

*In the opinion of K&L Gates LLP, Bond Counsel, assuming compliance with certain covenants of the State, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law. Interest on the Bonds is not an item of tax preference for purposes of either individual or corporate alternative minimum tax. Interest on the Bonds may be indirectly subject to corporate alternative minimum tax and certain other taxes imposed on certain corporations. Interest on the Bonds is not included in taxable income for purposes of the Alaska income tax imposed on corporations. Interest on the Bonds may be indirectly subject to the Alaska alternative minimum tax imposed on corporations to the extent that interest on the Bonds is subject to the federal alternative minimum tax on corporations. See “TAX MATTERS” herein for a discussion of the opinion of Bond Counsel.*

**\$28,830,000**

**STATE OF ALASKA  
SPORT FISHING REFUNDING REVENUE BONDS, 2011**



**Dated: Date of Issuance**

**Due: April 1, as shown on the inside cover page**

The Sport Fishing Refunding Revenue Bonds, 2011 (the “Bonds”) are special and limited obligations of the State of Alaska (the “State”), and are payable solely from and secured exclusively by Surcharge Revenues and Other Revenues (defined herein) and other amounts pledged under Resolution No. 2006-04 adopted March 21, 2006 (the “General Bond Resolution”), as supplemented by Resolution No. 2011-05 adopted November 18, 2011 (the “Supplemental Bond Resolution” and together with the General Bond Resolution, the “Bond Resolution”). See “SECURITY FOR THE BONDS.”

The State previously issued its \$68,060,000 Sport Fishing Revenue Bonds, Series 2006 (the “2006 Bonds”) of which \$51.8 million are currently outstanding as of December 1, 2011 (the “Outstanding Parity Bonds”). Proceeds of the Bonds are to be used to refund certain of these Outstanding Parity Bonds, as more fully described herein under the caption “PLAN OF FINANCE.”

The Bonds are issued as fully registered bonds in denominations of \$5,000, or any integral multiple in excess thereof. The Bonds will be issued in fully registered form. The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Beneficial owners of the Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. See “DESCRIPTION OF BONDS - Book-Entry Only System.” The principal of and interest on the Bonds are payable directly to DTC by U.S. Bank National Association, Seattle, Washington, as registrar (the “Trustee”). Upon receipt of payments of such principal and interest, DTC is to remit such principal and interest to the participants in DTC for subsequent disbursement to the beneficial owners of the Bonds.

The Bonds will mature in principal amounts and bear interest at the rates as shown on the inside cover page hereof, which interest is payable on April 1, 2012 and on each October 1 and April 1 thereafter, to and including the final maturity date as shown on the inside cover page hereof, unless the Bonds are redeemed earlier. Certain of the Bonds are subject to optional redemption prior to maturity as described in “DESCRIPTION OF BONDS.”

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE STATE, AND THE STATE DOES NOT PLEDGE ITS FAITH AND CREDIT TO THE PAYMENT OF THE BONDS. THE ISSUANCE OF THE BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO APPLY MONEY FROM, OR LEVY OR PLEDGE, ANY FORM OF TAXATION WHATEVER TO THE PAYMENT OF THE BONDS.

This cover page contains information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued and are subject to the approving legal opinion of K&L Gates LLP, Bond Counsel, of Seattle, Washington, as to validity and the exemption of interest thereon from federal income taxation. Certain legal matters will be passed upon for the State of Alaska by the Attorney General for the State of Alaska and for the Underwriters by Underwriters’ Counsel, Wohlforth, Brecht, Cartledge & Brooking. Acacia Financial Group, Inc. serves as independent financial advisor to the State of Alaska. It is expected that the Bonds in book-entry form will be available for delivery by Fast Automated Securities Transfer, through the facilities of DTC, on or about December 8, 2011.

**RBC Capital Markets**

**Guggenheim Securities, LLC**

**KeyBanc Capital Markets**

**STATE OF ALASKA  
SPORT FISHING REFUNDING REVENUE BONDS, 2011**

**MATURITY SCHEDULE**

**\$28,830,000**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, AND CUSIP NUMBERS**

<b><u>Maturity (April 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Cusip† 01185P</u></b>
2012	\$330,000	2.00%	0.700%	AY5
2013	140,000	2.00	1.000	AZ2
2014	140,000	3.00	1.340	BA6
2015	145,000	4.00	1.700	BB4
2016	150,000	4.00	2.030	BC2
2017	160,000	4.00	2.270	BD0
2018	2,830,000	5.00	2.580	BE8
2019	3,060,000	5.00	2.830	BF5
2020	3,220,000	5.00	3.080	BG3
2021	225,000	4.00	3.300 <sup>1</sup>	BH1
2021	3,155,000	5.00	3.300 <sup>1</sup>	BN8
2022	3,545,000	5.00	3.520 <sup>1</sup>	BJ7
2023	3,720,000	5.00	3.710 <sup>1</sup>	BK4
2024	3,910,000	5.00	3.520 <sup>2</sup>	BL2
2025	4,100,000	5.00	3.710 <sup>2</sup>	BM0

<sup>1</sup> Priced to call on April 1, 2020.

<sup>2</sup> Priced to call on April 1, 2017.

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\* This inactive textual reference to the State's website is not a hyperlink and the State's website, by this reference, is not incorporated herein.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE STATE BOND COMMITTEE TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING OF THE BONDS, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE STATE BOND COMMITTEE. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC") HAS BEEN FURNISHED BY DTC AND NO REPRESENTATION IS MADE BY THE STATE AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE STATE OR DTC SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE STATE AND ANY ONE OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE BONDS.

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IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THE OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY AND COMPLETENESS OF SUCH INFORMATION.

**TABLE OF CONTENTS**

INTRODUCTION .....	1	Division of Sport Fish .....	11
DESCRIPTION OF BONDS .....	2	Fish Hatchery Program.....	12
General.....	2	LICENSE FEE REVENUES.....	13
Book-Entry Only System.....	2	Sport Fishing License Program .....	13
Optional Redemption.....	3	Legal Authority for License Fees and Surcharge .....	13
Mandatory Redemption .....	3	Historical Activity and Revenues.....	13
Partial Redemption; Notice of Redemption;		Collections and Remittance.....	18
Cessation of Interest .....	3	Enforcement .....	18
Purchase of Bonds for Retirement .....	3	FEDERAL GRANTS.....	18
Defeasance.....	3	General .....	18
SECURITY FOR THE BONDS.....	4	Federal Aid in Sport Fish Restoration Act .....	19
General.....	4	Sources of Revenue.....	19
Enterprise Account and Flow of Funds .....	4	Methodology for Allocating Between States.....	19
Bond Fund .....	4	Historical and Estimated Alaska Apportionments.....	19
Reserve Account.....	5	Grant Agreement for 2006 Bonds .....	20
Annual Budget Certification.....	5	HISTORICAL DEBT SERVICE COVERAGE.....	21
Future Parity Bonds .....	6	LITIGATION .....	21
Covenants .....	6	RATINGS .....	21
Pledge of State .....	6	UNDERWRITING.....	21
Defaults and Remedies .....	6	FINANCIAL ADVISOR.....	22
PLAN OF FINANCE .....	7	TAX MATTERS.....	22
Refunding .....	7	Qualified Tax-Exempt Obligations .....	23
Estimated Sources and Uses of Funds .....	8	TRUSTEE .....	23
THE STATE.....	8	CONTINUING DISCLOSURE .....	23
General.....	8	MISCELLANEOUS.....	23
Investment Policy .....	9	APPENDICES.....	24
Insurance.....	9	EXECUTION OF OFFICIAL STATEMENT .....	24
The Economy.....	9		
STATE OF ALASKA DEPARTMENT OF FISH			
AND GAME.....	11		
General.....	11		

APPENDIX A:	ALASKA DEPARTMENT OF FISH AND GAME – FISH AND GAME FUND SPORT FISH
	ACCOUNT ANALYSIS
APPENDIX B:	FORM OF BOND COUNSEL OPINION
APPENDIX C:	GENERAL BOND RESOLUTION
APPENDIX D:	FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX E:	BOOK-ENTRY ONLY SYSTEM

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## OFFICIAL STATEMENT

### Relating to

**\$28,830,000**  
**STATE OF ALASKA**  
**SPORT FISHING REFUNDING REVENUE BONDS, 2011**

### INTRODUCTION

The purpose of this Official Statement, including the cover page and the Appendices hereto, is to furnish certain information concerning the State of Alaska (the "State"), the Department of Fish and Game (the "Department"), and certain other matters in connection with the sale of the \$28,830,000 aggregate principal amount of State of Alaska Sport Fishing Refunding Revenue Bonds, 2011 (the "Bonds").

The Bonds are issued under Article 5A of Chapter 15 of Title 37 of the Alaska Statutes (which, together with sections 100, 130 and 340 of chapter 5 of title 16 of the Alaska Statutes, are herein referred to as the "Act"). The Bonds are issued pursuant to, and are secured by, Resolution No. 2006-04 of the State Bond Committee of the State of Alaska adopted March 21, 2006 (the "General Bond Resolution"), as supplemented by the State Bond Committee Resolution No. 2011-05, adopted November 18, 2011 (the "Supplemental Bond Resolution," and together with the General Bond Resolution, the "Bond Resolution"). The Bond Resolution does not limit the amount of future parity bonds that may be issued under the Bond Resolution.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE STATE, AND THE STATE DOES NOT PLEDGE ITS FAITH AND CREDIT TO THE PAYMENT OF THE BONDS. THE ISSUANCE OF THE BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO APPLY MONEY FROM, OR LEVY OR PLEDGE, ANY FORM OF TAXATION WHATEVER TO THE PAYMENT OF THE BONDS. The Bonds are special, limited obligations of the State paid out of and secured only by the Revenues described herein.

The Bonds are being issued to refund certain outstanding Parity Bonds, as more fully described herein under the caption "PLAN OF FINANCE."

In 2005, the Department was authorized by law (AS 16.05.340(j)) to charge and collect a sport fishing facility surcharge on all sport fishing licenses sold. The sport fishing facility surcharge is an additional fee over and above the sport fishing license fee authorized by AS 16.05.340(a) and (d) with certain exemptions. The Department's authority to charge and collect this additional fee continues until December 31 of the calendar year in which all obligations of the bonds issued under AS 37.15.765 - AS 37.15.799 are fully met and discharged. In addition to the sport fishing facility surcharge, SB 147 allows the State to pledge Other Revenues in the Fish and Game Fund to the payment of the Bonds. See "LICENSE FEE REVENUES – Legal Authority for License Fees and Surcharge."

Under the terms of the Act and the Bond Resolution, the Bonds are secured by and are payable from (on a parity basis with all other bonds issued, or which may be issued under terms permitted in the General Bond Resolution (the "Parity Bonds")) Revenues. The term "Revenues" includes the sport fishing facilities surcharge imposed under AS 16.05.340(j) ("Surcharge Revenues"), license fees collected from residents and nonresidents for sport fishing imposed by AS 16.05.340, as amended from time to time, and funds received from the federal government which by their terms are not restricted in use and legally available for the payment of debt service on Parity Bonds. See "LICENSE FEE REVENUES – Legal Authority for License Fees and Surcharge." No money has been, or is expected to be, provided from any other source for the payment of the Bonds. See "SECURITY FOR THE BONDS."

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. An unaudited historical financial report, entitled "Alaska Department of Fish and Game - Fish and Game Fund Sport Fish Account Analysis" is attached hereto as APPENDIX A. Certain capitalized terms used herein and not defined herein shall have the meanings given such terms in APPENDIX C hereto entitled "GENERAL BOND RESOLUTION."

## DESCRIPTION OF BONDS

### General

The Bonds will be dated as of the date of their original issuance and delivery, and will bear interest from their dated date to their respective maturities or prior redemption dates in the amounts and at the rates set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2012.

The principal of and redemption premium, if any, on any Bond will be payable to the registered owner thereof as shown on the registration records kept by the Trustee, upon maturity or prior redemption thereof and upon presentation and surrender at the designated office of the Trustee. If any Bond shall not be paid upon presentation and surrender at or after maturity, it will continue to draw interest at the interest rate borne by the Bond until the principal thereof is paid in full. Except as described in "APPENDIX E – BOOK-ENTRY ONLY SYSTEM," payment of interest on any Bond will be made to the registered owner thereof by check or draft mailed by the Trustee, by first class mail on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof at the registered owner's address as shown on the registration records kept by the Trustee on the 15th day of the calendar month, whether or not a business day, next preceding such interest payment date (the "Record Date"). If the Bonds are no longer in book-entry form, payment of principal of and interest on the Bonds, and premium, if any, may, at the option of any registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to such owner.

### Book-Entry Only System

The Bonds will be executed and delivered in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC, and the State, the Underwriters and the Trustee take no responsibility for the accuracy thereof. See "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" for a further description of DTC and its book-entry only system. Capitalized terms used under this caption and not otherwise defined shall have the respective meanings given to such terms in APPENDIX C. One fully-registered Bond certificate will be issued for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year, and will be deposited with DTC. Individual purchases may be made in book-entry only form. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the owners of the Bonds or Bondowners shall mean Cede & Co. and shall not mean the actual purchasers of the Bonds (the "Beneficial Owners"). The principal, interest, and premium, if any, evidenced by each Bond will be payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to DTC participants for subsequent disbursement to the Beneficial Owners. See "APPENDIX E –BOOK-ENTRY ONLY SYSTEM" for a further description of DTC and its book-entry system.

The book-entry only system may be discontinued by the State Bond Committee, at the direction and expense of the State, and the State and the Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds and registered in the names of such Beneficial Owners as will be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

A. The Securities Depository determines to discontinue providing its service with respect to the Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by the Security Depository giving 30 days' notice to the State and to the Trustee and discharging its responsibilities with respect thereto under applicable law; or

B. The State Bond Committee determines not to continue the book-entry only system through a Securities Depository, upon not less than 45 days prior written notice to the Trustee.



## **Optional Redemption**

The Bonds maturing on and after April 1, 2021, but before April 1, 2024, are subject to redemption prior to maturity, at the option of the State, on any date on or after April 1, 2020, at a price equal to the principal amount of the Bonds, plus accrued interest to the date fixed for redemption.

The Bonds maturing on and after April 1, 2024 are subject to redemption prior to maturity, at the option of the State, on any date on or after April 1, 2017, at a price equal to the principal amount of the Bonds, plus accrued interest to the date fixed for redemption.

## **Mandatory Redemption**

The Bonds are not subject to mandatory redemption.

## **Partial Redemption; Notice of Redemption; Cessation of Interest**

*Partial Redemption.* If any Bond is in a denomination larger than \$5,000, a portion of such Bond (\$5,000 of principal amount, or any integral multiple thereof) may be redeemed, as provided above, in which case the selection of Bonds shall be made as described under "DESCRIPTION OF BONDS –Book Entry Only System" and in "APPENDIX E – BOOK-ENTRY ONLY SYSTEM." If the Bonds are no longer in book-entry only form, the Trustee will, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof. In the case of a partial redemption of Bonds of a single maturity, the Trustee will select the Bonds of such maturity to be redeemed by lot at such time as directed by the State (but at least 30 days prior to the redemption date), and, if such selection is more than 60 days before a redemption date, will direct the Trustee to appropriately identify the Bonds so called for redemption by stamping them at the time any Bond so selected for redemption is presented to the Trustee for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Trustee, and any Bond or Bonds issued in exchange for, or to replace, any Bond so called for redemption will likewise be stamped or otherwise identified.

*Notice of Redemption.* Unless waived by any registered owner of a Bond to be redeemed, notice of redemption will be given by the Trustee, by first class, postage prepaid mail, at least 20 days but not more than 60 days before the redemption date to the registered owner of any Bond (initially Cede & Co.) all or a part of which is called for redemption at the registered owner's address as it last appears on the registration records kept by the Trustee. The notice will identify the Bonds and state that on such date the principal amount thereof and premium, if any, thereon will become due and payable at the designated office of the Trustee (accrued interest to the redemption date being payable by first-class mail or as otherwise provided in the Bond Resolution), and that after such redemption date interest will cease to accrue. After such notice and presentation of said Bonds, the Bonds called for redemption will be paid, unless such notice has been withdrawn. Actual receipt of mailed notice by the registered owner of Bonds will not be a condition precedent to redemption of such Bonds. Failure to give such notice by mailing to the registered owner of any Bond designated for redemption, or any defect therein, will not affect the validity of the proceedings for the redemption of any other Bond.

To the extent that Cede & Co. is the registered owner for DTC as described above and in APPENDIX E hereto, DTC will be responsible for notifying the DTC Participants of any notice of redemption, which in turn will be responsible for notifying the Beneficial Owners.

## **Purchase of Bonds for Retirement**

The State reserves the right to use at any time any Revenues or other legally available funds available after providing for the payments authorized by the Resolution to purchase for retirement any of the Bonds offered to the State at any price deemed reasonable to the State's Debt Manager.

## **Defeasance**

In the event that money and/or non-callable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of any Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, and, if such Bonds are to be redeemed prior to maturity, irrevocable notice, or instructions to give notice of such redemption has been delivered to the Trustee, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal

of, premium, if any, and interest on the Bonds so provided for and such Bonds shall then cease to be entitled to any lien, benefit or security of this resolution, except the right to receive the funds so set aside and pledged and notices of early redemption, if any, and such Bonds shall no longer be deemed to be Outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the State.

Within 45 days of any defeasance of Bonds, the State shall provide notice of defeasance of Bonds to Registered Owners of Bonds being defeased, to the Bond Insurer, as applicable, and to each party entitled to receive notice in accordance with the Bond Resolution.

## **SECURITY FOR THE BONDS**

### **General**

The Bonds are secured under the Bond Resolution, which contains provisions for the equal security of the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds. The Bonds are limited obligations of the State and are payable as to principal, interest and premium, if any (except to the extent paid from Bond proceeds or the income from investments), solely from, and are secured by a pledge of, the Revenues. The term "Revenues" includes all revenues, fees and charges accruing to the State from the sport fishing facilities surcharge imposed under AS 16.05.340(j) ("Surcharge Revenues") and license fees collected from residents and nonresidents for sport fishing imposed by AS 16.05.340, as amended from time to time, and funds received from the federal government which by their terms are not restricted in use and legally available for the payment of debt service on the Bonds ("Other Revenues"). The Act established a special fund of the State (AS 37.15.770) known as the "Alaska Fish and Game Revenue Bond Redemption Fund" (the "Bond Fund") which is required to be maintained for the purpose of paying debt service on the Bonds. Under the terms of the Bond Resolution, the Bond Fund is held by the Trustee and includes accounts designated as the Debt Service Account and the Reserve Account.

The Bonds are not general obligations of the State and neither the full faith and credit nor the taxing power of the State are pledged for the payment of the Bonds.

### **Enterprise Account and Flow of Funds**

The State established a Fish and Game Fund to be held as a separate fund under State law (AS 16.05.100) for the general purpose of managing, protecting, maintaining, improving, and extending the fish, game and aquatic plant resources of the State in the interest of the economy and general well-being of the State. The Act established a "Alaska Sport Fish Enterprise Account" as a special subaccount within the Fish and Game Fund (the "Enterprise Account"). The Enterprise Account is required to be segregated and held separate from other funds of the State and maintained for as long as the Bonds remain outstanding. Under the terms of the Act, all Surcharge Revenues are required to be deposited in the Enterprise Account. The Bond Resolution further requires that Surcharge Revenues deposited in the Enterprise Account be used only for the following purposes and in the following order of priority:

First, to be deposited in the Debt Service Account for the payment of interest on and principal of and redemption premium for Parity Bonds;

Second, to be deposited in the Reserve Account to establish and maintain the Reserve Account Requirement;

Third, to be deposited in any debt service fund for subordinate lien debt (to the extent permitted by the Act);

Fourth, to be deposited into any reserve account for subordinate lien debt (to the extent permitted by the Act);

Fifth, subject to appropriation, to pay operating expenses of sport fishing facilities in an amount not to exceed \$500,000 during any fiscal year; and

Sixth, to redeem before their fixed maturities any and all revenue bonds issued for the purposes of the sport fishing facilities.

### **Bond Fund**

Promptly upon receipt thereof, the State will transfer all Surcharge Revenue on hand in the Enterprise Account to the Trustee for deposit into the Debt Service Account until the Minimum Balance Test is met and into the Reserve Account until the Reserve Account Requirement has been met (see "Reserve Account" below). As used in the Bond Resolution, the

Minimum Balance Test is the requirement for each Bond Deposit Year (May 1 through the following April 30) that the balance on hand in the Debt Service Account is equal to remaining Unpaid Annual Debt Service for that Bond Deposit Year.

In addition, if the balance on hand in the Enterprise Account (after providing for the Minimum Balance Test and the Debt Service Reserve Fund and the transfer of \$500,000 to operations), is sufficient to pay and redeem any Parity Bonds, the State is obligated to utilize those Surcharge Revenues to redeem any callable Parity Bonds for redemption. As of December 1, 2011, the State has redeemed \$4.1 million of the 2006 Bonds with excess Surcharge Revenues.

In the event that the balance on hand in the Debt Service Account is insufficient to meet the debt service coming due as of the date that is five business days prior to any date on which a payment of interest on or principal of and interest on Parity Bonds is due, the State is obligated to transfer Other Revenues to the Trustee for deposit into the Debt Service Account in order to pay the upcoming amount of such interest and/or principal.

### **Reserve Account**

The Bond Resolution establishes the Reserve Account within the Bond Fund, which is required to be funded at the Reserve Account Requirement, which is an amount equal to, at any time, the lowest of (i) Maximum Annual Debt Service with respect to all Parity Bonds; (ii) 125 percent of Average Annual Debt Service with respect to all Parity Bonds; and (iii) 10 percent of the initial principal amount of each Series of Parity Bonds then Outstanding. As of November 1, 2011, the Reserve Account had a cash balance of approximately \$5.29 million.

The Reserve Account Requirement can be maintained through deposits of cash, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. To the extent that the State obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Reserve Account, all or a portion of the money on hand in the Reserve Account shall be transferred to the Debt Service Account. A Qualified Letter of Credit is an irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest long term Rating Categories by one or more of the Rating Agencies. Qualified Insurance is any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or surety bond, is rated in the highest Rating Category by any Rating Agency.

If a deficiency in the Debt Service Account shall occur immediately prior to a debt service payment date with respect to Parity Bonds, such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Reserve Account, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency with respect to the Parity Bonds, and if a deficiency still exists immediately prior to a debt service payment date and after the withdrawal of cash, the State shall then draw from any Qualified Letter of Credit or Qualified Insurance for the Parity Bonds in a sufficient amount to make up the deficiency. In addition, the Bond Resolution provides that in the event that the balance on hand in the Reserve Account is insufficient to meet the Debt Service Reserve Test as of the date that is five business days prior to any date on which a payment of interest on or principal of and interest on Parity Bonds is due, the State shall transfer Other Revenues to the Trustee for deposit into the Reserve Account in order to meet the Debt Service Reserve Test.

The Bond Resolution provides that the market value of the cash, securities or other instruments contained in the Reserve Account shall be determined annually. If it is determined that the Debt Service Reserve Test is not met, the Bond Resolution provides that Surcharge Revenues and Other Revenues will be used to satisfy any insufficiency in the funding of the Reserve Account in six equal monthly installments; provided however, if there is a draw on a Qualified Letter of Credit or Qualified Insurance the reimbursement to the issuer of such Qualified Letter of Credit or Qualified Insurance shall be made over a twelve-month period.

### **Annual Budget Certification**

The Act requires the State Bond Committee to certify to the Commissioner of the Alaska Department of Revenue and to the Commissioner of the Alaska Department of Fish and Game annually before December 31 the amounts required in the then current fiscal year and in the next ensuing fiscal year by the Bond Resolution to be paid out of the Enterprise Account and, if necessary, from Other Revenues, into the Bond Fund and to be paid into and maintained in the Reserve Account. The State Bond Committee is further required to certify the last date or dates upon which such payments may be made.

