

**ALASKA MUNICIPAL BOND BANK
AUTHORITY
BOARD OF DIRECTOR'S MEETING**

**TO BE HELD AT
State of Alaska Department of Revenue
Commissioner's Conference Room
333 Willoughby Avenue, 11th Floor
Juneau, Alaska 99811**

January 10, 2017

10:00 A.M. ADT





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AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:

State of Alaska – Department of Revenue
Commissioner's Conference Room
333 Willoughby Avenue, 11th Floor
Juneau, Alaska 99811

January 10, 2017 at 10:00 a.m. ADT

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of the November 15, 2016 Meeting of the Board of Directors**
- VI. General Business**
 - A. Yukon-Kuskokwim Health Corporation (YKHC) – Final Credit Review & Discussion**
 - B. Resolution 2017-01 - Authorizing the Series 2017A Bonds**
 - C. Kenai Peninsula Borough – Credit Review & Discussion**
 - D. Executive Director's Report**
- VII. Public Comments**
- VIII. Board Comments**
- IX. Adjournment**

Alaska Municipal Bond Bank Authority - Board of Directors Meeting

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Commissioner’s Conference Room
333 Willoughby Avenue, 11th Floor, Side A
Juneau, Alaska

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[Attachments, History, Details](#)

Attachments

[AMBBA Board of Directors Meeting 1.10.17.pdf](#)

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Events/Deadlines:

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MINUTES for the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

November 15, 2016

I. CALL TO ORDER

Mark Pfeffer called the meeting to order at 2:32 PM, Alaska Daylight Time. Members participated at the AIDEA Building, 813 W Northern Lights Blvd., Anchorage, AK 99503, and by telephone.

II. ROLL CALL

Mark Pfeffer
Greg Gurse
Michael Lamb
Luke Welles
Pam Leary

OTHERS IN ATTENDANCE:

- Deven Mitchell, Executive Director, Alaska Municipal Bond Bank
- Ryan Williams, Finance Director, Alaska Municipal Bond Bank
- Chip Pierce, Financial Advisor, Western Financial Group
- Susan Barry, Bond Counsel – AMBBA, Orrick, Herrington & Sutcliffe, LLP
- Leslie Krusen, Bond Counsel – AMBBA, Orrick, Herrington & Sutcliffe, LLP
- Dan Winkelman, President / CEO, Yukon-Kuskokwim Health Corporation (YKHC)
- Tommy Tompkins, CFO, YKHC
- Deanna Latham, VP of Support Services, YKHC
- James Sweeney, VP of Hospital Operations, YKHC

- Lisa Wimmer, Project Finance Manager, YKHC
- Fred Eoff, Director, PFM
- Josh Pepperd, GC, ASKW/Davis
- Kent Crandall, Senior Project Manager, Arcadis
- Greg Stuckey, USDA
- Misty Hull, Alaska USDA
- Jeffrey San Juan, AIDEA
- Brenda Applegate, AIDEA
- Ken Vassar, Law Office of Ken Vassar
- Jeff Johnson, Wipfli
- Will Frymann, JP Morgan

III. PUBLIC MEETING NOTICE

A copy of the Online Public Notice concerning the date, location, and purpose of the meeting was reviewed for the record. The public notice was officially published on November 7, 2016 on the official Alaska Online Public Notice website for the November 15, 2016 meeting date.

IV. APPROVAL OF AGENDA

The agenda was reviewed by the board. The agenda was approved unanimously as written without objection.

V. MINUTES of the September 6, 2016 Board of Directors Meeting

The September 6, 2016 minutes of the AMBBA Board of Directors meeting was reviewed by the board and approved unanimously as written without objection.

VI. GENERAL BUISNESS

YKHC – Project Presentation and Loan Analysis

Mr. Pfeffer asked Mr. Winkelman of YKHC if there was any association with the Tribal Health Consortium on this proposed project, as the board has financial interests with Tribal Health Consortium. Mr. Winkelman verified that there was no financial connections with Tribal Health Consortium on this project. Ms. Wimmer and Mr. Eoff handed out a hard-copy of the presentation, and re-introduced the project group. Mr. Eoff explained that the YKHC is responsible for providing health care within their entire region of over 75,000 square miles,

on behalf of 33,000 plus people and 58 tribes. This is a joint venture with Indian Health Services (IHS). The compact with IHS provides a 20 year staffing package to provide up to 547 health care and health care related positions in the service area. The project builds a new outpatient clinic, and in-patient primary care facility. This will also remodel the existing hospital for emergency care, dietary, and other services. A third party feasibility study has been conducted. USDA has approved a loan of \$165 million for this project, which is the largest loan for a single project that has been approved by USDA (no construction financing, only finished construction). \$75 million in interim financing from Raymond James, issued as a conduit through AIDEA, and YKHC mentioned they entered into a \$50 million facility from Wells Fargo.

The IHS compact agreement is where a majority of the revenues are derived (for operational costs of the facility), freeing up other revenues for debt service through a lock-box. Mr. Lamb asked for clarification on debt feasibility with recent rate increases, and how that affects debt service coverage. Mr. Eoff mentioned this is covered later in the presentation. Mr. Eoff mentioned that per the feasibility report there was about 300 days cash on hand. Mr. Pfeffer suggested that it was a good idea to skip to the financing assumptions at the end of the presentation, since this has been of prominent importance for discussion. Mr. Eoff went over the operational flow of funds, with net patient revenue flowing into a lock-box held by the master trustee with FY2015 audited financials at a coverage ratio of 4.7 times. Mr. Eoff addressed Mr. Lamb's question on market impact, stating that the USDA loan has been locked / committed at a rate of 3.625%, with only the Bond Bank's loan final pricing subject to market conditions, and the 4.7 times coverage has not been updated to address market changes. Mr. Lamb followed up by asking about priority of interest of debt service deposits. Mr. Eoff mentioned that debt will be on a parity basis for all lenders, giving no lender priority on revenue over the other. Ms. Barry mentioned that counsel for all parties of the transaction are reviewing language regarding the parity on revenue and collateral of YKHC for loans in general. The USDA and Bond Bank loans, the revenues are deposited to separate accounts monthly pro-rata. If trouble arises, federal law requires USDA to negotiate independently with YKHC, but there is agreement between parties that remedies to these loans need to be directly stated.

Mr. Welles asked a question, needing clarification if there would be a line of credit out of the debt service deposits from AIDEA (through Raymond James), or would that be coming out of the lock-box. Mr. Eoff confirmed that the AIDEA

loan would be separately secured, with no claim on the operating revenues towards that line of credit. Mr. Welles also asked if there would need to be a Medicaid intercept agreement. Mr. Mitchell mentioned that has not been discussed, but in discussions it would be difficult to provide for, and would not be pursued at this point. Mr. Pfeffer asked for additional clarification on currently existing debt of YKHC, and if this debt has a priority claim on net patient revenue before this transaction, and if so, will it remain after this transaction. Mr. Eoff answered that even though this debt previously exists, it's not anticipated that it would have a priority claim over the USDA and Bond Bank loan, and would be co-equal with the obligations to that loan. Additionally, those loans would be retired approximately at the same time of the completion of the project. During construction interest on the Bond Bank loan is fully capitalized almost through project construction period, separate and apart from capitalization of the bond anticipation note. Ms. Wimmer noted that approximately \$7.5 million remains on that loan, so is lesser in magnitude to upcoming construction loans. Mr. Lamb asked what the feedback would be if the Bond Bank asked YKHC to extinguish existing debt prior to funding of the Bond Bank loan. Mr. Eoff mentioned this would not be desired result to retire with current reserves since these loans do not have a priority interest on these improvements, but if it were critical it could be done. Mr. Welles asked if the current outstanding debt had collateral on the admin building and two sub-regional clinics. Ms. Wimmer answered that it's just the admin building. Mr. Eoff showed a timeline of the project, Bond Bank loan in January 2017, AIDEA conduit debt in January 2018, the USDA loan is variable as to when, but potentially mid and late 2019 (once project expenditures come together, modeled as two separate loan closings). Mr. Eoff went over projected rates on each loan, with current projected debt service coverage having some latitude to absorb market movement. Mr. Mitchell asked if equipment leases would be initiated with vendors or third party financings. Mr. Eoff mentioned that there is a lot of flexibility, with vendors and capital corporations giving a range of quotes to negotiate. Mr. Lamb asked what the timing of the AIDEA loan would be. Mr. Eoff stated the plan is January 2018 as a hypothetical, but would definitely need the money 3 to 4 months later, and anticipates being up to capacity on the Wells Fargo construction line of credit at that point.

Mr. Eoff went over the potential makeup of \$102.5 million in loan proceeds, with a little less than \$88.5 going to the project fund, and a little over \$15 million deposited to the capitalized interest account. YKHC projections show a cash funding of a debt service reserve estimated to be max annual debt service of

slightly over \$6 million, but YKHC would rather fund with a surety, if available. The USDA would give flexibility, and coincide with payment flow to the Bond Bank loan. There is no capitalized interest on the USDA loan, since it is post construction. Equipment leases, based on the construction budget are projected to be \$22 million. The loan anticipation amount, to be underwritten by Raymond James, is projected to be \$75 million, with \$71.5 million going into the project fund, and \$2.8 going into the capitalized interest amount. \$750,000 in the capitalized interest account would flow back into the project fund (as a rating condition). Wells Fargo is in place now and active. Mr. Eoff went over the complete project sources and uses. Mr. Welles asked about the \$22 million in contingency funds for housing projects from the feasibility study, and if it's included in this budget. Mr. Eoff said it is not in this budget, and YKHC is constructing 54 units of housing needed for this project. First National Bank of Alaska is financing this project as well as using YKHC equity. Ms. Wimmer mentioned that they have been approved for a loan of \$12.8 million, on an approximate \$16 million project. Mr. Eoff mentioned this is not part of the master trust indenture. The housing will be the collateral. Mr. Pfeffer asked the construction team where they are, in terms of design and pricing of this project. Mr. Pepperd mentioned that they have been concentrating on the pricing for about a year, and will reach 65% in March 2017. On the progress side, the pilings for phase 1 are complete, which is the bulk of the clinic. Structural steel will be ordered in the near future, with anticipation of arriving on the first barges in June. Mr. Crandall mentioned that design is exactly on schedule. Mr. Pfeffer asked when the staffing package comes online. Ms. Wimmer responded that YKHC will be speaking with IHS in December 2016, regarding staffing funding. The first two floors of the clinic are anticipated to be open in June of 2019, so they will be trying to obtain staffing funding through IHS for those components earlier that year, which will be phased with opening of completed sections of the facility.

Application Credit Review Summary from Chip Pierce:

Mr. Pierce continued with an application credit review for YKHC, a \$102.5 million loan request from the Bond Bank. The first page of the report contained a breakout of gross patient revenues before the impact of the IHS compact agreement. In 2015, the net patient revenues flowing into the lock-box mechanism were approximately \$86.3 million. The recent financial report shows a fairly significant growth in assets of YKHC. There have been two recent legal settlements with YKHC from IHS, with the first settlement in 2008, and both

settlements contributing approximately \$40 million to YKHC's permanent fund. The permanent fund asset value is currently in the range of \$80 million, none of which is pledged to the Bond Bank loan, but shows general financial flexibility of YKHC. The joint structure construction program does provide a substantial source of operating revenue to the corporation, freeing up revenue for other sources. Mr. Pierce mentioned that there is no intercept capability of any state fund flowing to YKHC. Estimated savings through the Bond Bank is about \$7.8 million on a gross basis, and \$4.1 million on a net basis. Revenues will go into the lock-box, funding on a 1/6, 1/12 basis, with excess flowing back to YKHC for operations. Mr. Pierce pointed out hypothetical debt service coverage on page 5 of the credit summary, showing sufficient coverage, with rates still at a historically low level. Revenues available for debt service on a historical basis have ranged from approximately 3.5 to 4.75 times. Mr. Pierce went over the financing conditions, terms under which YKHC would borrow from AMBBA, including terms for issuing additional debt (to be formalized in loan documents between AMBBA, other lenders, and YKHC). This includes a debt service coverage ratio of 1.25 times. 50 days cash on hand shall be maintained, and reported to AMBBA semi-annually. Additional bonds need to show 1.25 times on current debt, and 1.5 times on future proposed debt on projected revenue. There will be a negative pledge on net patient revenue, and the cash funded debt service reserve will need to be funded by YKHC in an amount to satisfy the 3 pronged test. Mr. Pierce mentioned that YKHC has provided letters from two outside attorneys and one letter from the corporation general counsel related to a statement of no litigation, and an updated copy will need to be delivered as a condition to the AMBBA loan since these documents are outdated.

Mr. Pierce presented several issues that remain to be resolved, prior to an unqualified financial advisor recommendation for AMBBA to move forward with the contemplated loan. These will need to be addressed by all legal counsels, and all bullet points presented need to be resolved: 1) the Welles Fargo note and agreement will need to be amended to restrict the security pledge to assets of the Permanent Fund and to permit, without Wells' consent, additional financing secured by other assets, securities and accounts; 2) if one or more USDA loans are not made, payment of the AIDEA BANs would be made from the same revenues pledged to AMBBA, but at what level they would be secured needs to be determined; 3) the financing documents will need to address the issue of lease-financed equipment, and the remedies in the event that equipment essential to YKHC operations is repossessed; 4) YKHC has outstanding debt obligations, and the nature of the pledge to those obligations is still being

investigated; 5) AMBBA's bond counsel is working with YKHC to have the IHS provide a certificate satisfactory to AMBBA's counsel that neither party intends that IHS would ever physically occupy or otherwise use the project, a necessary representation if bond counsel is to conclude that interest on the AMBBA loan is exempt from federal income tax; 6) the parties are still developing a parity agreement to deal with issues such as cross-defaults and remedies, differing covenants and the need for separate contracts with YKHC; 7) financial and other covenants have not yet been finalized and, because they will be vary by lender, additional issues will arise and need to be resolved.

