and Zions First National Bank (the "Trustee") have entered into a Trust Indenture dated as of June 1, 2002 (the "Indenture") pursuant to which the Corporation intends to issue its Education Loan Revenue Bonds (the "Bonds") from time to time; and

WHEREAS, the proceeds of the Bonds will be used to finance certain education loans (the "Financed Loans"), and the Bonds will be secured by a pledge of the Financed Loans as well as other education loans held in the Education Loan Fund created under the Indenture (such loans and the Financed Loans collectively referred to herein as "Pledged Loans"); and

WHEREAS, the Corporation desires that the Alaska Commission on Postsecondary Education (the "Commission"), as servicer and custodian, hold the Pledged Loans in trust for the benefit of the Trustee and perform other functions with respect to the Pledged Loans as set forth herein; and

WHEREAS, pursuant to the Indenture, the Corporation has granted to the Trustee, and its successors and assigns, a security interest in, among other things, the promissory notes and certain other documents relating to the Pledged Loans as security; and

WHEREAS, the Corporation further desires that the State of Alaska (the "State"), acting through its Department of Revenue and as the agent of the Trustee, (i) hold the proceeds of the Bonds from time to time and disburse said proceeds at the direction of the Corporation to borrowers of the student loans financed with said proceeds and (ii) receive and hold in custody payments from the borrowers of the Pledged Loans and transfer such payments to the Trustee at the time and in the manner directed by the Corporation or the Trustee, all as further set forth herein; and

WHEREAS, the Corporation hereby directs the Trustee to enter into this Custodian/Depositary/Servicing Agreement; and

NOW, THEREFORE, the Corporation, the Trustee, the State, and the Commission hereby agree as follows:

**SECTION 1. DEFINITIONS.** As used herein, the following terms shall have the following meanings:

"Agreement" shall mean this Custodian/Depositary/Servicing Agreement dated as of June 1, 2002, as amended and supplemented from time to time.

"Commission" shall mean the Alaska Commission on Postsecondary Education created by AS 14.42.015.

"Corporation" shall mean the Alaska Student Loan Corporation, a public corporation organized and existing under the laws of the State of Alaska, and any successor to its functions.

"Custodian" shall mean the Alaska Commission on Postsecondary Education.

"Department of Revenue" shall mean the Department of Revenue of the State of Alaska.

"Depositary" shall mean the State of Alaska, acting through its Department of Revenue.

"Financed Loan" shall mean any Education Loan financed or refinanced with proceeds of any Bonds.

"Indenture" shall mean the Trust Indenture dated as of June 1, 2002, by and between the Corporation and the Trustee, including exhibits thereto and all amendments and supplements thereto.

"Pledged Loans" shall mean the Financed Loans and any other Education Loan held in the Education Loan Fund of the Indenture.

"Servicer" shall mean the Alaska Commission on Postsecondary Education.

"Trustee" shall mean Zions First National Bank, as Trustee under the Indenture and its successors or assigns.

All other terms not otherwise defined herein shall have the meaning set forth therefor in the Indenture.

**SECTION 2. RECEIPT AND APPLICATION OF BOND PROCEEDS.** (A) At the written direction of the Corporation and subject to the requirements of the Indenture and any applicable Supplemental Indenture, the Trustee shall deposit with the Department of Revenue all or part of the proceeds of any Series of Bonds designated by the Corporation in said direction for the purpose of disbursing such proceeds to, or for the accounts of, borrowers of Financed Loans. The Department of Revenue shall receive such proceeds and shall hold the same, together with any investment earnings thereon, in the Education Trust Fund, which is hereby created as a special trust fund

for the benefit of the Trustee to be held in trust by the Department of Revenue as agent of the Trustee.

(B) The Department of Revenue shall hold any Bond proceeds, and the investment earnings thereon, as the agent of the Trustee, and such proceeds and investment earnings shall never be, or be considered or treated under any circumstances as, any part of the property or assets of the State of Alaska or any subdivision thereof (except the Corporation) but, rather, shall at all times prior to their disbursement as provided in (D) of this Section to borrowers of the Financed Loans or to the Trustee be, and be considered and treated as, part of the Trust Estate and shall not be commingled with any other funds or accounts of the State of Alaska or any subdivision thereof except the Corporation.

(C) At all times pending disbursement of any proceeds of Bonds to borrowers of the Financed Loans or to the Trustee in accordance with (D) of this Section, the Department of Revenue shall invest and secure such Bond proceeds as provided in Section 9 of this Agreement and shall transfer all earnings from such investment to the Trustee for deposit in the Revenue Fund at such time or times as may be requested by the Trustee or the Corporation.

(D) At the direction of the Corporation, with a copy to the Trustee, the Department of Revenue shall disburse proceeds of Bonds held under this Section in the Education Trust Fund to, or for the accounts of, borrowers of the Financed Loans or to the Trustee as set forth in the Indenture. The Commission shall keep complete and accurate records of each such disbursement identifying, at a minimum, the date of disbursement, the amount disbursed, and the name and address of the borrower.

**SECTION 3. SERVICING AND CUSTODY OF PLEDGED LOANS BY COMMISSION; INFORMATION REGARDING PLEDGED LOANS.** (A) The Corporation and the Trustee hereby appoint the Custodian as the Trustee's agent solely to take possession and custody of the Pledged Loans and the proceeds thereof in accordance with the terms of this Agreement. The Custodian hereby accepts said appointment and acknowledges receipt of notice of the security interest held by the Trustee on the Pledged Loans.

(B) The Commission agrees to act as Servicer and as Custodian of the Pledged Loans and, in such capacity, shall hold the original notes evidencing the Pledged Loans in a safe place on its premises in trust for the benefit of the Trustee and, further, shall maintain complete and current accounting records with respect to each of the Pledged Loans, including, but not limited to, the name and other identifying information of each obligor of a Pledged Loan, the principal amount of each Pledged Loan awarded to the obligor, the current principal balance of each Pledged Loan, and

the payment status of each Pledged Loan. The Commission agrees to service all Pledged Loans in a prudent and diligent manner and in compliance with all applicable required law, including the Alaska Student Loan Program, the Higher Education Act, and any other program under which the Pledged Loans was made.

(C) The Commission and the Department of Revenue hereby agree to permit inspection at all reasonable times by the Trustee or its agent (including its auditors) or by the Corporation or its agent (including its auditors) of the Pledged Loans and the records of the Commission or the Department of Revenue relating thereto.

(D) The Custodian shall at all times maintain records indicating the borrower name and social security number, original note amount, and date and maturity date, at a minimum, of all Pledged Loans which are delivered to it to hold as Custodian pursuant to this Agreement and indicating that such loans have been pledged under the Indenture.

(E) The Trustee shall not have any responsibility for loss or damage suffered by the Corporation with respect to any Pledged Loan delivered or released pursuant to this Agreement.

**SECTION 4. NOTICE TO OBLIGORS OF ASSIGNMENT OF INTEREST IN PLEDGED LOANS.** The Trustee may mail, and the Commission shall mail upon direction from the Trustee, a notice to each obligor of a Pledged Loan advising such obligor that such Pledged Loan has been pledged as security for the Bonds. In such notice, the Trustee or the Commission, as the case may be, may also direct such obligor to make loan payments to the agent of the Trustee at the address stated in the notice. The Trustee shall mail, or cause to be mailed, such notice only at such time or times as the Trustee considers necessary to perfect its security interest in any of the Pledged Loans, to assure that payments with respect to each of the Pledged Loans are made in a timely manner or otherwise to protect the interests of the holders of the Bonds.