## **Future Parity Bonds**

The State may issue Future Parity Bonds from time to time for any purpose permitted by law, to include refunding or defeasance of any bonds then outstanding. All Future Parity Bonds will have an equal lien and charge upon Revenues. Any such issuance for other than a refunding or defeasance will require (i) authorizing legislation amending or supplementing the Act; (ii) that the proceeds of the Future Parity Bonds will be expended on and authorized to pay the costs of acquiring, equipping, constructing or installing additions and improvements to and extensions of the sport fishing facilities and constituting a project authorized by the Act; (iii) that the State is in compliance with all covenants of the Bond Resolution; and (iv) that the State certify fulfillment of the Coverage Requirement. The "Coverage Requirement" means (a) Surcharge Revenues during the Base Period equal to or greater than 150 percent of the Maximum Annual Debt Service for all outstanding Parity Bonds, including Future Parity Bonds then being issued, and (b) an aggregate of Surcharge Revenues and Other Revenues (specifically excluding federal grants) during the Base Period equal to or greater than 225 percent of the Maximum Annual Debt Service for all outstanding Parity Bonds, including the Future Parity Bonds then proposed to be issued. In making the computations of Surcharge Revenues for the purpose of certifying compliance with the Coverage Requirement, the State may adjust Surcharge Revenues to take into account legislatively approved rate increases that were not in effect during all or any portion of the Base Period and Other Revenues to take into account federal grant revenues if the grant is fully executed and the grant revenues are permitted to be used to pay debt service on Future Parity Bonds. The certification referred to above in (iv) shall not be required if the Future Parity Bonds are being issued to pay costs of facilities for which Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15 percent of the principal amount of Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of, and there is delivered a Consultant's certificate stating that the nature and purpose of such facilities has not materially changed. For refunding bonds, the State must certify as in (iv) above if the issuance increases annual Debt Service in any year. See "APPENDIX C –GENERAL BOND RESOLUTION."

## **Covenants**

As long as the Bonds are outstanding, the State covenants: to make, or cause to be made, punctual payment on the Bonds; to file with the Trustee annually within 180 days of the close of the fiscal year a detailed statement for the preceding fiscal year showing the revenues and expenditures applicable to the sport fishing facilities; and to warrant and defend Bondholders' rights against all claims and demands.

## **Pledge of State**

In addition to the covenants listed above, the State pledges to and agrees with holders of the Bonds that the State will not limit or alter the rights and powers vested in the State Bond Committee by AS 37.15.765-37.15.799 to fulfill the terms of any contract made by the State Bond Committee with the holders or in any way impair the rights and remedies of the holders until the principal amount of the bonds, together with interest on them with interest on unpaid installments of interest, are fully met and discharged. The State Bond Committee has included this pledge and agreement of the State in the Bond Resolution.

## **Defaults and Remedies**

*Defaults.* Each of the following is an Event of Default under Article VII of the Bond Resolution - "DEFAULT AND REMEDIES OF BONDOWNERS":

- (a) failure to pay the principal or redemption price of any Bond on any scheduled payment or redemption date; or
- (b) failure to pay any installment of interest on any Bond on the date it is due and payable; or
- (c) failure by the State to perform any other covenants, conditions, or agreements on the part of the State contained in the Bond Resolution, if such default shall have continued for a period of (1) 30 days after notice thereof has been delivered to the Committee.

*Remedies.* If any Event of Default occurs and is continuing, the Trustee may take such steps and institute such suits, actions or other proceedings in its own name, or as Trustee, all as it may deem appropriate for the protection and enforcement of the rights of Registered Owners to collect any amounts due and owing the State with respect to the sport fishing facilities,

or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in the Bond Resolution.

Upon the occurrence of an Event of Default and so long as such Event of Default shall not have been remedied, a Registered Owners' Trustee may be appointed for the Parity Bonds of the Series then in Default by the owners of 51 percent in principal amount of the Outstanding Parity Bonds of such Series by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners or by their attorneys-in-fact duly authorized and delivered to such Registered Owners' Trustee, notification thereof being given to the State. Any such Registered Owners' Trustee must be a bank or trust company organized under the laws of a state or a national banking association. The fees and expenses of a Registered Owners' Trustee shall be borne by the Registered Owners and not by the State. The Registered Owners' Trustee, and each successor thereto, is a trustee for the owners of all the Parity Bonds for which such appointment is made and is empowered to exercise all the rights and powers conferred in the Bond Resolution on the Registered Owners' Trustee.

A Registered Owners' Trustee may upon the happening of a Default and during the continuation thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Registered Owners to collect any amounts due and owing the State with respect to the sport fishing facilities, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution.

## PLAN OF FINANCE

### Refunding

The Bonds are being issued to provide for the refunding of \$32,165,000, of the \$51,800,000, outstanding principal amount of State of Alaska Sport Fishing Revenue Bonds, Series 2006 (the "Refunded Bonds"). The net proceeds of the Bonds will be applied, together with other legally available funds, to refund the Refunded Bonds. Details of the Refunded Bonds are provided below.

<u>Bond Issue</u>	<u>Principal Amount</u>	<u>Year (April)</u>	<u>Redemption Date</u>	<u>Price</u>	<u>Cusip Nos. 01185P</u>
Sport Fishing Revenue Bonds, Series 2006	\$2,665,000	2018	December 30, 2011	100%	AM1
	3,635,000	2019	December 30, 2011	100	AN9
	3,820,000	2020	December 30, 2011	100	AP4
	4,010,000	2021	December 30, 2011	100	AQ2
	4,200,000	2022	December 30, 2011	100	AR0
	4,400,000	2023	December 30, 2011	100	AS8
	4,610,000	2024	December 30, 2011	100	AT6
	4,825,000	2025	December 30, 2011	100	AU3

The State will enter into an irrevocable Escrow Deposit Agreement with U.S. Bank National Association, as escrow agent for the Refunded Bonds. Funds held by the escrow agent in the bond fund will be invested in non-callable, direct obligations of the United States (the "Escrow Obligations") maturing on the applicable redemption date.

**Estimated Sources and Uses of Funds**

The proceeds of the Bonds are expected to be applied as shown below.

<b>SOURCES:</b>	<u>Amount</u>
Par Amount of Bonds	\$28,830,000.00
Original Issue Premium	2,972,302.25
Other Available Funds	<u>1,028,919.26</u>
Total	<u>\$32,831,221.51</u>

<b>USES:</b>	
Refunding Deposit	\$32,548,970.10
Costs of Issuance*	<u>282,251.41</u>
Total	<u>\$32,831,221.51</u>

\* Includes underwriters' discount, legal fees, and miscellaneous costs.

**DEBT SERVICE FOR THE BONDS**  
(As of December 1, 2011)

<u>Fiscal Year</u> <u>(Ending June 30)</u>	<u>Outstanding</u> <u>Parity Bonds*</u>	<u>2011</u> <u>Bonds</u>	<u>All Parity</u> <u>Bonds</u>
2012	\$ 3,111,753	\$ 775,032	\$ 3,886,785
2013	3,541,106	1,551,200	5,092,306
2014	3,540,813	1,548,400	5,089,213
2015	3,537,138	1,549,200	5,086,338
2016	3,538,363	1,548,400	5,086,763
2017	240,113	1,552,400	1,792,513
2018	240,113	4,216,000	4,456,113
2019	240,113	4,304,500	4,544,613
2020	240,113	4,311,500	4,551,613
2021	240,113	4,310,500	4,550,613
2022	240,113	4,308,750	4,548,863
2023	240,113	4,306,500	4,546,613
2024	240,113	4,310,500	4,550,613
2025	240,113	4,305,000	4,545,113
2026	<u>5,295,113</u>	<u>—</u>	<u>5,295,113</u>
	24,725,297	42,897,882	67,623,179

\* After the Refunded Bonds have been refunded.

**THE STATE**

**General**

The Alaska Constitution provides the organizational structure for the State government with legislative, judicial and executive branches. The Governor and Lieutenant Governor are the only elected executive officials and serve four-year terms. The Governor may not serve more than two full terms consecutively. Day-to-day operations are the direct responsibility of the Governor under whose office are fourteen executive departments which provide State services. Each department head (with a few exceptions) is appointed by and serves at the pleasure of the Governor, subject to legislative confirmation.

The State Bond Committee is composed of the Commissioner of Commerce, Community and Economic Development, the Commissioner of Revenue and the Commissioner of Administration. Its primary responsibility is to obtain financing for State capital improvement projects.

The legislature is composed of the House of Representatives whose forty members serve two-year terms, and the Senate whose twenty members serve four-year terms. Half of the Senate is elected every even-numbered year.

The Judicial Branch is comprised of the Alaska Supreme Court with five justices having appellate jurisdiction, a three-judge Court of Appeals with jurisdiction to hear criminal appeals from the Superior and District Courts, and a Superior Court. Under the Superior Court is a system of district and magistrate courts for minor civil cases, misdemeanors, violations of political subdivision ordinances and similar matters.

### **Investment Policy**

The Alaska Legislature has made the Department of Revenue responsible for the collection, accounting, safekeeping, and investing of all State revenue unless otherwise provided by law.

### **Insurance**

The Division of Risk Management's (the "Division") insurance program protects the financial assets and operations of all State agencies (including the Department's activities regarding the Projects) from accidental loss through a comprehensive program of self-insurance for normal and expected property and casualty claims of high frequency and low severity, combined with high limit broad form commercial insurance protection for catastrophic loss exposures for certain specialized risks.

The Division acts as an in-house insurance carrier and broker, funding all sudden and accidental property and casualty claims through a funded self-insurance risk pool up to a designated retention limit, through commercial coverage. The annual premiums allocated by the Division to each agency under the annual cost of risk allocation are the maximum they are called upon to pay. This planning for known and catastrophic losses forestalls the need for the affected State agency to seek supplemental appropriation or disrupt vital State services after a major property loss, significant workers' compensation claim, or adverse civil jury award for a covered claim.

### **The Economy**

The decade of 2000 -2010 was one of slow, steady growth for the State of Alaska. While the State's 21-year streak of job gains was broken in 2009, employment began recovering in 2010, with 3,500 new jobs. The State also has a streak of 33 consecutive months of an unemployment rate below the national average.<sup>1</sup>

The State's gross domestic product ("GDP") is more than \$49 billion, with private industry accounting for approximately \$40 billion. The single largest sector of the State's GDP is mining, and most of that is oil. Oil and gas represented approximately 25 percent of the State's GDP in 2010. The State's public sector makes up approximately 19 percent of the State's GDP, making it the second-largest contributor after oil. The single largest public share comes from the federal government, dominated by federal military. The transportation and warehousing sector also captures a large sector of the State's GDP: 9 percent in Alaska compared to 3 percent for the nation. There are also a number of other categories represented in the State's GDP, including health care, retail trade accounts, the seafood industry (including fishing and fish processing) and tourism.<sup>2</sup>

During the past decade, the State's GDP grew at approximately 3 percent per year versus 2 percent nationally. In 2010, the State's per capita GDP of \$63,424 was highest in the nation. GDP measures the market value of goods and services produced in the State without differentiating between residents and nonresidents. The State's high per capita GDP numbers show the State's economy is productive relative to its population.

*Population.* Alaska's statewide population of 710,231 (April 2010 Census) increased by 83,299, or 13 percent, from 2000 to 2010. The State's annual rate of population growth was 1.6 percent for the period 2008-2009 and 1.7 percent for the period from 2009-2010. The State's recent growth has been due to in-migration, or people moving into the State.<sup>3</sup>

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<sup>1</sup> Alaska Department of Labor and Workforce Development, Economic Trends, September 2011.

<sup>2</sup> Alaska Department of Labor and Workforce Development, Economic Trends, October 2011.

<sup>3</sup> Alaska Department of Labor and Workforce Development, Research and Analysis Section. Population Data; Economic Trends, October 2011 Bureau of Economic Analysis, Regional Data.

*Income.* In 2010, the State had a per capita personal income of \$44,205, an increase of 2.0 percent from the 2009 per capita personal income of \$43,233. In 2010, the State's per capita personal income ranked 9th in the United States and was 112 percent of the national average of \$39,626.<sup>4</sup>

From 2009 to 2010, inflation grew by 1.8 percent in Anchorage (the only Alaska city included in the Consumer Price Index). The average in the United States was 1.6 percent. The average annual inflation rate in Anchorage from 2000 to 2010 was 2.5 percent, compared to an average annual inflation rate for the United States from 2000 to 2010 of 2.5 percent.<sup>5</sup>

*Tourism.*<sup>6</sup> Historically, visitors purchasing nonresident sport fish licenses have accounted for a majority of the State's sport fish license revenue. See "LICENSE FEE REVENUES—Historical Activity and Revenues" for detailed description of historical data regarding revenue and numbers of licenses sold. A downturn in tourism may have a material adverse effect on the amount of license fee revenues collected by the State.

The State's visitor industry accounted for a total of 36,200 full and part-time jobs in 2008-09, over \$1.1 billion in labor income, and \$3.4 billion in total spending, including all direct, indirect and induced effects.<sup>7</sup> Tourism in the State experienced growth in the early to mid-2000s. However, with the downturn in the economy, beginning in 2008, the State experienced a downturn in tourism. Nonetheless, as noted in the chart below, current levels of tourism compare favorably with those experienced in the mid-early 2000s.

The following chart estimates total visitors to the State by mode of entry.

**Trend in Full-Year Visitor Volume by Mode of Entry/Exit  
(Period Runs May 1 through April 30)**

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Air	824,400	831,400	834,300	869,700	1,018,500	1,033,500	1,047,200	1,031,900	927,800	926,000
Cruise Ship	510,000	581,000	620,900	712,400	761,100	758,100	827,800	836,500	835,000	742,700
Highway	100,500	96,800	94,300	94,000	82,000	76,100	74,400	69,600	65,800	69,500
Ferry	18,800	18,400	17,600	17,800	13,600	13,300	12,100	11,900	10,100	11,500
<b>Total</b>	<b>1,453,700</b>	<b>1,527,600</b>	<b>1,567,200</b>	<b>1,693,900</b>	<b>1,875,200</b>	<b>1,881,000</b>	<b>1,961,500</b>	<b>1,949,900</b>	<b>1,838,700</b>	<b>1,749,700</b>
<b>Percent Change</b>	<b>n/a</b>	<b>+5.1%</b>	<b>+2.6%</b>	<b>+8.1%</b>	<b>+10.7%</b>	<b>+0.3%</b>	<b>+4.3%</b>	<b>-0.6%</b>	<b>-5.7%</b>	<b>-4.8%</b>

**Source:** Alaska Visitors Statistics Program VI: Fall/Winter 2010-11 (McDowell Group, Inc.)

**Notes:** 2001-02 to 2004-05 data based on entry mode; 2005-06 to 2010-2011 data based upon exit mode.

Combining results for Summer 2010 and Fall/Winter 2010-2011, the out-of-state visitors to the State for the 12-month period was 1,749,700, a decrease of 4.8 percent from the previous 12-month period. The summer market (1,505,600) represented 86 percent of the total annual volume; the winter market (244,100) represented 14 percent. Because some cruise ship passengers exit the State by airplane the actual number of 2010 cruise ship passengers (878,000) is higher than the exiting volume (742,700). The significant decline (4.8 percent) of visitors in summer 2010 is the primary driver of the decline in full-year visitation, and occurred despite the 3 percent increase in fall/winter volume.

The 2010 summer season was characterized by a significant drop in cruise passenger volume. In contrast, the non-cruise segments showed signs of recovery. An estimated 1.5 million out-of-state visitors came to the State between May and September, 2010. The majority of visitors (58 percent or 878,000) were cruise passengers; the remainder (627,600) traveled to and from the State via air, ferry and/or highway. In contrast, between October 2010 and April 2011, nearly all of the out-of-state visitors (95 percent) exited the State by airplane, while 5 percent exited by highway or ferry.

The 2010 decline in cruise ship passenger volumes resulted from 5 ships being redeployed to other destinations. Another cruise ship made half as many voyages, and two additional ships changed from cross-gulf to round-trip itineraries (eliminating the option for passengers to travel further within the State). According to the latest estimates from the Alaska

<sup>4</sup> Bureau of Economic Analysis, Regional Data.

<sup>5</sup> Department of Labor and Workforce Development, Research and Analysis Section, CPI Consumer Price Index.

<sup>6</sup> Alaska Department of Commerce, Community and Economic Development, Office of Tourism Development, Tourism Research.

<sup>7</sup> Economic Impact of Alaska's Visitor Industry, March 2010, McDowell Group.



Cruise Association, cruise visitors in 2011 were estimated at 887,000, a slight increase over 2010. There were two ships which did not come to Alaska in 2011, but an additional four ships did. Further increases are expected in 2012, as Princess Cruises announced another ship will come to Alaska, with 50,000 passenger capacity.

## **STATE OF ALASKA DEPARTMENT OF FISH AND GAME**

### **General**

The Alaska Board of Fisheries (the "Board of Fisheries") main role is to conserve and develop the fishery resources of the State. This involves setting seasons, bag limits, methods and means for the State's subsistence, commercial, sport, guided sport, and personal use fisheries, and it also involves setting policy and direction for the management of the State's fishery resources. The Board of Fisheries is charged with making allocative decisions, and the Department is responsible for management based on those decisions.

The Board of Fisheries consists of seven members serving three-year staggered terms. Members are appointed by the Governor and confirmed by the legislature. Members are appointed on the basis of interest in public affairs, good judgment, knowledge, and ability in the field of action of the board, with a view to providing diversity of interest and points of view in the membership (see Alaska Statute 16.05.221).

The Board of Fisheries meets four to six times per year in communities around the State to consider proposed changes to fisheries regulations. The board uses the biological and socioeconomic information provided by the Alaska Department of Fish and Game, public comment received from people inside and outside of the State, and guidance from the Alaska Department of Public Safety and the Alaska Department of Law.

The mission of the Department is to protect, maintain, and improve the fish, game, and aquatic plant resources of the State, and manage their use and development in the best interest of the economy and the wellbeing of the people of the State, consistent with the sustained yield principal.

The Department is comprised of the Office of the Commissioner, the Boards Support Section, and six divisions: Wildlife Conservation, Sport Fish, Commercial Fisheries, Subsistence, Habitat, and Administrative Services.

The Commissioner of the Department is the principal executive for the Department and is responsible for the protection, management, conservation, and restoration of Alaska's fish and game resources. Currently the Commissioner is Cora Campbell. She was appointed by Governor Parnell on December 22, 2010. Ms. Campbell has been working in the fishing industry since the early 1990s. She has fished commercially for salmon, herring and crab, and has managed share operations for a diversified fishing business. She has worked in state and federal fishing forums, served as executive director of a regional fishing association with an emphasis on economic development and corporate research, supervised a public outreach program focusing on the federal subsistence process, and served on numerous boards and committees, including the advisory panels to the North Pacific Fishing Management Council and the North Pacific Research Board.

### **Division of Sport Fish**

The Division of Sport Fish was established in 1951 as part of Alaska's territorial government to oversee Alaska's developing sport fisheries. Its creation coincided with the passage of the Federal Aid in Sport Fish Restoration Act of 1950 that gave states and territories dedicated federal funds to conduct scientific research related to recreational fisheries. Today, the Division is responsible for oversight and management of Alaska's sport and personal use fisheries with expenditures exceeding \$1.4 billion annually (2007 Department Economic Impacts and Contributions of Sport Fishing in Alaska).

The Division had an annual operating budget of approximately \$49.2 million for fiscal year 2011. The Division's fiscal year 2012 budget is \$48.4 million. The Division's capital budget is, at a minimum, \$2.0 million per fiscal year. Nearly all of the funds are derived from user-pay sources including the sale of fishing licenses, king salmon stamps, and excise taxes on sport fishing-related equipment and fuel. The primary funding sources are the State's Fish and Game Fund and the Federal Aid in Sport Fish Restoration Program.

Charles Swanton, Division of Sport Fish Director, has been with the Department for over 25 years. He was appointed as the Division of Sport Fish Director in August of 2007. Prior to his time as Director, he served as the regional management supervisor and southeast regional supervisor with the Division of Sport Fish. He came to Alaska in 1979 and shortly thereafter began his career with the Department as a fisheries technician, progressing to area and regional research and management positions after completing his formal education. He earned Biology and Fisheries Science degrees from the

University of Alaska Fairbanks and University of Washington-Fisheries Research Institute with emphasis in aquatic ecology, population dynamics and statistics. Mr. Swanton's career has given him exposure to most fisheries throughout the state.

The Division maintains Headquarters Offices in Juneau and Anchorage, a Southeast Alaska Regional (Region I) Office in Douglas, a Southcentral Alaska Regional (Region II) Office in Anchorage, an Interior Alaska Regional (Region III) Office in Fairbanks, a Research and Technical Services Unit in Anchorage, and a Habitat Section in Anchorage. Various area offices are located throughout Alaska within these regions to better serve the public.

### **Fish Hatchery Program**

The Department owns and manages three hatcheries, William Jack Hernandez Sport Fish Hatchery, Fort Richardson Hatchery and Ruth Burnett Sport Fish Hatchery. Both the William Jack Hernandez and Fort Richardson facilities are located in Southcentral Alaska, near the city of Anchorage and the Ruth Burnett Sport Fish Hatchery is located in Fairbanks. Both the William Jack Hernandez and the Ruth Burnett Sport Fish Hatcheries are primarily funded through the use of 100 percent user fees derived from Federal Aid to Sport Fish Restoration (Dingell-Johnson/Wallop-Breaux program). User fees derived from Fish and Game Funds are also used to fund the hatcheries as a 25 percent match through a 75 percent match from the Federal Aid to Sport Fish Restoration program. A fourth State-owned facility, Crystal Lake Hatchery, located in Southeast Alaska, is operated by Southern Southeast Regional Aquaculture Association (SSRAA) under contract with the Department. This cooperative arrangement provides Chinook salmon for several popular Southeast sport fisheries.

The hatchery program improves fishing opportunity, reduces pressure on wild stocks and provides diversity to the angling and viewing public. The hatcheries also support education, research and tourism.

About 75 percent to 80 percent of all rainbow trout harvested in the State of Alaska and about 20 percent to 25 percent of all Chinook salmon harvested in Southcentral Alaska are hatchery fish. Production is limited by hatchery capacity, stock availability, genetics, pathology, and funding. Production from State hatcheries accounts for 10 percent to 15 percent of all recreational angling effort in Alaska.

As the State's population grows, the Division of Sport Fish is evaluating future production and facility options. The Department's long-term goals are to improve public access and opportunities at the State hatcheries, and to expand production capability to meet the growing demand for sport fish. The hatchery program also supports research activity by State, federal and educational institutions. All federally funded sport fish stocking projects conducted in Alaska are planned in advance and are summarized in the Statewide Stocking Plan, which goes through a public review process. This plan is updated annually.

Both the Fort Richardson and Elmendorf State hatcheries were designed as flow through facilities constructed near military power plants to take advantage of the large surplus of heat being produced. The primary difference between the two facilities was that the Fort Richardson Hatchery uses only well water to rear fish and the Elmendorf Hatchery relied primarily on surface water from Ship Creek for rearing. As a result, the Fort Richardson Hatchery is used as a central brood stock and incubation facility.