Mr. Pierce's recommendation is to move forward, contingent upon the completion of resolved issues described and upon blessing by legal representatives, and the proposal shall be brought back to the board in early 2017 with these remaining pieces explained.

WFG Post Sale Summary for the 2016 Series 3&4 GO and Refunding Bonds (2005 Master Resolution)

Mr. Pierce presented a summary for the most recent pricing on October 18, 2016, the \$80,435,000 General Obligation and Refunding Bonds, 2016 Series Three, and the \$29,400,000 General Obligation and Refunding Bonds, 2016 Series Four. These were issued under the 2005 Master Resolution. Mr. Pierce mentioned that we had a lower rate environment in July 2016, and rates have been moving in an upward trajectory since then. The deal was complex, with 6 different series being refunding with multiple borrowers. The 2016 Series Three and Series Four Bonds were sold by negotiated sale to RBC Capital Markets as senior manager with Bank of America Merrill Lynch (2016 Series Three) and Goldman Sachs (2016 Series Four) as co-managers. The Bond Bank received a resulting TIC on the transaction of 2.4400%, average life of 6.589 years, and an underwriter cost of \$2.93 per \$1,000. The tone leading up to the sale wasn't particularly good. There was an AMT component to the transaction. Tax-exempt yields increased 20 to 30 basis points in the weeks leading up to the Bond Bank sale. The spread to MMD was not particularly capturing the negativity in the market, and there was a prospective downgrade by S&P concerning a contemplated issuance of pension obligation bonds by the State of Alaska. This pension deal was pulled at a later date, but the bonds had already been priced by investors as if that deal was moving forward. A surety bond was issued in conjunction with the transaction, and an overfunding in the reserve, and capacity to pay off reserve obligation as they come due, was definitely a positive point of the issuance. Due to the

negativity towards fixed income by investors during the transaction, Mr. Pierce described the adjustments made to the scale, and RBC was willing to underwrite a good portion of both series of bonds. The proceeds of all series were provided to fourteen borrowers, with present value savings of approximately \$12.6 million in total.

Finance Directors Report

Mr. Williams presented a summary of the FY2016 financial statements, and quarter one FY2017 returns. The fiscal year 2016 audit was sent to all board members, and included an audit wrap-up from BDO, our auditor. Mr. Williams explained that the decrease in net position was approximately (negative) \$15,000, which is better than expected compared to a report given at the previous board meeting in September. Mr. Williams provided market values and returns for each reserve and custodian fund as of September 30, 2016. Mr. Williams presented current expenses to date for FY2017, which does not include certain billings that need to be reimbursed to the State of Alaska. As of June 30, 2016, the 2005 Resolution Reserve was funded with \$36.6 million of cash, \$15.8 million funded from bonds, and \$10.5 million was funded with a surety policy (NPFG increased the policy by \$7.5 million for the recent 2016 Series 3&4 transaction). Due to use of proceeds from that issuance, including proceeds from previous issuances residing in the 2005 reserve fund, the Bond Bank net out expenses associated with the premium payment on the surety.

Executive Director's Report

Mr. Mitchell reported on the following items that were not covered in the November 15, 2016 Agenda:

In July the Bond Bank issued an RFP for Trustee services. Responses were received on July 28, 2016 from Bank of New York, US Bank, and Zion's Bank. Following evaluation by Finance Director Williams, Kenai Peninsula Borough Finance Director Craig Chapman, and myself the firm of Bank of New York was the successful responder. While the Bank of New York was not first on any of the evaluators score sheets, their cost proposal was nearly half of the other two proposers' fees. As cost was 40% of the total scoring the low bid resulted in the Bank of New York's being selected. Due to concerns related to past performance with the Bank of New York we only executed a one year contract, rather than the longer term contract that was contemplated originally. If the Bank of New York

fails to perform over the coming 9 months we would anticipate re-issuing an RFP with a lower weight for cost.

Following our meeting on September 6, Finance Director Williams and I accompanied Fitch Ratings analysts Marcy Block and Doug Offerman to Bethel on the 7th and provided a tour of Anchorage on the morning of the 8th. This was both Marcy and Doug's first trip to rural Alaska, and provided a first-hand experience of the proposed YKHC project.

On November 2nd and 3rd the 2016 Series Three and Four bond issues were closed in Seattle. Representatives from the City of Bethel, Kenai Peninsula Borough, City of Kodiak, Aleutians East Borough, and the City of Seward participated in the closing. The closing memorandum is attached.

On November 8, 2016, I filed the attached ethics memorandums on behalf of the Bond Bank. No conflicts were reported.

Congratulations to Finance Director Ryan Williams for his appointment as the President elect of the Alaska Government Finance Officers Association.

I had a conversation with Mr. Sweeney about the electrical utility. There's discussion on not charging charges to provide for coverage under their loan. They would have to work to try and fix it should it become an issue. Other remedies could include paying debt service in a year prior to the year debt service is due.

Mr. Lamb has been fined money by APOC. As a delegate for the board, there needs to be a special filing as designee. There's communication with APOC over this "out of compliance" item. Staff is supportive of helping garner communication over this issue. There may be a forthcoming appeal from Mr. Lamb.

There has been a dialogue opened with representatives from Anchorage regarding their port.

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

There were none.

IX. ADJOURNMENT

Mr. Pfeffer adjourned the meeting without objection at 4:41 p.m. ADT.

Mark Pfeffer, Chairman



Deven Mitchell
Executive Director
Alaska Municipal Bond Bank
P.O. Box 110405
Juneau, AK 99811

January 5, 2017

Dear Deven:

At the November 15, 2016 meeting of the Alaska Municipal Bond Bank Authority Board I reviewed the application of the Yukon-Kuskokwim Health Corporation ("Y-K") and identified issues that would need to be addressed prior to a recommendation to proceed with the financing. The following is a summary of those issues and the progress that has been made since the November 2016 Board meeting.

- 1) The Wells Fargo line of credit agreement will need to be amended to restrict the security pledge to assets of the Permanent Fund and to permit, without Wells' consent, additional financing secured by other assets, securities and accounts.

The Wells Fargo \$50 million revolving line of credit is being replaced and Wells Fargo will not serve as an interim lender in the financing.

- 2) Financing documents related to the AIDEA conduit bond anticipation notes (the Raymond James Notes) have not yet been drafted, but the assumption is that payment of the BANs will be made and secured solely by proceeds of one or more USDA loans. If one or more USDA loans are not made, payment of the BANs would be made from the same revenues pledged to AMBBA, but at what level they would be secured (parity or subordinate) has not been determined.

The Raymond James notes will be secured by a pledge of repayment from proceeds of a loan from the United States Department of Agriculture ("USDA"), and secured on a parity basis with other obligations issued under YKHC's master trust indenture secured by a security interest in the real property assets pledged thereunder. The Notes will also be secured by amounts equal to interest over the life of the Notes deposited to a capitalized interest account.

The Notes have a term that extends one year beyond the expected clinic completion, which is the point at which the USDA loan proceeds will retire the Raymond James notes. The additional year beyond expected clinic completion will provide some cushion in the schedule for constructions delays.

- 3) The financing documents will need to address the issue of lease-financed equipment, and the remedies in the event that equipment essential to Y-K operations is repossessed.

Y-K reports that no essential equipment is subject to repossession. Equipment leases will be paid from net operating revenues subordinate to parity loans, including the AMBBA loan.

- 4) The Corporation has outstanding debt obligations, and the nature of the pledge to those obligations is still being investigated.

Y-K staff continue to work with Wells Fargo related to a 2000 loan (subsequently refunded in 2005) with an outstanding par of less than \$8 million. Y-K needs to secure the certain consents that will allow the proposed financings to move forward. Absent receipt of such consents, Y-K will, prior to the distribution of the AMBBA preliminary official statement, retire the outstanding Wells Fargo obligations that currently hold a senior lien and require consent to all future financings.

- 5) AMBBA's bond counsel is working with the Corporation to have the Corporation and the IHS provide a certificate satisfactory AMBBA's counsel that neither party intends that IHS would ever physically occupy or otherwise use the Project, a necessary representation if bond counsel is to conclude that interest on the AMBBA loan is exempt from federal income tax.

AMBBA's bond counsel is in the process of obtaining affirmations from Y-K sufficient for bond counsel to provide a tax-exempt opinion on the AMBBA bonds issued for the Y-K project. Posting of the preliminary official statement will be conditioned on AMBBA Bond Counsel obtaining all information necessary to render a tax-exempt opinion.

- 6) The parties are still developing a parity agreement to deal with issues such as cross-defaults and remedies, differing covenants and the need for separate contacts with the Corporation.

The Parity Agreement is in the form of an intercreditor agreement because, while USDA is a parity lender, it is not a party to the Master Trust Indenture. Drafting of the Parity Agreement has not been completed, but the parties to the agreement have agreed that approval of various remedies under the Master Trust Agreement will require unanimous consent by lenders. The preliminary official statement will not be distributed until the Parity Agreement has been signed by all parties.

- 7) Financial and other covenants have not yet been finalized and, because they will be vary by lender, additional issues will arise and need to be resolved.

AMBBA will require its standard rate covenant/debt service coverage covenants in its loan agreements. Those covenants, which were presented to the Board at its November 15, 2016 meeting, are more stringent than those required by other lenders, and will serve as the basis for the issuance of additional bonds and for monitoring Y-K's financial performance.

Based on the progress made on the above issues, I recommend approval of the proposed loan to Y-K. Feel free to give me a call at (503) 719-6113 if you have any questions.

**ALASKA MUNICIPAL BOND BANK AUTHORITY
RESOLUTION NO. 2017-01**

**A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES 2017A
OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY**

ADOPTED BY THE BOARD OF DIRECTORS ON JANUARY 10, 2017

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**ALASKA MUNICIPAL BOND BANK AUTHORITY
RESOLUTION NO. 2017-01**

**A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES 2017A
OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY**

WHEREAS, the Board of Directors of the Alaska Municipal Bond Bank Authority (the “Authority”) by Resolution entitled “A Master Resolution Providing For The Issuance Of Bonds Of The Alaska Municipal Bond Bank Authority; Providing For The Issuance Of Additional Bonds; Securing The Payment Of The Principal Of And Premium, If Any, And Interest On All Of Said Bonds; And Providing For The Rights Of The Owners Thereof,” adopted on May 5, 2016 (as further defined in Section 102, the “2016 Master Resolution”), has provided for the issuance from time to time of Bonds of the Authority; and

WHEREAS, the 2016 Master Resolution authorizes the issuance of said Bonds in one or more series pursuant to a Series Resolution authorizing each such series; and

WHEREAS, the Board of Directors of the Authority has determined that it is necessary and desirable that the Authority provide at this time for the issuance of a Series of Bonds, to be designated “Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds, Series 2017A” (or otherwise as provided in Section 201), to provide moneys to make a Loan to a regional health organization and to carry out purposes of the Authority;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA MUNICIPAL BOND BANK AUTHORITY AS FOLLOWS:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

Section 101- Series Resolution.

This Series Resolution (the “Series 2017A Resolution” or this “Series Resolution”) is adopted in accordance with the provisions of the 2016 Master Resolution and pursuant to the authority contained in the Act.

Section 102- Definitions.

In this Series 2017A Resolution and with respect to the Series 2017A Bonds:

(1) Unless otherwise defined in Article I herein, all capitalized terms herein shall have the meanings given to such terms in Section 103 of the 2016 Master Resolution.

(2) “AIDEA Note Agreement” means the agreement or agreements among the Borrower, the Alaska Industrial Development & Export Authority and the Underwriters of the

AIDEA Notes, providing for, among other things, the terms of the AIDEA Notes and conditions to the issuance and purchase of the AIDEA Notes.

(3) “AIDEA Notes” shall mean the Loan Anticipation Notes (or Bond Anticipation Notes) to be issued by the Alaska Industrial Development & Export Authority in an aggregate principal amount of not to exceed \$165 million, to provide interim financing to the Borrower and to be repaid from, among other sources, proceeds of the USDA Loan (as defined in the Loan Agreement) and amounts payable by the Borrower under a promissory note issued and secured under the Master Security Documents as Obligation No. 2.

(4) “Bond Purchase Agreement” shall mean the Bond Purchase Agreement between the Underwriters and the Authority, providing for the purchase and the terms of the Series 2017A Bonds.

(5) “Bond Year” shall mean each one-year period that ends on an anniversary of the date the Series 2017A Bonds are issued.

(6) “Borrower” in connection with the Series 2017A Bonds, shall mean Yukon-Kuskokwim Health Corporation and its duly authorized successors and assigns.

(7) “Borrower Bond” shall mean the Borrower’s promissory note, issued to the Authority as Obligation No. 1 under and secured by the Master Trust Indenture, the First Supplemental Indenture and the other Master Security Documents, as amended and supplemented or exchanged in accordance with the Loan Agreement and the Master Trust Indenture.

(8) “Borrower Documents” shall mean the Loan Agreement, the Borrower Bond, the Master Security Documents and any additional documents identified as “Borrower Documents” in the Loan Agreement.

(9) “Borrower Loan” shall mean the Loan made to the Borrower under the Loan Agreement.

(10) “Borrower’s Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, substantially in the form of Exhibit C to the Borrower’s Loan Agreement, to be entered into by the Borrower on the date the Series 2017A Bonds are issued and any amendments permitted thereby.

(11) “Capitalized Interest Subaccount” shall mean the Capitalized Interest Subaccount held by the Master Trustee.

(12) “Chairman” shall mean the Chairman of the Board of Directors of the Alaska Municipal Bond Bank Authority (also known as the “Alaska Municipal Bond Bank”).

(13) “Code” shall mean the Internal Revenue Code of 1986, together with all regulations applicable thereto.