**SECTION 5. PAYMENTS RECEIVED BY CORPORATION.** If the Corporation receives any payment of, or with respect to (including special allowance payments), a Pledged Loan, the Corporation shall receive and hold such payment in trust for the Trustee or for the Department of Revenue, as agent of the Trustee, shall exercise no ownership or other rights with respect thereto, and shall remit the same promptly to the Trustee or the Department of Revenue, as agent for the Trustee.

**SECTION 6. STATE TO ACT AS AGENT OF TRUSTEE; DELEGATION OF DUTIES.** (A) The State, acting through its Department of Revenue, agrees to act as depositary and agent of the Trustee for the purpose of receiving all payments of any

Pledged Loans and temporarily holding and investing the same in trust for the benefit of the Trustee in accordance with this Agreement and thereafter disbursing such payments, together with investment earnings thereon, to the Trustee in accordance with instructions from the Trustee or the Corporation. The Department of Revenue shall hold and invest Pledged Loan payments, together with all investment earnings thereon, solely on behalf of and for the benefit of the Trustee, shall apply such amounts solely for the purposes and in accordance with the provisions hereof and the Indenture, and shall not mingle such amounts with any moneys or other assets contained in any other account or subaccount of the State of Alaska or any subdivision thereof except the Corporation. All such Pledged Loan payments and investment earnings shall at all times be a part of the Trust Estate.

(B) All Pledged Loan payments received by the Department of Revenue pursuant to (A) or (D) of this Section shall promptly be deposited in the Education Trust Fund and, pending disbursement to the Trustee, invested and secured in accordance with Section 9 hereof. The Department of Revenue agrees that, for so long as there is any amount on deposit in the Education Trust Fund, it will keep and maintain said fund separate and apart from any other funds or accounts of the State.

(C) The State, acting through its Department of Revenue, may delegate its duty to receive payments of Pledged Loans under (A) of this Section to a financial institution or another department of State government; provided that (1) any account established with such financial institution or other department of State government shall be a trust account for the benefit of the Trustee (as to which the State agrees to act as trustee) and shall be clearly designated as such; (2) such financial institution, as the agent of the State, must have the power to act as a trustee and must agree so to act for the benefit of the Trustee with respect to any amounts received by it pursuant to a delegation under this Section 6(C); (3) while any amounts are on deposit in an account created with said financial institution, such financial institution shall invest such amount in accordance with Section 9 hereof; and (4) before making any delegation pursuant to this sentence, the State shall give notice to the Corporation sufficient to permit the Corporation to provide notice to the Trustee as provided in the next sentence. The Corporation shall provide written notice to the Trustee 30 days before any such change.

(D) The State may provide for payment of any Pledged Loan by an employee of the State of Alaska through a payroll deduction plan provided that the State shall promptly transfer to the Education Trust Fund any amounts so deducted from employees' pay checks. The State agrees that such amounts so deducted shall never be considered property or assets of the State but, rather, are and shall be treated and considered as payments by the individual employees which, upon their receipt by the State, as depository and agent of the Trustee, are part of the Trust Estate.

(E) The Department of Revenue shall provide the Commission and the Trustee with such information that is reasonably available to it as the Commission or the Trustee requires and at such times as the Commission requires so that the Commission is able to satisfy its duties under Section 8(A) hereof.

**SECTION 7. RELEASE OF ASSETS.** The State and the Commission shall release to the Trustee any or all assets held under this Agreement by the State (or any agent of the State) or the Commission at such time or times as the Trustee shall direct.

**SECTION 8. REPORTING AND OTHER ACTIONS.** (A) The Commission shall keep true and accurate records of all payments collected and all disbursements made under this Agreement. The Commission shall promptly deliver to the Corporation and to the Trustee all information as either of them may reasonably request from time to time in connection with any amounts held hereunder and, in any event, shall provide the Trustee with a monthly report identifying each of the Pledged Loans which have been originated or paid off since the most recent report, separating the Pledged Loans as between Pledged Loans credited to a Series Account of the Education Loan Fund under the Indenture and Pledged Loans credited to an Unallocated Account of the Education Loan Fund under the Indenture. The Department of Revenue shall cause any financial institution described in Section 6(C) to keep copies of all checks and other evidences of payment received by it pursuant to this Agreement and shall provide the Corporation, the Commission, and the Trustee with reasonable access thereto during normal business hours.

(B) The Commission and the Department of Revenue shall cooperate fully with the Corporation and the Trustee (including, without limitation, by providing the Corporation and the Trustee with access to (1) all books, records, tapes and other information relating to Pledged Loans or any amounts held hereunder and (2) officers and other personnel of the Commission or the Department of Revenue, in each case during the Commission's or the Department of Revenue's, as the case may be, normal business hours and as often as any of them may reasonably be requested) in order to effectuate the transactions contemplated by this Agreement. Provided the Commission or the Department of Revenue is first compensated for its expenses by the Corporation to its satisfaction, the Commission or the Department of Revenue, respectively, shall take such actions and make such inquiries with respect to this subsection as shall be requested by the Corporation or the Trustee.

**SECTION 9. INVESTMENTS.** (A) All Bond proceeds and other amounts held hereunder by the State shall be invested and reinvested, pending their application herewith, in Investment Securities within the meaning of such term as set forth in the Indenture. Pursuant to the terms of the Indenture, the definition of "Investment Securities" shall be determined by, and may change from time to time with the adoption

of, supplements to the Indenture. As of the date hereof, "Investment Securities" is defined by the First Supplemental Indenture to mean

- (i) (a) direct general obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States; or (b) FHA debentures, Freddie Mac senior debt obligations, Federal Home Loan Bank consolidated senior debt obligations, Federal Farm Credit Bank consolidated senior debt obligations, and Fannie Mae senior debt obligations, but excluding any of such securities whose terms do not provide for payment of a fixed dollar amount upon maturity or call for redemption;
- (ii) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America:
  - United States Export-Import Bank (Eximbank)
  - Farm Credit System Financial Assistance Corporation
  - Rural Economic Community Development Administration (formerly known as Farmers Home Administration)
  - General Services Administration
  - U.S. Maritime Administration
  - Small Business Administration
  - Government National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development (PHA's)
  - Federal Housing Administration
  - Federal Financing Bank;
- (iii) U.S. Dollar denominated deposit accounts, federal funds, and bankers' acceptances with domestic commercial banks (including any affiliate of the Trustee) which have a rating on their short term certificates of deposit on the date of purchase of "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (for purposes of this definition, the rating of a holding company shall not be considered the rating of any bank held by such holding company);
- (iv) commercial paper which is rated at the time of purchase "A-1+" by Standard & Poor's and "P-1" by Moody's;
- (v) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's, including money market funds from which the

Trustee or its affiliate derives a fee for investment advisory or other services to the fund;

- (vi) guaranteed investment contracts or investment agreements (including repurchase agreements), secured by collateral or unsecured as the Corporation may determine, which may be entered into by and among the Corporation, the Trustee and any bank, bank holding company, corporation or any other financial institution whose outstanding (a) commercial paper is rated "P-1" by Moody's and "A-1+" by Standard & Poor's for agreements or contracts with a maturity of 12 months or less, (b) unsecured long-term debt is rated "A-2" or higher by Moody's and "A-" or higher by Standard & Poor's and, if commercial paper is outstanding, commercial paper which is rated "P-1" by Moody's and "A-1+" by Standard & Poor's for agreements or contracts with a maturity of 24 months or less, but more than 12 months, or (c) unsecured long-term debt which is rated "Aa2" or higher by Moody's and "AA-" or higher by Standard & Poor's and, if commercial paper is outstanding, commercial paper which is rated "P-1" by Moody's and "A-1+" by Standard & Poor's for agreements or contracts with a maturity of more than 24 months, or, in each case, by an insurance company whose claims paying ability is so rated;
- (vii) general obligations of any state or municipality with a rating of "Aaa" by Moody's and "AAA" by Standard & Poor's;
- (viii) any other investment, investment agreement or guaranteed investment contract approved in writing by Moody's and Standard & Poor's.