Due to the closure of the military power plants and the subsequent loss of more than \$4 million annually in free heat, the Division of Sport Fish was forced to re-evaluate its ability to meet goals and objectives related to sport fish supplementation and enhancement. As a result of this evaluation it was determined that new recirculating hatchery facilities were needed. Funding for these new facilities came from three sources: the Alaska Sustainable Salmon Fund, proceeds from the \$62.1 million principal amount of sport fishing revenue bonds, Series 2006 and \$70.6 million from the State. Nearly half of the project costs are being repaid directly by sport anglers. These funding sources allowed the William Jack Hernandez and the Ruth Burnett Sport Fish Hatchery projects to achieve substantial completion in the Spring of 2011. The William Jack facility has begun fish production. The Ruth Burnett facility is currently in the final stages of commissioning and testing and is anticipated to begin fish production in late 2011 or early 2012.

## LICENSE FEE REVENUES

### Sport Fishing License Program

The Department's Division of Administrative Services administers the fish and game licensing program. Licenses and related tags and permits are purchased at a Department office, through an authorized vendor or through an online Internet application process. All licenses and related tags and permits are pre-numbered for fiscal control purposes. Accounting staff with the Division of Administrative Services handle the collection and remittance of fees collected by the Department and authorized vendors. License fees are entered into an automated system, which allocates the fees based on the type of license between the Division of Sport Fish and the Division of Wildlife Conservation.

### Legal Authority for License Fees and Surcharge

AS 16.05.100 establishes the "Fish and Game Fund." The sole purpose of the Fish and Game Fund is to support Department activities. Within the Fish and Game Fund there are currently three subfunds. These subfunds hold all the revenue from the sale of sport hunting and sport fishing licenses, permits, and tag fees.

AS 16.05.340(a) and (d) set out the base charge for hunting and fishing licenses, permits and tag fees. State legislative authorization is required to change fees set forth in statute.

AS 16.05.340 specifically provides authority for the Department to raise revenue through the collection of the Base License Fees, the Surcharge thereon, and special additional charges such as the King Salmon Stamp. The amount charged for the Base License Fee, Surcharge and King Salmon Stamp for each sport fishing license is as follows:

#### Alaska Department of Fish and Game Sport Fishing Schedule of Fees

License Type	Base License Fee <sup>1</sup>	Surcharge <sup>2</sup>	Base Fee and Surcharge Total	King Salmon Stamp
Resident sport fishing license	\$15	\$9	\$24	\$10
Resident hunting and sport fishing license	39	9	48	10
Resident hunting, trapping, and sport fishing license	53	9	62	10
Nonresident 14-day sport fishing license	50	30	80	50
Nonresident 7-day sport fishing license	30	25	55	30
Nonresident 3-day sport fishing license	20	15	35	20
Nonresident 1-day sport fishing license	10	10	20	10
Nonresident annual sport fishing license	100	45	145	100
Nonresident military hunting and sport fishing license <sup>3</sup>	39	9	48	20
Nonresident military sport fishing license	15	9	24	20
Nonresident YT-AK Reciprocal SF <sup>4</sup>	15	9	24	10

Source: Alaska Department of Fish and Game

<sup>1</sup> License fees can only be changed through the State legislative process.

<sup>2</sup> The surcharges became effective on January 1, 2006.

<sup>3</sup> This was renamed January 1, 2009.

<sup>4</sup> This license category was added to the table beginning in the 2006 calendar year.

### Historical Activity and Revenues

The following charts represent the number of sport fishing licenses and king salmon stamps sold and revenues received from those sales over the last ten years. Note that the sport fish license numbers below reflect licenses sold and revenues based on the Base License Fee schedule only from 2001-2005. Surcharge collection began January 1, 2006.

The first chart, Number of Sport Fish Licenses Sold from 2001-2010 by License Category, shows the number of sport fish licenses sold from 2001-2010 broken down by category. The second chart, Value of Sport Fish Licenses Sold from

2001-2010 by License Category, shows the amount collected by the State for each category of license. The third chart, Value of Sport Fish King Salmon Stamps Sold from 2001-2010 by Stamp Category, shows the amount collected by the State for king salmon stamps sold by category.

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State of Alaska Department of Fish and Game  
Number of Sport Fish Licenses by Calendar Year Sold from 2001-2010 by License Category

License Description	01	02	03	04	05	06	07	08	09	10
Resident SF	112,041	114,480	115,197	117,724	117,630	111,222	112,483	109,141	110,692	108,030
Resident SF/Hunt	41,330	44,152	44,153	44,502	43,968	42,087	42,589	46,429	48,087	42,892
Resident SF/Hunt/Trap	5,567	5,645	6,068	6,084	6,111	6,066	6,349	6,596	7,418	7,440
Resident Low Income SF/Hunt/Trap	14,473	14,921	15,311	15,421	15,384	15,661	16,371	17,203	20,180	20,449
Nonresident Military SF	3,978	3,825	4,210	4,826	4,452	4,646	4,344	4,436	3,692	4,228
Nonresident Military SF/Hunt	279	245	254	241	248	237	176	180	776	1,137
Nonresident YT-AK Reciprocal SF*	*	*	*	*	2,003	2,163	2,222	2,111	2,019	2,321
Nonresident Annual SF	11,463	11,714	12,403	13,023	13,425	12,901	13,334	13,298	12,865	13,217
Nonresident 14-day SF	23,636	23,537	23,491	24,260	25,115	22,981	24,015	22,971	19,750	20,071
Nonresident 7-day SF	92,636	82,777	84,314	91,041	98,685	93,190	96,074	91,021	72,900	73,990
Nonresident 3-day SF	50,977	51,864	52,933	56,833	59,346	62,178	62,342	59,033	46,348	48,087
Nonresident 1-day SF	100,042	108,608	109,622	121,913	125,471	110,843	114,675	104,463	91,999	90,166
Nonresident Hunt/Annual SF	592	573	633	708	787	655	723	647	642	633
Nonresident Hunt/14-day SF	*	*	*	85	321	357	379	332	295	260
Nonresident Hunt/7-day SF	1,365	1,440	1,498	1,510	1,696	1,568	1,698	1,558	1,111	1,272
Nonresident Hunt/3-day SF	*	*	*	4	13	50	62	37	22	49
Nonresident Hunt/1-day SF	*	*	*	2	8	8	14	7	8	1
<b>Resident Sales</b>	173,411	179,198	180,729	183,731	183,093	175,036	177,792	179,369	186,377	178,811
<b>Nonresident Sales</b>	284,968	284,583	289,358	314,446	331,570	311,777	320,058	300,094	252,427	255,432
<b>Total Sales</b>	458,379	463,781	470,087	498,177	514,663	486,813	497,850	479,463	438,804	434,253

Source: Alaska Department of Fish and Game, Sport Fish Division Annual Hatchery Bond Disclosure Report, as of October 27, 2011.  
Numbers may not total due to rounding.

\* This license category was not applicable in this reporting year.

State of Alaska Department of Fish and Game  
Value of Sport Fish Licenses Sold by Calendar Year from 2001-2010 by License Category (in \$1,000's)

<b>License Description</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>	<b>06</b>	<b>07</b>	<b>08</b>	<b>09</b>	<b>10</b>
Resident SF	\$1,680.6	\$1,717.2	\$1,728.0	\$1,765.9	\$1,764.8	\$2,660.6	\$2,707.0	\$2,619.4	\$2,656.1	\$2,592.7
Resident SF/Hunt	604.2	645.5	645.5	650.6	648.8	987.3	1,005.9	1,096.7	1,135.8	1,013.6
Resident SF/Hunt/Trap	80.4	81.6	87.7	87.9	89.9	141.7	148.9	154.7	173.9	174.5
Resident Low Income SF/Hunt/Trap	23.2	23.9	24.5	24.7	24.6	25.1	26.2	27.5	32.3	32.7
Nonresident Military SF	59.7	57.4	63.2	72.4	66.8	111.0	104.2	106.5	88.6	101.5
Nonresident Military SF/Hunt	4.1	3.6	3.7	3.5	3.6	5.3	4.2	4.3	18.3	26.9
Nonresident YT-AK Reciprocal SF*	*	*	*	*	30.0	51.3	53.3	50.7	48.5	55.7
Nonresident Annual SF	1,146.3	1,171.4	1,240.3	1,302.3	1,343.2	1,856.6	1,933.2	1,928.2	1,865.4	1,916.5
Nonresident 14-day SF	1,181.8	1,176.9	1,174.6	1,213.0	1,255.9	1,819.5	1,921.1	1,837.7	1,580.0	1,605.7
Nonresident 7-day SF	2,479.1	2,483.3	2,529.4	2,731.2	2,961.0	5,069.5	5,283.8	5,006.1	4,009.5	4,069.5
Nonresident 3-day SF	1,019.5	1,037.3	1,058.7	1,136.7	1,187.0	2,151.4	2,181.7	2,066.2	1,622.2	1,683.0
Nonresident 1-day SF	1,000.4	1,086.1	1,096.2	1,219.1	1,254.7	2,174.9	2,293.1	2,089.2	1,839.9	1,803.3
Nonresident Hunt/Annual SF	59.2	57.3	63.3	70.8	79.6	94.3	104.8	93.8	93.1	91.8
Nonresident Hunt/14-day SF	*	*	*	4.3	16.3	28.6	30.3	26.6	23.6	20.8
Nonresident Hunt/7-day SF	41.0	43.2	44.9	45.3	50.9	84.4	93.4	85.7	61.1	70.0
Nonresident Hunt/3-day SF	*	*	*	0.1	0.3	1.8	2.2	1.3	0.8	1.7
Nonresident Hunt/1-day SF	*	*	*	*	0.1	0.2	0.3	0.1	0.2	0.0
<b>Resident Sales</b>	2,388.4	2,468.2	2,485.7	2,529.1	2,528.1	3,814.7	3,888.0	3,898.3	3,998.1	3,813.5
<b>Nonresident Sales</b>	6,991.1	7,116.5	7,274.3	7,798.7	8,249.4	13,448.8	14,005.6	13,296.4	11,251.2	11,446.4
<b>Total Sales</b>	\$9,379.5	\$9,584.7	\$9,760.0	\$10,327.8	\$10,777.5	\$17,263.5	\$17,893.6	\$17,194.7	\$15,249.3	\$15,259.9

Source: Alaska Department of Fish and Game, Sport Fish Division Annual Hatchery Bond Disclosure Report, as of October 27, 2011.  
Numbers may not total due to rounding.

\* This license category was not applicable in this reporting year.

State of Alaska Department of Fish and Game  
Value of Sport Fish King Salmon Stamps Sold by Calendar Year from 2001-2010 by Stamp Category (in \$1,000's)

<b>License Description</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>	<b>06</b>	<b>07</b>	<b>08</b>	<b>09</b>	<b>10</b>
Resident King Salmon Stamp	\$786.5	\$788.1	\$862.3	\$868.4	\$875.2	\$846.6	\$829.3	\$795.1	\$750.6	\$697.5
Nonresident Military King Salmon Stamp	29.6	35.6	33.9	41.3	34.6	36.5	34.0	33.6	29.6	31.8
Nonresident YT-AK Reciprocal KS Stamp*	*	*	*	*	4.8	5.4	8.2	6.8	7.1	6.6
Nonresident King Salmon Stamp	238.5	229.7	243.7	287.9	325.3	342.0	373.9	339.0	294.7	298.4
Nonresident 14-day King Salmon Stamp	249.6	229.9	233.6	253.2	284.9	279.3	293.3	266.6	208.4	197.8
Nonresident 7-day King Salmon Stamp	837.0	779.9	842.8	946.9	1,024.1	1,079.5	1,102.7	910.2	723.5	712.0
Nonresident 3-day King Salmon Stamp	506.8	565.9	571.8	603.2	644.1	690.9	660.4	563.9	438.2	444.9
Nonresident 1-day King Salmon Stamp	457.7	476.4	485.8	532.0	532.6	512.9	511.3	400.8	349.9	341.2
<b>Resident Sales</b>	786.5	788.1	862.3	868.4	875.2	846.6	829.3	795.1	750.6	697.5
<b>Nonresident Sales</b>	2,319.2	2,317.4	2,411.6	2,664.5	2,850.4	2,946.5	2,983.8	2,520.9	2,051.3	2,032.6
<b>Total Sales</b>	\$3,105.7	\$3,105.5	\$3,273.9	\$3,532.9	\$3,725.6	\$3,793.1	\$3,813.1	\$3,316.0	\$2,801.9	\$2,730.1

Source: Alaska Department of Fish and Game, Sport Fish Division Annual Hatchery Bond Disclosure Report, as of October 27, 2011.  
Numbers may not total due to rounding.

\* This stamp category was not added to the table for this reporting year.

The following chart "Collection of Surcharge Revenues," shows the amount of the Surcharge Revenues collected beginning January 1, 2006.

State of Alaska Department of Fish and Game  
Collection of Surcharge Revenues\*

<u>Year</u>	<u>Amount</u>
**2005	\$10,324
2006	6,778,228
2007	7,099,258
2008	6,694,007
2009	5,902,582
2010	5,920,417

Source: Alaska Department of Fish and Game, Licensing Section.

\* Surcharge became effective January 1, 2006.

\*\* Surcharge revenues were collected in calendar year 2005 because calendar year 2006 licenses were available for sale beginning in November 2005.

### **Collections and Remittance**

A majority of all sport fish licenses are sold by authorized vendors. Vendors must enter into a contract with the State in order to sell sport fish licenses. The terms of these contracts make the vendor responsible for all licenses assigned to that vendor. Vendors must remit all license sale revenues to the State, less the uniform retained 5 percent vendor commission. Vendors must return unsold stock after the end of each year and are charged for unreturned stock that was not sold. The Division of Administrative Services is responsible for the collection and remittance from vendors.

### **Enforcement**

The Alaska Department of Public Safety's Bureau of Wildlife Enforcement's primary purpose is the protection of Alaska's fish and wildlife resources through enforcement of laws and regulations governing use of natural resources within Alaska and its adjacent waters, as well as through increasing the knowledge of, and respect for, fish and wildlife laws and regulations.

The Alaska Bureau of Wildlife Enforcement provides the necessary enforcement programs to ensure the success of State long- and short-term objectives for fish and game management. The Bureau has the responsibility to closely monitor fish and game resource harvest to ensure that it is taken in accordance with the rules, regulations, and statutes governing such activities. The Bureau of Wildlife Enforcement troopers patrol the State by road, air and waterway. They issue citations, seize equipment used in violations, and actively assist in search-and-rescue operations.

The State of Alaska has 586,412 square miles or approximately 365,000,000 acres and 47,300 miles of coast line. All this area is covered by approximately 89 Bureau of Wildlife Enforcement State Troopers. However these troopers are generally deployed to the most active sport fisheries in the State. In the more remote parts of the State, sport fishing is generally guided with guide services procuring licenses for clients. Guide services are subject to loss of their operating licenses if their clients have not obtained licenses.

## **FEDERAL GRANTS**

### **General**

The Department receives hundreds of grants, contracts and cooperative agreements each year. Most agreements are awarded to carry out specific public purpose projects agreed to cooperatively between the Department and the funding agency. The Federal Aid in Sport Fish Restoration Act grants ("Federal Grants") allow the Department to apply for grants to fund projects the State feels are needed or are in furtherance of its mission. The Department has used past Federal Grants to reimburse the State for modifications to and operation of existing hatcheries. These grant funds have also been used for continuing operational costs of other sport fishing facilities and research projects.



## **Federal Aid in Sport Fish Restoration Act**

The Federal Aid in Sport Fish Restoration Act, commonly referred to as the Dingell-Johnson Act, passed on August 9, 1950, was modeled after the Pittman-Robertson Act to create a parallel program for management, conservation, and restoration of fishery resources.

The program is a cost-reimbursement program, where the State covers the full amount of an approved project then applies for reimbursement through Federal Aid for up to 75 percent of the project expenses. The State must provide at least 25 percent of the project costs from a non-federal source.

### **Sources of Revenue**

The Federal Aid in Sport Fish Restoration program is funded by revenues collected from the manufacturers of fishing rods, reels, creels, lures, flies and artificial baits, who pay an excise tax on these items to the United States Treasury.

An amendment in 1984 (Wallop-Breaux Amendment) added new provisions to the Federal Aid in Sport Fish Restoration program by extending the excise tax to previously untaxed items of sport fishing equipment. The major element of the Wallop-Breaux Amendment established a new Trust Fund, named the Aquatic Resources Trust Fund. Funds are also received from import duties on sport fishing equipment, pleasure boats and yachts. Another source of revenue is a tax from motorboat fuel sales. These motorboat fuel taxes are collected by the U.S. Treasury and then transferred to the Fish and Wildlife Service for distribution among the states and territories.

The Wallop-Breaux Reauthorization Act was signed into law by President Bush on August 10, 2005. This Act reestablishes the Aquatic Resources Trust Fund as the Sport Fish Restoration and Boating Trust Fund, dissolving the Boat Safety Account and providing a five-year spend down schedule for the balance in that account. The most significant aspect of that Act was the full recovery into the Sport Fish Restoration and Boating Trust Fund of the federal fuel taxes attributable to outboard motors and small engines. Previously, of the 18.3 cents in federal fuel taxes, only 13.5 cents of the tax on every gallon of gasoline used in recreational boating and small engines was transferred from the Highway Transportation Fund to the Aquatic Resources Trust Fund. Under this arrangement, the 4.8 cent balance on every gallon was being directed to the General Treasury. The Sport Fish Restoration and Boating Trust Fund began receiving the spend down of the Boat Safety Account and the full 18.3 cents per gallon in federal fiscal year 2006 with the first apportionment to the states in federal fiscal year 2007, resulting in an increase to the fund and the apportionment to the states.

### **Methodology for Allocating Between States**

Appropriate state agencies are the only entities eligible to receive grant funds. Each state's share is based 60 percent on its licensed anglers (fishermen) and 40 percent on its land and water area. No state may receive more than 5 percent or less than 1 percent of each year's total apportionment. Alaska currently receives 5 percent of the total apportionment, but there is no guarantee that it will receive such percentage amount in the future.

### **Historical and Estimated Alaska Apportionments**

The chart below summarizes the apportionments that the State has historically received in federal aid for sport fish restoration. Although the State pledges all Other Revenues including Federal Grants on a first and prior lien basis to the Bonds as provided for in the Bond Resolution, certain Federal Grants may be restricted and may therefore not be available to repay the Bonds. The Bond Resolution specifically pledges only "funds from the federal government which by their terms are not restricted in use and are legally available for payment of debt service on the Bonds." Furthermore, there can be no guarantee that future federal apportionments will correlate with past federal apportionments. The State has entered into a Grant Agreement with the United States Department of the Interior in regards to federal funding for projects, with federal assistance for the projects previously financed with proceeds of outstanding Parity Bonds estimated to total \$43,987,500 over 20 years (see "Grant Agreement for the Bonds" below).

**Federal Assistance in Sport Fish Restoration  
Final State of Alaska Apportionments\*  
(\$ in thousands)**

<b>Federal Fiscal Year</b>	<b>Final Apportionment</b>
2001	\$12,042.6
2002	14,639.3
2003	13,262.1
2004	13,026.3
2005	14,734.6
2006	14,542.4
2007	17,454.5
2008	19,916.9
2009	20,222.5
2010	19,477.6
2011	18,234.7

Source: Alaska Department of Fish and Game

\* As of this reporting period, no final apportionment for 2012 has been received from the Office of Federal Assistance. The apportionment for 2012 will be included in the Department's 2012 report.

Alaska has historically received 5 percent of each year's total apportionment (the maximum a state can receive under the Federal Aid in Sport Fish Restoration program) and expects, but there is no guarantee the Department will continue to receive 5 percent in future years. Alaska has always received the maximum apportionment because of its huge size, even though Alaska has fewer license holders compared to many other states and the number of license holders is a large factor in the apportionment split determination formula.

**Grant Agreement for 2006 Bonds**

In 2005, the Department applied for federal assistance in paying the debt service on the 2006 Bonds. Proceeds of the 2006 Bonds were used to finance the construction and renovation of certain sports fishing facilities and related projects. On November 3, 2005, the United States Department of the Interior ("Department of the Interior") approved the State's Application for Federal Assistance for the "Sport Fish Hatchery Construction Bond Financing" and executed the "Sport Fish Hatchery Construction Bond Financing (20 years)" grant agreement (the "Grant Agreement"). A portion of the federal assistance, if any, received by the Department may be used to pay a portion of the principal of the 2006 Bonds. (The Grant Agreement does not authorize federal assistance, if any, in the payment of interest on the 2006 Bonds.)

The Department confirmed with the Department of the Interior that the terms of the Grant Agreement apply to payment of the principal of the Bonds provided the term of the Bonds does not exceed the term of the 2006 Bonds.

As of the date of this Official Statement, the Department has not used federal assistance in paying the principal of the 2006 Bonds.

## HISTORICAL DEBT SERVICE COVERAGE

The following debt service coverage table, for calendar years 2007 through 2010, is based on Surcharge Revenues, Other Revenues and annual debt service requirements for the 2006 Bonds.

**Historical Debt Service Coverage Table  
(2006 Bonds)**

<u>Calendar Year</u>	<u>Prior Bond Debt Service</u>	<u>Surcharge Revenues</u>	<u>Sport Fishing License Fees<sup>(1)</sup></u>	<u>Sport Fish King Salmon Stamp</u>	<u>Available Federal Grants<sup>(2)</sup></u>	<u>Total Surcharge Revenues and Other Revenues</u>	<u>Debt Service Coverage</u>
2007	\$5,425,369	\$7,099,258	\$10,794,342	\$3,813,100	\$1,539,563	\$23,246,263	4.28x
2008	5,171,794	6,694,007	10,500,693	3,316,000	1,463,063	21,973,763	4.25x
2009	5,125,069	5,902,582	9,346,718	2,801,900	1,520,438	19,571,638	3.82x
2010	5,064,544	5,920,417	9,339,483	2,730,100	1,584,188	19,574,188	3.86x

Source: Alaska Department of Fish and Game

(1) Excludes Surcharge Revenues and Sport Fish King Salmon Stamp.

(2) Available Federal Grants were equal to the principal due on the 2006 Bonds x 85 percent x 75 percent.

## LITIGATION

There is no known controversy or litigation of any nature now pending or, to the knowledge of the State of Alaska, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the State of Alaska taken with respect to the issuance or sale of them, or the pledge or application of any monies or security provided for the payment of the Bonds, or the existence or powers of the State of Alaska.

Upon the delivery of the Bonds, the State will furnish a certificate, in form satisfactory to the Underwriters, to the effect that, among other things, there is no known litigation pending in any court to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting the validity or enforceability of the Bonds.

## RATINGS

Fitch Ratings ("Fitch") and Moody's Investors Service ("Moody's"), have assigned the Bonds the ratings of "A+" and "A1," respectively, based on their research and investigation of the State. Such ratings and outlook reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch, One State Street Plaza, New York, New York, 10004, (212) 908-0500 and Moody's, 99 Church Street, New York, New York 10007, (212) 553-0300.

Generally, a rating agency bases its rating on the information furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if, in the judgment of such rating agency, circumstances so warrant. Any such change in or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The Underwriters have no responsibility to bring to the attention of the Beneficial Owners of the Bonds any proposed change in or withdrawal of any rating or to oppose any such revision or withdrawal.

## UNDERWRITING

The Bonds are being purchased for reoffering by RBC Capital Markets, LLC acting on behalf of itself, Guggenheim Securities, LLC and KeyBanc Capital Markets (collectively, the "Underwriters") at a purchase price of \$31,641,663.77 (being the par amount of the Bonds, plus \$2,972,302.25 original issue premium, less \$160,638.48 underwriters' discount). The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

## FINANCIAL ADVISOR

Acacia Financial Group, Inc., has served as financial advisor to the State in connection with various matters relating to the planning, structuring, and execution and delivery of the Bonds. Acacia Financial Group, Inc. has not audited, authenticated, or otherwise verified the information set forth in this Official Statement, or any other related information available to the State, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty, or other representation is made by the State's Financial Advisor respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement.