(14) “Collateral and Depository Agreement” shall mean any separate collateral agreement and/or depository or account agreement pursuant to which a bank or trust company as collateral agent, depository and/or securities intermediary, holds security interests granted by the Borrower in the collateral specified therein for the benefit of the Master Trustee, USDA, and any other secured parties named therein or acceding thereto.

(15) “Continuing Disclosure Certificate” shall mean the Authority’s Continuing Disclosure Certificate, a form of which is included in Appendix B of this Series Resolution, executed by the Authority and dated the date of issuance and delivery of the Series 2017A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(16) “Debt Service Subaccount” shall mean the debt service subaccount created and held by the Trustee for the deposit of Borrower Loan Payments made by the Borrower as required by Subsections 4.02(a) and (b) of the Loan Agreement and by the Borrower Bond and the Master Trust Indenture.

(17) “Deed of Trust” shall mean the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated on or prior to the date the Series 2017A Bonds are issued, granted by the Borrower in favor of the Master Trustee (or to another collateral agent if not the entity that serves as Master Trustee).

(18) “Depository Trust Company Participant” or “DTC Participant” shall mean a trust company, bank, broker, dealer, clearing corporation and any other organization that is a participant of DTC.

(19) “Excess Investment Earnings” shall mean the amount of investment earnings on gross proceeds of the Series 2017A Bonds determined by the Authority to be required to be rebated to the United States of America under the Code.

(20) “Financial Advisor” shall mean Western Financial Group, LLC and its successors and assigns, as the Authority’s financial advisor.

(21) “First Supplemental Indenture” shall mean the First Supplemental Indenture, between the Borrower and the Master Trustee, providing for, among other things, the issuance to the Authority of the Borrower Bond as evidence of and security for the payment and performance of the Borrower’s obligations under the Loan Agreement.

(22) “Initial Master Security Documents” shall mean the Master Trust Indenture; the First Supplemental Indenture; the Deed of Trust; the Security Agreement; the Collateral and Depository Agreement, if any; the Parity Agreement, confirmation letter and letter of conditions from the USDA; and summaries of the proposed forms of the AIDEA Note Agreement, term sheet and Second Supplemental Indenture.

(23) “Letter of Representation” shall mean the Letter of Representation from the Borrower to the Authority and the Underwriters.

(24) “Letter of Representations” shall mean the Blanket Issuer Letter of Representations dated May 2, 1995, from the Authority to DTC, a copy of which is attached hereto as Appendix A, and the operational arrangements referred to therein.

(25) “Loan Agreement” shall mean the loan agreement by and between the Authority and the Borrower, to be dated the date the Bond Purchase Agreement is signed, and pertaining to the repayment of a Loan to the Borrower as provided for herein and therein, and any amendments and supplements thereto permitted thereby and by the Resolution.

(26) “Master Resolution” or “2016 Master Resolution” shall mean the 2016 Master Bond Resolution, Resolution No. 2016-03, adopted by the Board of Directors on May 5, 2016, as amended and supplemented from time to time.

(27) “Master Security Documents,” collectively, shall mean the Master Trust Indenture, the First Supplemental Indenture, the Security Agreement, the Deed of Trust, the Collateral and Depository Agreement, if any, and the Parity Agreement, each as amended and supplemented in accordance with the Master Trust Indenture and the Loan Agreement; and the confirmation letter and letter of conditions, as amended, from USDA.

(28) “Master Trust Indenture” shall mean the Master Trust Indenture, dated on or before the date the Series 2017A Bonds are issued, between the Borrower and the Master Trustee, as supplemented by the First Supplemental Indenture and as amended and supplemented from time to time in accordance therewith and with the prior written consent of the Authority.

(29) “Master Trustee” shall mean the initial trust company, bank or national banking association selected by the Borrower to serve as master trustee under the Master Trust Indenture and its successors and assigns.

(30) “Official Statement” shall have the meaning assigned thereto in Section 211.

(31) “Parity Agreement” shall mean the Parity Agreement to be dated the date the Master Trust Indenture is executed and delivered by the parties thereto, by and among the Master Trustee, the Borrower and the United States Department of Agriculture, acting through its Rural Housing Service (the “USDA”) as amended and supplemented from time to time in accordance therewith and with the prior written consent of the Authority.

(32) “Preliminary Official Statement” shall have the meaning assigned thereto in Section 211.

(33) “Project” shall mean the Borrower’s hospital and primary care clinic in Bethel, Alaska.

(34) “Record Date” shall mean the day fifteen calendar days preceding each interest payment date with respect to the Series 2017A Bonds.

(35) “Reserve Fund Reimbursement Obligation” shall have the meaning assigned thereto in the Master Resolution.

(36) “Resolution” shall mean the Master Resolution as supplemented by this Series Resolution.

(37) “Series 2017A Bonds” shall mean the Series of Bonds authorized in Article II hereof.

(38) “Security Agreement” shall mean the Security Agreement between the Borrower and the Master Trustee or another collateral agent for the benefit of the Master Trustee and the USDA, pursuant to which the Borrower grants a security interest in certain collateral.

(39) “Underwriters” shall mean J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBC Capital Markets, LLC, the underwriters of the Series 2017A Bonds.

ARTICLE II AUTHORIZATION OF SERIES 2017A BONDS

Section 201- Principal Amount, Designation and Series.

Pursuant to the provisions of the 2016 Master Resolution, a Series of Bonds designated as “Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds, Series 2017A” is hereby authorized to be issued in an aggregate principal amount not to exceed \$102,500,000. The Chairman or the Executive Director is authorized to change the designation of the Series 2017A Bonds, among other things, to allow for the sale of the Series 2017A Bonds to be combined and sold with other Bonds authorized by a Series Resolution and approved by the Board of Directors of the Authority or to distinguish further Bonds issued under the 2016 Master Resolution.

Section 202- Purposes of the Series 2017A Bonds.

The purposes for which the Series 2017A Bonds are being issued are (i) to make a Loan to the Borrower to the extent and in the manner provided in Article III and (ii) to satisfy the portion of the Reserve Fund Requirement related to the issuance of the Series 2017A Bonds as provided in Section 302 of this Series 2017A Resolution.

Section 203- Date, Maturities and Interest Rates.

The Series 2017A Bonds shall be dated the date the Series 2017A Bonds are delivered to the Underwriters, subject to the terms and conditions set forth in this Series 2017A Resolution and in the Bond Purchase Agreement. Subject to adjustment as provided for in this Section 203, the Series 2017A Bonds shall mature, or have mandatory sinking fund redemption payments due, on the first day of the month, in each of the years and in the principal amounts to be set forth in the Official Statement and in the Bond Purchase Agreement authorized below.

Notwithstanding the foregoing, the aggregate principal amount, the principal amount of the Series 2017A Bonds of each maturity, whether any Series 2017A Bonds shall be term bonds or Capital Appreciation Bonds, the amount of each mandatory sinking fund redemption requirement, if any, and the maturity dates, interest payment dates and interest rates of the Series

2017A Bonds shall be fixed and determined by the Chairman or by the Executive Director at the time the Bond Purchase Agreement is signed pursuant to Section 210 hereof, but subject to the limitations set forth in Sections 201 and 210.

Section 204- Interest Payments.

Unless the Chairman or the Executive Director determines that all or a portion of the Series 2017A Bonds are to be issued as Capital Appreciation Bonds, the Series 2017A Bonds shall bear interest from their dated date, payable semiannually on the semiannual payment dates, commencing in 2017, as may be fixed and determined by the Chairman or the Executive Director at the time the Bond Purchase Agreement is signed, computed on the basis of a 360-day year composed of twelve thirty-day months.

Section 205- Denominations, Numbers and Other Designation.

The Series 2017A Bonds shall be issued in registered form in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of the Series 2017A Bonds authorized herein. The Series 2017A Bonds shall be numbered serially with any additional designation that the Chairman or the Executive Director deems appropriate.

Section 206- Securities Depository.

As provided in the 2016 Master Resolution, the Series 2017A Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of DTC, and shall be subject to the payment, registration and transfer provisions set forth in Sections 301, 305 and 310 of the 2016 Master Resolution.

Section 207- Places and Manner of Payment.

For so long as all Outstanding Series 2017A Bonds are registered in the name of Cede & Co. or its registered assigns, payment of principal and interest thereon shall be made as provided in the Letter of Representations and the operational arrangements referred to therein as amended from time to time. In the event that the Series 2017A Bonds are no longer registered in the name of Cede & Co. or its registered assigns or to a successor securities depository, (i) payment of interest on the Series 2017A Bonds will be made by check or draft mailed by first class mail to the registered owner, at the address appearing on the Record Date on the bond register of the Authority kept at the corporate trust office of the Trustee, or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of Series 2017A Bonds received at least fifteen (15) days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal of the Series 2017A Bonds will be payable at the corporate trust office of the Trustee upon surrender of the Series 2017A Bonds representing such principal. Both principal of and interest on the Series 2017A Bonds are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

Section 208- Optional Redemption.

(a) The Chairman and the Executive Director are, and each of them is, hereby authorized to determine the optional redemption provisions, if any, for the Series 2017A Bonds, and such provisions shall be included in the Bond Purchase Agreement and in the form of the Series 2017A Bonds.

(b) Unless otherwise determined by the Chairman or the Executive Director by the time the Bond Purchase Agreement is executed, notice of redemption shall be given at least 20 days, and not more than 60 days, prior to the date fixed for redemption and if a notice of optional redemption, such notice shall be a conditional notice, and such notice shall have the effect and the Series 2017A Bonds to be redeemed shall be selected, as provided in Article IV of the 2016 Master Resolution.

Section 209- Mandatory Redemption.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the mandatory sinking fund redemption provisions, if any, for any Series 2017A Bonds that are term bonds, and such provisions shall be included in the Bond Purchase Agreement and in the form of the Series 2017A Bonds.

Section 210- Sale of Series 2017A Bonds; Bond Purchase Agreement.

(a) The Series 2017A Bonds shall be sold to the Underwriters in a negotiated sale pursuant to the terms of a Bond Purchase Agreement. The Chairman and the Executive Director are, and each of them is, hereby authorized (1) to approve the Bond Purchase Agreement and to approve and accept the terms and conditions under which the Series 2017A Bonds are sold to the Underwriters pursuant to the Bond Purchase Agreement, in each case with terms consistent with the provisions of this Series 2017A Resolution; and (2) to determine the dated date and the delivery date of the Series 2017A Bonds, the aggregate principal amount of the Series 2017A Bonds, the principal amount of Series 2017A Bonds of each maturity and interest rate, the purchase price of the Series 2017A Bonds, the maturity and the interest payment dates of the Series 2017A Bonds and the redemption provisions and interest rate(s) of the Series 2017A Bonds; provided, however, that (i) the aggregate principal amount of the Series 2017A Bonds shall not exceed \$102,500,000 and (ii) the true interest cost on the Series 2017A Bonds shall not exceed five percent (5.00%). Prior to execution and delivery of the Bond Purchase Agreement, the Chairman or the Executive Director, with the assistance of the Financial Advisor, shall take into account those factors that, in their judgment, will result in the lowest true interest cost of the Series 2017A Bonds.

(b) The Chairman and the Executive Director each is authorized to negotiate and approve and to execute and deliver the Bond Purchase Agreement, with such terms and provisions that in the Chairman's or Executive Director's view after consulting with the Authority's Financial Advisor and with the Borrower, are in the best interest of the Authority and the Borrower and comply with the provisions of the 2016 Master Resolution and this Series Resolution.

(c) Prior to approving and executing and delivering the Bond Purchase Agreement, the Chairman or Executive Director shall have received from the Borrower evidence satisfactory to the Executive Director that, among other things, the Borrower is a regional health organization as defined in the Act and in AS 18.28 and that the conditions set forth in Subsection 44.85.090(5) of the Act have been satisfied.

(d) The authority granted to the Chairman and the Executive Director under this Section 210 shall expire on June 30, 2017.

Section 211- Preliminary Official Statement and Official Statement.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the final form of, and the distribution in electronic form to prospective purchasers and other interested persons of, the preliminary official statement for the Series 2017A Bonds (including any supplements and amendments prior to execution and delivery of the Bond Purchase Agreement, the “Preliminary Official Statement”), substantially in the form submitted to the Board prior to the date of publication, with such changes as the Chairman or the Executive Director deems advisable. The distribution of the Preliminary Official Statement in electronic and/or printed form is hereby authorized, ratified and approved. The Chairman and the Executive Director are hereby further authorized to approve and execute the final form of the final official statement for the Series 2017A Bonds (the “Official Statement”) and to approve and authorize the distribution of the Official Statement in electronic and printed form.

There is hereby delegated to the Chairman and/or the Executive Director the authority to “deem final” the Preliminary Official Statement on behalf of the Authority for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

When approving and deeming final the Preliminary Official Statement and when approving and executing and delivering the Official Statement on behalf of the Authority, the Chairman and the Executive Director may require and may rely upon, to the extent they deem appropriate, the representations and covenants of the Borrower, the State and others.

ARTICLE III DISPOSITION OF BOND PROCEEDS

Section 301- Disposition of Proceeds for Loan Purposes.

Upon the delivery of the Series 2017A Bonds, the Authority shall apply, in accordance with Article V of the 2016 Master Resolution, the proceeds derived from the sale of the Series 2017A Bonds to make a Loan to the Yukon-Kuskokwim Health Corporation, in an aggregate principal amount not to exceed \$102,500,000 (i) to make a deposit with the Master Trustee for the account of the Borrower pursuant to the Master Trust Indenture, to pay, or to reimburse the Borrower for the payment of, together with funds contributed by or for the account of the Borrower, costs of the design, construction and equipment of the Project; (ii) to make a deposit to the Reserve Fund held by the Trustee pursuant to the 2016 Master Resolution (or to purchase a Reserve Fund Credit Facility in lieu thereof) and a deposit to the Borrower’s Reserve Account held by the Trustee; (iii) to make a deposit to the Capitalized Interest Subaccount held by the Master Trustee pursuant to the Master Trust Indenture to pay or to provide for the payment of all

or a portion of the interest to accrue on the Series 2017A Bonds and the Borrower Bond during construction and to pay or to provide for the payment of all or a portion of the Borrower's Allocable Portion of Authority Reserve Fund Interest Expense during construction; and (iv) to pay costs of issuing the Series 2017A Bonds and costs of issuing the Borrower Bond.