(B) Investments of Bond proceeds under this Section shall mature or be subject to redemption at the option of the holder at such times as will permit the Department of Revenue to comply with the requirements of Section 2 for the use of Bond proceeds. Investments under this Section of any other amounts shall mature or be subject to redemption at the option of the holder at such times as will permit the Department of Revenue to transfer amounts to the Trustee at such time or times as the Trustee or the Corporation may direct. Any such investments shall be held by or under the control of the Department of Revenue, in trust, as agent for the Trustee and while so held shall be a part of the Trust Estate, and the interest accruing thereon and any profit realized from such investments shall be transferred to the Trustee at least monthly for crediting to the Revenue Fund.

(C) All investments hereunder shall conform to any applicable requirements or limitations of the Indenture. The Department of Revenue agrees that it will comply

with the provisions of the Indenture and any Supplemental Indenture with respect thereto and any Letter of Instructions pertaining to arbitrage or other Federal tax law limitations on the investment of amounts described in this Section.

(D) All amounts held under this Agreement by the Department of Revenue shall be held in trust for the benefit of the Trustee and shall be invested in Investment Securities or continuously and fully secured for the benefit of the Corporation and the holders of the Bonds either (i) by lodging Investment Securities as collateral with the Trustee as custodian, having a market value (exclusive of accrued interest) not less than the amount of such moneys or (ii) in such other manner as may then be required by applicable Federal or State laws and regulations regarding security for, or granting a preference in the case of, the deposit of trust funds; except that it shall not be necessary for the Department of Revenue or any Depositary to give security under this subsection for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds. The Department of Revenue shall not be responsible for any losses resulting from the investment of moneys in the funds and accounts created hereunder, so long as such investments are made in accordance with this Agreement. The Trustee shall not be responsible for any losses resulting from the investment of any moneys in the funds and accounts with the State of Alaska acting through the Department of Revenue.

**SECTION 10. RESIGNATION OR RELEASE OF STATE OF ALASKA.** (A) The State (whether acting through the Department of Revenue or the Commission) or any successor thereto hereunder, may at any time resign by giving notice thereof to the Corporation and the Trustee, provided that no such resignation shall be effective until a successor shall be chosen and shall have assumed the State's duties hereunder by a written instrument satisfactory to the Corporation and the Trustee.

(B) The Corporation and the Trustee may at any time by joint action release the State or the Commission from its duties hereunder but only if the Corporation and the Trustee determine that they have obtained a successor capable of performing the functions contemplated by this Agreement in a manner consistent with the operations of the Corporation. In the event of a default by the State under this Agreement, the Corporation and Trustee may appoint a successor to the State or the Commission.

**SECTION 11. TERMINATION OF AGREEMENT.** This Agreement shall terminate at the time mutually agreed upon by the Trustee and the Corporation and, in any event, upon the discharge of the Indenture in accordance with the terms thereof. Upon termination of this Agreement other than upon discharge of the Indenture, the State shall transfer all Bond proceeds, Pledged Loan payments, investment earnings and other amounts then held by it hereunder to the Trustee. Upon termination of this Agreement with the discharge of the Indenture, the State only upon receipt of written

direction from the Trustee shall transfer all Bond proceeds, Pledged Loan payments, and other amounts then held by it hereunder to the Corporation.

SECTION 12. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 13. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the same signatures thereto and hereto were upon the same instrument.

SECTION 14. SEVERABILITY. The provisions of this Agreement are severable. In case any provision of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, this Agreement shall be construed as if such provision had never been contained herein.

SECTION 15. ALASKA LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Alaska.

SECTION 16. EFFECTIVE DATE. This Agreement shall be immediately upon the execution hereof by the parties

SECTION 17. NOTICES. All notices, requests, demands and other communications under or in respect of this Agreement shall be in writing or shall be delivered or mailed, first class, postage prepaid, or sent by facsimile, to the parties at the following addresses (or at such other address for a party as shall be specified by the party to whom addressed):

If to Corporation: Alaska Student Loan Corporation  
3030 Vintage Boulevard  
Juneau, Alaska 99801

Diane Barrans, Executive Officer  
Phone: 907.465.2113  
Fax: 907.465.3293

If to Depository: Department of Revenue  
P.O. Box 110400  
Juneau, Alaska 99811-0400

Phone: 907.465.2300  
Fax: 907.465.2389

If to Servicer/Custodian: Alaska Commission on Postsecondary Education  
3030 Vintage Blvd.  
Juneau, Alaska 99801-7100

Phone: 907.465.2962  
Fax: 907.465.5316

If to Trustee: Zions First National Bank  
717 Seventeenth Street, Suite 301  
Denver, Colorado 80202

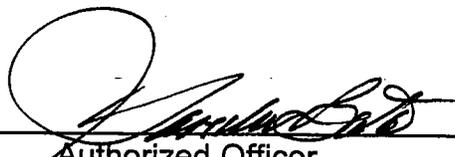
Attn: Corporate Trust Department  
Phone: (720) 947.7470  
Fax: (720) 947.7480

IN WITNESS WHEREOF, the parties have signed this Agreement as of June 1, 2002.

ALASKA STUDENT LOAN CORPORATION

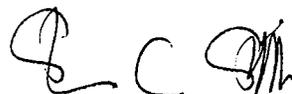
By   
Executive Officer

ZIONS FIRST NATIONAL BANK

By   
Authorized Officer

STATE OF ALASKA

Through its DEPARTMENT OF REVENUE

By   
Deputy Commissioner

ALASKA COMMISSION ON  
POSTSECONDARY EDUCATION

By   
Executive Director

## **CUSTODIAN/DEPOSITARY/SERVICING AGREEMENT**

WHEREAS, Alaska Student Loan Corporation (the "Corporation") and U.S. Bank National Association (the "Trustee") have entered into an Indenture dated as of February 1, 2004 (the "Indenture") pursuant to which the Corporation intends to issue its Capital Project Revenue Bonds, 2004 Series A (the "Bonds"); and

WHEREAS, the Corporation has financed certain education loans (the "Financed Loans"), which are held in an Education Loan Fund created under an Indenture dated June 1, 2002, (the "Prior Indenture") between the Corporation and Zions First National Bank; and

WHEREAS, the Corporation has determined to release from the lien and encumbrance of the Prior Indenture certain Financed Loans which it will deposit in the Pledged Loans Fund created in the Indenture and which, together with any other loans or other assets deposited in said Pledged Loans Fund, will be pledged as security for the Bonds (all said loans at any time held in the said Pledged Loans Account, the "Pledged Loans"); and

WHEREAS, the Corporation desires that the Alaska Commission on Postsecondary Education, as servicer and custodian, hold the Pledged Loans in trust for the benefit of the Trustee and perform other functions with respect to the Pledged Loans as set forth herein; and

WHEREAS, pursuant to the Indenture, the Corporation has granted to the Trustee, and its successors and assigns, a security interest in, among other things, the promissory notes and certain other documents relating to the Pledged Loans as security; and

WHEREAS, the Corporation further desires that the State of Alaska, acting through its Department of Revenue and as the agent of the Trustee, receive and hold in custody payments from the borrowers of the Pledged Loans and transfer such payments to the Trustee at the time and in the manner directed by the Corporation or the Trustee, all as further set forth herein; and

WHEREAS, the Corporation hereby directs the Trustee to enter into this Custodian/Depositary/Servicing Agreement; and

NOW, THEREFORE, the Corporation, the Trustee, the State, acting through its Department of Revenue, and the Commission hereby agree as follows:

SECTION 1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

"Agreement" shall mean this Custodian/Depository/Servicing Agreement dated as of March 1, 2004, as amended and supplemented from time to time.