## TAX MATTERS

In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Interest on the Bonds is not included in taxable income for purposes of the Alaska income tax imposed on corporations. Interest on the Bonds may be indirectly subject to the Alaska alternative minimum tax imposed on corporations to the extent that interest on the Bonds is subject to the federal alternative minimum tax on corporations.

Federal income tax law contains a number of requirements that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the use of proceeds of the Bonds and the facilities financed or refinanced with proceeds of the Bonds and certain other matters. The State has covenanted to comply with all applicable requirements.

Bond Counsel's opinion is subject to the condition that the State comply with the above-referenced covenants and, in addition, will rely on representations by the State and its advisors with respect to matters solely within the knowledge of the State and its advisors, respectively, which Bond Counsel has not independently verified. If the State fails to comply with such covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing taxability occurs.

Except as expressly stated above, Bond Counsel expresses no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding any collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

Payments of interest on tax-exempt obligations such as the Bonds, are in many cases required to be reported to the Internal Revenue Service (the "IRS"). Additionally, backup withholding may apply to any such payments made to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

Bond Counsel's opinion is not a guarantee of result and is not binding on the IRS; rather, the opinion represents Bond Counsel's legal judgment based on its review of existing law and in reliance on the representations made to Bond

Counsel and the State's compliance with its covenants. The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Bonds. Owners of the Bonds are advised that, if the IRS does audit the Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the State as the taxpayer, and the owners of the Bonds may have limited rights to participate in the audit. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

### **Qualified Tax-Exempt Obligations**

The State has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

### **TRUSTEE**

The State has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Bond Resolution. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Bond Resolution or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the State of any of the Bonds authenticated or delivered pursuant to the Bond Resolution or for the use or application of the proceeds of such Bonds by the State. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the Project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at <http://www.usbank.com/corporatetrust>. Neither the information on U.S. Bank's website, nor any links from that website, is a part of this Official Statement, nor should any such information be relied upon to make investment decisions regarding the Bonds.

### **CONTINUING DISCLOSURE**

The State has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data (the "Annual Disclosure Report") within seven months after the end of each fiscal year (the "Report Date"), commencing on January 31, 2012 for the fiscal year ending June 30, 2011, and to provide notices of the occurrence of certain enumerated events. A form of document specifying the nature of the information to be contained in the Annual Disclosure Report or the notices of material events is set forth in APPENDIX D hereto. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule").

For reporting years 2010 and 2011, certain financial information was not included in the State's Annual Disclosure Report. The State has since posted such financial information on the Electronic Municipal Market Access website. As of the date hereof, the State is in compliance with its prior written undertaking pursuant to the Rule.

### **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion, forecast, or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the purchasers of any of the Bonds and the State.

This Official Statement contains forward-looking statements, including (a) statements containing projections of Department revenues, expenditures, and other financial items, (b) statements of the plans and objectives of the State for future operations of the Project, (c) statements of future economic performance of the Project, and (d) statements of the assumptions underlying or relating to statements described in (a), (b), and (c) above (collectively, "Forward-Looking Statements"). All statements, other than statements of historical facts included in this Official Statement are Forward-

Looking Statements. Although the expectations reflected in such Forward-Looking Statements are believed to be reasonable, there can be no assurance that such expectations will prove to have been correct. A reasonable effort has been made to disclose in this Official Statement important factors that could cause actual results to differ materially from expectations of the State (collectively, the "Cautionary Statements"). All subsequent written and oral Forward-Looking Statements attributable to the State or persons acting on behalf of the State are expressly qualified in their entirety by the Cautionary Statements.

#### **APPENDICES**

There are appended to this Official Statement appendices entitled "ALASKA DEPARTMENT OF FISH AND GAME-FISH AND GAME FUND SPORT FISH ACCOUNT ANALYSIS," "FORM OF BOND COUNSEL OPINION," "GENERAL BOND RESOLUTION," "FORM OF CONTINUING DISCLOSURE CERTIFICATE," and "BOOK-ENTRY ONLY SYSTEM."

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

#### **EXECUTION OF OFFICIAL STATEMENT**

The execution and delivery of this Official Statement has been authorized by the State.

STATE OF ALASKA

By /s / Deven J. Mitchell

Deven J. Mitchell  
Debt Manager,  
State of Alaska  
For the State Bond Committee

APPENDIX A

ALASKA DEPARTMENT OF FISH AND GAME –  
FISH AND GAME FUND SPORT FISH ACCOUNT ANALYSIS

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ALASKA DEPARTMENT OF FISH AND GAME --  
FISH AND GAME FUND SPORT FISH ACCOUNT ANALYSIS

<u>Revenues</u>	SPORT FISH Actual Revenues & Expenditures			
	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
License Sales	\$ 15,197.4	\$ 15,543.0	\$ 13,923.8	\$ 12,662.3
Other	\$ 503.7	\$ 573.8	\$ 422.8	\$ 219.3
<b>Total Revenues</b>	<b><u>\$ 15,701.1</u></b>	<b><u>\$ 16,116.8</u></b>	<b><u>\$ 14,346.6</u></b>	<b><u>\$ 12,881.6</u></b>
 <u>Expenditures</u>				
Sport Fish Division Operations	\$ 15,313.8	\$ 14,266.0	\$ 13,877.1	\$ 13,457.0
License Vendor Compensation	\$ 929.0	\$ 929.3	\$ 852.9	\$ 721.8
<b>Subtotal, Operating Expenditures</b>	<b><u>\$ 16,242.8</u></b>	<b><u>\$ 15,195.3</u></b>	<b><u>\$ 14,730.0</u></b>	<b><u>\$ 14,178.8</u></b>
 <u>Capital Improvement Appropriations</u>				
Year End Balance for continuing ARs	<b><u>\$ 2,132.6</u></b>			
<b>Capital Improvement Expenditures</b>	<b><u>\$ 954.3</u></b>	<b><u>\$ 392.6</u></b>	<b><u>\$ 980.5</u></b>	<b><u>\$ 306.9</u></b>
 <b>Fiscal Year Total Expenditures</b>	<b><u>\$ 17,197.1</u></b>	<b><u>\$ 15,587.9</u></b>	<b><u>\$ 15,710.5</u></b>	<b><u>\$ 14,485.7</u></b>
 Account Balance - Beginning of Year	\$ 7,406.2	\$ 5,910.2	\$ 6,439.1	\$ 5,075.2
Net Change in Account Balance	\$ (1,496.00)	\$ 528.90	\$ (1,363.90)	\$ (1,604.10)
<b>Account Balance - End of Year</b>	<b><u>\$ 5,910.20</u></b>	<b><u>\$ 6,439.10</u></b>	<b><u>\$ 5,075.20</u></b>	<b><u>\$ 3,471.10</u></b>

**NOTES:**

All figures are presented in thousands.

Account expenditures are net of federal and interagency revenues. Federal & Interagency revenues and expenditures have been historically excluded from this analysis for management purposes. Management concluded that discretely presenting these revenues and expenditures has little substantive value since the revenues and expenditures equally offset one another.

Other revenues include interest distributions, receipts from the sale of products, donations received from individuals, employee housing receipts, one-time fund transfers and recovery of the prior year's expenditures that cannot be abated.

Account balances do not represent amounts available for appropriation. A portion of balances are reserved for encumbrances or designated for continuing capital improvement project appropriations.

Commissions retained by vendors under AS 16.05.390(a)(1) are presented as offsetting revenues and expenditures of Fish and Game Fund accounts. There is no net effect on account balances; revenue and expenditures are increased by the same amount.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

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December 8, 2011

State of Alaska  
Department of Revenue  
Juneau, Alaska

RBC Capital Markets, LLC  
San Francisco, California

Guggenheim Securities, LLC  
New York, New York

KeyBanc Capital Markets  
Seattle, Washington

Re: State of Alaska Sport Fishing Refunding Revenue Bonds, 2011 - \$28,830,000

Ladies and Gentlemen:

We have acted as bond counsel to the State of Alaska (the "State") and have examined a certified transcript of the proceedings taken in the matter of the issuance by the State of its Sport Fishing Refunding Revenue Bonds, 2011, dated December 8, 2011, in the aggregate principal amount of \$28,830,000 (the "Bonds"), issued pursuant to Resolution No. 2006-04 adopted on March 21, 2006, and Supplemental Resolution No. 2011-05 adopted by the State Bond Committee on November 18, 2011 (together, the "Bond Resolution"), for the purpose of refunding certain outstanding sport fishing revenue bonds and to pay the costs of issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Bond Resolution.

The Bonds are subject to redemption prior to maturity as provided in the purchase agreement dated November 30, 2011, for the Bonds.

Regarding questions of fact material to our opinion, we have relied on representations of the State in the Bond Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been legally issued and constitute valid special obligations of the State, both principal thereof and interest thereon being payable solely out of a special fund of the

State known as the "Alaska Fish and Game Revenue Bond Redemption Fund" (the "Bond Fund"), except to the extent that the enforcement of the rights and remedies of such owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

2. The State has irrevocably bound itself to set aside and pay into the Bond Fund and the reserve account (the "Reserve Account") therein out of Revenues, amounts necessary to pay the principal of and interest on the Bonds as the same become due.

3. The State has pledged that the payments to be made into the Bond Fund and the Reserve Account are a first and prior lien of the Revenues for the repayment of the Series 2006 Bonds, the Bonds and any bonds hereafter issued on a parity with the Bonds. The State has reserved the right to issue future parity bonds on the terms set forth in the Bond Resolution.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The State has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Interest on the Bonds is not included in taxable income for purposes of the Alaska income tax imposed on corporations. Interest on the Bonds may be indirectly subject to the Alaska alternative minimum tax imposed on corporations to the extent that interest on the Bonds is subject to the federal alternative minimum tax on corporations.

The State has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material related to the Bonds (except to

December 8, 2011

Page 3

the extent, if any, stated in the official statement), and we express no opinion relating thereto, or relating to the undertaking by the State to provide ongoing disclosure pursuant to Securities and Exchange Commission Rule 15c2-12.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

K&L GATES LLP

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APPENDIX C

GENERAL BOND RESOLUTION

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TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01. Definitions.....1  
 SECTION 1.02. Rules of Construction .....13  
 SECTION 1.03. Equal Security.....14

ARTICLE II

PARITY BONDS; SERIES

SECTION 2.01. Authorization .....14  
 SECTION 2.02. Issuance of Additional Series of Future Parity Bonds.....15  
 SECTION 2.03. Parity Bonds.....16  
 SECTION 2.04. Refunding Parity Bonds.....17  
 SECTION 2.05. Validity of Parity Bonds .....18

ARTICLE III

REVENUES

SECTION 3.01. Pledge of Surcharge Revenues; Enterprise Account; Other Revenues.....18  
 SECTION 3.02. Allocation of Moneys in Enterprise Account .....19  
 SECTION 3.03. Deposit and Investment of Moneys in Funds .....23  
 SECTION 3.04. Certification by Committee of Amounts Required.....27

ARTICLE IV

COVENANTS OF THE STATE

SECTION 4.01. Punctual Payment.....28  
 SECTION 4.02. Books and Accounts; Financial Statements.....28  
 SECTION 4.03. Protection of Security and Rights of Parity Bondowners .....28  
 SECTION 4.04. Maintenance of Trustee.....28  
 SECTION 4.05. No Impairment.....28  
 SECTION 4.06. Further Assurances.....29

ARTICLE V

THE TRUSTEE

SECTION 5.01. Appointment of Trustee.....29  
 SECTION 5.02. Liability of Agents.....29  
 SECTION 5.03. Notice to Agents .....29

STATE BOND COMMITTEE  
 OF THE STATE OF ALASKA

RESOLUTION NO. 2006-04

Providing for the Issuance of

State of Alaska Sport Fishing Revenue Bonds,  
 Series 2006

Adopted March 21, 2006

ARTICLE VI

MODIFICATION OR AMENDMENT OF THE BOND RESOLUTION

SECTION 6.01. Amendments Permitted.....30  
 SECTION 6.02. Procedure for Amendment with Written Consent of Parity Bondowners .....31  
 SECTION 6.03. Disqualified Parity Bonds.....32  
 SECTION 6.04. Consent of Credit Facility Issuer.....32  
 SECTION 6.05. Effect of Supplemental Resolution.....33  
 SECTION 6.06. Endorsement or Replacement of Parity Bonds Issued After Amendments .....33

ARTICLE VII

DEFAULT AND REMEDIES OF BONDOWNERS

SECTION 7.01. Default.....33

ARTICLE VIII

SERIES 2006 BONDS

SECTION 8.01. Authorization of Series 2006 Bonds.....35  
 SECTION 8.02. Series 2006 Bond Details.....36  
 SECTION 8.03. Redemption and Purchase.....36  
 SECTION 8.04. Place and Medium of Payment.....39  
 SECTION 8.05. Registration.....39  
 SECTION 8.06. Application of Proceeds of Series 2006 Bonds.....42  
 SECTION 8.07. Construction Fund.....42  
 SECTION 8.08. Defeasance.....43  
 SECTION 8.09. Tax Covenants .....43  
 SECTION 8.10. Lost, Stolen, Mutilated or Destroyed Series 2006 Bonds.....44  
 SECTION 8.11. Forms of Series 2006 Bonds and Registration Certificate.....45  
 SECTION 8.12. Execution.....47  
 SECTION 8.13. Sale of Series 2006 Bonds.....47  
 SECTION 8.14. Undertaking to Provide Ongoing Disclosure.....48  
 SECTION 8.15. Municipal Bond Insurance Policy; Provisions Relating to Municipal Bond Insurer; Surety Bond.....49

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Liability of State Limited to Revenues.....49  
 SECTION 9.02. Benefits of Resolution Limited to Parties.....50  
 SECTION 9.03. Successor Is Deemed Included in All References to Predecessor.....50  
 SECTION 9.04. Discharge of Bond Resolution.....50  
 SECTION 9.05. Execution of Documents by Parity Bondowners.....51  
 SECTION 9.06. Waiver of Personal Liability.....51  
 SECTION 9.07. Partial Invalidity.....52

SECTION 9.08. Effective Date .....53

STATE BOND COMMITTEE

RESOLUTION NO. 2006-04

A Resolution of the State Bond Committee of the State of Alaska authorizing the issuance and sale of revenue bonds in Series from time to time; approving certain protective covenants; authorizing the issuance of revenue bonds for the purpose of financing facilities for fisheries rehabilitation and sport fishing enhancement; approving an agreement for ongoing disclosure and approving a bond purchase contract.

WHEREAS, the Alaska State Legislature enacted Senate Bill No. 147, and the governor signed it into law as Chapter 94, SLA 2005 (the "Act"), authorizing the issuance and sale of sport fishing revenue bonds of the State of Alaska (the "State") in an aggregate principal amount not exceeding Sixty-Nine Million Dollars (\$69,000,000) to finance the construction and renovation of fisheries rehabilitation, enhancement and development projects that benefit sport fishing, all as more fully described in the Act and in this resolution; and

WHEREAS, the State is proposing to sell the bonds authorized under the Act as an initial single series under the terms set forth in this resolution (hereinafter defined as the "Series 2006 Bonds"); and

WHEREAS, the State has chosen an underwriting team consisting of Merrill Lynch, UBS Financial Services Inc., Citigroup Global Markets Inc. and J.P. Morgan Securities, Inc. (the "Underwriters"); and

WHEREAS, the Underwriters have presented an offer to purchase the Series 2006 Bonds deemed to be in the best interests of the State;

NOW THEREFORE, BE IT RESOLVED by the State Bond Committee of the State of Alaska, as follows:

ARTICLE I  
DEFINITIONS; EQUAL SECURITY

SECTION 1.01. **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this resolution and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. Unless otherwise defined in this resolution, all terms used herein shall have the meanings assigned to such terms in the Act hereinafter mentioned.

**Accreted Value** means (1) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in the resolution authorizing a Series of Parity Bonds as the amount representing the initial principal amount of such Parity Bonds plus the

**Bond Register** means the registration books maintained by the Trustee setting forth the names and addresses of owners of the Series 2006 Bonds in compliance with Section 149 of the Code.

**Bond Resolution** means this resolution, as adopted this 21st day of March, 2006 by the Committee pursuant to the Act, or as it may from time to time be supplemented, modified or amended by any supplemental resolution entered into pursuant to the provisions hereof.

**Bond Year** means each one-year period ending on a date selected by the State. The first and last Bond Years may be short periods. If no day is selected by the State before the earlier of the final maturity date of the Series 2006 Bonds or the date that is five years after the date of issuance of the Series 2006 Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Series 2006 Bonds.

**Capital Appreciation Bonds** means Parity Bonds all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Bonds. If so provided in the resolution authorizing their issuance, Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding in a principal amount equal to their Accreted Value.

**Capitalized Interest Account** means the Account of that name maintained within the Construction Fund pursuant to Section 8.07 of this resolution.

**Certificate of the Committee and written request of the Committee** mean, respectively, a certificate or request in writing signed by the chairman and the Secretary of the Committee, or by any two members of the Committee or officers or representatives of the State duly authorized by the Committee for that purpose. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Any certificate of the Committee may be based, in so far as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants or engineers, unless the officer signing such certificate knows, or in the exercise of reasonable care should have known, that the opinion or representation with respect to the matters upon which such certificate may be based, as aforesaid, is erroneous. The same officer, counsel, accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of a bond resolution, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

Every certificate of the Committee and every opinion of counsel, accountants, engineer or other persons provided for herein shall include—

interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (2) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Parity Bonds plus the amount of discounted principal which has accreted since the date of issue. In each case the Accreted Value shall be determined in accordance with the provisions of the resolution authorizing the issuance of such Parity Bonds.

**Act** means Chapter 94, SLA 2005, as the same may hereafter be amended or supplemented by any other statute of the State.

**Aggregate Annual Debt Service** means Annual Debt Service for all Outstanding Parity Bonds.

**Annual Debt Service** means the total amount of Debt Service for any Parity Bond or Series of Parity Bonds during any Fiscal Year.

**Average Annual Debt Service** means the aggregate dollar amount of Debt Service with respect to Parity Bonds through the scheduled maturities thereof (stated maturity dates or mandatory redemption dates with respect to term debt), divided by the number of years remaining during which Parity Bonds are scheduled to mature or be subject to mandatory redemption (commencing with the year following the year of calculation).

**Balloon Maturity Bonds** means any Parity Bonds which are so designated in the supplemental resolution pursuant to which such Parity Bonds are issued. Commercial paper (obligations with a maturity of not more than 270 days from the date of issuance) shall be deemed to be Balloon Maturity Bonds.

**Base Period** means any consecutive 12-month period selected by the State out of the 24-month period next preceding the date of issuance of Future Parity Bonds.

**Beneficial Owner** means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2006 Bonds (including persons holding Series 2006 Bonds through nominees, depositories or other intermediaries).

**Bond Deposit Year** means, initially, a term that commences on the date of issuance and delivery of the Series 2006 Bonds and ends on April 30, 2007, and all subsequent Bond Deposit Years shall commence on May 1 and continue through April 30 of the following year.

**Bond Fund** means the "Alaska Fish and Game Revenue Bond Redemption Fund" established under AS 37.15.770 and maintained pursuant to the Act.

**Bond Purchase Contract** means the Bond Purchase Contract for the Series 2006 Bonds, among the Underwriters and the Committee.

-2-

(1) a statement that the person making or giving such certificate or opinion has read the pertinent provisions of the Bond Resolution to which such certificate or opinion relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based;

(3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and

(4) with respect to any statement relating to the compliance with any provision hereof, a statement as to whether, in the opinion of such person, such provision has been complied with.

**Code** means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

**Commissioner of Fish and Game** means the Commissioner of the Department of Fish and Game of the State.

**Commissioner of Revenue** means the Commissioner of the Department of Revenue of the State.

**Committee** means the State Bond Committee of the State of Alaska, an agency of the State created by AS § 37.15.110, or any other committee, body, department or officer of the State which or who shall succeed to the rights, powers, duties and obligations of the State Bond Committee by act of the Legislature. As of this date, the Committee consists of the commissioner of commerce and economic development, the commissioner of administration and the commissioner of revenue.

**Construction Fund** means the Alaska Sport Fishing Construction Account, established by AS 16.05.130(f), for the purpose of receiving proceeds of bonds and notes, including Parity Bonds.

**Coverage Requirement**, in connection with the issuance of Future Parity Bonds, means (a) Surcharge Revenues during the Base Period equal to or greater than 150% of the Maximum Annual Debt Service for all outstanding Parity Bonds, including Future Parity Bonds then being issued, and (b) an aggregate of Surcharge Revenues and Other Revenues (specifically excluding federal grants) during the Base Period equal to or greater than 225% of the Maximum Annual Debt Service for all outstanding Parity Bonds, including the Future Parity Bonds then proposed to be issued.

**Credit Facility** means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement or other financial instrument which obligates a third party to make payment or provide funds for the payment of financial obligations

of the State, including but not limited to payment of the principal of, interest on or purchase price of a Series of Parity Bonds or meeting Reserve Account Requirements therefor.

**Credit Facility Issuer** means the issuer of any Credit Facility then in effect with respect to one or more Series of Parity Bonds.

**Debt Manager** means the person designated and acting as the Debt Manager of the Alaska Department of Revenue or his or its successor acting in that capacity.

**Debt Service** means, for any period of time,

(a) with respect to any Outstanding Original Issue Discount Bonds or Capital Appreciation Bonds which are not designated as Balloon Maturity Bonds in the resolution authorizing their issuance, the principal amount of such Original Issue Discount Bonds equal to the Accreted Value thereof maturing or scheduled for redemption in such period, and the interest payable during such period;

(b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to (1) the principal amount of such Parity Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, (2) the amount of any payments required to be made during such period into any sinking fund established for the payment of any such Parity Bonds, plus (3) all interest payable during such period on any such Parity Bonds Outstanding and with respect to Parity Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Parity Bonds on the date specified in the resolution authorizing such Parity Bonds;

(c) with respect to all other Series of Parity Bonds Outstanding, other than Fixed Rate Bonds, Original Issue Discount Bonds or Capital Appreciation Bonds, specifically including but not limited to Balloon Maturity Bonds and Parity Bonds bearing variable rates of interest, an amount for any period equal to the amount which would have been payable for principal and interest on such Parity Bonds during such period computed on the assumption that the amount of Parity Bonds Outstanding as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the resolution authorizing the issuance of such Parity Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 25 years after the date of issuance to provide for essentially level annual debt service of principal and interest over such period and (ii) at an interest rate equal to the yield to maturity set forth in the 25-Revenue Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the State with the approval of the Consultant, if applicable) selected by the State and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 2.03 hereof, then within ten days of the date of such certificate; and

(d) with respect to Derivative Products, the State Payments required by contract to be paid to a Reciprocal Payor under any existing Derivative Product, offset by the

-5-

(c) under which Reciprocal Payments are to be made directly into a bond fund for Parity Bonds;

(d) for which the State Payments are either specified to be one or more fixed amounts or are determined according to a methodology set forth in the Derivative Product; and

(e) for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined according to a methodology set forth in the Derivative Product.

**Derivative Product Account** means the Derivative Product Account, if any, created and established under Section 3.02(c) hereof.

**Designated Representative** means the Chairman or the Secretary of the Committee or the Debt Manager of the State.

**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Series 2006 Bonds pursuant to Section 6 hereof, or any corporate successor thereto.

**Enterprise Account** means the special account within the Fish and Game Fund established under AS 16.05.130(e) and maintained by the Act and known as the "Alaska Sport Fishing Enterprise Account" into which all Surchage Revenues are required to be deposited, subject to the terms of Section 3.01 hereof.