Section 302- Reserve Fund Deposit.

(a) On the date of sale, but subject to Section 201 hereof, the Chairman or the Executive Director shall determine whether it is in the best interest of the Authority to use available cash or a portion of the proceeds received from the sale of the Series 2017A Bonds, or a combination of cash and proceeds, to satisfy the Reserve Fund Requirement, and/or to obtain a Reserve Fund Credit Facility in lieu of all or a portion thereof, upon delivery of the Series 2017A Bonds, and shall cause such deposits and/or purchase to be made on or before the date of delivery of the Series 2017A Bonds.

(b) In the event the Chairman or Executive Director determines to satisfy all or a portion of the Reserve Fund Requirement related to the Series 2017A Bonds by depositing with the Trustee a Reserve Fund Credit Facility, the Executive Director is authorized to select a Reserve Fund Credit Facility Provider and to purchase such Reserve Fund Credit Facility and to negotiate, approve and execute and deliver a reimbursement agreement to evidence the Authority's Reserve Fund Credit Reimbursement Obligation in connection therewith in form and with terms that in the Executive Director's judgment after consulting with the Authority's Financial Advisor are advisable and in the best interest of the Authority.

(c) The Borrower's responsibility for paying, or for reimbursing the Authority for the payment of, Authority Reserve Fund Interest Expense, any Reserve Fund Reimbursement Obligations and any other costs of providing and maintaining the Reserve Fund Requirement and the application (or the method for determining the application) of any moneys in excess of the Reserve Fund Requirement shall be determined by the Executive Director and shall be set forth in the Loan Agreement authorized in Section 501 of this Series Resolution.

ARTICLE IV
EXECUTION AND FORM OF SERIES 2017A BONDS

Section 401- Execution and Form of Series 2017A Bonds.

The Series 2017A Bonds shall be executed in the manner set forth in Section 202 of the 2016 Master Resolution. Subject to the provisions of the 2016 Master Resolution, the Series 2017A Bonds, and the Trustee's certificate of authentication, shall be of substantially the following form and tenor:

ALASKA MUNICIPAL BOND BANK AUTHORITY
MASTER RESOLUTION GENERAL OBLIGATION BONDS, SERIES 2017A

INTEREST RATE:
_____ %

MATURITY DATE:
_____ 1, 20__

CUSIP NO.:

Registered Owner: CEDE & Co.

Principal Amount: _____ and No/100 Dollars

Alaska Municipal Bond Bank Authority (herein called the “Authority”), a public body corporate and politic, constituted as an instrumentality of the State of Alaska, organized and existing under and pursuant to the laws of the State of Alaska, acknowledges itself indebted to, and for value received, hereby promises to pay to CEDE & CO. or registered assigns, the principal sum specified above on the Maturity Date specified above, and to pay to the registered owner hereof interest on such principal sum from the date hereof to the date of maturity of this Bond at the rate per annum specified above, payable on each _____ 1 and _____ 1, commencing _____ 1, 2017. For so long as this Bond is held in book-entry form, payment of principal and interest shall be made by wire transfer to the registered owner pursuant to written instructions furnished to The Bank of New York Mellon Trust Company, N.A., as trustee under the 2016 Master Bond Resolution of the Authority, adopted on May 5, 2016 (as amended and supplemented from time to time, the “2016 Master Resolution”), or its successor or assigns as trustee (herein called the “Trustee”). In the event this Bond is no longer held in book-entry form, (i) payment of interest will be made by check or draft mailed by first class mail to the registered owner at the address appearing on the bond register of the Authority kept by the Trustee, or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of Series 2017A Bonds received at least 15 days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal will be payable upon presentation and surrender hereof at the corporate trust office of the Trustee. Interest shall be computed on the basis of a 360-day year composed of twelve thirty-day months. Both principal of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is a Master Resolution general obligation of the Authority and is one of a duly authorized issue of Bonds of the Authority designated “Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to the Alaska Municipal Bond Bank Authority Act, constituting Chapter 85, Title 44, of the Alaska Statutes (herein called the “Act”), and under and pursuant to the 2016 Master Resolution and a series resolution authorizing each such series. As provided in the 2016 Master Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds that may be issued under the 2016 Master Resolution is not limited except as provided in the 2016 Master Resolution, the applicable series resolution, and the Act, and all Bonds issued and to be issued under said 2016 Master Resolution are and will be equally and ratably secured by the pledges and covenants made therein, to the extent provided and except as otherwise expressly permitted in the 2016 Master Resolution and the applicable series resolution.

The Series 2017A Bonds are Master Resolution general obligation bonds payable solely from the sources provided in and pledged pursuant to the Master Resolution and the series resolution. The full faith and credit of the Authority are pledged to the payment of the Series 2017A Bonds, subject to agreements heretofore and hereafter made to the owners of other bonds and notes issued under resolutions of the Authority (or the Bond Bank) pledging particular

revenues or assets not pledged under the Master Resolution but pledged under other resolutions or other instruments of the Authority (or specifically excluded from any pledge). The Authority is obligated to pay the principal of and premium, if any, and interest on the Bonds, including this Bond, only from the funds of the Authority pledged pursuant to the 2016 Master Resolution and the applicable series resolution, and the State of Alaska is not obligated to pay the principal or premium, if any, or interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged to the payment of the principal, premium, if any, or interest on the Bonds, including this Bond. The Authority has no taxing power.

This Bond is one of a series of Bonds (the “Series 2017A Bonds”) issued in the aggregate principal amount of \$_____ under the 2016 Master Resolution of the Authority and pursuant to a series resolution of the Authority, adopted on January 10, 2017, and entitled “A Series Resolution Authorizing the Issuance of Master Resolution General Obligation Bonds, Series 2017A, of the Alaska Municipal Bond Bank Authority” (said resolutions being herein collectively called the “Resolutions”).

Copies of the Resolutions are on file at the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Series 2017A Bonds; the nature, extent and manner of enforcement of such pledges; the rights and remedies of the registered owners of the Series 2017A Bonds with respect thereto; and the terms and conditions upon which the Bonds are issued and may be issued thereunder; to all of the provisions of which the registered owner of this Bond, by acceptance of this Bond, consents and agrees. To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Authority, with the written consent of the registered owners of at least two-thirds in principal amount of the Bonds then outstanding and, in case less than all of the several series of Bonds would be affected thereby, with such consent of the registered owners of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding.

The Series 2017A Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The Series 2017A Bonds maturing on or after _____ 1, 20__, are subject to redemption, in whole or in part, on or after _____ 1, 20__, at the option of the Authority at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

[Unless previously redeemed pursuant to the foregoing optional redemption provisions, the Series 2017A Bonds maturing on _____ 1, 20__ (the “Term Bonds”) are subject to mandatory redemption on _____ 1 of the following years and in the following principal amounts at a redemption price equal to 100% of the principal amount of the Series 2017A Bonds to be redeemed plus accrued interest, if any, to the date fixed for redemption.]

Term Bonds Due _____ 1, 20__

Year

Sinking Fund Requirement

Notice of redemption (which in the case of optional redemption shall be a conditional notice) will be mailed to registered owners of Series 2017A Bonds called for redemption not less than 20 days or more than 60 days before the date fixed for redemption. Except as provided in the Resolutions, interest on any Series 2017A Bonds called for redemption will cease on the date fixed for redemption.

This Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered Series 2017A Bond or Bonds in the same aggregate principal amount and of the same maturity, in authorized denominations, shall be issued to the transferee in exchange therefor as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed.

The Series 2017A Bonds are issuable in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Series 2017A Bonds maturing in the year of maturity of the Bond for which the denomination of the Bond is to be specified. Subject to such conditions and upon payment of such charges, if any, Series 2017A Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Series 2017A Bonds of any other authorized denominations, of the same maturity.

The Authority is obligated to pay the principal of and interest on the Series 2017A Bonds only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay such principal of or interest on the Series 2017A Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged to the payment of the principal of or the interest on the Series 2017A Bonds.

This Bond is fully negotiable for all purposes of the Uniform Commercial Code, and each owner of this Bond by accepting this Bond shall be conclusively considered to have agreed that this Bond is fully negotiable for those purposes.

The obligations of the Authority contained in the Resolutions and in this Series 2017A Bond are the obligations of the Authority and not of any member, director, officer or employee of the Authority, and no recourse shall be had for the payment of the principal or redemption price or interest on this Bond or for any claim hereon or on the Resolutions against any member, director, officer or employee of the Authority or any natural person executing the Series 2017A Bonds.

This Bond shall not be entitled to any benefit under the Resolutions or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Alaska and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the Series 2017A Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Municipal Bond Bank Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Executive Director all as of the _____ day of _____ 2017.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

[S E A L]

MARK E. PFEFFER
Chairman

A T T E S T:

DEVEN J. MITCHELL
Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the Series 2017A Bonds of the Alaska Municipal Bond Bank Authority.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Trustee

Date of Authentication:

Authorized Officer

ARTICLE V MISCELLANEOUS

Section 501- Paying Agent.

The Bank of New York Mellon Trust Company, N.A., or its successor or assigns as trustee, is appointed paying agent for the Series 2017A Bonds.

Section 502– Arbitrage Rebate.

Except as otherwise provided in the Authority’s tax certificate, within 30 days after the end of every fifth Bond Year and within 60 days after the date on which all of the Series 2017A Bonds have been retired (and/or at such other times as may be required by the Code), the Authority shall determine the Excess Investment Earnings and shall pay rebate amounts due to the United States of America as provided in Section 148(f) of the Code.

Section 503- Series 2017A Debt Service Account.

There is hereby established as a special account in the Debt Service Fund the “Series 2017A Debt Service Account,” for the purpose of receiving amounts in the Debt Service Fund allocable to the Series 2017A Bonds. Such amounts and the earnings thereon shall be deposited and held, and separately accounted for, in the Series 2017A Debt Service Account.

Section 504- Tax Exemption and General Tax Covenant.

The Authority intends that interest on the Series 2017A Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code, and the applicable regulations. The Authority covenants not to take any action, or knowingly omit to take any action within its control, that if taken or omitted would cause the interest on the Series 2017A Bonds to be included in gross income, as defined in Section 61 of the Code, for federal income tax purposes.

Section 505- Arbitrage Covenant.

The Authority shall make no use or investment of the gross proceeds of the Series 2017A Bonds which will cause the Series 2017A Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The Authority hereby covenants that so long as any of the Series 2017A Bonds are outstanding, the Authority, with respect to the gross proceeds of the Series 2017A Bonds, shall comply with all requirements of said Section 148 and of all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

Section 506- Loan Agreement.

The Chairman and the Executive Director are, and each hereby is, authorized to execute the Loan Agreement between the Authority and the Borrower referred to herein, in a form similar to the form submitted to and part of the records of the meeting on January 10, 2017, with such changes as the Chairman or the Executive Director shall deem advisable.

Section 507– Master Security Documents.

The Chairman and the Executive Director are, and each hereby is, authorized to approve and if required, to execute and deliver and/or to direct the Trustee to execute and deliver, the final forms of such agreements, certificates and documents securing the repayment of the Borrower Bond, the Loan and the Series 2017A Bonds, including, but not limited to, the Master Trust Indenture, the First Supplemental Indenture, the Parity Agreement and each of the other Master Security Agreements, including without limitation the Deed of Trust, Security Agreement, Parity Agreement, Collateral and Depository Agreement and financing statements to secure repayment of the Borrower Bond and the Borrower Payments.

Section 508- Continuing Disclosure.

The Authority hereby covenants and agrees that it will execute and deliver, and will comply with and carry out all of the provisions of, the Continuing Disclosure Certificate, the proposed form of which is attached hereto as Appendix B with such changes as the Chairman or the Executive Director shall deem advisable and in the best interest of the Authority. Notwithstanding any other provision of this Series 2017A Resolution, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be a default of the Authority's obligations under this Series 2017A Resolution, the 2016 Master Resolution or the Series 2017A Bonds; provided that the Beneficial Owner of any Bond may bring an action for specific performance to cause the Authority to comply with its obligations under the Continuing Disclosure Certificate and this Section.

The Chairman and the Executive Director are, and each hereby is, authorized to approve the form and provisions of the Borrower's Continuing Disclosure Agreement.

Section 509- Chairman and Executive Director; Authorizations and Ratifications.

The Chairman and the Executive Director are, and each hereby is, authorized to execute all documents to which the Authority is a party and to approve and take any action necessary or desirable to carry out the provisions of this Series 2017A Resolution and to effectuate the issuance and delivery of the Series 2017A Bonds, including agreement to and acceptance of the Bond Purchase Agreement, the Reserve Fund Credit Facility, if any, the Master Security Documents and all prior actions taken to effectuate and in connection with the provisions of this Series 2017A Resolution and the issuance and delivery of the Series 2017A Bonds are hereby ratified and confirmed. The authority and ratification granted in this Section 509 to the Chairman and the Executive Director includes authorization to solicit commitments for a policy of insurance with respect to payment of the interest on and principal of the Bonds and/or a surety policy and thereafter to accept such commitment that is in the best interest of the Authority and enter into such agreement with the bond insurer as shall be in the best interests of the Authority.

Section 510- Effective Date.

This Series 2017A Resolution shall take effect immediately on the date hereof (January 10, 2017).

APPENDIX A

BLANKET ISSUER LETTER OF REPRESENTATIONS

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

ALASKA MUNICIPAL BOND BANK
(Name of Issuer)

May 2, 1995
(Date)

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

ALASKA MUNICIPAL BOND BANK

(Issuer)

By:

Norman J. Levesque
(Authorized Officer's Signature)

NORMAN J. LEVESQUE
Executive Director

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By:

James M. McInerney

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

(Prepared by DTC—bracketed material may be applicable
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.