"Commission" shall mean the Alaska Commission on Postsecondary Education created by AS 14.42.015.

"Corporation" shall mean the Alaska Student Loan Corporation, a public corporation organized and existing under the laws of the State of Alaska, and any successor to its functions.

"Custodian" shall mean the Alaska Commission on Postsecondary Education.

"Department of Revenue" shall mean the Department of Revenue of the State of Alaska.

"Depository" shall mean the State of Alaska, acting through its Department of Revenue.

"Indenture" shall mean the Indenture dated as of February 1, 2004, by and between the Corporation and the Trustee, including exhibits thereto and all amendments thereto.

"Pledged Loans" shall mean loans held at any time in the Pledged Loan Fund created in the Indenture.

"Prior Indenture" shall mean that indenture entered into between the Corporation and Zions First National Bank, dated as of June 1, 2002, and all supplemental and amending indentures thereto.

"Prior Trustee" shall mean Zions First National Bank, as Trustee under the Prior Indenture and its successors or assigns.

"Servicer" shall mean the Alaska Commission on Postsecondary Education.

"Trustee" shall mean U.S. Bank National Association and its successors or assigns.

All other terms not otherwise defined herein shall have the meaning set forth therefor in the Indenture.

**SECTION 2. SERVICING AND CUSTODY OF PLEDGED LOANS BY COMMISSION; INFORMATION REGARDING PLEDGED LOANS.** (A) The Corporation and the Trustee hereby appoint the Custodian as the Trustee's agent solely to take possession and custody of the Pledged Loans and the proceeds thereof in accordance with the terms of this Agreement. The Custodian hereby accepts said appointment and acknowledges receipt of notice of the security interest held by the Trustee on the Pledged Loans.

(B) The Commission agrees to act as Servicer and as Custodian of the Pledged Loans and, in such capacity, shall hold the original notes evidencing the Pledged Loans in a safe place on its premises in trust for the benefit of the Trustee and, further, shall maintain complete and current accounting records with respect to each of the Pledged Loans, including, but not limited to, the name and other identifying information of each obligor of a Pledged Loan, the principal amount of each Pledged Loan awarded to the obligor, the current principal balance of each Pledged Loan, and the payment status of each Pledged Loan. The Commission agrees to service all Pledged Loans in a prudent and diligent manner and in compliance with all applicable required law and regulations, including the AlaskAdvantage™ Programs, and any other state or federal law applicable to such Pledged Loans.

(C) RESERVED

(D) The Custodian shall at all times maintain records indicating the borrower name and social security number, original note amount, and date and maturity date, at a minimum, of all Pledged Loans which are delivered to it to hold as Custodian pursuant to this Agreement and indicating that such loans have been pledged under the Indenture.

(E) The Trustee shall not have any responsibility for loss or damage suffered by the Corporation with respect to any Pledged Loan delivered or released pursuant to this Agreement.

(F) The Trustee may rely conclusively on any report, statement or record of the Custodian.

(G) The Trustee may, but shall have no duty to, verify the accuracy or completeness of the Custodian's records or reports.

**SECTION 3. NOTICE TO OBLIGORS OF ASSIGNMENT OF INTEREST IN PLEDGED LOANS.** The Trustee may mail, and the Commission shall mail upon direction from the Trustee, a notice to each obligor of a Pledged Loan advising such obligor that such Pledged Loan has been pledged as security for the Bonds. In such

notice, the Trustee or the Commission, as the case may be, may also direct such obligor to make loan payments to the agent of the Trustee at the address stated in the notice. The Trustee shall mail, or cause to be mailed, such notice only at such time or times as the Trustee considers necessary to perfect its security interest in any of the Pledged Loans, to assure that payments with respect to each of the Pledged Loans are made in a timely manner or otherwise to protect the interests of the holders of the Bonds.

SECTION 4. PAYMENTS RECEIVED BY CORPORATION. If the Corporation or the Commission receives any payment of, or with respect to, a Pledged Loan, the Corporation or Commission, respectively, shall receive and hold such payment in trust for the Trustee or for the Department of Revenue, as agent of the Trustee, shall exercise no ownership or other rights with respect thereto, and shall remit the same promptly to the Trustee or the Department of Revenue, as agent for the Trustee.

SECTION 5. STATE TO ACT AS AGENT OF TRUSTEE; DELEGATION OF DUTIES. (A) The State, acting through its Department of Revenue, agrees to act as depository and agent of the Trustee for the purpose of receiving all payments of any Pledged Loans and temporarily holding and investing the same in trust for the benefit of the Trustee in accordance with this Agreement and thereafter disbursing such payments, together with investment earnings thereon, to the Trustee in accordance with instructions from the Trustee or the Corporation. The Department of Revenue shall hold and invest Pledged Loan payments, together with all investment earnings thereon, solely on behalf of and for the benefit of the Trustee, shall apply such amounts solely for the purposes and in accordance with the provisions hereof and the Indenture, and shall not mingle such amounts with any moneys or other assets contained in any other account or subaccount of the State of Alaska or any subdivision thereof except the Corporation. All such Pledged Loan payments and investment earnings shall at all times be a part of the Trust Estate.

(B) All Pledged Loan payments received by the Department of Revenue pursuant to (A) or (D) of this Section shall promptly be deposited in the Capital Projects Pledged Loans Fund, which is hereby created as a special trust fund for the benefit of the Trustee to be held in trust by the Department of Revenue as agent of the Trustee. Pending disbursement to the Trustee, the Department of Revenue shall invest and secure amounts held in the Capital Projects Pledged Loans Fund in accordance with Section 8 hereof. The Department of Revenue agrees that, for so long as there is any amount on deposit in the Capital Projects Pledged Loans Fund, it will keep and maintain said fund separate and apart from any other funds or accounts of the State.

(C) The State, acting through its Department of Revenue, may delegate its duty to receive payments of Pledged Loans under (A) of this Section to a financial

institution or another department of State government; provided that (1) any account established with such financial institution or other department of State government shall be a trust account for the benefit of the Trustee (as to which the State, acting through its Department of Revenue, agrees to act as trustee) and shall be clearly designated as such; (2) such financial institution, as the agent of the State, must have the power to act as a trustee and must agree so to act for the benefit of the Trustee with respect to any amounts received by it pursuant to a delegation under this Section 5(C); (3) while any amounts are on deposit in an account created with said financial institution, such financial institution shall invest such amount in accordance with Section 8 hereof; and (4) before making any delegation pursuant to this sentence, the State, acting through its Department of Revenue, shall give notice to the Corporation sufficient to permit the Corporation to provide notice to the Trustee as provided in the next sentence. The Corporation shall provide written notice to the Trustee 30 days before any such change.

(D) The State may provide for payment of any Pledged Loan by an employee of the State of Alaska through a payroll deduction plan provided that the State shall promptly transfer to the Capital Projects Pledged Loans Fund any amounts so deducted from employees' pay checks. The State, acting through its Department of Revenue, agrees that such amounts so deducted shall never be considered property or assets of the State but, rather, are and shall be treated and considered as payments by the individual employees which, upon their receipt by the State, as depository and agent of the Trustee, are part of the Trust Estate.

(E) The Department of Revenue shall provide the Commission and the Trustee with such information that is reasonably available to it as the Commission or the Trustee requires and at such times as the Commission requires so that the Commission is able to satisfy its duties under Section 7(A) hereof.