**Estimated Average Derivative Rate** means:

(a) as to the variable rate payments to be made by a party under any Derivative Product,

(i) to the extent such variable rate payments have been made for a period of 12 months or more, the higher (in the case of variable rate State Payments), or the lower (in the case of variable rate Reciprocal Payments) of:

(A) the weighted average rate of interest applicable to such payments during the immediately preceding 12-month period; or

(B) the rate applicable under the related Derivative Product as of the date of determination; or

(ii) to the extent such variable rate payments have not been made for a period of 12 months or more, the most current actual rate used in calculating such variable rate payments; and

(b) as to any Derivative Products which have been authorized to be entered into by the State but have not yet been executed or become effective, the variable rate will be estimated by applying the variable rate formula specified in the contract to the most recently

-7-

Reciprocal Payments during the same period during the relevant period, on the assumption that if any such payment is not fixed at the time of execution of the Derivative Product, the amount of such payment will be calculated at the Estimated Average Derivative Rate prevailing during the remaining term of the Derivative Product.

With respect to any Parity Bonds payable in other than U. S. Dollars, Debt Service shall be calculated as provided in the resolution authorizing the issuance of such Parity Bonds.

Debt Service shall be net of any interest and/or principal funded out of Parity Bond proceeds or the proceeds of other funds or indebtedness.

Debt Service shall include reimbursement obligations to providers of Credit Facilities to the extent such reimbursement obligations are outstanding or as otherwise authorized in a resolution.

**Debt Service Account** means the account of that name maintained in the Bond Fund pursuant to Section 3.02(b)(1) of this resolution.

**Debt Service Reserve Test** is the requirement for each Bond Deposit Year that the Reserve Account is funded in an amount at least equal to the Reserve Account Requirement.

**Default** has the meaning given such term in Section 7.01 of this resolution

**Derivative Facility** means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for obligations under one or more Derivative Products.

**Derivative Payment Date** means any date specified in the Derivative Product on which a State Payment is due and payable under the Derivative Product.

**Derivative Product** means a written contract or agreement between the State and a Reciprocal Payor, which provides that the State's obligations thereunder will be conditioned on the absence of: (i) a failure by the Reciprocal Payor to make any payment required thereunder when due and payable, and (ii) a default thereunder with respect to the financial status of the Reciprocal Payor; and

(a) under which the State is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the State Payments in exchange for the Reciprocal Payor's obligation to pay or to cause to be paid to the State, on the same scheduled and specified Derivative Payment Dates, the Reciprocal Payments; i.e., the contract must provide for net payments;

(b) for which the State's obligations to make all or any portion of the State Payments may be secured by a pledge of and lien on Revenues on a lien subordinate to the lien thereon of Parity Bonds;

-6-

published rate for the floating rate index or other equivalent specified in the Derivative Product as the basis upon which the variable rate will be determined.

provided that, when the variable rate to be used in a Derivative Product is specified as the rate or rates applicable to one or more specified maturities of Parity Bonds, the variable rate or rates under the Derivative Product will be deemed to be the same rate or rates estimated for the specified maturity or maturities of the specified Parity Bonds, and provided further that, if two or more Derivative Products each specify the same index and formula for determining and setting their respective variable rates, on the same dates, and for the same periods of time, and with respect to identical derivative principal amounts, all such Derivative Products shall be deemed to have the same Estimated Average Derivative Rate, calculated in accordance with paragraphs (a)(i) and (a)(ii) of this definition and, where applicable, with respect to the first of such Derivative Products to become effective.

**Fiscal Year** means any 12-month period ending on June 30 or such other date as is authorized by statute and/or selected by the State.

**Fish and Game Fund** means the fund of that name established and maintained pursuant to A.S. 16.05.100.

**Fitch** means Fitch, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody's) designated by the Designated Representative.

**Fixed Rate Bonds** means those Parity Bonds other than Capital Appreciation Bonds, Original Issue Discount Bonds or Balloon Maturity Bonds issued under a resolution in which the rate of interest on such Parity Bonds is fixed and determinable through their final maturity or for a specified period of time. If so provided in the resolution authorizing their issuance, Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

**Future Parity Bonds** means any Series of Parity Bonds issued following the date of adoption of this resolution having a lien on Surchage Revenue equal in priority to the lien thereon of the Series 2006 Bonds.

**Government Obligations** means Permitted Investments described in (b) and (g) of the definition thereof.

**Governor** means the Governor of the State.

**Independent Certified Public Accountant** means any certified public accountant or firm of such accountants appointed and paid by the State, and who, or each of whom—

(a) is in fact independent, and not under domination of the State;

-8-

(b) does not have any substantial interest, direct or indirect, with the State; and

(c) is not connected with the State as an officer or employee of the State, but who may be regularly retained to make annual or similar audits of any of the books of the State.

**Letter of Representations** means the blanket issuer letter of representations from the State to DTC, dated August 12, 1997 or any similar written arrangement between the State and a successor depository.

**Lieutenant Governor** means the Lieutenant Governor of the State.

**Maximum Annual Debt Service** means, with respect to any Parity Bonds, the highest Annual Debt Service for Parity Bonds.

**Minimum Balance Test** is the requirement for each Bond Deposit Year that the balance on hand in the Debt Service Account is equal to remaining Unpaid Annual Debt Service for that Bond Deposit Year.

**Moody's** means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P) selected by the Designated Representative.

**MSRB** means the Municipal Securities Rulemaking Board or any successor to its functions.

**Net Proceeds**, when used with reference to Series 2006 Bonds, means the principal amount of such Series 2006 Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any, and proceeds, if any, deposited in the Series 2006 Reserve Account.

**NRMSIR** means a nationally recognized municipal securities information repository for purposes of the Rule.

**Original Issue Discount Bonds** means Parity Bonds which are sold at an initial public offering price of less than 95% of their face value and which are specifically designated as Original Issue Discount Bonds in the resolution authorizing their issuance.

**Other Revenues** means license fees collected from residents and nonresidents for sport fishing imposed by AS 16.05.340, as amended from time to time and funds received from the federal government which by their terms are not restricted in use and legally available for the payment of debt service on the Bonds.

-9-

**Private Person** on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

**Project** means the construction and renovation of sport fishing facilities under AS 16.05.092.

**Qualified Insurance** shall mean any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or surety bond, is rated in the highest rating category by any Rating Agency.

**Qualified Letter of Credit** means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest long term Rating Categories by one or more of the Rating Agencies.

**Rating Agencies** means Moody's, S&P and Fitch or their respective successors and assigns and/or such other securities rating agency selected by the State to provide a rating with respect to a Series of Parity Bonds, or any portion thereof, which Rating Agency, as of the applicable date, shall have assigned a rating to any Series of Parity Bonds or any portion thereof.

**Rating Category** means a generic rating category of the Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

**Rebutable Arbitrage** means the payment obligations of the State, with respect to the Series 2006 Bonds, calculated as provided in the Tax Certificate and Section 8.09 of this resolution.

**Reciprocal Payment** means any payment to be made to, or for the benefit of, the State under a Derivative Product by the Reciprocal Payor.

**Reciprocal Payor** means any bank or corporation, partnership or other entity which is a party to a Derivative Product and which is obligated to make one or more Reciprocal Payments thereunder.

**Registered Owner** means the person named as the registered owner of a Parity Bond in the Bond Register.

**Registered Owners' Trustee** means the bank or trust company acting in such capacity pursuant to the terms of Section 7.01 hereof.

-11-

**Outstanding**, when used as of any particular time with reference to Parity Bonds, means (subject to the provisions of Section 8.05) all Parity Bonds theretofore executed by the State and authenticated and delivered by the Trustee under the Bond Resolution except:

(a) Parity Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Parity Bonds for the payment or redemption of which funds in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or redemption date of such Parity Bonds), provided that, if such Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Section 8.03 provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Parity Bonds in lieu of or in substitution for which other Parity Bonds shall have been authenticated and delivered by the Trustee pursuant to Section 8.10; and

(d) Parity Bonds that have been refunded, provided that the conditions set forth in Section 8.08 shall have been satisfied with respect to such Parity Bonds.

**Owner or Parity Bondowner** means any person who shall be the bearer of any outstanding Parity Bond registered to bearer or not registered, or the registered owner of any outstanding Parity Bond which shall at the time be registered other than to bearer. **Owner**, when all Parity Bonds of a Series are held by a securities depository, means the beneficial owner of the Series in question determined under the rules of that securities depository; otherwise "Owner" means "owner of record on the Bond Register maintained by the Trustee." To the extent that the full payment of the interest on and principal of Parity Bonds of a Series is secured by a policy of Qualified Insurance, the issuer of the policy of Qualified Insurance shall be considered to be the Owner of all the Parity Bonds of that Series for purposes of exercising any rights with respect to supplements and amendments to this resolution.

**Parity Bonds** means the State of Alaska Sport Fishing Revenue Bonds issued and at any time outstanding pursuant to this resolution and shall include any Future Parity Bonds.

**Permitted Investment** has the meaning given such term in Section 3.03 of this resolution.

**Private Person** means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

**Private Person Use** means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the

-10-

**Reserve Account** means the account of that name maintained in the Bond Fund pursuant to Section 3.02(6)(3) of this resolution.

**Reserve Account Requirement** means the lowest of (i) Maximum Annual Debt Service with respect to all Parity Bonds; (ii) 125% of Average Annual Debt Service with respect to all Parity Bonds; and (iii) 10% of the initial principal amount of each Series of Parity Bonds then Outstanding.

**Revenues** mean Surcharge Revenues and Other Revenues.

**Rule** means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**S&P** means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., and its successors and assigns, except that if such corporation or division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) selected by the Designated Representative.

**SEC** means the Securities and Exchange Commission.

**Series** means an issue of Parity Bonds, identified by a separate Series designation.

**Series 2006 Bonds** means the State of Alaska Sport Fishing Revenue Bonds, Series 2006, the issuance and sale of which is authorized by this resolution.

**Series 2006 Bond Insurer** means the bond insurance company, if any, issuing the Series 2006 Bond Insurance Policy.

**Series 2006 Bond Insurance Policy** means the financial guaranty insurance policy issued by the Series 2006 Bond Insurer insuring the payment when due of the principal of and interest on the Series 2006 Bonds as provided therein.

**Series 2006 Term Bonds** means the Series 2006 Bonds identified as "Term Bonds" in the Bond Purchase Contract.

**SID** means any public or private repository or entity designated by the State of Alaska as the state repository for the purposes of the Rule and recognized as such by the SEC. As of the date of adoption of this resolution, there is no such state repository.

**State** means the State of Alaska.

**State Payments** means any payment, other than a termination payment or payment occurring as a result of default or expense payment, required to be made by or on behalf of the State under a Derivative Product and which is determined according to a formula set forth in a Derivative Product.

-12-

**Supplemental Resolution** means any resolution then in full force and effect which has been duly adopted by the Committee under the Act, or any act supplementary thereto or amendatory thereof, at a meeting of the Committee duly convened and held, at which a quorum was present and acted thereon, amendatory of or supplemental to this resolution; but only if and to the extent that such supplemental resolution is specifically authorized hereunder.

**Surcharge Revenues** mean all revenues, fees and charges accruing to the State from the sport fishing facilities surcharge imposed under AS 16.05.340(j).

**Surety Bond** means the Surety Bond, if any, issued by the Series 2006 Bond Insurer guaranteeing certain payments into the Reserve Account with respect to the Series 2006 Bonds as provided therein and subject to the limitations set forth within.

**Surety Bond Agreement** means any Agreement between the State and the Surety Bond Issuer with respect to the Surety Bond.

**Surety Bond Issuer** means the surety bond issuer(s), if any, issuing a surety bond as Qualified Insurance for the purpose of satisfying all or a portion of the Reserve Account Requirement.

**Tax Certificate** means the Tax and Arbitrage Certification executed and delivered by the State at the time of issuance and delivery of the Series 2006 Bonds.

**Trustee** means the Trustee selected by the Designated Representative pursuant to the authority granted in Section 5.01 and acting as an independent Trustee with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 5.01.

**Underwriters** mean, with respect to the Series 2006 Bonds, collectively, Merrill Lynch, UBS Financial Services Inc., Citigroup Global Markets Inc. and J.P. Morgan Securities, Inc.

**Unpaid Annual Debt Service** means the Annual Debt Service for a Bond Deposit Year that has not yet been paid to Registered Owners by the Trustee.

**SECTION 1.02. Rules of Construction.** The following rules of construction shall be applied to the Bond Resolution.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

on which the interest on or principal of and interest on the Parity Bonds shall become due, the amount necessary to pay such interest or principal and interest coming due on the Parity Bonds of such Series.

Said amounts so pledged to be paid into such special funds are hereby declared to be a first and prior lien and charge upon Revenues superior to all other charges of any kind or nature whatsoever except for charges equal in rank that may be made thereon to pay and secure the payment of the principal of and interest on other Series of Parity Bonds issued under authority of a supplemental resolution in accordance with the provisions of Sections 2.02 and 2.03 of this resolution.

Parity Bonds shall not in any manner or to any extent constitute general obligations of the State or of any political subdivision of the State of Alaska.

**SECTION 2.02. Issuance of Additional Series of Future Parity Bonds.** The State may issue hereunder from time to time one or more Series of Parity Bonds by means of a supplemental resolution for any purpose of the State now or hereafter permitted by law, provided that the State shall comply with the terms and conditions for the issuance of Parity Bonds hereinafter set forth in this Section 2.02 and in Section 2.03 hereof.

Each Series of Parity Bonds shall be authorized by a supplemental resolution which shall, among other provisions, specify and provide for:

(a) the authorized principal amount, designation and Series of such Parity Bonds;

(b) the general purpose or purposes for which such Series of Parity Bonds is being issued, and the deposit, disbursement and application of the proceeds of the sale of the Parity Bonds of such Series;

(c) the date or dates, and the maturity date or dates, of the Parity Bonds of such Series, and the principal amount maturing on each maturity date;

(d) the interest rate or rates on the Parity Bonds of such Series (which may be a rate of zero) and the interest payment date or dates therefor, and whether such interest rate or rates shall be fixed, variable or a combination of both and, if necessary, the manner of determining such rate or rates;

(e) the circumstances, if any, under which the Parity Bonds of such Series will be deemed to be no longer Outstanding;

(f) the currency or currencies in which the Parity Bonds of such Series are payable;

(g) the denominations of, and the manner of dating, numbering, and, if necessary, authenticating, the Parity Bonds of such Series;

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Bond Resolution, and the words "herein," "hereof," "hereunder" and other words of similar import refer to the Bond Resolution as a whole and not to any particular Article, Section or subdivision hereof.

(d) In the Bond Resolution, the words "hereof," "herein," "hereto," "hereby" and "hereunder" (except in the form of Parity Bond) refer to the entire Bond Resolution.

**SECTION 1.03. Equal Security.** In consideration of the acceptance of the Parity Bonds by those who shall hold the same from time to time, the Bond Resolution shall constitute a contract between the State and the owners from time to time of the Parity Bonds and interest coupons appertaining thereto, and the covenants and agreements herein set forth to be performed on behalf of the State shall be for the equal and proportionate benefit, security and protection of all owners of the Parity Bonds and interest coupons without preference, priority or distinction as to security or otherwise of any of the Parity Bonds or interest coupons over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided in the Parity Bonds or in the Bond Resolution.

## ARTICLE II PARITY BONDS; SERIES

**SECTION 2.01. Authorization.** Parity Bonds may be issued hereunder from time to time in order to obtain funds for purposes authorized by the Act. The maximum principal amount of Parity Bonds which may be issued hereunder is not limited, subject, however, to the right of the State, which is hereby reserved, to limit or restrict the aggregate principal amount of Parity Bonds which may at any time be issued and outstanding hereunder. The Parity Bonds are designated generally as the "State of Alaska Sport Fishing Revenue Bonds." The Parity Bonds may be issued in such Series as from time to time shall be authorized by or pursuant to the Act and established by the Committee, and the Bond Resolution constitutes a continuing agreement with the owners of all of the Parity Bonds issued or to be issued and at any time outstanding to secure the full and final payment of the principal of and premium, if any, and the interest on all Parity Bonds which may from time to time be executed and delivered hereunder; subject to the covenants, agreements, provisions and conditions herein contained.

Parity Bonds and the lien thereof created and established hereunder shall be obligations only of the special fund(s) established in the supplemental resolution authorizing their issuance. Parity Bonds shall be payable solely from and secured solely by Revenues as provided in Article III of this resolution; *provided, however,* that any Series of Parity Bonds also may be payable from and secured by a Credit Facility pledged specifically to or provided for that Series of Parity Bonds or may be issued or maintained in conjunction with a Derivative Product.

From and after the time of issuance and delivery of the Parity Bonds of each Series and so long thereafter as any of the same remain Outstanding, the State hereby irrevocably obligates and binds itself to set aside and pay into the Bond Fund out of Revenues, on or prior to the date

(b) the place or places of payment of the principal, redemption price, if any, or purchase price, if any, of and interest on, the Parity Bonds of such Series;

(i) the tender agent or tender agents, if any, for the Parity Bonds of such Series and the duties and obligations thereof;

(j) the remarketing agent or remarketing agents, if any, for the Parity Bonds of such Series and the duties and obligations thereof;

(k) the Trustee or trustee, if any, for the Parity Bonds of such Series and the duties and obligations thereof;

(l) the form or forms of the Parity Bonds of such Series and any coupons attached thereto, which may include but shall not be limited to, registered form, bearer form with or without coupons, and book-entry form, and the methods, if necessary, for the registration, transfer and exchange of the Parity Bonds of such Series;

(m) the terms and conditions, if any, for the redemption of the Parity Bonds of such Series prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms;

(n) the terms and conditions, if any, for the purchase of the Parity Bonds of such Series upon any optional or mandatory tender for purchase prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms;

(o) the manner of sale of the Parity Bonds of such Series, with or without a premium or a discount;

(p) if so determined by the State, the authorization of and any terms and conditions with respect to credit or liquidity support for the Parity Bonds of such Series and the pledge or provision of moneys, assets or security other than Revenues to or for the payment of the Parity Bonds of such Series or any portion thereof;

(q) a subaccount within the Reserve Account for the Parity Bonds of such Series and the application of moneys or securities therein; and

(r) any other provisions which the State deems necessary or desirable in connection with the Parity Bonds of such Series.

### SECTION 2.03. Parity Bonds.

(a) **Limitations on Issuance of Parity Bonds.** All Parity Bonds authorized to be issued under Section 2.01 of this resolution shall have an equal lien and charge upon the Revenues upon fulfillment of the conditions of this resolution, whether at the time of

authorization or issuance of such Parity Bonds. Except as provided in subsection (b) below, the State shall not issue any Series of Future Parity Bonds or incur any additional indebtedness with a parity lien or charge on Revenues (i.e., on a parity of lien with Parity Bonds at the time Outstanding) unless:

(1) The issuance of the additional Series of Future Parity Bonds shall have been authorized by legislation amending or supplementing the Act.

(2) Such additional Series of Future Parity Bonds shall have been authorized to pay the costs of acquiring, equipping, constructing or installing additions and improvements to and extensions of the sport fishing facilities and constituting a project authorized by the Act.

(3) The State shall be in compliance with all covenants set forth in the Bond Resolution or will be in compliance when the Future Parity Bonds are issued.

(4) There shall have been filed a certificate executed by the Designated Representative demonstrating fulfillment of the Coverage Requirement. In making the computations of Surcharge Revenues for the purpose of certifying compliance with the Coverage Requirement of this Section 2.03, the Designated Representative may adjust Surcharge Revenues to take into account legislatively approved rate increases that were not in effect during all or any portion of the Base Period and Other Revenues to take into account federal grant revenues if the grant is fully executed and the grant revenues are permitted to be used to pay debt service on Future Parity Bonds.

(b) *No Certificate Required.* The certificate described in the foregoing subsection (a)(4) shall not be required as a condition to the issuance of Future Parity Bonds:

(1) if the Future Parity Bonds are for the purpose of refunding Outstanding Parity Bonds upon compliance with the provisions of Section 2.04 of this resolution; or

(2) if the Future Parity Bonds are being issued to pay costs of facilities for which Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of a Designated Representative, and there is delivered a Designated Representative's certificate stating that the nature and purpose of such facilities has not materially changed.

**SECTION 2.04. Refunding Parity Bonds.** The State, by means of a supplemental resolution adopted in compliance with the provisions of Section 2.02 hereof, may issue refunding Future Parity Bonds hereunder as follows:

(a) *Refunding of Parity Bonds.* Future Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Parity Bonds, including amounts to

-17-

by the State so long as any of the Parity Bonds are Outstanding. Notwithstanding the foregoing, the State may, at its option, deposit Other Revenues in exchange or substitution for Surcharge Revenues into the Enterprise Account. All moneys at any time deposited in the Enterprise Account shall be held in trust for the benefit of the owners from time to time of the Parity Bonds and the coupons appertaining thereto, and shall be disbursed, allocated and applied solely for the uses and purposes set forth in Section 3.02.

**SECTION 3.02. Allocation of Moneys in Enterprise Account.** All moneys in the Enterprise Account shall be set aside in the State Treasury, or deposited by the State with the Trustee, as hereinafter specified, in the following order of priority in the following respective special funds and accounts, each of which the State hereby covenants to establish and maintain, and shall be held in trust by the State or by the Trustee in such funds and accounts and disbursed and applied only for the purposes hereinafter authorized:

(a) *Flow of Funds.* All Surcharge Revenues shall be deposited in the Enterprise Account as collected. The Enterprise Account shall be held separate and apart from all other funds and accounts of the State Treasury, and the Surcharge Revenues deposited therein shall be used only for the following purposes and in the following order of priority:

First, to be deposited in the Debt Service Account for the payment of interest on and principal of and redemption premium for Parity Bonds;

Second, to be deposited in the Reserve Account to establish and maintain the Reserve Account Requirement;

Third, to be deposited in any debt service fund for subordinate lien debt (to the extent permitted by the Act);

Fourth, to be deposited into any reserve account for subordinate lien debt (to the extent permitted by the Act);

Fifth, subject to appropriation, to pay operating expenses of sport fishing facilities in an amount not to exceed \$500,000 during any Fiscal Year, and

Sixth, to redeem before their fixed maturities any and all revenue bonds and/or subordinate lien debt issued for the purposes of the sport fishing facilities.

If the balance on hand in the Enterprise Account (after providing for the Minimum Balance Test and the Debt Service Reserve Fund Test in each Bond Deposit Year and after providing for the payment, if any, in paragraph Fifth above), is sufficient to pay and redeem any Bonds, the State shall call such Bonds for redemption at least annually if such Bonds may be called for redemption prior to their scheduled maturity under the terms of the resolution authorizing their issuance.

(b) *Alaska Fish and Game Revenue Bond Redemption Fund.* The special fund of the State established by AS 37.15.770 and maintained by the Act and known as the "Alaska

-19-

pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase) and the expenses of issuing such Future Parity Bonds to purchase or refund the same and of effecting such refunding upon delivery of a certificate as provided in Section 2.03 hereof. Such refunding Future Parity Bonds also may be issued without a certificate if the Debt Service on all Parity Bonds to be Outstanding after the issuance of the refunding Future Parity Bonds shall not be greater in any year than the Debt Service were such refunding not to occur and total debt service has been reduced.

(b) *Refunding of Other Bonds.* Future Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) any other bonds of the State (issued for the sport fishing facilities), including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption of such bonds (or purchase) and the expenses of issuing the Future Parity Bonds to purchase or refund the same and of effecting such refunding; provided, however, that prior to the issuance of such Future Parity Bonds the State must provide a certificate if required by Section 2.03 hereof.

(c) *Refunding of Parity Bonds within One Year of the Maturity Thereof.* Future Parity Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity, any Parity Bonds for the payment of which sufficient Surcharge Revenues or other moneys are not available, without the requirement of a certificate pursuant to Section 2.03 hereof.