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.

APPENDIX B
FORM OF
CONTINUING DISCLOSURE CERTIFICATE OF THE AUTHORITY

Alaska Municipal Bond Bank Authority (the “Issuer”) executes and delivers this Continuing Disclosure Certificate (the “Disclosure Certificate”) in connection with the issuance of \$_____ Alaska Municipal Bond Bank Authority General Obligation Bonds, Series 2017A (the “Bonds”). The Bonds are being issued under the 2016 Master Bond Resolution of the Issuer entitled “A 2016 Master Bond Resolution Providing For The Issuance Of Bonds Of The Alaska Municipal Bond Bank Authority; Providing For The Issuance Of Additional Bonds; Securing The Payment Of The Principal Or Accreted Value Of And Premium, If Any, And Interest On All Of Said Bonds; And Providing For The Rights Of The Owners Thereof,” adopted by the Board of Directors of the Authority (the “Board”) on May 5, 2016, as amended and supplemented from time to time (the “Master Resolution”), and Series Resolution No. 2017-01 adopted by the Board on January 10, 2017 (the “Series Resolution,” and together with the Master Resolution, the “Resolutions”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Issuer is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 of this Disclosure Certificate.

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

“Fiscal Year” means the fiscal year of the Issuer (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law.

“Holder” means the person in whose name any Bond is registered.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. (a) Not later than [210 days] after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, [2017], the Issuer will provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report. The Annual Report may cross-reference other information as provided below, and the Issuer's audited financial statements may be submitted separately from the balance of the Annual Report and later than the date required above if the audited financial statements are not available by that date. The Annual Report shall contain or include by reference:

- (1) annual audited financial statements of the Issuer;
- (2) the 2016 Master Resolution Reserve Fund balance; and
- (3) historical operating data and financial information of the type included in the Official Statement in [Tables 1, 2, 3 and 4 and in the Table entitled "Total Bond Bank Authority Bonds issued and Outstanding as of January 1, 2017."]

Any or all of these items may be included by specific reference to documents available to the public on the internet website of the MSRB or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.

(b) The Issuer has required that each Borrower enter into a continuing disclosure agreement, substantially in the form of the continuing disclosure agreement included in an appendix to the Borrower's Loan Agreement. The Issuer undertakes no responsibility and shall incur no liability whatsoever to any person, including any Holder or Beneficial Owner of the Bonds, in respect of any obligations or reports, notices or disclosures provided or required to be provided by such Borrower under its continuing disclosure agreement.

Section 4. Notice of Failure to Provide Information. The Issuer shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Reporting of Listed Events. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days after the occurrence of such event:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.

(4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds which include (i) the issuance by the Internal Revenue Service (“IRS”) of proposed or final determinations of taxability, (ii) a Notice of Proposed Issue (IRS Form 5701-TEB), (iii) other material notices or determinations with respect to the Bonds, and (iv) other material events affecting the tax status of the Bonds.

(6) Defeasances.

(7) Rating changes.

(8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar proceeding by the Issuer or “obligated person.”

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days after the occurrence of such event, if material:

(1) Nonpayment-related defaults.

(2) Modifications to rights of Holders of the Bonds.

(3) Optional, unscheduled or contingent Bond calls.

(4) Release, substitution or sale of property securing repayment of the Bonds.

(5) Other than in the normal course of business, the consummation of a merger, consolidation, or acquisition involving an “obligated person,” or the sale of all or substantially all of the assets of the Issuer or “obligated person,” or the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than in accordance with its terms.

(6) Appointment of a successor or additional trustee or the change in name of the trustee for the Bonds.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in a filing with the MSRB.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(a) The amendment is 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 Issuer;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances;

(c) The Issuer obtains an opinion of counsel unaffiliated with the Issuer that the amendment does not materially impair the interests of the Beneficial Owners of the Bonds; and

(d) The Issuer notifies and provides the MSRB with copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section 8. Filing. Any filing required under the terms of this Disclosure Certificate may be made solely by transmitting such filing to the Electronic Municipal Market Access as provided at <http://www.emma.msrb.org>, or in such other manner as may be permitted from time to time by the Securities Exchange Commission.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 required to be filed pursuant to this Disclosure Certificate, in addition to the information that is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice in addition to the information specifically required by this Disclosure Certificate, the Issuer shall

have no obligation under this Certificate to update such information or to include it in any future Annual Report or notice of occurrence of a listed event or any other event required to be reported.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, that any such action may be instituted only in a State court in Juneau, Alaska. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Participating Underwriter and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATED this ____ day of _____ 2017.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

DEVEN J. MITCHELL
Executive Director

LOAN AGREEMENT
BETWEEN THE ALASKA MUNICIPAL BOND BANK AUTHORITY AND
YUKON-KUSKOKWIM HEALTH CORPORATION

[DATE OF SALE], 2017

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated the ____ day of _____ 2017, between the ALASKA MUNICIPAL BOND BANK AUTHORITY (the “Authority”), a public corporation and an instrumentality of the State of Alaska (the “State”) created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes (as amended from time to time, the “Act”), and the YUKON-KUSKOKWIM HEALTH CORPORATION, an Alaska nonprofit corporation (the “Borrower”):

W I T N E S S E T H:

WHEREAS, pursuant to the Act, the Authority is authorized to make loans of money (the “Loan” or “Loans”) to regional health organizations to finance up to 49 percent of the costs of regional health projects;

WHEREAS, as required by the Act, the Borrower is a regional health organization as defined in Chapter 28, Title 18, Alaska Statutes and pursuant to the Act is authorized to accept a Loan from the Authority and to evidence and secure its obligation to repay the Loan as provided in this Loan Agreement;

WHEREAS, the Borrower desires to borrow money from the Authority to pay, or to reimburse the Borrower for the payment of, together with funds loaned or contributed by or for the account of the Borrower, costs of, among other things, designing, constructing and equipping a primary care facility and expanded hospital facilities and has submitted an application to the Authority for a Loan in an amount not to exceed \$102,500,000;

WHEREAS, on October 6, 2016 the Department of Health and Social Services of the State of Alaska confirmed in a letter to the Authority that the project to be financed by the Loan will result in a state financial benefit and increase in regional of care, as required by the Act;

WHEREAS, as required by the Act and confirmed by information provided by the Borrower, the amount of the Loan to be made by the Authority to the Borrower is not more than 49 percent of the total cost of the project to be financed in part with proceeds of the Loan;

WHEREAS, to evidence and to secure its payment obligations under this Loan Agreement, the Borrower is issuing its promissory note to the Authority in the aggregate principal amount of \$_____ (the “Borrower Bond”) which bond, in accordance with this Loan Agreement, is to be purchased by the Authority as evidence of the Loan and as security for the payment by the Authority of the Authority’s Series 2017A Bonds described below;

WHEREAS, the Borrower Bond is an Obligation issued and secured under the Borrower’s Master Trust Indenture and the Master Security Documents hereinafter defined;

WHEREAS, the Borrower’s application to the Authority contains the information requested by the Authority; and

WHEREAS, to provide for the issuance of bonds of the Authority to obtain from time to time money with which to make Loans to borrowers, including regional health organizations, on May 5, 2016 the Board of Directors of the Authority (the “Board”) adopted Resolution No. 2016-

03 (the “2016 Master Resolution”); and to authorize the issuance by the Authority of its Series 2017A Bonds and the making of a Loan to the Borrower and the purchase by the Authority of the Borrower Bond, on January 10, 2017 the Board adopted Series Resolution No. 2017-01 (the “Series Resolution” and together with the 2016 Master Resolution, the “Bond Resolution”);

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Definitions and Rules of Interpretation and Construction

Section 1.01. Definitions. In addition to the words and terms defined elsewhere in this Loan Agreement, capitalized terms used herein shall have the meanings assigned thereto in Exhibit B, unless the context or use clearly indicates another or different meaning or intent, and any other words and terms used herein shall have the meanings assigned thereto in the Bond Resolution.

Section 1.02. Rules of Interpretation and Construction. Unless the context clearly indicates to the contrary, the rules of interpretation and construction set forth in Part II of Exhibit B shall apply to the interpretation and construction of this Agreement.

ARTICLE II

Representations of the Borrower

Section 2.01. Representations. The Borrower represents to the Authority that:

(a) The Borrower is a nonprofit corporation duly organized and existing under the laws of the State of Alaska and is a regional health organization as defined in Alaska Statutes (“AS”) 18.28.100;

(b) The Borrower (i) is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”); (ii) is exempt from federal income taxation under Section 501(a) of the Code, except for taxes imposed on unrelated business income (other than income related to the Project) pursuant to Section 511 of the Code and is an organization described in Section 170(b)(1)(A) of the Code; (iii) is not a “private foundation” as defined by Section 509(a) of the Code; (iv) has not received any notice from the Internal Revenue Service that the Borrower’s returns are being audited or that its status as an organization described in Section 501(c)(3) of the Code is being investigated or challenged; and (v) is in compliance with its status described in this subsection 2.01(b);

(c) The Borrower has the legal power and authority to enter into and to perform its obligations under this Loan Agreement and under the Borrower Bond and the other Borrower Documents and has duly authorized the execution and delivery of, and the performance by the Borrower of its obligations under, this Loan Agreement, the Borrower Bond and the other Borrower Documents;

(d) The execution and delivery by the Borrower of this Loan Agreement, the Borrower Bond and each of the other Borrower Documents and the performance by the Borrower of its

obligations hereunder and thereunder (i) do not violate any laws, regulations or court orders or decrees that apply to, and would have a material impact on, the Borrower or its operations or financial position or any provision of the Borrower's articles of incorporation or bylaws; (ii) do not violate, breach or result in a default or event of default under any document, covenant or agreement by the Borrower relating to any agreement or indebtedness that will be in effect or outstanding as of the time the Borrower Bond is issued, including without limitation, any lease or loan agreement and any grant or funding agreement to which the Borrower is a party or a beneficiary;

(e) When issued, the Borrower Bond will be the Borrower's only outstanding indebtedness other than \$_____ aggregate amount of capital leases and other than the Borrower's loan agreement and promissory note and security documents delivered to the City of Marshall, Alaska and the related Continuing Covenant Agreement between the Borrower and Wells Fargo Bank, National Association, the purchaser of bonds issued by the City of Marshall (collectively, the "City of Marshall Loan");

(f) No action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body is pending or to the best knowledge of the Borrower after due investigation, is threatened, against or affecting the Borrower, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of this Loan Agreement, the Borrower Bond or any of the other Borrower Documents or the first priority of the liens created by the Master Security Documents or the Borrower's ability to perform its obligations thereunder or under any of the other Borrower Documents or the exclusion from gross income for federal income tax purposes of interest on the Borrower Bond or the Series 2017A Bonds;

(g) No further authorizations, consents or approvals of any lender or lessor or any governmental or Borrower body, board or agency are required in connection with the execution and delivery by the Borrower of this Loan Agreement or of any other Borrower Document, the issuance of the Borrower Bond or the performance by the Borrower of its obligations hereunder or thereunder, and each of the applicable authorizations, consents and approvals heretofore obtained by or for the Borrower is in full force and effect and has not been amended, revoked or superseded; and

(h) As of the time the Borrower Bond is issued and delivered, the only claims, liens or other encumbrances on or against the Project or other assets of the Borrower will be (i) the City of Marshall Loan in connection with other assets of the Borrower; (ii) the [Permitted Equipment Loans and Leases]; (iii) the Permitted Encumbrances as defined in the Master Security Documents; (iv) the pledge by the Borrower of the Trust Estate to secure the payment by the Borrower of the Obligations, including the Borrower Bond, the Borrower's Allocable Proportion of the Authority's Reserve Fund Expenses and of Administrative Expenses and the amount, if any, required to pay or to reimburse the Authority for the payment of Reserve Fund Reimbursement Obligations and/or Credit Facility Reimbursement Obligations attributed to the Borrower; and (v) the first-priority security interest and lien created by the [Collateral and Depository Agreement,] the Master Trust Indenture and the other Master Security Documents, on General Revenues, if any, that may be required to be deposited with the Collateral Agent or the Master Trustee to secure such payments and/or payments on other Obligations and the USDA Loan.

Section 2.02. Survival of Representations. Each of the representations above shall survive the execution and delivery of this Loan Agreement.

ARTICLE III

Issuance of the Series 2017A Bonds and the Borrower Bond

Section 3.01. Agreement to Issue the Series 2017A Bonds. To provide moneys to make the Loan to the Borrower, the Authority agrees that it will issue its Series 2017A Bonds under the Bond Resolution and will cause the proceeds of such Bonds to be applied, together with funds deposited by the Borrower (i) to pay, or to reimburse the Borrower for the payment of, a portion of the costs of designing, constructing and equipping the Project; (ii) to make a deposit to the Reserve Fund created under the Bond Resolution and a deposit to the Borrower's Reserve Account held by the Trustee; (iii) to make a deposit to the Capitalized Interest Subaccount and to pay or provide for the payment of the Borrower's Allocable Proportion of Authority Reserve Fund Interest Expense during construction; and (iv) to pay a portion of the costs of issuing the Series 2017A Bonds and costs of issuing the Borrower Bond.

Section 3.02. Agreement to Issue the Borrower Bond. (a) The Borrower hereby accepts the Loan from the Authority in the principal amount of \$_____ and to evidence the Loan made to the Borrower and such money borrowed from the Authority by the Borrower, and to secure the repayment thereof together with interest thereon, the Borrower hereby executes and delivers to the Trustee and Master Trustee or Collateral Agent, as applicable, the Master Security Documents and to the Authority this Loan Agreement and the Borrower Bond in the principal amount, with the principal installment payments, and bearing interest from its date at the rate or rates per annum, stated in Exhibit A.