**SECTION 6. RELEASE OF ASSETS.** The Department of Revenue, on behalf of the State, and the Commission shall release to the Trustee any or all assets held under this Agreement by the State (or any agent of the State) or the Commission at such time or times as the Trustee shall direct.

**SECTION 7. REPORTING AND OTHER ACTIONS.** (A) The Commission shall keep true and accurate records of all payments collected and all disbursements made under this Agreement. The Commission shall promptly deliver to the Corporation and to the Trustee all information as either of them may reasonably request from time to time in connection with any amounts held hereunder and, in any event, shall provide the Trustee with a monthly report identifying each of the Pledged Loans which have been paid off since the most recent report. The Department of Revenue shall cause any financial institution described in Section 5(C) to keep copies of all checks and other

evidences of payment received by it pursuant to this Agreement and shall provide the Corporation, the Commission, and the Trustee with reasonable access thereto during normal business hours.

(B) The Commission and the Department of Revenue shall cooperate fully with the Corporation and the Trustee (including, without limitation, by providing the Corporation and the Trustee with access to (1) all books, records, tapes and other information relating to Pledged Loans or any amounts held hereunder and (2) officers and other personnel of the Commission or the Department of Revenue, in each case during the Commission's or the Department of Revenue's, as the case may be, normal business hours and as often as any of them may reasonably be requested) in order to effectuate the transactions contemplated by this Agreement. Provided the Commission or the Department of Revenue is first compensated for its expenses by the Corporation to its satisfaction, the Commission or the Department of Revenue, respectively, shall take such actions and make such inquiries with respect to this subsection as shall be requested by the Corporation or the Trustee.

SECTION 8. INVESTMENTS. (A) All amounts held hereunder by the Department of Revenue shall be invested and reinvested, pending their application herewith, in Investment Securities within the meaning of such term as set forth in the Indenture. Pursuant to the terms of the Indenture, the definition of "Investment Securities" shall be determined by, and may change from time to time with the adoption of, supplements to the Indenture. As of the date hereof, "Investment Securities" is defined by the Indenture to mean

- (i) (a) direct general obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States; or (b) FHA debentures, Freddie Mac senior debt obligations, Federal Home Loan Bank consolidated senior debt obligations, Federal Farm Credit Bank consolidated senior debt obligations, and Fannie Mae senior debt obligations, but excluding any of such securities whose terms do not provide for payment of a fixed dollar amount upon maturity or call for redemption;
- (ii) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America:
  - United States Export-Import Bank (Eximbank)
  - Farm Credit System Financial Assistance Corporation
  - Rural Economic Community Development Administration (formerly

- known as Farmers Home Administration)
- General Services Administration
- U.S. Maritime Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Federal Financing Bank;

- (iii) U.S. Dollar denominated deposit accounts, federal funds, and bankers' acceptances with domestic commercial banks (including any affiliate of the Trustee) which have a rating on their short term certificates of deposit on the date of purchase of "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (for purposes of this definition, the rating of a holding company shall not be considered the rating of any bank held by such holding company);
- (iv) commercial paper which is rated at the time of purchase "A-1+" by Standard & Poor's and "P-1" by Moody's;
- (v) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's and "Aaa" by Moody's, including money market funds from which the Trustee or its affiliate derives a fee for investment advisory or other services to the fund;
- (vi) investment agreements, including guaranteed investment contracts, forward purchase agreements, repurchase agreements which exceed 30 days (for repurchase agreements of 30 days or less, see (viii) below) and reserve fund put agreements, each acceptable to the Insurer;
- (vii) general obligations of any state or municipality with a rating of "Aaa" by Moody's and "A" by Standard & Poor's;
- (viii) repurchase agreements for 30 days or less provided that the following criteria are met:

(a) the agreement must be between the Corporation, the Trustee, or third party acting as agent for the Corporation or the Trustee, and a dealer bank or securities firm, which may only include:

- (1) primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or

(2) Banks rated "A" or above by Standard & Poor's and Moody's;

(b) the written contract must include the following:

(1) securities which are acceptable for transfer are Investment Securities described in (i) or (ii) of this definition;

(2) the term of the agreement may be up to 30 days;

(3) the collateral must be delivered to the Corporation, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee before or simultaneously with payment;

(4) the securities must be valued weekly, marked-to-market at current market price plus accrued interest; the value of the collateral must be equal to 104% of the amount of cash transferred by the Corporation or the Trustee to the dealer bank or security firm under the agreement plus accrued interest; if the value of the securities held as collateral is, at any time, below 104% of the value of the cash transferred by the Corporation or the Trustee, then additional cash or acceptable securities (as described in (c)(1) of this paragraph) must be transferred; if, however, the securities used as collateral are FNMA or FHLMC obligations, then the value of collateral must equal 105%; and

(c) the Corporation or the Trustee must receive a legal opinion stating that the form of the agreement, which shall be attached to such opinion, meets guidelines under State law for legal investment of public funds; provided, however, that the opinion described in this clause (c) is required to be delivered only on the date of issuance of the Bonds and on the date the Corporation or Trustee enters into a repurchase agreement that is in a form materially different from the form for which an opinion has previously been given pursuant to this clause (c).

(ix) any other investment, investment agreement or guaranteed investment contract approved by Moody's and Standard & Poor's.

(B) Investments under this Section shall mature or be subject to redemption at the option of the holder at such times as will permit the Department of Revenue to transfer amounts to the Trustee at such time or times as the Trustee or the Corporation may direct. Any such investments shall be held by or under the control of the Department of Revenue, in trust, as agent for the Trustee and while so held shall be

a part of the Trust Estate, and the interest accruing thereon and any profit realized from such investments shall be transferred to the Trustee at least monthly for crediting to the Revenue Fund created in the Indenture.

(C) All investments hereunder shall conform to any applicable requirements or limitations of the Indenture. The Department of Revenue agrees that it will comply with the provisions of the Indenture and any Letter of Instructions pertaining to arbitrage or other Federal tax law limitations on the investment of amounts described in this Section.

(D) All amounts held under this Agreement by the Department of Revenue shall be held in trust for the benefit of the Trustee and shall be invested in Investment Securities or continuously and fully secured for the benefit of the Corporation and the holders of the Bonds either (i) by lodging Investment Securities as collateral with the Trustee as custodian, having a market value (exclusive of accrued interest) not less than the amount of such moneys or (ii) in such other manner as may then be required by applicable Federal or State laws and regulations regarding security for, or granting a preference in the case of, the deposit of trust funds; except that it shall not be necessary for the Department of Revenue or any Depository to give security under this subsection for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds. The Department of Revenue shall not be responsible for any losses resulting from the investment of moneys in the funds and accounts created hereunder, so long as such investments are made in accordance with this Agreement. The Trustee shall not be responsible for any losses resulting from the investment of any moneys in the funds and accounts with the State of Alaska acting through the Department of Revenue.

**SECTION 9. RESIGNATION OR RELEASE OF STATE OF ALASKA.** (A) The State (whether acting through the Department of Revenue or the Commission) or any successor thereto hereunder, may at any time resign by giving notice thereof to the Corporation and the Trustee, provided that no such resignation shall be effective until a successor shall be chosen and shall have assumed the State's duties hereunder by a written instrument satisfactory to the Corporation and the Trustee.

(B) The Corporation, the Trustee, and the Insurer may at any time by joint action release the State or the Commission from its duties hereunder but only if the Corporation, the Trustee, and the Insurer determine that they have obtained a successor capable of performing the functions contemplated by this Agreement in a manner consistent with the operations of the Corporation. In the event of a default by the State under this Agreement, the Corporation, the Trustee, and the Insurer may appoint a successor to the State or the Commission.