**SECTION 2.05. Validity of Parity Bonds.** The validity of the authorization and issuance of the Parity Bonds shall not be affected in any way by any proceedings taken by the State for the acquisition or construction of the additions, improvements, extensions or facilities for which the Parity Bonds are issued or by any contracts made by the State in connection therewith. The recital contained in the Parity Bonds that the same are issued pursuant to the Act shall be conclusive evidence of their validity and of the regularity of their issuance in conformity with the Act.

### ARTICLE III REVENUES

**SECTION 3.01. Pledge of Surcharge Revenues, Enterprise Account, Other Revenues.** All of the Surcharge Revenues and Other Revenues are hereby irrevocably pledged on a first and prior lien basis to the punctual payment of the principal of and interest on the Parity Bonds. Surcharge Revenues shall not be used for any other purpose while any of the Parity Bonds remain outstanding; except that out of Surcharge Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by Section 3.02. Said pledge shall constitute a first lien on the Surcharge Revenues for the payment of the Parity Bonds in accordance with the terms thereof.

All Surcharge Revenues shall be deposited in the special account within the Fish and Game Fund established by AS 16.05.130(e) and maintained by the Act and known as the "Alaska Sport Fishing Enterprise Account" (herein called the "Enterprise Account"), which shall be completely segregated and set apart from all other funds of the State and shall be maintained

-18-

Fish and Game Revenue Bond Redemption Fund" (herein called the "Bond Fund") shall be held by the Trustee, which shall establish accounts within said Fund designated as the Debt Service Account and the Reserve Account.

(1) Debt Service Account. Promptly upon receipt thereof, the State will transfer all Surcharge Revenue on hand in the Enterprise Account to the Trustee for deposit into the Debt Service Account until the Minimum Balance Test and the Debt Service Reserve Test are met.

(2) Other Revenues. In the event that the balance on hand in the Debt Service Account is insufficient to meet the debt service coming due as of the date that is five business days prior to any date on which a payment of interest on or principal of and interest on Parity Bonds is due, the State shall transfer Other Revenues to the Trustee for deposit into the Debt Service Account in order to pay the upcoming amount of such interest and/or principal. In the event that the balance on hand in the Reserve Account is insufficient to meet the Debt Service Reserve Test as of the date that is five business days prior to any date on which a payment of interest on or principal of and interest on Parity Bonds is due, the State shall transfer Other Revenues to the Trustee for deposit into the Reserve Account in order to meet the Debt Service Reserve Test.

From and after the date in each Bond Deposit Year that the Minimum Balance Test and the Debt Service Reserve Test are met, funds shall be disbursed by the State from the Enterprise Account for any purpose set forth in Section 3.02(a) Third through Sixth and the final paragraph of Section 3.02(a).

No later than the date on which a payment of interest on and/or principal of and redemption premium, if any, is due, whether by maturity or redemption prior to maturity, the Trustee shall transfer the amount of such interest, principal and/or premium to the Registered Owners entitled thereto.

(3) Reserve Account. A Reserve Account (the "Reserve Account") is hereby authorized to be created in the Bond Fund for the purpose of securing the payment of the principal of, premium, if any, and interest on all Parity Bonds.

The State hereby covenants and agrees that on the date of issuance of each Series of Parity Bonds, the State will assure that the amount on hand in the Reserve Account shall be sufficient to meet the Reserve Account Requirement.

The Reserve Account Requirement shall be maintained by deposits of cash, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. To the extent that the State obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Reserve Account, all or a portion of the money on hand in the Reserve Account shall be transferred to the Debt Service Account. In computing the amount on hand in the Reserve Account, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the face amount thereof, and all other obligations purchased as an investment of moneys therein shall be valued at market at least annually. The market value of securities then credited to the

-20-



Reserve Account shall be determined and any deficiency in the Reserve Account shall be made up in equal installments within six months after the date of such valuation. As used herein, the term "cash" shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier's check; and the deposit to the Reserve Account may be satisfied by the transfer of qualified investments to such account.

If the balance on hand in the Reserve Account is sufficient to satisfy the Reserve Account Requirement, interest earnings shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Bond Fund, including all accounts therein, to pay the principal of, premium, if any, and interest on all Outstanding Parity Bonds, the money in the Reserve Account may be used, at the direction of the Designated Representative, to pay such principal, premium, if any, and interest. So long as the money left remaining on deposit in the Reserve Account is equal to the Reserve Account Requirement, money in the Reserve Account shall be transferred, without any prior direction from the Designated Representative, to the Debt Service Account. The Designated Representative also may direct the Trustee to transfer out of the Reserve Account any money required in order to prevent any Parity Bonds from becoming "arbitrage bonds" under the Code.

If a deficiency in the Debt Service Account shall occur immediately prior to a debt service payment date with respect to Parity Bonds, such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Reserve Account, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency with respect to the Parity Bonds, and if a deficiency still exists immediately prior to a debt service payment date and after the withdrawal of cash, the State shall then draw from any Qualified Letter of Credit or Qualified Insurance for the Parity Bonds in sufficient amount to make up the deficiency. Drawings under Qualified Insurance and Qualified Letters of Credit shall be made on a pro-rata basis (in proportion to the respective maximum coverage(s) available under Qualified Insurance and Qualified Letters of Credit). Such draw shall be made at such times and under such conditions as such Qualified Letter of Credit or such Qualified Insurance shall provide. Reimbursement shall be made over a twelve-month period to the issuer of any Qualified Letter of Credit or Qualified Insurance in accordance with the reimbursement agreement related thereto, and after making necessary provision for the payments required to be made in paragraphs First of Section 3.02(a) of this resolution. If the State shall have failed to make any payment required to be made under such reimbursement agreement for the Parity Bonds, the issuer shall be entitled to exercise all remedies available at law or under this resolution; provided, however, that no acceleration of the Parity Bonds shall be permitted, and no remedies which adversely affect Registered Owners of the Parity Bonds shall be permitted. Any deficiency created in the Reserve Account by reason of any such withdrawal shall be made up from the next available Revenue but in no event later than within one year from Qualified Insurance or a Qualified Letter of Credit or out of Revenues (or out of other money on hand and legally available for such purpose) after making necessary provisions for the payments required to be made into the Debt Service within such year.

In making the payments and credits to the Reserve Account required by this Section 3.02(b)(3), to the extent that the State has obtained Qualified Insurance or a Qualified

Letter of Credit for specific amounts required pursuant to this section to be paid out of the Reserve Account such amounts so covered by Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account by this Section 3.02(b)(3) to the extent that such payments and credits to be made are to be made or insured by Qualified Insurance, or are to be made or guaranteed by a Qualified Letter of Credit. In the event of termination of a Qualified Letter of Credit or if the issuer of the Qualified Insurance or the Qualified Letter of Credit shall be insolvent or no longer in existence, the Reserve Account Requirement shall be satisfied (A) in equal monthly payments, within six months after the insolvency or incapacity, but no later than the date of cancellation or termination, with cash or with other Qualified Insurance or another Qualified Letter of Credit, or (B) in equal monthly payments, within six months after the insolvency of the issuer of a Qualified Letter of Credit or Qualified Insurance or termination of a Qualified Letter of Credit, out of Revenues (or out of other money on hand and legally available for such purpose) after making necessary provisions for the payments required to be made into the Debt Service Account.

(c) *Derivative Products.* The following shall be conditions precedent to the use of any Derivative Product:

(1) *Opinion of Bond Counsel.* The State shall obtain an opinion of its bond counsel on the due authorization and execution of such Derivative Product opining that the action proposed to be taken by the State is authorized or permitted by this resolution or the applicable provisions of any supplemental resolution authorizing Parity Bonds, as such resolutions may be amended or supplemented from time to time and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Parity Bonds then Outstanding.

(2) *Payments.* Each Derivative Product shall set forth the manner in which the State Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.

(3) *Supplemental Agreements to Govern Derivative Products.* Prior to entering into a Derivative Product, the Committee shall adopt a resolution, which shall:

- (i) create and establish a Derivative Product Account or provide for some other way to account for the use of a Derivative Product, establish general provisions for the retention of Revenues in amounts sufficient to make, when due, State Payments;
- (ii) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and
- (iii) set forth such other matters as the Committee deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.

-21-

-22-

Except as may be otherwise provided in the resolution establishing a Derivative Product Account, additional Parity Bonds may be delivered in connection with any Derivative Product. This resolution may be amended in the future to reflect the lien position and priority of any payments made in connection with a Derivative Product; *provided, however*, that the lien on Surcharge Revenues of payments under Derivative Products must be subordinate to the lien thereon of Parity Bonds.

**SECTION 3.03. Deposit and Investment of Moneys in Funds.** All moneys held in the Construction Fund, the Enterprise Account and the Bond Fund and all accounts and subaccounts therein shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds (including the Trustee), and shall be secured at all times by such obligations as are required by law and to the fullest extent required by law, except such moneys which are at the time invested in accordance with this Section. All such moneys shall be invested in Permitted Investments. As used in the Bond Resolution, the term *Permitted Investments* means and includes any of the following obligations, including those offered by the Trustee where applicable, to the extent the same are at the time legal for investment of funds of the State under applicable law:

- (a) Cash;
- (b) Direct obligations of (including obligations issued or held in book-entry form on the books of the United States Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself).
  - (1) U.S. Export-Import Bank (Eximbank). Direct obligations or fully guaranteed certificates of beneficial ownership.
  - (2) Farmers Home Administration (FmHA) (now known as the United States Department of Agriculture, Rural Development). Certificates of beneficial ownership.
  - (3) Federal Financing Bank.
  - (4) Federal Housing Administration Debentures (FHA)
  - (5) General Services Administration. Participation certificates.
  - (6) Government National Mortgage Association (GNMA or "Ginnie Mae").

-23-

(7) United States Maritime Administration. Guaranteed Title XI financing.

(8) United States Department of Housing and Urban Development (HUD). Project Notes, Local Authority Bonds, New Communities Debentures - United States Government guaranteed debentures, United States Public Housing Notes and Bonds - United States government guaranteed public housing notes and bonds.

(d) U.S. dollar denominated deposit accounts, time deposits and banker's acceptances with domestic 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 S&P, "F1" or "F2" by Fitch and "P-1" by Moody's and maturing no more than 30 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.) Certificates of deposit must be secured at all times by collateral described in (b) and/or (c) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral;

(e) Commercial paper which is rated at the time of purchase in the single highest classification: "A-1" by S&P, F1 by Fitch and "P-1" by Moody's, and which have original maturities of not more than 270 days;

(f) Investments in a money market funds having a rating of "AAAm", "AAAm-G" or "AA-m" or better by S&P or "AAA" or "AA" or better by Fitch or "Aaa", "Aa1" or "Aa2" if rated by Moody's or (b) securities or interests in any mutual fund or any open-ended or closed-ended investment company or investment trust registered under the Federal Investment Company Act of 1940, including those mutual funds or investment companies or trusts for which the Trustee or an affiliate of the Trustee serves as investment advisor, custodian, shareholder, servicing agent, transfer agent, administrator or distributor, if such mutual funds or investment companies or trusts are rated by Standard and Poor's and Moody's in its highest rating category;

(g) (1) Obligations fully and unconditionally guaranteed, as to timely payment of principal and interest by the United States of America, (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (c) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively, "United States Obligations");

(h) Federal Housing Administration debentures;

-24-

(i) The following obligations of government-sponsored agencies which are not backed by the full faith and credit of the U.S. government (stripped securities are only permitted if they have been stripped by the agency itself):

- Federal Home Loan Banks (FHL Banks) Senior debt obligations
- Federal Home Loan (FHL) Mortgage Participation Certificates; Senior debt obligations
- Federal National Mortgage Association (FNMA) Senior debt obligations
- Mortgage-backed securities
- Student Loan Marketing Association (SLMA) Senior debt obligations
- Resolution Funding Corporation (REFCORP) debt obligations;
- Farm Credit System Consolidated system-wide bonds and notes

(j) Deposits, the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million;

(k) State obligations, which include:

(1) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt for which is rated in one of the two highest rating categories by Moody's, Fitch and by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated;

(2) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated in one of the two highest rating categories by S&P, Fitch and by Moody's; and

(3) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P and "Aa" or better by Moody's;

(l) Pre-funded municipal obligations rated "AAA" by S&P and by Fitch and "Aaa" by Moody's meeting the following requirements:

(1) The municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

-25-

(6) An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code;

(7) There is or will be a written agreement governing every repurchase agreement transaction;

(8) The Trustee represents that it has no knowledge of any fraud involved in the repurchase agreement transaction;

(9) The Trustee receives the opinion of counsel (which opinion shall be addressed to the State and the Trustee) that such repurchase agreement as legal, valid and binding and enforceable upon the provider in accordance with its terms, and that the repurchase agreement is a lawful investment for funds of the State;

(n) Collateralized guaranteed investment contracts meeting the criteria then required by the issuer of any Credit Facility then in effect with respect to Parity Bonds Outstanding; and

(o) State investment pools described in this Section 3.03.

In addition, such money may be invested in any of the investment pools operated by the Department of Revenue. Each investment (other than investments in the State investment pools) shall mature or in the case of investment pool funds shall be available at such times and in such amounts as shall be required to provide money to make the payments required to be made from said accounts and funds. If money is held by the Trustee, the Trustee shall not invest money in the absence of written direction to the Trustee by a Designated Representative from the Department of Revenue. All interest or other income received on any moneys so invested shall be deposited in and become a part of the respective fund or account from which such investment was made, except as shall be necessary to comply with the tax covenants set forth in Section 3.09 or otherwise to comply with the requirements of the Code. The Trustee shall not be accountable for any depreciation in the value of the investments made in accordance with the provisions of this Section, or for any losses incurred upon any authorized disposition thereof.

**SECTION 3.04. Certification by Committee of Amounts Required.** The Committee shall, on or before December 31 of each year, commencing with the year in which the Parity Bonds of Series are issued, certify to the Commissioner of the Department of Revenue and the Commissioner of the Department of Fish and Game the amounts required in the next ensuing calendar year by the Bond Resolution to be paid out of the Enterprise Account into the Bond Fund (including the Debt Service Account and the Reserve Account). At the same time the Committee shall also certify to said Commissioners the last date or dates upon which such payments may be made.

-27-

(2) The municipal obligations are secured by cash or United States Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(3) The principal of and interest on the United States Obligations (plus any cash in the escrow) have been verified by the report of Independent Certified Public Accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(4) The cash or United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(5) No substitution of a United States Obligation shall be permitted except with another United States Obligation and upon delivery of a new Verification; and

(6) The cash or United States Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) Repurchase agreements with any domestic bank with debt rated "AA" or better by S&P and Fitch, or any foreign bank rated at least "AA" by S&P and by Fitch and "Aa" by Moody's, or with any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least "AAA" by S&P and by Fitch and "Aa" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corp. (SIPC), provided that such repurchase agreements meet the following requirements:

(1) The market value of the collateral is maintained for United States Treasury Securities (and other United States Obligations acceptable to Credit Facility Issuer) at levels acceptable to the Credit Facility Issuer;

(2) Failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral;

(3) The Trustee or a third party acting solely as agent for the Trustee has possession of the collateral or the collateral has been transferred to the Trustee in accordance with applicable state and federal laws (other than by means of entries on the repurchase agreement entity's books) at or before the time of payment;

(4) The repurchase agreement shall state and an opinion of counsel shall be rendered that the Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof and to the effect that the repurchase agreement meets guidelines under state law for legal investment of public funds (in the case of bearer securities, this means the trustee is in possession);

(5) The collateral is free and clear of any third-party liens or claims;

-26-

#### ARTICLE IV COVENANTS OF THE STATE

**SECTION 4.01. Punctual Payment.** The State shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Parity Bonds, in strict conformity with the terms of the Parity Bonds and of the Bond Resolution, and it shall faithfully observe and perform all of the conditions, covenants and requirements of the Bond Resolution and of the Parity Bonds.

#### **SECTION 4.02. Books and Accounts; Financial Statements.**

(a) The State shall keep proper books of record and accounts of the sport fishing facilities, separate from all other records and accounts of the State, in which complete and correct entries shall be made of all transactions relating to the sport fishing facilities. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the owners of not less than ten percent (10%) of the principal amount of the Parity Bonds then outstanding, or their representatives authorized in writing.

(b) The State shall cause to be prepared and placed on file with the Trustee annually within 180 days after the close of each Fiscal Year so long as any of the Parity Bonds are outstanding, a detailed statement for the preceding Fiscal Year showing the Revenues, disbursements from the Revenues and expenditures applicable to the sport fishing facilities, together with a detailed balance sheet reflecting the balances in all funds relating to the sport fishing facilities held by the State or the Trustee as of the end of such Fiscal Year, which statement and balance sheet shall be accompanied by an opinion in writing of an Independent Certified Public Accountant.

**SECTION 4.03. Protection of Security and Rights of Parity Bondowners.** The State shall preserve and protect the security of the Parity Bonds and the rights of the Parity Bondowners, and shall warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Parity Bonds by the State, the Parity Bonds and coupons appertaining thereto shall be incontestable by the State.

**SECTION 4.04. Maintenance of Trustee.** The State shall appoint and at all times have a paying agent, authenticating agent, transfer agent and trustee for the purpose of paying the principal of, and the interest on, the Parity Bonds, authenticating Parity Bonds, transferring ownership therein and maintaining a Bond Register for Parity Bonds held in registered form (the "Trustee"). The Trustee appointed pursuant to Section 5.01 shall serve as the Trustee for all Parity Bonds hereunder.

**SECTION 4.05. No Impairment.** The State pledges to and agrees with the Owners of all Parity Bonds that it will not limit or alter the rights and powers vested in the Committee by AS 37.15.765-37.15.799 to fulfill the terms of any contract made by the Committee, including the Bond Resolution, with the Owners or in any way impair the rights and remedies of the Owners to receive the principal amount of all Parity Bonds, together with the interest thereon with interest on unpaid installments of interest, are fully met and discharged.

-28-

SECTION 4.06. Further Assurances. The State and the Committee shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Bond Resolution, and for the better assuring and confirming unto the owners of the Parity Bonds of the rights and benefits provided in the Bond Resolution.

#### ARTICLE V THE TRUSTEE

SECTION 5.01. Appointment of Trustee. The Designated Representative is hereby authorized and directed to solicit proposals from banks and trust companies to serve as Trustee hereunder and to select a bank or trust company meeting the qualifications of this Section 5.01 to service as the Trustee for the owners of the Parity Bonds. The Trustee shall perform the duties set forth under this Bond Resolution, and the Designated Representative may enter into a written agreement with respect to the payment of fees and expenses payable to the Trustee.

The Designated Representative may remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto; but any such successor shall be a bank or trust company, having a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice to the Designated Representative. Upon receiving such notice of resignation, the Designated Representative shall promptly appoint a successor Trustee by an instrument in writing. Notice of the replacement of the Trustee shall be provided promptly to Bondowners. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. The fees of the Trustee shall be as set forth in a written agreement between the Designated Representative and the Trustee.

SECTION 5.02. Liability of Agents. The recitals of facts, covenants and agreements herein and in the Parity Bonds contained shall be taken as statements, covenants and agreement of the State, and the Trustee shall not assume any responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Bond Resolution or of the Parity Bonds or coupons, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Parity Bonds assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

SECTION 5.03. Notice to Agents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, Parity Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party

-29-

Resolution, or in regard to questions arising under the Bond Resolution or in any other respect as the Committee may deem necessary or desirable and not inconsistent with the Bond Resolution, and which shall not materially adversely affect the interests of the owners of the Parity Bonds; and

(3) to provide for the issuance of an additional Series of Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of Article II.

The provisions of Sections 6.02 and 6.03 shall not apply to any supplemental resolution adopted pursuant to this subsection (b), and such a supplemental resolution shall become effective upon its adoption.

Notwithstanding anything in this resolution to the contrary, the adoption by the Committee of a supplemental resolution authorizing the issuance of Future Parity Bonds shall not be considered an additional resolution for purposes of this Article VI, and the Committee may approve such supplemental resolution in accordance with Sections 2.02 and 2.03 hereof without the requirement of notice to or consent of any party (unless otherwise required by Section 2.02 and 2.03 or by the terms of any other contractual arrangement of the State).

SECTION 6.02. Procedure for Amendment with Written Consent of Parity Bondowners. The Committee may at any time adopt a supplemental resolution amending the provisions of the Parity Bonds or of the Bond Resolution, to the extent that such amendment is permitted by Section 6.01, to take effect when and as provided in this Section. A copy of such supplemental resolution, together with a request to Parity Bondowners for their consent thereto, shall be mailed by the State to each registered owner of Parity Bonds outstanding and to each owner of any such Parity Bonds payable to bearer who shall have filed with the Trustee an address for notices, but failure to mail copies of such supplemental resolution and request shall not affect the validity of the supplemental resolution when assented to as in this Section provided. Notice of the fact of the adoption of such supplemental resolution (stating that a copy thereof is available for inspection at the principal office of the Trustee) shall be provided to all owners of Parity Bonds then held in book-entry only form in accordance with the operational procedures then in effect at DTC and with respect to Parity Bonds then held in registered form, but not then held in book-entry only form, such notice shall be given by U.S. Mail, postage prepaid to the owner of each Parity Bond then affected at the address shown for such owner on the Bond Register and with respect to Parity Bonds held in coupon or bearer form, notice of such amendment shall be published at least once a week for two successive weeks in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in San Francisco, California, and in a similar newspaper or journal of general circulation in New York, New York, the first publication in each case to be made not more than fifteen days after the date of adoption of such resolution.

Such supplemental resolution shall not become effective unless there shall be filed with the Trustee the written consents of the owners of at least two-thirds of the aggregate principal amount of the Parity Bonds then Outstanding (exclusive of Parity Bonds disqualified as provided in Section 6.03) and a notice shall have been published as hereinafter in this Section provided.

-31-

or parties. The Trustee may consult with counsel, who may be of counsel to the State, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any person as the owner of a Parity Bond unless and until such Parity Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this resolution, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the Committee, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Bond Resolution upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

#### ARTICLE VI

##### MODIFICATION OR AMENDMENT OF THE BOND RESOLUTION

###### SECTION 6.01. Amendments Permitted.

(a) This resolution and the right and obligations of the State and of the owners of the Parity Bonds and the coupons may be modified or amended at any time by a supplemental resolution, with the written consent of the owners of at least two-thirds of the aggregate principal amount of Parity Bonds then Outstanding, exclusive of Parity Bonds disqualified as provided in Section 6.03. No such modification or amendment shall (1) extend the maturity of any Parity Bond or of any interest installment thereon, or reduce the interest rate thereon, or reduce the principal thereof or any premium payable on the redemption thereof, without the express consent of the owner of such Parity Bond, or (2) reduce the percentage of Parity Bonds required for written consent to an amendment or modification, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

(b) This resolution and the rights and obligations of the State and of the owners of the Parity Bonds and the coupons may also be modified or amended at any time by a supplemental resolution, without the consent of any Parity Bondowners, but only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the State in the Bond Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the State;

(2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond

-30-

Each such consent shall be effective only if accompanied by proof of ownership of the Parity Bonds for which such consent is given, which proof shall be such as is permitted by Section 8.05. Any such consent shall be binding upon the owner of the Parity Bonds giving such consent and on any subsequent owner (whether or not such subsequent owner has notice thereof) unless such consent is revoked in writing by the owner giving such consent or a subsequent owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been published.