(b) The amounts to be paid by the Borrower pursuant to this Loan Agreement representing interest due on its Borrower Bond (the "Borrower Bond Interest Payments") shall be computed at the same rate or rates of interest borne by the corresponding maturities of the Series 2017A Bonds sold by the Authority to obtain the money with which to make the Loan and to purchase the Borrower Bond (the "Loan Obligations"). Amounts to be paid by the Borrower pursuant to this Loan Agreement representing principal due on the Borrower's Borrower Bond (as further defined below, the "Borrower Bond Principal Payments"), together with the Borrower Bond Interest Payments and the payments required by Subsection 3.02(d), shall be paid by the Borrower in monthly installments as set forth in Article IV to provide, at least one month and seven days before the payment dates set forth in the Borrower Bond, funds sufficient to pay (1) the principal of the Loan Obligations, plus the interest thereon, as the same become due and payable, and (2) the Borrower's Allocable Proportion of Authority Reserve Fund Interest Expense at the time such payments are due and payable.

(c) Payments made by the Borrower to or for the account of the Authority in accordance with the Borrower Bond shall be credited against the comparable payments required to be made by the Borrower under this Loan Agreement.

(d) The Borrower agrees to pay the Borrower's Allocable Proportion of Authority Reserve Fund Interest Expense, if any, and the portion of any Reserve Fund Credit Facility

Reimbursement Obligation or Credit Facility Reimbursement Obligation attributed to the Borrower, and the Borrower's Allocable Proportion of any Administrative Expense at the times and in the amounts required pursuant to Sections 4.01, 4.02 and 5.01 of this Loan Agreement.

ARTICLE IV

Security and Sources of Payment for Borrower Loan Payments and for the Borrower Bond

Section 4.01. Security and Sources of Payment. (a) The Borrower's obligation to repay the Loan and to pay the Borrower's Allocable Proportion of Authority Reserve Fund Expense and any other amount payable hereunder is a special revenue obligation of the Borrower, payable solely from the Trust Estate pledged and assigned under the Master Security Documents; and the Borrower hereby confirms its pledges, assignments and grants to the Master Trustee, [as collateral agent and depository,] to provide for and to secure (i) repayment of the USDA Loan and the Obligations, including Obligation No. 1 issued to the Authority to evidence and secure payment of the Loan; (ii) payment of the Borrower's Allocable Proportion of Authority Reserve Interest Expense, if any; and (iii) payment of the portion of any Reimbursement Obligation and Administrative Expenses attributed to the Borrower.

(b) The amounts to be paid by the Borrower pursuant to this Loan Agreement and the Master Security Documents representing Borrower Bond Payments, including Borrower Bond Interest Payments, Borrower Bond Principal Payments, the Borrower's Allocable Portion of Authority's Interest Expense, if any, and the portion of any Reimbursement Obligation attributed to the Borrower, shall be payable from, and be secured on a parity with the USDA Loan and other Obligations issued in accordance with the Master Security Documents, including the Master Trust Indenture, by the Borrower's pledge, grant and assignment of, and the Borrower hereby pledges and assigns and grants (i) to the Master Trustee a first-priority security interest in and lien on the Trust Estate, including without limitation, the Project Fund and the Capitalized Interest Account[s], created under the Master Trust Indenture, the First Supplemental Indenture and the other Master Security Documents; and (ii) to the Trustee, a first priority security interest in and lien on amounts on deposit with the Trustee in the Borrower Debt Service Subaccount and the Borrower Reserve Account and any investments therein and investment income thereon.

(c) To provide for any required deposits to the Master Trustee and/or Collateral Agent and to perfect the security interest of the Master Trustee and/or Collateral Agent in the Trust Estate, including the Patient Revenues and Accounts and the investments thereof and earnings from investments thereof, all Net Proceeds and all Rents and Proceeds and all funds in the Depository Account established with the Master Trustee and/or Collateral Agent, the Borrower agrees to enter into the Master Trust Indenture, the First Supplemental Indenture and each of the other Master Security Documents and agrees that on and after a required Deposit Day or Supplemental Deposit Day, if any, the Borrower will deposit or cause to be deposited upon receipt all such amounts until the required payment or payments on the USDA Loan and on Obligation No. 1 and all other Obligations Outstanding from time to time, including all of the deposits described below, have been made. The Borrower confirms that other than the Master Trustee [and the Collateral Agent] and, in connection with the property subject to the Deed of Trust [and the Collateral and Depository Agreement], other than USDA, no other party has, or will be granted, a claim to, lien on or security interest in the Trust Estate on a parity with or senior to the claim, lien and security interest of the

Master Trustee for the benefit of the Authority and other Obligation holders; and the Borrower consents to the filing of financing statements naming the [Master Trustee/the Collateral Agent for the benefit of the Master Trustee] as secured party and the Borrower as debtor.

Section 4.02. Borrower Loan Payments. (a) The Borrower agrees with the Authority that not later than the 15th calendar day of each month, beginning _____ [seven months before _____, the first date on which interest is not scheduled to be paid from moneys transferred from the capitalized interest subaccount held by the Master Trustee], or the previous Business Day if the 15th day is not a Business Day (each a “Deposit Day”), the Borrower will pay or cause to be paid to the Trustee for deposit to the Borrower Interest Account in the Debt Service Fund held by the Trustee under the Bond Resolution:

(1) _____ of the amount of interest that will be due on the Borrower Bond on _____; and thereafter, one sixth (1/6) of the amount of interest that will be due and payable on the Borrower Bond on the next interest payment date;

(2) beginning _____, _____, for deposit to the Borrower Principal Account in the Debt Service Fund held by the Trustee, one-twelfth (1/12) of the amount of principal due (whether at maturity or, in the case of term bonds, by reason of mandatory sinking fund payments), as specified in the maturity schedule included in this Loan Agreement as Exhibit A, on the next principal payment or redemption date (“Borrower Bond Principal Payments”);

(3) for deposit to the Authority Reserve Account (or to the Debt Service Account if so directed by the Authority), an amount equal to all of the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense and/or to the Authority Reserve Account the portion of any Reserve Fund Credit Facility Reimbursement Obligation or other Reimbursement Obligation attributable to the Borrower for the following six months;

(4) for deposit to the Borrower reserve account held by the Trustee as provided in Section 4.03 (the “Borrower Reserve Account”) the amount, if any, required to make the balance in the Borrower Reserve Account equal to the reserve requirement required to be maintained therein pursuant to Section 4.03; and

(5) any additional amount required to be paid by the Borrower so that at least one month and seven (7) Business Days before the Series 2017A Interest Payment Date, Borrower funds held by the Trustee in the debt service account are sufficient to pay when due the principal of and interest on the Loan Obligations and to pay any other Borrower Payments then due and payable.

(b) The Borrower also agrees to make all of the payments required pursuant to Section 5.01.

(c) The Borrower further agrees that if any of the payments required to be made pursuant to subsection (a) of this Section 4.02 are not made when due, the Authority shall notify the Borrower, the Trustee and the Master Trustee and (i) request that such payment be made by the Borrower; and (ii) if such payment is not made by the third day (or the prior Business Day if the third day is not a Business Day, such Business Day hereinafter referred to as a “Supplemental

Deposit Day”) after the date such payment was due, direct the Borrower to transfer upon receipt all General Revenues (other than Restricted Borrower Funds) to the Master Trustee for deposit to the Revenue Fund held by the Master Trustee under the Master Trust Indenture and direct the Master Trustee to withdraw from such Revenue Fund on each Business Day thereafter, before any other payment or withdrawal is made, and transfer (1) to the Trustee for deposit to the Borrower Debt Service Subaccount held by the Trustee and (2) to other Obligation holders and to USDA as provided in the Master Trust Indenture and the Collateral Agreement all such Revenues until the amount transferred to the Trustee, to USDA and to other Obligation holders after such Supplemental Deposit Day is at least equal to the unpaid amounts due and payable on or before the Supplemental Deposit Day, plus the amount of all payments scheduled to be made pursuant to Subsection 4.02(a) for the following six months.

(d) The Borrower further agrees that if the payments required to be made pursuant to this Loan Agreement are not made available by the times specified herein, the Authority, to the extent permitted by law and by the terms of the applicable grants, may notify the appropriate officer of each State agency that provides or administers grants to the Borrower and seek to intercept funds under such grants and to the extent intercepted, such grant funds shall be applied first to the payment of Borrower Payments then due.

(e) Obligation payments and deposits made from moneys transferred by the Master Trustee [collateral agent] directly to the Trustee for the account of the Authority in accordance with the Master Trust Indenture shall be credited against the payments to be made pursuant to this Section 4.02.

Section 4.03. Borrower Reserve Account; Authority Reserve Fund and Debt Service Account Earnings. (a) Borrower Reserve Account. The Borrower hereby agrees that it shall deposit to the Borrower Reserve Account established by the Borrower with the Trustee, at the time of Loan funding, the Borrower’s debt service reserve requirement in an amount equal to the least of (i) maximum annual debt service on the Borrower Bond, (ii) 125 percent of average annual debt service on the Borrower Bond and (iii) 10 percent of the initial principal amount of the Borrower Bond, to secure payment of principal and interest on its Borrower Bond; that such reserve deposit shall be held by the Trustee in the name of the Borrower in a separate reserve account; and that the yield on the amount held in the reserve account shall be restricted to a yield not in excess of _____ percent (the arbitrage yield on the Series 2017A Bonds).

(b) Authority Reserve Fund Investment Earnings. The Borrower and the Authority agree that (1) investment earnings attributable to deposits to the Reserve Fund made by the Authority from its own funds or from moneys appropriated and/or loaned to the Authority by the State shall be applied, transferred or withdrawn as directed by an Authorized Officer; and (2) investment earnings derived from proceeds of Bonds deposited to the Reserve Fund or applied to purchase a Reserve Fund Credit Facility, if the Authority Reserve Fund Interest Expense and/or Reimbursement Obligations related thereto are included in the Borrower’s Borrower Payments and paid by the Borrower, shall be applied first, to pay Administrative Expenses and Fees and Charges (including without limitation arbitrage rebate analyst fees, investment manager fees, trustee fees and other Authority Fees and Expenses and Fees and Charges, as determined by the Authority) and second, if as of June 30 of any year, after payment of such Administrative Expenses

and Fees and Charges there are excess investment earnings derived from such Bond proceeds and provided that no Event of Default then exists and if then permitted by the Master Resolution, the Authority will direct the Trustee to transfer the amount of such excess investment earnings to the Debt Service Subaccount and to credit the amount so deposited against the amount of the Borrower Payment related thereto.

(c) Debt Service Subaccount Earnings. The Borrower also agrees that any investment earnings remaining in the Debt Service Subaccount after a principal payment date may be applied at the direction of the Authority to the payment of the Borrower's Allocable Proportion of Administrative Fees and Expenses.

Section 4.04. Additional Financial Covenants. (a) The Borrower covenants with the Authority that the Borrower will maintain at least 50 Days Cash on Hand to be tested and reported to the Authority on a semiannual basis as of March 31 and September 30 of each year, commencing September 30, 2017. Such reports shall be made in writing to the Authority and the Trustee no later than 90 days after each March 31st and September 30. In the event Cash on Hand is less than 50 Days Cash on Hand on a March 31 or September 30, the Borrower shall retain an independent consultant to make recommendations to the Borrower regarding improvement of the Borrower's liquidity position and shall use its best efforts to follow and implement the recommendations of the independent consultant.

(b) The Borrower also shall maintain a Debt Service Coverage Ratio of at least 1.25 to 1.0, plus a Total Coverage Ratio of at least 1.10 to 1.0, each tested annually as of the end of each Fiscal Year and reported to the Authority no later than 90 days after the end of such Fiscal Year. The Borrower agrees that if the Borrower's Debt Service Coverage Ratio is less than 1.25 or if the Total Coverage Ratio is less than 1.10 to 1.0, the Borrower will retain an independent consultant (which may be the same consultant retained pursuant to Subsection 4.04(a)) to make recommendations regarding improvement of the Borrower's Debt Service Coverage Ratio.

(c) The Borrower agrees it will issue or incur no Indebtedness that is payable from, or secured by a claim to or a pledge of or lien on, the Trust Estate, including without limitation Patient Revenues and Accounts, investments and earnings, that is prior to the claim, pledge and lien of the Borrower Bond and the other Obligations and except as agreed to in the Parity Agreement will not issue any Indebtedness, including Obligations and Subordinate Indebtedness, the maturity or payment of which can be accelerated if the Borrower Bond has not been accelerated.

(d) The Borrower also agrees that it will issue Obligations only in accordance with the Master Trust Indenture (and in the case of the USDA Loan, only in accordance with the [proposed forms and agreements] provided to the Authority) and that unless an earlier date is agreed to by the Authority, the Borrower will issue Obligations only (i) after 45 days' prior written notice is delivered to the Authority, together with (A) either (1) a certificate confirming to the Authority that taking into account Net Revenues for the most recent 12-month period for which audited financial statements are available and Maximum Annual Debt Service for any year in which the additional Obligations will be outstanding, the Borrower's Debt Service Coverage Ratio was not less than 1.25 and the Borrower's Total Debt Service Coverage Ratio was not less than 1.10; or (2) an Alternate Certificate; and (B) a certificate of the Borrower, together with an opinion of

Counsel to the Borrower, to the effect that the issuance and terms of the Obligations being issued and the agreements to be entered into in connection therewith are permitted by and do not violate the terms of this Loan Agreement or any of the other Borrower Documents; and (2) except in connection with the issuance of the USDA Loan and the AIDEA Notes, with the prior written consent of the Authority, which consent shall not be unreasonably withheld or delayed.