SECTION 10. TERMINATION OF AGREEMENT. This Agreement shall terminate at the time mutually agreed upon by the Trustee and the Corporation and, in any event, upon the discharge of the Indenture in accordance with the terms thereof. Upon termination of this Agreement other than upon discharge of the Indenture, the State shall transfer all Pledged Loan payments, investment earnings and other amounts then held by it hereunder to the Trustee. Upon termination of this Agreement with the discharge of the Indenture, the State only upon receipt of written direction from the Trustee shall transfer all Pledged Loan payments and other amounts then held by it hereunder to the Corporation.

SECTION 11. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 12. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the same signatures thereto and hereto were upon the same instrument.

SECTION 13. SEVERABILITY. The provisions of this Agreement are severable. In case any provision of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, this Agreement shall be construed as if such provision had never been contained herein.

SECTION 14. ALASKA LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Alaska.

SECTION 15. EFFECTIVE DATE. This Agreement shall be immediately upon the execution hereof by the parties

SECTION 16. NOTICES. All notices, requests, demands and other communications under or in respect of this Agreement shall be in writing or shall be delivered or mailed, first class, postage prepaid, or sent by facsimile, to the parties at the following addresses (or at such other address for a party as shall be specified by the party to whom addressed):

If to Corporation: Alaska Student Loan Corporation  
3030 Vintage Boulevard  
Juneau, Alaska 99801

Diane Barrans, Executive Officer  
Phone: 907.465.2113  
Fax: 907.465.3293

If to Depository: Department of Revenue, Treasury Division  
P.O. Box 110405  
Juneau, Alaska 99811-0405

Phone: 907.465.2350  
Fax: 907.465.2394

If to Servicer/Custodian: Alaska Commission on Postsecondary Education  
3030 Vintage Blvd.  
Juneau, Alaska 99801-7100

Phone: 907.465.2962  
Fax: 907.465.5316

If to Trustee: U.S. Bank National Association  
1420 Fifth Avenue, 7th Floor  
Seattle, Washington 98101

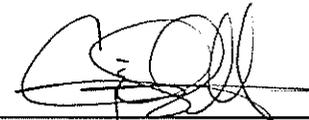
Attn: Corporate Trust Department  
Phone: (206) 344.4607  
Fax: (206) 344.4632

IN WITNESS WHEREOF, the parties have signed this Agreement as of March 1, 2004.

ALASKA STUDENT LOAN CORPORATION

By  \_\_\_\_\_  
Executive Officer

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

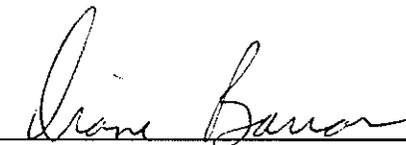
By  \_\_\_\_\_  
Authorized Officer

STATE OF ALASKA

Through its DEPARTMENT OF REVENUE

By  \_\_\_\_\_  
Deputy Commissioner

ALASKA COMMISSION ON  
POSTSECONDARY EDUCATION

By  \_\_\_\_\_  
Executive Director

## CUSTODIAN/DEPOSITARY/SERVICING AGREEMENT

WHEREAS, Alaska Student Loan Corporation (the "Corporation") and U.S. Bank National Association (the "Trustee") have entered into an Indenture dated as of March 1, 2005 (the "Indenture") pursuant to which the Corporation intends to issue its State Projects Revenue Bonds (the "Bonds"); and

WHEREAS, the Corporation has financed certain education loans (the "Financed Loans"), which are held in funds created under one or more of the Corporation's bond trust indentures (other than the Indenture) (the "Prior Indentures"); and

WHEREAS, the Corporation has determined to release from the lien and encumbrance of the Prior Indentures certain Financed Loans which it will deposit in the Pledged Loans Fund created in the Indenture and which, together with any other loans or other assets deposited in said Pledged Loans Fund, will be pledged as security for the Bonds (all said loans at any time held in the said Pledged Loans Fund, the "Pledged Loans"); and

WHEREAS, the Corporation desires that the Alaska Commission on Postsecondary Education, as servicer and custodian, hold the Pledged Loans in trust for the benefit of the Trustee and perform other functions with respect to the Pledged Loans as set forth herein; and

WHEREAS, pursuant to the Indenture, the Corporation has granted to the Trustee, and its successors and assigns, a security interest in, among other things, the promissory notes and certain other documents relating to the Pledged Loans as security; and

WHEREAS, the Corporation further desires that the State of Alaska, acting through its Department of Revenue and as the agent of the Trustee, receive and hold in custody payments from the borrowers of the Pledged Loans and transfer such payments to the Trustee at the time and in the manner directed by the Corporation or the Trustee, all as further set forth herein; and

WHEREAS, the Corporation hereby directs the Trustee to enter into this Custodian/Depositary/Servicing Agreement;

NOW, THEREFORE, the Corporation, the Trustee, the State, acting through its Department of Revenue, and the Commission hereby agree as follows:

**SECTION 1. DEFINITIONS.** As used herein, the following terms shall have the following meanings:

"Agreement" shall mean this Custodian/Depositary/Servicing Agreement dated as of March 1, 2005, as amended and supplemented from time to time.

"Bond Insurer" shall mean Financial Security Assurance Inc., a New York Stock insurance company, or any successor thereto or assignee thereof.

"Commission" shall mean the Alaska Commission on Postsecondary Education created by AS 14.42.015.

"Corporation" shall mean the Alaska Student Loan Corporation, a public corporation organized and existing under the laws of the State of Alaska, and any successor to its functions.

"Custodian" shall mean the Alaska Commission on Postsecondary Education.

"Department of Revenue" shall mean the Department of Revenue of the State of Alaska.

"Depository" shall mean the State of Alaska, acting through its Department of Revenue.

"First Supplemental Indenture" shall mean the indenture dated as of March 1, 2005 by and between the Corporation and the Trustee which authorized the issuance of the Corporation's State Projects Revenue Bonds, 2005 Series A.

"Indenture" shall mean the Indenture dated as of March 1, 2005, by and between the Corporation and the Trustee, including exhibits thereto and all amendments thereto.

"Letter of Instructions" shall mean any written instructions from the Corporation or from the Corporation's bond counsel to the State relating to investment and other limitations imposed on any Bonds by or pursuant to the Internal Revenue Code of 1986, and regulations and rulings thereunder, as amended from time to time.

"Pledged Loans" shall mean loans held at any time in the Pledged Loan Fund created in the Indenture.

"Pledged Loans Revenue Fund" shall mean the Pledged Loans Revenue Fund created in Section 5(B) hereof.

"Prior Indenture" shall mean any indenture (other than the Indenture) entered into by the Corporation with a trustee relating to bonds of the Corporation (other than the Bonds), and all supplemental and amending indentures thereto.

"Prior Trustee" shall mean any institution acting as trustee under a Prior Indenture and its successors or assigns.

"Servicer" shall mean the Alaska Commission on Postsecondary Education.

"State" shall mean the State of Alaska.

"Trustee" shall mean U.S. Bank National Association and its successors or assigns.

All other terms not otherwise defined herein shall have the meaning set forth therefor in the Indenture.

**SECTION 2. SERVICING AND CUSTODY OF PLEDGED LOANS BY COMMISSION; INFORMATION REGARDING PLEDGED LOANS.** (A) The Corporation and the Trustee hereby appoint the Custodian as the Trustee's agent solely to take possession and custody of the Pledged Loans and the proceeds thereof in accordance with the terms of this Agreement. The Custodian hereby accepts said appointment and acknowledges receipt of notice of the security interest held by the Trustee on the Pledged Loans.