After the owners of the required percentage of Parity Bonds shall have filed their consents to the supplemental resolution, the State shall mail and publish a notice of the Parity Bondowners in the manner hereinbefore provided in this Section for the mailing of the supplemental resolution and publication of the notice of adoption thereof, stating in substance that the supplemental resolution has been consented to by the owners of the required percentage of Parity Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the supplemental resolution or consents thereto). Proof of the publication of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The supplemental resolution shall become effective upon the filing with the Trustee of proof of the mailing or publication of such last-mentioned notice, and the supplemental resolution shall be deemed conclusively binding (except as otherwise specifically provided in this Article) upon the State and the owners of all Parity Bonds and coupons upon such filing or if notice was required to be made by publication as provided above, at the expiration of sixty days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

SECTION 6.03. Disqualified Parity Bonds. Parity Bonds owned or held by or for the account of the State or any agency or instrumentality thereof shall not be deemed outstanding for the purpose of any consent or any calculation of outstanding Parity Bonds provided for in this Article VI, and shall not be entitled to consent to or take any action provided for in this Article VI. The Trustee may adopt appropriate regulations to require each Parity Bondowner, before his consent provided for in this Article VI shall be deemed effective, to reveal if the Parity Bonds as to which consent is given are disqualified as provided in this Section.

SECTION 6.04. Consent of Credit Facility Issuer. If and to the extent that any Series of Parity Bonds is secured by a Credit Facility that assures the full payment of all principal and interest on such Series, then, for so long as the Credit Facility Issuer is not then in default of its obligations under such Credit Facility, the adoption of any supplemental resolution amending this resolution shall be subject to the prior written consent of the Credit Facility Issuer. In addition, the Credit Facility Issuer shall be considered as the owner of such Series of Parity Bonds for all purposes requiring the consent of registered and beneficial owners, and neither the registered nor the beneficial owners of Parity Bonds shall have any right to receive notice of any amendment nor shall such owner have any right to consent or object to the adoption of a supplemental resolution.

-32-

SECTION 6.05. Effect of Supplemental Resolution. From and after the time any supplemental resolution becomes effective pursuant to Section 6.01(b) or Section 6.02, the Bond Resolution shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Bond Resolution of the State, the Trustee and all owners of outstanding Parity Bonds (and of interest coupons appertaining thereto, whether attached thereto or detached therefrom) shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental resolution shall be deemed to be part of the terms and conditions of the Bond Resolution for any and all purposes.

SECTION 6.06. Endorsement or Replacement of Parity Bonds Issued After Amendments. The Committee may determine that Parity Bonds issued and delivered after the effective date of any action taken as provided in this Article VI shall bear a notation, by endorsement or otherwise, in form approved by the Committee, as to such action. In that case, upon demand of the owner of any Parity Bond outstanding at such effective date and presentation of his Parity Bond for the purpose at the principal office of the Trustee or at such other office as the Committee may select and designate for that purpose, a suitable notation shall be made on such Parity Bond. The Committee may determine that new Parity Bonds, so modified as in the opinion of the Committee is necessary to conform to such Parity Bondowners' action, shall be prepared, executed and delivered. In that case, upon demand of the owner of any Parity Bond then outstanding, such new Parity Bonds shall be exchanged at the principal office of the Trustee, without cost to any Parity Bondowner, for Parity Bonds then outstanding, upon surrender of such Parity Bonds with all unmatured coupons appertaining thereto.

#### ARTICLE VII DEFAULT AND REMEDIES OF BONDOWNERS

SECTION 7.01. Default. The Committee hereby finds and determines that the failure or refusal of the State or any of its officers to perform the covenants and obligations of this resolution will endanger the operation of the sport fishing facilities and the application of Revenue and such other money, funds and securities to the purposes herein set forth. Any one or more of the following shall constitute a Default under this resolution:

- (a) The State shall fail to make payment of the principal of any Parity Bond when the same shall become due and payable;
- (b) The State shall fail to make payments of any installment of interest on any Parity Bond when the same shall become due and payable;
- (c) The State shall default in the observance or performance of any other covenants, conditions, or agreements on the part of the State contained in this resolution, and such default shall have continued for a period of 30 days after notice thereof has been delivered to the Committee.

Subject to provisions of the preceding paragraph, upon the occurrence of a Default and so long as such Default shall not have been remedied, a Registered Owners' Trustee may be

-33-

No owner of any one or more of the Series of Parity Bonds in Default shall have any right to institute any action, suit or proceedings at law or in equity for the enforcement of the same, unless Default shall have happened and be continuing, and unless no Registered Owners' Trustee has been appointed as herein provided, but any remedy herein authorized to be exercised by a Registered Owners' Trustee may be exercised individually by any Registered Owner, in his own name and on his own behalf or for the benefit of all Registered Owners, in the event no Registered Owners' Trustee has been appointed, or with the consent of the Registered Owners' Trustee if such Registered Owners' Trustee has been appointed; provided however, that nothing in this resolution or in the Parity Bonds shall affect or impair the obligation of the State which is absolute and unconditional, to pay from Revenue the principal of and interest on said Parity Bonds to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payments.

The remedies herein conferred upon or reserved to the owners of the Parity Bonds and to a Registered Owners' Trustee are not intended to be exclusive of any other remedy or remedies, excepting only acceleration of debt and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The privileges herein granted shall be exercised from time to time and continued so long as and as often as the occasion therefor may arise and no waiver of any default hereunder, whether by a Registered Owners' Trustee or by the owners of Parity Bonds, shall extend to or shall affect any subsequent default or shall impair any rights or remedies consequent thereon. No delay or omission of the Registered Owners or of a Registered Owners' Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

Upon any such waiver, such Default shall cease to exist, and any Default arising therefrom shall be deemed to have been cured, for every purpose of this resolution; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

#### ARTICLE VIII SERIES 2006 BONDS

SECTION 8.01. Authorization of Series 2006 Bonds. The State shall issue the Series 2006 Bonds as authorized by the Act, in the principal amount of not to exceed \$69,000,000 for the purpose of providing part of the funds necessary to (i) pay the costs of the Project, (ii) to pay the costs of purchasing a Surety Bond to fund the Reserve Account Requirement, and (iii) pay all costs incidental to the foregoing and to the issuance of the Series 2006 Bonds including the Series 2006 Bond Insurance Policy premium for the Series 2006 Bonds.

-35-

appointed for the Parity Bonds of the Series then in Default by the owners of 51% in principal amount of the Outstanding Parity Bonds of such Series by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners or by their attorneys-in-fact duly authorized and delivered to such Registered Owners' Trustee, notification thereof being given to the State. Any Registered Owners' Trustee appointed under the provisions of this Section shall be a bank or trust company organized under the laws of a state or a national banking association. The fees and expenses of a Registered Owners' Trustee shall be borne by the Registered Owners and not by the State. The bank or trust company acting as a Registered Owners' Trustee may be removed at any time, and a successor Registered Owners' Trustee may be appointed by the owners of a majority in principal amount of the Parity Bonds then Outstanding of the Series in Default, by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners or by their attorneys-in-fact duly authorized.

The Registered Owners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Parity Bonds for which such appointment is made and is empowered to exercise all the rights and powers herein conferred on the Registered Owners' Trustee.

A Registered Owners' Trustee may upon the happening of a Default and during the continuation thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Registered Owners to collect any amounts due and owing the State with respect to the sport fishing facilities, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this resolution.

Any action, suit or other proceedings instituted by a Registered Owners' Trustee hereunder shall be brought in its name as trustee for the Registered Owners and all such rights of action upon or under any of the Parity Bonds of the Series then in Default or the provisions of this resolution may be enforced by a Registered Owners' Trustee without the possession of any of said Series of Parity Bonds, and without the production of the same at any trial or proceedings relating thereto except where otherwise required by law, and the respective owners of said Parity Bonds by taking and holding the same, shall be conclusively deemed irrevocably to appoint a Registered Owners' Trustee the true and lawful trustee to the respective owners of said Series of Parity Bonds then in Default, with authority to institute any such action, suit or proceeding, to receive as trustee and deposit in trust any sums that become distributable on account of said Series of Parity Bonds; to execute any paper or documents for the receipt of such moneys, and to do all acts with respect thereto that the Registered Owner himself might have done in person. Nothing herein contained shall be deemed to authorize or empower any Registered Owners' Trustee to consent to accept or adopt, on behalf of any owner of said Parity Bonds then in Default, any plan of reorganization or adjustment affecting the said Series of Parity Bonds or any right of any owner thereof, or to authorize or empower the Registered Owners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the State shall be entitled to participate or enter an appearance.

-34-

#### SECTION 8.02. Series 2006 Bond Details.

(a) Series 2006 Bonds. The Series 2006 Bonds shall be designated as "State of Alaska Sport Fishing Revenue Bonds, Series 2006," shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Trustee deems necessary for purposes of identification, shall be issued in the aggregate principal amount set forth in the Bond Purchase Contract, and shall be numbered separately in the manner and with any additional designation as the Trustee deems necessary for purposes of identification, shall be dated their date of delivery, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 within a maturity, shall bear interest from their date of delivery until the Series 2006 Bonds bearing such interest have been paid or their payment duly provided for. The Series 2006 Bonds shall bear interest at the per annum rates, payable on the interest payment dates and shall mature in the principal amounts on the principal payment dates set forth in the Bond Purchase Contract and as approved by the Designated Representative pursuant to Section 8.13 of this resolution.

(b) Series 2006 Bonds a Special Fund Obligation. The Series 2006 Bonds are not general obligations of the State, and no tax revenues of the State may be used to pay the principal of, premium, if any, and interest on the Series 2006 Bonds.

The Series 2006 Bonds shall be obligations only of the Bond Fund and shall be payable and secured as provided herein. The Series 2006 Bonds do not constitute an indebtedness of the State within the meaning of the constitutional provisions and limitations of the State of Alaska.

#### SECTION 8.03. Redemption and Purchase.

(a) Optional Redemption. The Series 2006 Bonds shall be subject to optional redemption on the dates and under the terms set forth in the Bond Purchase Contract approved by the Designated Representative pursuant to Section 8.13.

(b) Mandatory Redemption. The Series 2006 Term Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract as approved by the Designated Representative pursuant to Section 8.13.

(c) Purchase of Series 2006 Bonds for Retirement. The State reserves the right to use at any time any Revenue on deposit in the Enterprise Account available after providing for the payments authorized by Section 3.02(c)(1) through (3) to purchase for retirement any of the Series 2006 Bonds offered to the State at any price deemed reasonable to the State's Debt Manager.

(d) Effect of Optional Redemption/Purchase. To the extent that the State shall have optionally redeemed or purchased any Term Bonds since the last scheduled mandatory redemption of such Term Bonds, the State may reduce the principal amount of the Term Bonds of the same maturity to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by the Designated Representative.

-36-

(e) Selection of Series 2006 Bonds for Redemption. The maturities to be redeemed shall be selected by the State and, within a maturity, as long as the Series 2006 Bonds are held in book-entry only form, the selection of Series 2006 Bonds to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Series 2006 Bonds are no longer held in uncertificated form, the selection of such Series 2006 Bonds to be redeemed shall be made as provided in this subsection (e). If the State redeems at any one time fewer than all of the Series 2006 Bonds of a Series having the same maturity date, the particular Series 2006 Bonds or portions of Series 2006 Bonds and maturity to be redeemed shall be selected by lot (or in such other manner determined by the Trustee) in increments of \$5,000. In the case of a Series 2006 Bond of a denomination greater than \$5,000, the State and Trustee shall treat each Series 2006 Bond as representing such number of separate Series 2006 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2006 Bond by \$5,000. In the event that only a portion of the principal sum of a Series 2006 Bond is redeemed, upon surrender of the such Series 2006 Bond at the principal office of the Trustee there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof or, at the option of the Registered Owner, a Series 2006 Bond of like maturity and interest rate in any of the denominations herein authorized.

(f) Notice of Redemption

(i) Official Notice. Unless waived by any owner of Series 2006 Bonds to be redeemed, official notice of any such redemption (which notice, in the case of an optional redemption, shall state that redemption is conditioned by the Trustee on the receipt of sufficient funds for redemption) shall be given by the Trustee on behalf of the State by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2006 Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Trustee.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all Outstanding Series 2006 Bonds are to be redeemed, the identification by maturity and Series (and, in the case of partial redemption, the respective principal amounts) of the Series 2006 Bonds to be redeemed,
- (D) that on the date fixed for redemption, provided that in the case of optional redemption the full amount of the redemption price is on deposit therefor, the redemption price will become due and payable upon each such Series 2006 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

-37-

such additional information as the Trustee deems appropriate, but such mailings shall not be a condition precedent to the redemption of such Series 2006 Bonds.

(iv) Use of CUSIP Numbers. Upon the payment of the redemption price of Series 2006 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity and Series, the Series 2006 Bonds being redeemed with the proceeds of such check or other transfer.

(v) Amendment of Notice Provisions. The foregoing notice provisions of this Section 8.03, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended without the consent of any owners of Series 2006 Bonds by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

**SECTION 8.04. Place and Medium of Payment.** The principal of, premium, if any, and interest on the Series 2006 Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2006 Bonds shall be calculated on the basis of a 360-day year (twelve 30-day months). For so long as all Series 2006 Bonds are in fully immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

In the event that the Series 2006 Bonds are no longer in fully immobilized form, interest on the Series 2006 Bonds shall be paid by check or draft mailed (or by wire transfer, without transfer fee, to a Registered Owner of such Series 2006 Bonds in aggregate principal amount of \$1,000,000 or more who so requests) to the Registered Owners of the Series 2006 Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal and premium, if any, of the Series 2006 Bonds shall be payable upon presentation and surrender of such Series 2006 Bonds by the Registered Owners at the principal office of the Trustee.

**SECTION 8.05. Registration**

(a) Trustee/Bond Register. So long as any Series 2006 Bonds remain Outstanding, the Trustee shall make all necessary provisions to permit the exchange and registration of transfer of Series 2006 Bonds at its principal corporate trust office. The Trustee may be removed at any time as provided in Section 5.01 upon prior notice to the Series 2006 Bond Insurer, as the case may be, DTC, each party entitled to receive notice under Section 8.14 of this resolution and a successor Trustee appointed by the Committee. No resignation or removal of the Trustee shall be effective until a successor shall have been appointed and until the successor Trustee shall have accepted the duties of the Trustee hereunder. The Trustee is authorized, on behalf of the State, to authenticate and deliver Series 2006 Bonds transferred or exchanged in accordance with the provisions of such Series 2006 Bonds and this resolution and to carry out all of the Trustee's powers and duties under this resolution. The Trustee shall be responsible for its representations contained in the Certificate of Authentication on the Series 2006 Bonds.

-39-

(E) the place where such Series 2006 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Trustee.

Unless the State has revoked the notice of redemption in the case of an optional redemption, on or prior to any redemption date, the State shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Series 2006 Bonds or portions of Series 2006 Bonds which are to be redeemed on that date.

Failure to give notice as to redemption of any Series 2006 Bond or any defect in such notice shall not invalidate redemption of any other Series 2006 Bond.

Notwithstanding the foregoing, if the Series 2006 Bonds are then held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then effect at DTC but not less than 30 days prior to the date of redemption.

(ii) Effect of Notice, Bonds Due. Official notice of redemption having been given and not withdrawn as aforesaid, the Series 2006 Bonds or portions of Series 2006 Bonds so to be redeemed shall, on the redemption date (unless in the case of optional redemption the State shall default in the payment of the redemption price), become due and payable at the redemption price therein specified, and from and after such date such Series 2006 Bonds or portions of Series 2006 Bonds shall cease to bear interest. Upon surrender of such Series 2006 Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to a mandatory redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2006 Bond, there shall be prepared for the Registered Owner a new Series 2006 Bond of the same maturity and Series in the aggregate amount of the unpaid principal. All Series 2006 Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

(iii) Additional Notice. In addition to the foregoing notice, further notice shall be given by the State as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Series 2006 Bonds being redeemed; (B) the date of issue of the Series 2006 Bonds as originally issued; (C) the rate of interest borne by each Series 2006 Bond being redeemed; (D) the Series designation and maturity date of each Series 2006 Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Series 2006 Bonds being redeemed. Each further notice of redemption may be sent at least 35 days before the redemption date to the Series 2006 Bond Insurer, as applicable, and to each party entitled to receive notice under the terms of the State's ongoing disclosure commitment pursuant to Section 8.14 hereof, if any, and to the Underwriters or to their business successors, if any, and to such persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the SEC) and with

-38-

(b) Registered Ownership. The State and the Trustee, each in its discretion, may deem and treat the Registered Owner of each Series 2006 Bond as the absolute owner thereof for all purposes (except as provided in Section 8.14 of this resolution), and neither the State nor the Trustee shall be affected by any notice to the contrary. Payment of any such Series 2006 Bond shall be made only as described in Section 8.04 hereof, but such Series 2006 Bond may be transferred as herein provided. All such payments made as described in Section 8.04 shall be valid and shall satisfy and discharge the liability of the State upon such Series 2006 Bond to the extent of the amount or amounts so paid.

(c) DTC Acceptance/Letter of Representations. To induce DTC to accept the Series 2006 Bonds as eligible for deposit at DTC, the State has executed and delivered to DTC the Letter of Representations.

Neither the State nor the Trustee will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Series 2006 Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Series 2006 Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the State to the Trustee or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Series 2006 Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Series 2006 Bonds.

If any Series 2006 Bond shall be duly presented for payment and funds have not been duly provided by the State on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Series 2006 Bond until such Series 2006 Bond is paid.

(d) Use of Depository.

(i) The Series 2006 Bonds shall be registered initially in the name of "Code & Co.", as nominee of DTC, with one Series 2006 Bond maturing on each of the maturity dates for the Series 2006 Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Series 2006 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Representative of the Department of Revenue pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

-40-

(ii) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Representative of the Department of Revenue to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Representative of the Department of Revenue may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Trustee shall, upon receipt of all Outstanding Series 2006 Bonds, together with a written request on behalf of the Designated Representative of the Department of Revenue, issue a single new Series 2006 Bond for each maturity of the Series 2006 Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Designated Representative of the Department of Revenue.

(iv) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Representative of the Department of Revenue determines that it is in the best interest of the beneficial owners of the Series 2006 Bonds that such owners be able to obtain such bonds in the form of Series 2006 Bond certificates, the ownership of such Series 2006 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Designated Representative of the Department of Revenue shall deliver a written request to the Trustee, together with a supply of definitive Series 2006 Bonds, to issue Series 2006 Bonds as herein provided in any authorized denomination. Upon receipt by the Trustee of all then Outstanding Series 2006 Bonds together with a written request on behalf of the Designated Representative of the Department of Revenue to the Trustee, new Series 2006 Bonds shall be issued in the appropriate denominations and Series and registered in the names of such persons as are requested in such written request.

(e) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Series 2006 Bond may be registered and Series 2006 Bonds may be exchanged, but no transfer of any such Series 2006 Bond shall be valid unless such Series 2006 Bond is surrendered to the Trustee with the assignment form appearing on such Series 2006 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Trustee. Upon such surrender, the Trustee shall cancel the surrendered Series 2006 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee thereof, a new Series 2006 Bond (or Series 2006 Bonds at the option of the new Registered Owner) of the same date, Series, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 2006 Bond, in exchange for such surrendered and canceled Series 2006 Bond. Any Series 2006 Bond may be surrendered to the Trustee and exchanged, without charge, for an equal aggregate principal amount of Series 2006 Bonds of the same date, Series, maturity and interest rate, in any authorized denomination or denominations. The Trustee shall not be

obligated to register the transfer or to exchange any Series 2006 Bond during the 15 days preceding the date any such Series 2006 Bond is to be redeemed.

(f) Trustee's Ownership of Series 2006 Bonds. The Trustee may become the Registered Owner of any Series 2006 Bond with the same rights it would have if it were not the Trustee, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Series 2006 Bonds.

(g) Registration Covenant. The State covenants that, until all Series 2006 Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 2006 Bond that complies with the provisions of Section 149 of the Code.

SECTION 8.06. Application of Proceeds of Series 2006 Bonds. Upon receipt of payment for any of the Series 2006 Bonds when the same shall have been sold by the State, the State shall forthwith deposit the proceeds received from such sale in the following respective funds:

(a) The State shall deposit with the Trustee in the Debt Service Account established pursuant to Section 3.02 the accrued interest, if any, to the date of payment of the purchase price of the Series 2006 Bonds received upon the sale thereof.

(b) The State shall transfer the insurance premium for the 2006 Bond Insurance Policy and/or the Surety Bond, if any, to the Series 2006 Bond Insurer.

(c) The balance of the proceeds shall be disbursed as set forth in the closing memorandum prepared by the Underwriters and approved by the Debt Manager.

SECTION 8.07. Construction Fund.

(a) Construction Fund. The Net Proceeds of the Series 2006 Bonds shall be deposited in the Construction Fund maintained in the State Treasury. Disbursements shall be made from the proceeds of the Series 2006 Bonds to pay or reimburse the State for its payment of the costs of the Project. Costs of issuance shall be paid from the proceeds of the Series 2006 Bonds.

A Capitalized Interest Account shall be maintained within the Construction Fund for the purpose of paying interest on the Series 2006 Bonds or a portion of them prior to completion of the Project. The proceeds of the Series 2006 Bonds deposited in the Series 2006 Capitalized Interest Account, together with interest earnings thereon, may be used at the direction of the Designated Representative to pay interest on the Series 2006 Bonds pending completion of the Project. In the alternative, (i) money in the Series 2006 Capitalized Interest Account may be used to pay costs of the Project at the direction of the Commissioner of Fish and Game, to the extent permitted within the then current appropriation available for the Project.

Money in the Construction Fund may be invested in those obligations identified as "Permitted Investments". In addition, such proceeds may be invested in any of the investment pools operated by the Department of Revenue. Earnings on such investments shall accrue to the benefit of the respective account or fund and may be used at the direction of the Debt Manager, to pay debt service on the Bonds, prior to the completion of construction, except as may be required to be used to pay the Rebutable Arbitrage pursuant to this resolution. The allocation of interest earnings and investment earnings between the funds and accounts will be made utilizing the State's accounting system and cooperation through the Department of Fish and Game, the Department of Administration, Division of Finance and the Department of Revenue, Treasury Division. Any balance remaining with respect to the Series 2006 Bonds after the completion of the Project, and after all the costs thereof have been paid, shall be transferred to the Debt Service Account in the Bond Fund.

(b) Reserve Account. The State hereby covenants and agrees that on the date of issuance of the Series 2006 Bonds, it will either deposit proceeds of the Series 2006 Bonds or cause the Surety Bond Issuer to deliver a surety bond to the Trustee, in the amount equal to the Reserve Account Requirement.

SECTION 8.08. Defacement. In the event that money and/or noncallable Government Obligations maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of any Series 2006 Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, and, if such Series 2006 Bonds are to be redeemed prior to maturity, irrevocable notice, or instructions to give notice of such redemption has been delivered to the Trustee, then no further payments need be made into the Bond Fund or any account therein for the payment of the principal of, premium, if any, and interest on the Series 2006 Bonds so provided for and such Series 2006 Bonds shall then cease to be entitled to any lien, benefit or security of this resolution, except the right to receive the funds so set aside and pledged and notices of early redemption, if any, and such Series 2006 Bonds shall no longer be deemed to be Outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the State.

Within 45 days of any defacement of Series 2006 Bonds, the State shall provide notice of defacement of Series 2006 Bonds to Registered Owners of Series 2006 Bonds being defaced, to the Series 2006 Bond Insurer, as applicable, and to each party entitled to receive notice in accordance with Section 8.14.

SECTION 8.09. Tax Covenants. The State covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Series 2006 Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Series 2006 Bonds.

(a) Arbitrage Covenant. Without limiting the generality of the foregoing, the State covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Series 2006 Bonds or any other funds of the State which may be deemed to be proceeds of the Series 2006 Bonds pursuant to Section 148 of the Code and the regulations promulgated thereunder which, if such use had been reasonably expected on the dates of delivery of the Series 2006 Bonds to the initial purchasers thereof, would have caused the Series 2006 Bonds to be "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code.