Section 4.05. Refundings. If Loan Obligations have been refunded and the interest expense the Authority will be required to incur on its refunding bonds in any year is less than the interest expense to be incurred by the Borrower on the Borrower Bond for the corresponding year pursuant to the terms of the Borrower Bond, then both the Borrower Bond Interest Payments and the Borrower Bond Principal Payments and the monthly deposits therefor will be adjusted in such a manner that (i) the interest expense to be incurred by the Borrower on any principal installment of the Borrower Bond is equal to the interest expense to be incurred by the Authority on the corresponding principal installment of the Authority's refunding bonds and (ii) on a present value basis the sum of the adjusted Borrower Bond Interest Payments and Borrower Bond Principal Payments is equal to or less than the sum of the Borrower Bond Interest Payments and Borrower Bond Principal Payments due over the remaining term of the Borrower Bond as previously established under this Loan Agreement. In the event of such a refunding of Loan Obligations, the Authority shall present to the Borrower for the Borrower's approval, a revised schedule of principal installment amounts and interest rates for the Borrower Bond. If approved by the Borrower the revised schedule shall be attached hereto as Exhibit A and incorporated herein in replacement of the previous Exhibit A detailing said principal installment amounts and interest rates and monthly deposits.

Section 4.06. Redemptions and Sales; Defeasance. (a) The Authority shall not sell and the Borrower shall not redeem prior to maturity any portion of the Borrower Bond in an amount greater than the Loan Obligations that are then outstanding and that are then redeemable and in the event of any such sale or redemption, the same shall be in an amount not less than the aggregate of (i) the principal amount of the Borrower Bond (or portion thereof) to be redeemed, (ii) the interest to accrue on the Borrower Bond (or portion thereof) to be redeemed to the next redemption date thereof not previously paid, (iii) the applicable premium, if any, payable on the Borrower Bond (or portion thereof) to be redeemed, and (iv) the cost and expenses of the Authority in effecting the redemption of the Borrower Bond (or portion thereof) to be redeemed. Unless the Authority agrees to a shorter period, the Borrower shall give the Authority at least 50 days' notice of intention to redeem or defease its Borrower Bond.

If the Loan Obligations with respect to which the sale or redemption prior to maturity of such Borrower Bond is being made have been refunded and the refunding bonds of the Authority issued for the purpose of refunding such Loan Obligations were issued in a principal amount in excess of or less than the principal amount of the Borrower Bond remaining unpaid at the date of issuance of such refunding bonds, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

If the Loan Obligations have been refunded and the interest the Authority is required to pay on the refunding bonds is less than the interest the Authority was required to pay on the Loan

Obligations, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

If the Loan Obligations have been refunded, the amount which the Borrower shall be obligated to pay or the Authority shall receive under item (iii) above, when the refunded Loan Obligations are to be redeemed, shall be the applicable premium, if any, on the Loan Obligations to be redeemed.

(b) Nothing in Section 4.05 or in this Section 4.06 shall be construed as preventing the Borrower from refunding the Borrower Bond in exchange for a new Borrower Bond in conjunction with a refunding of the Loan Obligations. The Borrower also may provide for the payment of and may defease its Borrower Bond (1) by giving at least 50 days' notice to an Authorized Officer (unless the Authorized Officer consents to a shorter period); (2) by delivering to the Trustee moneys in an amount or noncallable Government Obligations, the principal of and interest on which when due will, together with such moneys, in the written opinion of an independent certified public accountant or independent consulting firm delivered to the Authority and the Trustee, provide money sufficient to pay the principal of and interest on the Loan Obligations when due to the stated date fixed for redemption or to each maturity date as set forth in such opinion; and (3) unless waived by the Authority, by delivering to the Authority a written Counsel Opinion to the effect that such defeasance will not in and of itself cause the interest on the Borrower Bond or on the Series 2017A Bonds to be included in gross income for federal income tax purposes.

ARTICLE V

Additional Covenants and Agreements

Section 5.01. Fees and Charges. The Borrower is obligated to pay to the Authority Fees and Charges within 30 days after receiving an invoice from the Authority therefor. Such Fees and Charges actually collected from the Borrower shall be in an amount sufficient, together with the Borrower's Allocable Proportion (as defined below) of other money available therefor under the provisions of the Bond Resolution, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Account pursuant to Section 606 of the 2016 Master Resolution:

a. to pay, as the same become due, the Borrower's Allocable Proportion of the Administrative Expenses of the Authority; and

b. to pay, as the same become due, the Borrower's Allocable Proportion of the fees and expenses of the Trustee and paying agent for the Loan Obligations.

The Borrower's Allocable Proportion as used herein shall mean the proportionate amount of the total requirement in respect to which the term is used determined by the ratio that the principal amount of the Borrower Bond outstanding bears to the total of all Loans then outstanding to all Borrowers under the 2016 Master Resolution, as certified by the Authority. The waiver by the Authority of any fees payable pursuant to this Section 5.01 shall not constitute a subsequent waiver thereof.

Section 5.02. Closing Conditions. (a) Simultaneously with or prior to the delivery of the Borrower Bond to the Authority, the Borrower shall furnish to the Authority and the Trustee each of the Initial Master Security Documents, in form and substance approved by the Authority, and confirmation that each of the Master Security Documents has been filed or recorded as required, together with evidence satisfactory to the Authority that sets forth, among other things, that (1) the Borrower Bond constitutes a valid and binding Obligation of the Borrower secured by the Borrower's pledge and assignment of, and first-priority lien and security interest in, the Trust Estate created under the Master Trust Indenture and on the security and sources of payment made and provided for in Article IV and in the Master Security Documents; and (2) except for the City of Marshall Loan and [\$_____ of Equipment Loans], the Borrower Bond is the Borrower's only outstanding Indebtedness; and (3) the amount of the Loan is not more than 49 percent of the costs of the Project.

(b) Prior to payment by the Authority of the amount of the Loan or any portion thereof, and the delivery by the Borrower to the Authority or its designee of the Borrower Bond, the Authority shall have the right to cancel all or any part of its obligations hereunder if it determines that:

(1) Any representation or other statement made by the Borrower to the Authority herein, in the Letter of Representation or the Tax Agreement or in connection with its application to the Authority for a Loan or any representation or other statement made by the Borrower to the USDA or in the Master Trust Indenture or in any of the other Master Security Documents shall be incorrect or incomplete in any material respect.

(2) The Borrower has violated commitments made by it in the terms of the City of Marshall Loan, this Loan Agreement, the Letter of Representation, the Master Trust Indenture or any of the other Master Security Documents or in any of the Borrower's agreements with the Indian Health Service or the USDA.

(3) The financial position of the Borrower has, in the opinion of the Authority, suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Borrower Bond to the Authority.

(c) The obligation of the Authority under this Loan Agreement is contingent upon delivery of Series 2017A Bonds and receipt of the proceeds thereof and upon the deposit by the Borrower with the Trustee for credit to the Borrower Reserve Account of an amount equal to the reserve requirement required in Section 4.03.

(d) At or prior to the Closing Date, the Authority also shall have received (i) the written consent, in form and substance satisfactory to the Authority, of the purchaser of the bonds issued to make the City of Marshall Loan; (ii) executed or certified copies of each of the Master Security Documents and copies of the forms of the other Initial Master Security Documents; and (iii) evidence that each of the requirements of the Master Security Documents, including the First Supplemental Indenture, Article II of the Master Trust Indenture and Section ___ of the Bond Purchase Agreement has been satisfied, in each case in form and substance theretofore agreed to by the Authority; and (iv) evidence that each of the insurance requirements specified in Exhibit D

has been satisfied [and each of the construction arrangements specified in Exhibit D-2 has been completed or delivered]– to be added if not in the First Supplemental or the MTI].

Section 5.03. Reports and Invoices; Notices and Consents; and Required Insurance.

(a) Invoices for payments under this Loan Agreement shall be addressed to the Borrower, Yukon-Kuskokwim Health Corporation, 829 Chief Eddie Hoffman Highway, P.O. Box 528, Bethel, Alaska 99559; Attention: Vice President—Finance, with a copy to the Master Trustee. The Borrower shall give the Authority and the Master Trustee and the corporate trust office of the Trustee under the Bond Resolution at least 30 days' written notice of any change in such address.

(b) The Borrower agrees to keep and retain, until the date six years after the retirement of the Borrower Bond, or any bond issued to refund the Borrower Bond, or such longer period as may be required by the Borrower's record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Borrower Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The Borrower agrees that all records required by the preceding sentence shall be made available to the Authority upon request.

(c) The Borrower agrees that it will provide to the Authority, or require the Master Trustee to provide to the Authority, written notice of any default in any covenant under the Master Trust Indenture and/or under any Supplemental Indenture or Master Security Agreement or any other Borrower Document or operating agreement and of any default by a party and of any nonpayment by an operator, within thirty (30) days after the date of such default or nonpayment.

(d) The Borrower agrees that it shall enter into a Continuing Disclosure Agreement, substantially in the form attached hereto as Exhibit C, and shall file the Annual Report, notices and annual financial statements with the Municipal Securities Rulemaking Board when required and in any event not later than two hundred ten (210) days after the end of each fiscal year of the Borrower so long as the Borrower Bond and the Series 2017A Bonds are outstanding. The Borrower further agrees that filings thereunder shall be made in connection with CUSIP Nos. 01179P, 011798 and 01179R. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Authority to the Borrower. The Borrower agrees that if it receives from the Authority CUSIP number(s) in addition to those set forth in this Subsection then the Borrower shall make its filings using the CUSIP numbers herein stated and any additional CUSIP number(s).

(e) The Borrower also agrees that upon request of the Authority, if the Borrower's bonds constitute ten percent (10%) or more of the outstanding principal amount of bonds of all borrowers under the 2016 Master Resolution, the Borrower will provide to the Authority for inclusion in future official statements operating data and financial operation generally of the type included in Appendix [B] of the Official Statement published in connection with the Series 2017A Bonds and otherwise as may be requested by the Authority, to enable the Authority and applicable borrowers to comply with then-applicable disclosure requirements.

(f) The Borrower also agrees that the Borrower shall give written notice to the Authority, the Trustee and to any third-party payor of any change in the identity of the Master Trustee and of any other collateral agent or any proposed modification of any of the Master Security Documents or any instruction in connection therewith at least thirty (30) days prior to the proposed effective date of such change or modification and that unless otherwise agreed to by the Authority, no such change or modification shall be effective without the prior written consent of the Authority.

(g) The Borrower further agrees that the Borrower shall not merge into, or consolidate with, one or more Persons (as defined in the Master Trust Indenture) or allow one or more Persons to merge into it, or sell or convey all or substantially all of its Property to any Person unless, in addition to satisfying all of the requirements to such merger, consolidation or conveyance set forth in the Master Trust Indenture and in any other Master Security Document, the Borrower obtains the prior written consent of the Authority.

(h) The Borrower agrees that in addition to any other conditions to be satisfied, or consents required, in this Loan Agreement or in any of the other Borrower Documents, the Borrower shall not agree to or enter into any amendment to any of the Borrower Documents without the prior written consent of the Authority.

(i) [Covenant to maintain the insurance specified in Exhibit D to be added if not included in the Master Trust Indenture or in the First Supplement]

Section 5.04. Tax Covenants. (a) The Borrower agrees that it shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on the Series 2017A Bonds to be included in gross income for federal income tax purposes under section 103 of the Code.

(b) The Borrower shall not permit any of the proceeds of the Borrower Bond, or any facilities financed or refinanced with such proceeds, to be used in any manner that would cause the Series 2017A Bonds to constitute “private activity bonds” (other than qualified 501(c)(3) bonds) within the meaning of Section 141 and 145 of the Code.

(c) The Borrower agrees that it shall not take, or omit to take any action lawful and within its power to take that would, if taken or not taken, result in the Borrower’s ceasing to be a qualified 501(c)(3) organization.

(d) The Borrower shall make no use or investment of the proceeds of the Borrower Bond which will cause the Series 2017A Bonds to be “arbitrage bonds” under Section 148 of the Code. So long as the Borrower Bond or the Series 2017A Bonds are outstanding, the Borrower, shall comply with all requirements of said Section 148 and all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect. The Borrower shall indemnify and hold harmless the Authority from any obligation of the Borrower to make rebate payments to the United States under said Section 148 arising from the Borrower’s use or investment of the proceeds of the Borrower Bond or the Series 2017A Bonds.

Section 5.05. Events of Default. An Event of Default shall have occurred if:

- (1) The Borrower shall fail to make any payment when due on the Borrower Bond, on any other Obligation or on the USDA Loan;
- (2) The Borrower shall fail to pay any Borrower Payment (other than a Borrower Payment referred to in clause (1) of this Section 5.05) or to make a required deposit to the Borrower Reserve Account;
- (3) An Event of Default under the Master Trust Indenture, any other Master Security Document or the First Supplemental Indenture (other than referred to in clauses (1) and (2)) occurs;
- (4) Days Cash on Hand is less than 50 days for a Fiscal Year;
- (5) The Borrower fails to observe any of its other covenants in Article IV;
- (6) The Borrower fails to observe any other covenant (other than a covenant contained in subsection 5.03(d)) and if curable, such failure continues for a period of 60 days (or 90 days if the default is curable but is not curable within 60 days and the Borrower has undertaken to cure such default) after written notice of such failure is given by the Authority or the Trustee; or
- (7) Any Bankruptcy or Insolvency Event occurs.

Section 5.06. Remedies. (a) Upon the happening and continuance of any Event of Default specified in Section 5.05, the Authority may take any one or more of the following remedies:

- (i) by mandamus or other suit, action or proceeding at law or in equity, enforce all of its rights under this Loan Agreement and the Master Trust Indenture and require the Borrower to perform all of its obligations hereunder thereunder and under the other Borrower Documents;
- (ii) by bringing suit upon the Borrower Bond and/or this Loan Agreement, the Master Trust Indenture or any of the other Borrower Documents, including the Master Security Documents and/or direct the Master Trustee or the Trustee to initiate and pursue such actions;
- (iii) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the Authority; and
- (iv) upon the occurrence of an Event of Default described in 5.05(1), 5.05(2), 5.05(3) or 5.05(7) and unless the principal of the Borrower Bond has already become due and payable, by notice in writing to the Borrower, declare the principal of the Borrower Bond and the interest accrued thereon to be due and payable immediately or upon such other specified date and upon such declaration, the same shall become due and payable, anything in this Loan Agreement or in the Borrower Bond to the contrary notwithstanding.