(B) The Commission agrees to act as Servicer and as Custodian of the Pledged Loans and, in such capacity, shall hold the original notes evidencing the Pledged Loans in a safe place on its premises in trust for the benefit of the Trustee and, further, shall maintain complete and current accounting records with respect to each of the Pledged Loans, including, but not limited to, the name and other identifying information of each obligor of a Pledged Loan, the principal amount of each Pledged Loan awarded to the obligor, the current principal balance of each Pledged Loan, and the payment status of each Pledged Loan. The Commission agrees to service all Pledged Loans in a prudent and diligent manner and in compliance with all applicable required law and regulations and any other state or federal law applicable to such Pledged Loans.

(C) The Custodian shall at all times maintain records indicating the borrower name and social security number, original note amount, and date and maturity date, at a minimum, of all Pledged Loans which are delivered to it to hold as Custodian pursuant to this Agreement and indicating that such loans have been pledged under the Indenture.

(D) The Trustee shall not have any responsibility for loss or damage suffered by the Corporation with respect to any Pledged Loan delivered or released pursuant to this Agreement.

(E) The Trustee may rely conclusively on any report, statement or record of the Custodian.

(F) The Trustee may, but shall have no duty to, verify the accuracy or completeness of the Custodian's records or reports.

**SECTION 3. NOTICE TO OBLIGORS OF ASSIGNMENT OF INTEREST IN PLEDGED LOANS.** The Trustee may mail, and the Commission shall mail upon direction from the Trustee, a notice to each obligor of a Pledged Loan advising such obligor that such Pledged Loan has been pledged as security for the Bonds. In such notice, the Trustee or the Commission, as the case may be, may also direct such obligor to make loan payments to the agent of the Trustee at the address stated in the notice. The Trustee shall mail, or cause to be mailed, such notice only at such time or times as the Trustee considers necessary to perfect its security interest in any of the Pledged Loans, to assure that payments with respect to each of the Pledged Loans are made in a timely manner or otherwise to protect the interests of the holders of the Bonds.

**SECTION 4. PAYMENTS RECEIVED BY CORPORATION.** If the Corporation or the Commission receives any payment of, or with respect to, a Pledged Loan, the Corporation or Commission, respectively, shall receive and hold such payment in trust for the Trustee or for the Department of Revenue, as agent of the Trustee, shall exercise no ownership or other rights with respect thereto, and shall remit the same promptly to the Trustee or the Department of Revenue, as agent for the Trustee.

**SECTION 5. STATE TO ACT AS AGENT OF TRUSTEE; DELEGATION OF DUTIES.** (A) The State, acting through its Department of Revenue, agrees to act as depositary and agent of the Trustee for the purpose of receiving all payments of any Pledged Loans and temporarily holding and investing the same in trust for the benefit of the Trustee in accordance with this Agreement and thereafter disbursing such payments, together with investment earnings thereon, to the Trustee in accordance with instructions from the Trustee or the Corporation. The Department of Revenue shall hold and invest Pledged Loan payments, together with all investment earnings thereon, solely on behalf of and for the benefit of the Trustee, shall apply such amounts solely for the purposes and in accordance with the provisions hereof and the Indenture, and shall not mingle such amounts with any moneys or other assets contained in any other account or subaccount of the State of Alaska or any subdivision thereof except the

Corporation. All such Pledged Loan payments and investment earnings shall at all times be a part of the Trust Estate.

(B) All Pledged Loan payments received by the Department of Revenue pursuant to (A) or (D) of this Section shall promptly be deposited in the Pledged Loans Revenue Fund, which is hereby created as a special trust fund for the benefit of the Trustee to be held in trust by the Department of Revenue as agent of the Trustee. Pending disbursement to the Trustee, the Department of Revenue shall invest and secure amounts held in the Pledged Loans Revenue Fund in accordance with Section 8 hereof. The Department of Revenue agrees that, for so long as there is any amount on deposit in the Pledged Loans Revenue Fund, it will keep and maintain said fund separate and apart from any other funds or accounts of the State.

(C) The State, acting through its Department of Revenue, may delegate its duty to receive payments of Pledged Loans under (A) of this Section to a financial institution or another department of State government; provided that (1) any account established with such financial institution or other department of State government shall be a trust account for the benefit of the Trustee (as to which the State, acting through its Department of Revenue, agrees to act as trustee) and shall be clearly designated as such; (2) such financial institution, as the agent of the State, must have the power to act as a trustee and must agree so to act for the benefit of the Trustee with respect to any amounts received by it pursuant to a delegation under this Section 5(C); (3) while any amounts are on deposit in an account created with said financial institution, such financial institution shall invest such amount in accordance with Section 8 hereof; and (4) before making any delegation pursuant to this sentence, the State, acting through its Department of Revenue, shall give notice to the Corporation sufficient to permit the Corporation to provide notice to the Trustee as provided in the next sentence. The Corporation shall provide written notice to the Trustee 30 days before any such change.

(D) The State may provide for payment of any Pledged Loan by an employee of the State of Alaska through a payroll deduction plan provided that the State shall promptly transfer to the Pledged Loans Revenue Fund any amounts so deducted from employees' pay checks. The State, acting through its Department of Revenue, agrees that such amounts so deducted shall never be considered property or assets of the State but, rather, are and shall be treated and considered as payments by the individual employees which, upon their receipt by the State, as depository and agent of the Trustee, are part of the Trust Estate.

(E) The Department of Revenue shall provide the Commission and the Trustee with such information that is reasonably available to it as the Commission or

the Trustee requires and at such times as the Commission requires so that the Commission is able to satisfy its duties under Section 7(A) hereof.

**SECTION 6. RELEASE OF ASSETS.** The Department of Revenue, on behalf of the State, and the Commission shall release to the Trustee any or all assets held under this Agreement by the State (or any agent of the State) or the Commission at such time or times as the Trustee shall direct.

**SECTION 7. REPORTING AND OTHER ACTIONS.** (A) The Commission shall keep true and accurate records of all payments collected and all disbursements made under this Agreement. The Commission shall promptly deliver to the Corporation and to the Trustee all information as either of them may reasonably request from time to time in connection with any amounts held hereunder and, in any event, shall provide the Trustee with a monthly report identifying each of the Pledged Loans which have been paid off since the most recent report. The Department of Revenue shall cause any financial institution described in Section 5(C) to remit to the Servicer copies of evidences of payment received by it pursuant to this Agreement.

(B) The Commission and the Department of Revenue shall cooperate fully with the Corporation and the Trustee (including, without limitation, by providing the Corporation and the Trustee with access to (1) all books, records, tapes and other information relating to Pledged Loans or any amounts held hereunder and (2) officers and other personnel of the Commission or the Department of Revenue, in each case during the Commission's or the Department of Revenue's, as the case may be, normal business hours and as often as any of them may reasonably be requested) in order to effectuate the transactions contemplated by this Agreement. Provided the Commission or the Department of Revenue is first compensated for its expenses by the Corporation to its satisfaction, the Commission or the Department of Revenue, respectively, shall take such actions and make such inquiries with respect to this subsection as shall be requested by the Corporation or the Trustee.