The State represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is an issuer whose arbitrage certifications may not be relied upon. The State will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Series 2006 Bonds.

(b) Rebutable Arbitrage. The State will pay compute and pay Rebutable Arbitrage, if any, in accordance with the procedures set forth in the Tax Certificate.

(c) Modification of Tax Covenants. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 2006 Bonds. To that end, the provisions of this section may be modified or eliminated without any requirement for formal amendment thereof (and without the consent of the Series 2006 Bond Insurer, the Trustee or any Registered Owner) upon receipt of an opinion of the State's Bond Counsel that such modification or elimination will not adversely affect the tax exemption of interest on any Series 2006 Bonds.

SECTION 8.10. Lost, Stolen, Mutilated or Destroyed Series 2006 Bonds. In case any Series 2006 Bond or Series 2006 Bonds shall be lost, stolen, mutilated or destroyed, the Trustee may execute and deliver a new Series 2006 Bond or Series 2006 Bonds of like date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the State in connection therewith and upon his filing with the State evidence satisfactory to the State that such Series 2006 Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Bond) and of his ownership thereof, and upon furnishing the State with indemnity satisfactory to the State.

SECTION 8.11. Forms of Series 2006 Bonds and Registration Certificate. The Series 2006 Bonds shall be in substantially the following form:

[STATEMENT OF INSURANCE]

UNITED STATES OF AMERICA

NO. \_\_\_\_\_ S \_\_\_\_\_

STATE OF ALASKA  
SPORT FISHING REVENUE BOND, SERIES 2006

Maturity Date: \_\_\_\_\_ CUSIP No. \_\_\_\_\_

Interest Rate: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

THE STATE OF ALASKA (the "State"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the State known as the "Alaska Fish and Game Revenue Bond Redemption Fund" (the "Bond Fund") the Principal Amount indicated above and to pay interest thereon from the Bond Fund from \_\_\_\_\_, 2006, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each \_\_\_\_\_ and \_\_\_\_\_ beginning on \_\_\_\_\_, 1, 20\_\_\_\_. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the "Letter of Representations") by the State to The Depository Trust Company ("DTC"). Principal shall be paid as provided in the Letter of Representations to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of \_\_\_\_\_ (the "Trustee"). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of a series of bonds of the State in the aggregate principal amount of \$69,000,000 of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to Resolution No. 2006-04 of the State Bond Committee (the "Bond Resolution") to construct and renovate sport fishing facilities.

The bonds of this series are subject to redemption as set forth in the Bond Resolution.

The bonds of this series are not private activity bonds. The bonds of this series are not "qualified tax exempt obligations" eligible for investment by financial institutions within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

So long as this bond is held by DTC or its nominee, the manner of selection of bonds of this issue within a maturity for redemption and transfer of bonds and the provision of notice of redemption shall be governed by the Letter of Representations and DTC's operational

arrangements. The State and Trustee shall deem the person in whose name this bond is registered to be the absolute owner hereof for the purpose of receiving payment of the principal of, premium, if any, and interest on the bond and for any and all other purposes whatsoever.

The State hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

The State does hereby pledge and bind itself to set aside from Revenue and to pay into the Bond Fund the various amounts required by the Bond Resolution to be paid into and maintained in said Fund, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Revenues into the Bond Fund are hereby declared to be a first and prior lien and charge upon the Revenues, if any, equal in rank to the lien and charge upon such Revenue of the amounts required to pay and secure the payment of any revenue bonds of the State hereafter issued on a parity with the bonds of this issue.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Trustee.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and resolutions of the State and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the State of Alaska has caused this bond to be executed by the manual or facsimile signatures of the Governor and attested by the Lieutenant Governor, and the seal of the State to be impressed or a facsimile thereof imprinted hereon as of the \_\_\_\_ day of \_\_\_\_\_, 2006.

STATE OF ALASKA

By \_\_\_\_\_ /s/ \_\_\_\_\_  
Governor

ATTEST:

\_\_\_\_\_/s/ \_\_\_\_\_  
Lieutenant Governor

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the State of Alaska Sport Fishing Revenue Bonds, Series 2006 of the State of Alaska, dated \_\_\_\_\_, 2006.

\_\_\_\_\_  
Trustee

By \_\_\_\_\_  
Authorized Signer

In the event any Series 2006 Bonds are no longer in fully immobilized form, the form of such Series 2006 Bonds may be modified to conform to printing requirements and the terms of this resolution.

SECTION 8.12. Execution. The Series 2006 Bonds shall be executed on behalf of the State with the manual or facsimile signature of the Governor of the State, shall be attested by the manual or facsimile signature of the Lieutenant Governor of the State and shall have the seal of the State impressed or a facsimile thereof imprinted thereon.

Only such Series 2006 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the Series 2006 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this resolution.

In case either of the officers of the State who shall have executed the Series 2006 Bonds shall cease to be such officer or officers of the State before the Series 2006 Bonds so signed shall have been authenticated or delivered by the Trustee, or issued by the State, such Series 2006 Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the State as though those who signed the same had continued to be such officers of the State. Any Series 2006 Bond may also be signed and attested on behalf of the State by such persons as at the actual date of execution of such Series 2006 Bond shall be the proper officers of the State although at the original date of such Series 2006 Bond any such person shall not have been such officer.

SECTION 8.13. Sale of Series 2006 Bonds. The Series 2006 Bonds shall be sold by negotiated sale to the Underwriters under the terms of a Bond Purchase Contract. The Committee has determined that it would be in the best interest of the State to delegate to the Designated Representative the authority to approve the final interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity, redemption rights and other terms and conditions of the Series 2006 Bonds. The Designated Representative is hereby

authorized to approve the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights for the Series 2006 Bonds in the manner provided hereafter so long as the aggregate principal amount of the Series 2006 Bonds does not exceed \$69,000,000, and so long as the true interest cost for the Series 2006 Bonds does not exceed 6.0%.

In determining the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights of the Series 2006 Bonds, the Designated Representative, in consultation with the State's financial advisor, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the Series 2006 Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the applicable series of the Series 2006 Bonds. The Designated Representative shall negotiate the terms of sale for the Series 2006 Bonds, including the terms described in this section, in a Bond Purchase Contract.

Subject to the terms and conditions set forth in this Section 8.13, the Designated Representative is hereby authorized to execute the final form of a Bond Purchase Contract for the Series 2006 Bonds. Following the sale of the Series 2006 Bonds, the Designated Representative shall provide a report to the Committee, describing the final terms of the Series 2006 Bonds approved pursuant to the authority delegated in this section.

Upon the adoption of this resolution, the proper officials of the State including the Designated Representative, are authorized and directed to undertake all other actions necessary for the prompt sale, execution and delivery of each series of the Series 2006 Bonds and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 2006 Bonds in accordance with the terms of the Bond Purchase Contract.

The authority granted to the Designated Representative by this section shall remain in effect until September 30, 2006.

The Designated Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the State, the Official Statement (and any Preliminary Official Statement) relating to the issuance and sale of the Series 2006 Bonds and the distribution of the Series 2006 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

SECTION 8.14. Undertaking to Provide Ongoing Disclosure. The Committee hereby authorizes the Debt Manager to enter into an agreement for ongoing disclosure, substantially in the form attached to the Preliminary Official Statement for the Series 2006 Bonds for the benefit of the Beneficial Owners of the Series 2006 Bonds in order to assist the Underwriters in complying with of the Rule.

**SECTION 8.15. Municipal Bond Insurance Policy, Surety Bond Provisions Relating to Municipal Bond Insurer.**

(a) Series 2006 Bond Insurance Policy. The payments of the principal of and interest on the Series 2006 Bonds may be insured by the issuance of the Series 2006 Bond Insurance Policy. The Designated Representative, with the assistance of the State's financial advisor, is hereby further authorized and directed to solicit proposals from municipal bond insurance companies for the issuance of a Series 2006 Bond Insurance Policy. In the event that the Designated Representative receives multiple proposals, the Designated Representative may select the proposal that is expected to result in the overall lowest interest cost with respect to the applicable series of the Series 2006 Bonds. The Designated Representative may execute a commitment received from the Series 2006 Bond Insurer selected by the Designated Representative. The Committee further authorizes and directs all proper officers, agents, attorneys and employees of the State to cooperate with the Series 2006 Bond Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the State as shall be necessary or advisable in providing for the Series 2006 Bond Insurance Policy. To the extent that the Series 2006 Bonds are insured by the Series 2006 Bond Insurance Policy, the Series 2006 Bond Insurer of each maturity of the Series 2006 Bonds so insured shall be deemed to the Registered Owner of such Series 2006 Bonds for all purposes, including consent, under this resolution.

(b) Surety Bond. The Reserve Account Requirement for the Series 2006 Bonds may be met in whole or in part by Qualified Insurance, herein referred to as the "Surety Bond". The Designated Representative, with the assistance of the State's financial advisor, is hereby further authorized and directed to solicit proposals from municipal bond insurance companies for the issuance of a Surety Bond (the "Surety Bond Issuer"). In the event that the Designated Representative receives multiple proposals, the Designated Representative may select the proposal that is expected to result in the overall lowest interest cost with respect to the Series 2006 Bonds. The Designated Representative may execute a commitment received from the Surety Bond Issuer selected by the Designated Representative. The Committee further authorizes and directs all proper officers, agents, attorneys and employees of the State to cooperate with each Surety Bond Issuer in preparing such additional agreements, certificates, and other documentation on behalf of the State as shall be necessary or advisable in providing for the Surety Bond.

**ARTICLE IX  
MISCELLANEOUS**

**SECTION 9.01. Liability of State Limited to Revenues.** Notwithstanding anything in the Bond Resolution contained, the State shall not be required to advance any moneys derived from the proceeds of any taxes, or from any source of income other than the Revenues, for the payment of the principal of or interest on the Parity Bonds or for the performance of any covenants herein contained. Nevertheless, the State may, but shall not be required to, advance for any of the purposes hereof any moneys which the Legislature may hereafter authorize.

-49-

Any funds held by any Trustee, at the time of receipt by the Trustee of such notice from the State, which are not required for the purpose above mentioned, shall be paid over to the Trustee. Any funds thereafter held by the Trustee, which are not required for said purpose, shall be paid over to the State.

**SECTION 9.05. Execution of Documents by Parity Bondowners.** Any request, consent or other instrument which the Bond Resolution may require or permit to be executed by Parity Bondowners may be in one or more instruments of substantially similar tenor, and shall be executed by Parity Bondowners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Parity Bondowner or his attorney of any such request, consent or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgements of deeds to be recorded in the State in which he purports to act, that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the amount of Parity Bonds transferable by delivery held by any person executing any such request, consent or other instrument or writing as a Parity Bondowner, the numbers of the Parity Bonds held by such person, and the date of his holding such Parity Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by a trust company, bank, banker or other depository wherever situated, showing that at the date therein mentioned such person had on deposit with such depository, or exhibited to it, the Parity Bonds described in such certificate. The Trustee and the State may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of Parity Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may nevertheless, in its discretion, require further or other proof in cases where it deems the same desirable. The ownership of registered Parity Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, consent or other instrument or writing of the owner of any Parity Bond shall bind all future owners of such Parity Bond in respect of anything done or suffered to be done by the Trustee or the State in good faith and in accordance therewith.

**SECTION 9.06. Waiver of Personal Liability.** No member of the Committee and no officer, agent or employee of the State, or of any department or agency thereof, shall be individually or personally liable for the payment of the principal of or interest on the Parity Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

-51-

The Parity Bonds shall be revenue bonds, secured exclusively by the Revenues as in the Bond Resolution provided. The Parity Bonds are not a general obligation of the State, and the general fund of the State is not liable, and the credit or taxing power of the State is not pledged, for the payment of the Parity Bonds or their interest. The owners of the Parity Bonds, or the coupons thereto appertaining, shall never have the right to compel the exercise of the taxing power by the State or the forfeiture of any property of the State.

**SECTION 9.02. Benefits of Resolution Limited to Parties.** Nothing in the Bond Resolution, expressed or implied, is intended to give to any person other than the State, the Trustee, the Paying Agents and the owners of the Parity Bonds and coupons, any right, remedy or claim under or by reason of the Bond Resolution. Any covenants, stipulations, promises or agreements in the Bond Resolution contained by and on behalf of the State shall be for the sole and exclusive benefit of the owners of the Parity Bonds and coupons, the Trustee.

**SECTION 9.03. Successor Is Deemed Included in All References to Predecessor.** Whenever in the Bond Resolution the Committee, any officer of the State, the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Bond Resolution contained by or on behalf of the Committee, any officer of the State or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**SECTION 9.04. Discharge of Bond Resolution.**

If—

(i) all of the outstanding Parity Bonds shall have matured, or if notice of redemption of all of the outstanding Parity Bonds prior to maturity shall have been given, or provision satisfactory to the Trustee shall have been irrevocably made for the giving of such notice, and if the State shall have deposited with the Trustee, in trust, funds pursuant to the Bond Resolution sufficient to pay and available for the payment of all amounts then due and thereafter to become due on all Parity Bonds, including all principal, interest and redemption premiums, or

(ii) all of the outstanding Parity Bonds are to be refunded, and the conditions set forth in Section 2.04 have been satisfied with respect to such Parity Bonds,

then, at the election of the State, and notwithstanding that any Parity Bonds or interest coupons shall not have been surrendered for payment, the pledge of the Revenues provided for in the Bond Resolution and all other obligations of the State under the Bond Resolution shall cease and terminate, except only the obligation of the State to pay or cause to be paid to the owners of the Parity Bonds and interest coupons not so surrendered and paid all sums due thereon. Notice of such election shall be filed with the Trustee.

Notwithstanding anything herein to the contrary, this resolution shall not be terminated until all obligations and amounts due and owing to any Credit Facility Issuer, including but not limited to the Series 2006 Bond Insurer and the Series 2006 Surety Bond Insurer have been paid and satisfied in full.

-50-

**SECTION 9.07. Partial Invalidity.** If any one or more of the covenants or agreements, or portions thereof, provided in this resolution on the part of the State (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the this resolution or of the Parity Bonds; but the Parity Bondowners shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

-52-



SECTION 9.08. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED AND APPROVED by the State Bond Committee of the State of Alaska, the 21st day of March, 2006.

STATE OF ALASKA  
STATE BOND COMMITTEE

-----  
WILLIAM C. NOLL  
Commissioner, Department of Commerce  
Community and Economic Development  
Chair and Member  
Alaska State Bond Committee

-----  
WILLIAM A. CORBUS  
Commissioner, Department of Revenue  
Secretary and Member  
Alaska State Bond Committee

-----  
SCOTT J. NORDSTRAND  
Commissioner, Department of Administration  
Member  
Alaska State Bond Committee

Approved as to form:

-----  
Attorney General of the State of Alaska

CERTIFICATE

I, the undersigned, Secretary of the State Bond Committee of the State of Alaska (herein called the "Committee") DO HEREBY CERTIFY:

1. That the attached Resolution numbered 2006-04 (herein called the "Resolution") is a true and correct copy of a resolution of the Committee as adopted at a meeting held on March 21, 2006, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Committee voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2006.

-----  
Secretary

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") constitutes the written undertaking of the State of Alaska (the "State"), for the benefit of the holders of the State's \$28,830,000 Sport Fishing Refunding Revenue Bonds, 2011 (the "Bonds"), required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule"), for the benefit of the beneficial owners or holders of the Bonds. The State is an "obligated person" within the meaning of the Rule.

**SECTION 1. Definitions:** The following capitalized terms shall have the following meanings:

**Annual Financial Information** means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP") and operating and demographic data contained in the "Comprehensive Annual Financial Report" ("CAFR") of the State of Alaska, provided at least annually, and the annual "Alaska Public Debt Report" which together contain the type of financial and debt information included in the final official statement with respect to the Bonds described in Exhibit B hereto; which Annual Financial Information shall include Audited Financial Statements.

**Audited Financial Statements** means the State's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants or the Legislative Auditor of the State.

**Disclosure Representative** means the Chairman of the State Bond Committee or his or her designee or such other officer or employee as the State shall designate in writing from time to time.

**Fiscal Year** means the period commencing on the first day of July of any year and ending on the last day of June of the following year or such other period of twelve consecutive calendar months as shall be specified by the State.

**Material Event** means any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves, if any, reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material or events affecting the tax-exempt status of the Bonds;

- (vii) Modifications to rights of the owners of the Bonds if material;
- (viii) Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property, if any, securing the repayment of the Bonds if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the State;
- (xiii) The consummation of a merger, consolidation, or acquisition of the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to undertake such an action, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of the trustee, if material.

**MSRB** means the Municipal Securities Rulemaking Board or any successors to its functions.

**Notice of Material Events** shall mean the Notice required to be given in accordance with Section 4 hereof.

**Participating Underwriter** shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

**Rule** shall mean Rule 15c2-12(b)(5)(i) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

## **SECTION 2. Provision of Annual Financial Information.**

(a) The State shall, while any Bonds are outstanding, provide the Annual Financial Information to the MSRB on or before January 31 of each year (the "Report Date"), commencing January 31, 2013. The State may adjust the Report Date if the State changes its Fiscal Year by providing written notice of the change of Fiscal Year and the new Report Date to the MSRB; provided that the new Report Date shall be 210 days after the end of the new Fiscal Year, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration. It shall be sufficient if the State provides to the MSRB, the Annual Financial Information by specific reference to documents previously provided to the MSRB and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(b) If the State is unable to provide to the MSRB the Annual Financial Information by the Report Date, the State shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(c) If the State is unable to provide the Audited Financial Statements to the MSRB by the Report Date, the State shall provide to the MSRB unaudited financial statements of the State, and, as required by the Rule, Audited Financial Statements, when and if available, must thereafter be provided to the MSRB.

**SECTION 3. Content of Annual Financial Information.** The State's Annual Financial Information shall contain or incorporate by reference the information described in Exhibit B attached hereto, as well as the following:

- (a) The Audited Financial Statements,
- (b) Updated versions of the type of information contained in the final Official Statement, as follows:
  - (i) STATE OF ALASKA DEPARTMENT OF FISH AND GAME – Fish Hatchery Program (update of the statistics in the third paragraph regarding hatchery fish stocks and yields);
  - (ii) LICENSE FEE REVENUES – Legal Authority for License Fees and Surcharge – Alaska Department of Fish and Game Sport Fishing Schedule of Fees table;
  - (iii) LICENSE FEE REVENUES – Historical Activity and Revenues – State of Alaska Department of Fish and Game Number of Sport Fish Licenses Sold by License Category table;
  - (iv) LICENSE FEE REVENUES – Historical Activity and Revenues – State of Alaska Department of Fish and Game Value of Sport Fish Licenses Sold by License Category table;
  - (v) LICENSE FEE REVENUES – Historical Activity and Revenues – State of Alaska Department of Fish and Game Value of Sport Fish King Salmon Stamps Sold by Stamp Category table;
  - (vi) FEDERAL GRANTS – Historical and Estimated Alaska Apportionments – Federal Assistance in Sport Fishing Restoration Final State of Alaska Apportionments table; and
  - (vii) APPENDIX A – Alaska Department of Fish and Game – Fish and Game Fund Sport Fish Account Analysis.

The State reserves the right to cross-reference any or all of such annual financial information and operating data to other documents to be provided to the MSRB.

The State reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the State; provided that the State agrees

that any such modification will be done in a manner consistent with the Rule as provided in Section 6 hereof.

It shall be sufficient if the State provides to the MSRB the Annual Financial Information by specific reference to documents previously provided to the MSRB and, if such document is a final official statement, available from the MSRB. The State shall clearly identify each such other document so incorporated by reference.

#### **SECTION 4. Reporting of Material Events.**

(a) If a Material Event occurs while any Bonds are outstanding, the State shall provide a Material Event Notice to the MSRB not in excess of ten business days after the occurrence of the event. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(b) The State shall provide, in a timely manner to the MSRB, notice of any failure while any Bonds are Outstanding by the State to provide to the MSRB Annual Financial Information on or before the Report Date.

(c) The State may from time to time choose to provide notice of the occurrence of certain other events, in addition to Material Events, if, in the judgment of the State, such other event is material with respect to the Bonds, but the State does not undertake to commit to provide any such notice of the occurrence of any material event except Material Events.

**SECTION 5. Termination of Reporting Obligation.** The State's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption in whole or payment in full of all of the Bonds. In addition, any provision hereof and any provision relating to the Rule as set forth in the Resolution shall be null and void in the event that the State delivers to the Registrar, an opinion of counsel expert in federal securities laws to the effect that those portions of the Rule which require this Disclosure Certificate, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; provided that the State shall have provided notice of such delivery and the cancellation of this Disclosure Certificate and that portion of the Resolution relating to the Rule to the MSRB.

**SECTION 6. Amendment; Waiver.** Notwithstanding any provision of this Disclosure Certificate, the State may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not in and of itself cause the undertakings herein to violate, or adversely affect compliance with the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in or official interpretation of the Rule.



Provided, however, that the following conditions must be satisfied prior to such amendment:

- (a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the State, or type of business conducted;
- (b) The undertaking hereunder, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment does not materially impair the interests of the holders and the beneficial owners of the Bonds, as determined either by parties unaffiliated with the State (such as bond counsel), or by approving vote of such holders in accordance with the terms of the Resolution at the time of the amendment.

Further, the Annual Financial Information containing the amended operating data or financial information shall explain in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

Further provided, if an amendment is made to an undertaking hereunder specifying the accounting principles to be followed in preparing the Audited Financial Statements, the Annual Financial Information for the year in which the change is made should present a comparison between the Audited Financial Statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the Audited Financial Statements, in order to provide information to investors to enable them to reevaluate the ability of the State to meet its obligations. To the extent reasonably feasible, the comparison also should be quantitative. A notice of the change in the accounting principles should be sent to the MSRB.

**SECTION 7. EMMA; Format for Filing with the MSRB.** Until otherwise designated by the MSRB or the Securities and Exchange Commission, any filing required to be made with the MSRB under the undertaking are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at [www.emma.msrb.org](http://www.emma.msrb.org). All notices, financial information and operating data required by the undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to the undertaking must be accompanied by identifying information as prescribed by the MSRB.

**SECTION 8. Additional information.** Nothing in this Disclosure Certificate shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or Notice of Material Event, in addition to that which is required by this Disclosure Certificate. If the State chooses to include any information in any Annual Financial Information or Notice of Material Event in addition to that which is specifically required by this Disclosure Certificate, the State shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Financial Information or Notice of Material Event.

**SECTION 9. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the State, the Participating Underwriters, the holders and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

BY: \_\_\_\_\_  
Deven J. Mitchell  
Debt Manager, State of Alaska,  
For the State Bond Committee

Date: December 8, 2011.

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: THE STATE OF ALASKA  
Name of Obligated Person: THE STATE OF ALASKA  
Name of Bond Issue: State of Alaska Sport Fishing Refunding Revenue Bonds, 2011  
Date of Issuance: December 8, 2011

NOTICE IS HEREBY GIVEN that the State has not provided Annual Financial Information with respect to the above-named Bonds as required by Continuing Disclosure Certificate of the State dated December 8, 2011. The State anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Deven J. Mitchell  
Debt Manager, State of Alaska  
For the State Bond Committee

## EXHIBIT B

- (A) Names of the entities, enterprises, funds, accounts and other persons with respect to whom information will be provided:

Entity:

1. STATE OF ALASKA

- (B) Types of information to be provided: (e.g., specific types of financial statements and general descriptions of operating, economic, statistical, utilization and trend data)

1. Audited Financial Statements
2. Comprehensive Annual Financial Report \_\_\_\_\_, 20\_\_\_\_.

- (C) The accounting principles pursuant to which financial statements will be prepared:

Generally accepted accounting principles, GASB 34

## APPENDIX E

### BOOK-ENTRY ONLY SYSTEM

#### SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for

their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.