**SECTION 8. INVESTMENTS.** (A) All amounts held hereunder by the Department of Revenue shall be invested and reinvested, pending their application herewith, in Investment Securities within the meaning of such term as set forth in the Indenture. Pursuant to the terms of the Indenture, the definition of "Investment Securities" shall be determined by, and may change from time to time with the adoption of, supplements to the Indenture. As of the date hereof, "Investment Securities" is defined by the First Supplemental Indenture to mean:

- (i) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

- (ii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America:
- Export-Import Bank
  - Farm Credit System Financial Assistance Corporation
  - Rural Economic Community Development Administration (formerly known as Farmers Home Administration)
  - General Services Administration
  - U.S. Maritime Administration
  - Small Business Administration
  - Government National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development (PHA's)
  - Federal Housing Administration
  - Federal Financing Bank.
- (iii) Senior debt obligations rated "AAA" by Standard & Poor's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, obligations of the Resolution Funding Corporation (REFCORP), senior debt obligations of the Federal Home Loan Bank System, and senior debt obligations of any government sponsored agencies approved by Financial Security Assurance Inc.
- (iv) U.S. Dollar denominated deposit accounts, federal funds, and bankers' acceptances with domestic commercial banks (including any affiliate of the Trustee) which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and maturing no more than 360 days after the date of purchase (for purposes of this definition, the rating of a holding company shall not be considered the rating of any bank held by such holding company).
- (v) Commercial paper which is rated at the time of purchase "A-1+" by Standard & Poor's and which matures not more than 270 days after the date of purchase.
- (vi) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's, including money market funds from which the Trustee or its affiliate derives a fee for investment advisory or other services to the fund.
- (vii) Pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Standard & Poor's; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

- (viii) general obligations of states with a rating of at least "A2/A" or higher by Standard & Poor's.
- (ix) Repurchase agreements for 30 days or less provided the following criteria are met:
  - (a) the agreement must be between the Corporation, the Trustee, or third party acting as agent for the Corporation or the Trustee, and a dealer bank or securities firm, which may only include:
    - a) primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or
    - b) Banks rated "A" or above by Standard & Poor's and Moody's;
  - (b) the written contract must include the following:
    - a) securities which are acceptable for transfer are Investment Securities described in (i), (ii) and (iii) above;
    - b) the term of the agreement may be up to 30 days;

- c) the collateral must be delivered to the Corporation, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee before or simultaneously with payment;
- (iv) the securities must be valued weekly, marked-to-market at current market price plus accrued interest; the value of the collateral must be equal to 104% of the amount of cash transferred by the Corporation or the Trustee to the dealer bank or security firm under the agreement plus accrued interest; if the value of the securities held as collateral is, at any time, below 104% of the value of the cash transferred by the Corporation or the Trustee, then additional cash or acceptable securities (as described in (b)a) of this paragraph) must be transferred; if, however, the securities used as collateral are FNMA or FHLMC obligations, then the value of collateral must equal 105%; and
- (c) the Corporation or the Trustee must receive a legal opinion stating that the form of the agreement, which shall be attached to such opinion, meets guidelines under State law for legal investment of public funds; provided, however, that the opinion described in this clause (c) is required to be delivered only on the date of issuance of the Bonds and on the date the Corporation or Trustee enters into a repurchase agreement that is in a form materially different from the form for which an opinion has previously been given pursuant to this clause (c)."
- (x) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by Standard & Poor's and "Aa" by Moody's; provided that, by the terms of the investment agreement:
  - (a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

- (b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Corporation and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
- (c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
- (d) the Corporation or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Corporation and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Bond Insurer;
- (e) the investment agreement shall provide that if during its term:
  - a) the provider's rating by either Standard & Poor's or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Corporation, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and
  - b) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "A-" or "A3",

respectively, the provider must, at the direction of the Corporation or the Trustee (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Corporation or Trustee, and

- (f) The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
- (g) the investment agreement must provide that if during its term:
  - a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Corporation or the Trustee (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Corporation or Trustee, as appropriate, and
  - b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Corporation or Trustee, as appropriate.

(B) Investments under this Section shall mature or be subject to redemption at the option of the holder at such times as will permit the Department of Revenue to transfer amounts to the Trustee at such time or times as the Trustee or the Corporation may direct. Any such investments shall be held by or under the control of the Department of Revenue, in trust, as agent for the Trustee and while so held shall be a part of the Trust Estate, and the interest accruing thereon and any profit realized from such investments shall be transferred to the Trustee at least monthly for crediting to the Revenue Fund created in the Indenture.

(C) All investments hereunder shall conform to any applicable requirements or limitations of the Indenture. The Department of Revenue agrees that it will comply with the provisions of the Indenture and any Letter of Instructions pertaining to arbitrage or other Federal tax law limitations on the investment of amounts described in this Section.

(D) All amounts held under this Agreement by the Department of Revenue shall be held in trust for the benefit of the Trustee and shall be invested in Investment Securities or continuously and fully secured for the benefit of the Corporation and the holders of the Bonds either (i) by lodging Investment Securities as collateral with the Trustee as custodian, having a market value (exclusive of accrued interest) not less than the amount of such moneys or (ii) in such other manner as may then be required by applicable Federal or State laws and regulations regarding security for, or granting a preference in the case of, the deposit of trust funds; except that it shall not be necessary for the Department of Revenue or any Depositary to give security under this subsection for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds. The Department of Revenue shall not be responsible for any losses resulting from the investment of moneys in the funds and accounts created hereunder, so long as such investments are made in accordance with this Agreement. The Trustee shall not be responsible for any losses resulting from the investment of any moneys in the funds and accounts with the State of Alaska acting through the Department of Revenue.

**SECTION 9. RESIGNATION OR RELEASE OF STATE OF ALASKA.** (A) The State (whether acting through the Department of Revenue or the Commission) or any successor thereto hereunder, may at any time resign by giving notice thereof to the Corporation and the Trustee, provided that no such resignation shall be effective until a successor shall be chosen and shall have assumed the State's duties hereunder by a written instrument satisfactory to the Corporation and the Trustee.

(B) The Corporation, the Trustee, and the Bond Insurer may at any time by joint action release the State or the Commission from its duties hereunder but only if the Corporation, the Trustee, and the Bond Insurer determine that they have obtained a successor capable of performing the functions contemplated by this Agreement in a manner consistent with the operations of the Corporation. In the event of a default by the State under this Agreement, the Corporation, the Trustee, and the Bond Insurer may appoint a successor to the State or the Commission.

**SECTION 10. TERMINATION OF AGREEMENT.** This Agreement shall terminate at the time mutually agreed upon by the Trustee and the Corporation and, in any event, upon the discharge of the Indenture in accordance with the terms thereof. Upon termination of this Agreement other than upon discharge of the Indenture, the

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If to Corporation: Alaska Student Loan Corporation  
3030 Vintage Boulevard  
Juneau, Alaska 99801

Diane Barrans, Executive Officer  
Phone: 907.465.2113  
Fax: 907.465.3293

If to Depository: Department of Revenue, Treasury Division  
P.O. Box 110405  
Juneau, Alaska 99811-0405

Phone: 907.465.2350  
Fax: 907.465.2394

If to Servicer/Custodian: Alaska Commission on Postsecondary Education  
3030 Vintage Blvd.  
Juneau, Alaska 99801-7100

Phone: 907.465.2962  
Fax: 907.465.5316

If to Trustee:

U.S. Bank National Association  
1420 Fifth Avenue, 7th Floor  
Seattle, Washington 98101

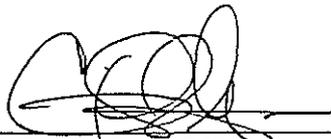
Attn: Corporate Trust Department  
Phone: (206) 344.4607  
Fax: (206) 344.4632

IN WITNESS WHEREOF, the parties have signed this Agreement as of March 1, 2005.

ALASKA STUDENT LOAN CORPORATION

By  \_\_\_\_\_  
Executive Officer

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

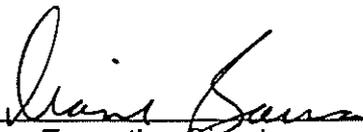
By  \_\_\_\_\_  
Authorized Officer

STATE OF ALASKA

Through its DEPARTMENT OF REVENUE

By  \_\_\_\_\_ 3/21/05  
Deputy Commissioner

ALASKA COMMISSION ON  
POSTSECONDARY EDUCATION

By  \_\_\_\_\_  
Executive Director