(b) The remedy set forth in clause (iv) of subsection 5.06(a) is subject, however, to the condition that if at any time after the principal of the Borrower Bond has been declared due and

payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Borrower pays to the Authority, or to the Trustee for the account of the Authority, an amount sufficient to pay all principal and interest on the Borrower Bond and all other Borrower Payments, together with interest on such Bonds, with interest on such overdue amounts at the applicable rates borne by the Borrower Bond, and/or on its Allocable Proportion of Authority Interest Expense or Reimbursement Obligation or both, as applicable, the Authority's reasonable expenses of enforcing its rights and any and all other defaults (other than payments of principal and interest due and payable solely by reason of such declaration) shall have been cured to the satisfaction of the Authority, then the Authority shall rescind and annul such declaration of acceleration and its consequences; provided, however that no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

ARTICLE VI

Miscellaneous

Section 6.01. Severability. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

Section 6.02. Counterparts. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

Section 6.03. Waivers; Mergers etc. (a) No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other term or condition hereof, nor shall a waiver of any breach of this Loan Agreement be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

(b) This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

Section 6.04. Governing Law. This Loan Agreement and the obligations of the Authority and the Borrower shall be governed by the laws of the State of Alaska.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement the day and year first above written.

ALASKA MUNICIPAL BOND BANK
AUTHORITY

By: _____
DEVEN J. MITCHELL
Executive Director

YUKON-KUSKOKWIM HEALTH
CORPORATION

By: _____

EXHIBIT A

\$ _____
Name of Borrower
Obligation No. 1
("Borrower Bond")

Due
[Month] 1

Principal
Amount
\$

Interest
Rate
%

Principal installments shall be payable on _____ 1 in each of the years, and in the amounts set forth above. The Borrower Bond shall be dated _____, 20____. Interest on the Borrower Bond shall be payable on _____ 1, 20____, and thereafter on _____ 1 and _____ 1 of each year.

Prepayment Provisions: The Borrower Bond principal installments [stated to mature prior to _____] are not subject to prepayment prior to maturity.

Optional Prepayment: The Borrower Bond principal installments due on or after _____ 1, 20-- are subject to prepayment in whole or in part at the option of the Borrower on any date on or after _____ 1, 20____, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date fixed for prepayment.

EXHIBIT B

Part I

Definitions

“Act” means AS 44.85.005 through AS 44.85.420, as amended from time to time.

“AIDEA Note Agreement” means the agreement or agreements among the Borrower, the Alaska Industrial Development & Export Authority and the underwriter of the AIDEA Notes, providing for, among other things, the terms of the AIDEA Notes and conditions to the issuance and purchase of the AIDEA Notes.

“AIDEA Notes” means the [Loan/Bond Anticipation Notes] to be issued by the Alaska Industrial Development & Export Authority in an aggregate principal amount [not to exceed \$ _____] to provide interim financing to the Borrower and to be repaid from, among other sources, proceeds of the USDA Loan and/or proceeds of refunding notes and amounts payable by the Borrower under a promissory note issued and secured under the Master Security Documents as Obligation No. 2.

“Alternate Certificate” means a written certificate prepared by an independent consultant with demonstrated expertise in healthcare finance matters, including a consulting engineer, certified public accountant or other consultant approved by Authority staff, to the effect that based upon assumptions and forecasts stated in the certificate or in a report accompanying the certificate, the Maximum Annual Debt Service Coverage Ratio will not be less than 1.50 and the Maximum Total Debt Service Coverage Ratio will not be less than 1.25 during any year in which the USDA Loan and the Obligations, including the Obligations then to be issued, are scheduled to be Outstanding.

“Annual Debt Service” means the aggregate amount of Debt Service payable during a Fiscal Year.

“Authority” means the Alaska Municipal Bond Bank Authority, a public corporation of the State and an instrumentality of the State within the Department of Revenue created pursuant to the provisions of the Act.

“Authority Reserve Fund Interest Expense” has the meaning assigned thereto in the Bond Resolution.

“Bankruptcy or Insolvency Event” means (i) the commencement by the Borrower of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law or the Borrower’s consent to the entry of an order for relief in an involuntary case under any such law; or the Borrower’s consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of the Borrower or for any substantial part of the Borrower’s property; or any general assignment by the Borrower for the benefit of creditors; or the Borrower’s failure to pay its debts as they become due; or the commencement by the Borrower of any corporate action in furtherance of any of the foregoing; or (ii) the entry by a court having jurisdiction of a decree or order for relief in respect of the Borrower in an involuntary

case under any applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Borrower or for any substantial part of the Borrower's property, or ordering the winding up or liquidation of the Borrower's affairs, and such decree or order remains unstayed and in effect for a period of 90 consecutive days.

"Board" means the Board of Directors of the Authority.

"Bond Counsel" means Orrick, Herrington & Sutcliffe LLP.

"Bond Resolution" or "Resolution" means the 2016 Master Resolution together with the Series Resolution.

"Borrower" means Yukon-Kuskokwim Health Corporation, an Alaska nonprofit corporation.

"Borrower's Allocable Proportion" or "Allocable Proportion" has the meaning assigned thereto in Section 5.01 of this Loan Agreement.

"Borrower Bond" means Obligation No. 1, a bond or promissory note issued and secured by the Borrower pursuant to the Master Trust Indenture and the other Master Security Documents in the principal amount of \$_____ to evidence and secure the Borrower's obligation to repay the Loan to the Borrower from the Authority.

"Borrower Bond Interest Payments" has the meaning set forth in Subsection 3.02(b).

"Borrower Bond Principal Payments" has the meaning set forth in Subsection 3.02, as further defined in Subsection 4.02(b)(2).

"Borrower Bond Resolution" means [Resolution No. _____,] adopted by the Board of Directors of the Borrower on _____, 2017.

"Borrower Debt Service Subaccount" has the meaning set forth in the Series Resolution.

"Borrower Documents" means this Loan Agreement, the Master Trust Indenture, the Parity Agreement, the other Master Security Documents, the Borrower Bond, the Borrower Letter of Representation, the Borrower Bond Resolution, the Continuing Disclosure Agreement and _____ each as amended and supplemented from time to time in accordance with the Master Trust Indenture if applicable and with the prior written consent of the Authority.

"Borrower Letter of Representation" or "Letter of Representation" means the Letter of Representation, dated _____, 2017, by the Borrower to the Authority and the Underwriter.

"Borrower Payments" or "Borrower Loan Payments" has the meaning set forth in the Master Resolution and includes without limitation Borrower Bond Interest Payments, Borrower Bond Principal Payments, the Borrower's Allocable Portion of Authority Reserve Fund Interest Expense, if any, and any Reimbursement Obligation attributed to the Borrower.

“Borrower Reserve Account” has the meaning set forth in Section 4.02(a)(4) of this Loan Agreement.

“Borrower Reserve Requirement” means an amount equal to the least of (i) maximum annual debt service on the Borrower Bond, (ii) 125% of average annual debt service on the Borrower Bond and (iii) 10% of the initial principal amount of the Borrower Bond.

“Business Day” means any day other than a Saturday or Sunday or any other day on which banks in New York, Alaska or the state in which the Trustee or the Master Trustee performs duties under or in connection with the 2016 Master Resolution or any Master Security Document is closed or authorized to be closed.

“City of Marshall Loan” has the meaning set forth in Section 2.01(e).

“Closing Date” means _____, 2017.

“Code” means the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

“Collateral Agent” means the [Master Trustee as collateral agent and depository under the Deposit Account Control Agreement and the Collateral Agreement].

[“Collateral and Depository Agreement” means [see the general definition in the Series Resolution for now.]

“Days Cash On Hand” means as of any date, the amount derived by dividing (1) Unrestricted Cash and Investments by (2) Days of Operating Expenses.

“Days of Operating Expenses” means operating expenses, excluding depreciation and amortization, extraordinary, nonrecurring expenses, non-cash items such as unrealized gains or losses and expenses resulting from a refunding transaction and costs of issuance related thereto, divided by the number of days in the applicable period.

“Debt Service” means the aggregate amount required during a specified period to pay or to make deposits for the payment of (i) the principal of, premium if any and interest on the Borrower Bond, any other Obligations and the USDA Loan, (ii) the Borrower’s Allocable Proportion of Authority Reserve Fund Interest Expense and (iii) the amount required to be deposited to the Borrower Reserve Account and/or to pay any Reimbursement Obligations attributed to the Borrower (other than in each case amounts required to be paid or deposited from proceeds received from the sale of the USDA Loan or such Obligations).

“Debt Service Coverage Ratio” means for any specified period the ratio achieved by dividing Net Revenues by Debt Service payable or for which deposits are required to be made for such period.

“Debt Service Subaccount” has the meaning assigned thereto in Section 602 of the Master Resolution.

“Deed of Trust” means the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated _____, 2017, granted by the Borrower to _____ for the benefit or in favor of the Master Trustee [the Collateral Agent, if not the entity that serves as Master Trustee].

“Deposit Account” means each deposit, brokerage or similar account containing _____.

[“Deposit Account Control Agreement” or “Depository Agreement” means the Deposit Account Control Agreement, dated _____, 20__ among the Borrower[, the Master Trustee and the Collateral Agent, and any amendments thereto and instructions in accordance therewith approved in writing by the Authority and the Trustee.]

“Deposit Day” has the meaning assigned thereto in Section 4.02(a) of this Loan Agreement and includes any Supplemental Deposit Day as defined in Section 4.02(c).

“Equipment Loans” means [the existing equipment loans and capital leases, and leases or loans for non-essential equipment and supplies that are payable only as Operating Expenses, i.e., after all deposits and payments required by the Master Trust Indenture are made]

“First Supplemental Indenture” means the First Supplemental Indenture between the Borrower and the Master Trustee, providing for, among other things, the issuance to the Authority of the Borrower Bond as evidence of and security for the payment and performance by the Borrower of the Borrower’s obligations under this Loan Agreement, as amended or supplemented from time to time in accordance with the Master Trust Indenture and with the prior written consent of the Authority.

“Fiscal Year” means a 12-month period ending September 30, unless the Borrower notifies the Authority and the Trustee that the Borrower has adopted a different 12-month period as its fiscal year.

“General Revenues” means all of the Patient Revenues and Accounts as defined in the Master Trust Indenture, as are now in existence or as may be hereafter acquired; and all investments thereof and earnings therefrom, and all rents and proceeds thereof, excluding, however, all Restricted Funds.

[“Hedge Agreement” means any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross currency rate swap transaction, currency option, total return swap, credit default swap or any other similar transaction (including any option with respect to any of these transactions) and any other agreement or option involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.]

“Indebtedness” means (a) indebtedness or liability for borrowed money, or for the deferred purchase price of property or services; (b) obligations as lessee under leases that are or should be

or should have been, reported as capital leases in accordance with GAAP; (c) all obligations arising under any acceptance facility; (d) all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any person or otherwise to assure a creditor against loss; (e) obligations secured by any liens on property owned by such person, whether or not the obligations have been assumed; (f) all other items or obligations that would be included in determining total liabilities on the balance sheet of a person if the payment of such obligations is secured by a pledge or assignment of or a lien on or security interest in General Revenues or Net Revenues; and (g) contingent liabilities under any Hedge Agreement to which it is a party; provided, however, that “Indebtedness” shall not include (i) trade payables and similar obligations and obligations secured exclusively by purchase money security interests which are incurred in the ordinary course of business and are not past due, (ii) both the indebtedness directly incurred and any corresponding indirect guaranty of the same indebtedness, (iii) planned giving actuarial liabilities as reflected in the financial statements of such person to the extent they are offset by planned giving investments, or (iv) indebtedness secured on a basis junior and subordinate to the Bonds.

“Initial Master Security Documents” means the Master Trust Indenture, the First Supplemental Indenture, the Deed of Trust [and title policy] and evidence of recording, the Security Agreement and filed UCC financing statements, the [Collateral and Depository Agreement], the Parity Agreement, confirmation letter and letter of conditions from the USDA, [the AIDEA Note agreement, term sheet and form of Second Supplemental Trust Indenture]

“Loan Obligations” has the meaning set forth in Subsection 3.02(b).

“Master Resolution” or “2016 Master Resolution” means the Authority’s 2016 Master Bond Resolution, Resolution No. 2016-03 adopted by the Board on May 5, 2016 as amended or supplemented from time to time in accordance therewith.

“Master Security Documents” means the Master Trust Indenture, the First Supplemental Indenture, the Security Agreement, the Deed of Trust [and title policy], the [Collateral and Depository Agreement] and the Parity Agreement each as amended from time to time in accordance with the Master Trust Indenture and with the prior written consent of the Authority.

“Maximum Annual Debt Service” means the largest amount of Debt Service scheduled to be paid in the current or any future year during which the Borrower Bond, Obligation No. 1 and any Borrower Bond or Obligation issued or to be issued in exchange therefor, or to refund, all or any portion of the Borrower Bond is scheduled are scheduled to be Outstanding.

“Maximum Annual Debt Service Coverage Ratio” means for a specified period the ratio achieved by dividing Net Revenues for such period by Maximum Annual Debt Service payable or for which deposits are required to be made.

“Maximum Total Coverage Ratio” means for any year in which the Borrower Bond, Obligation No. 1 and any Borrower Bond or Obligation issued or to be issued in exchange therefor, or to refund, all or any portion of the Borrower Bond Obligations are scheduled to be outstanding, the ratio achieved by dividing Net Revenues for such year by (1) Maximum Annual Debt Service

payable or for which deposits are required to be made; plus (2) maximum annual debt service scheduled to be paid on any Subordinated Indebtedness (other than debt service to be paid from the proceeds received from the sale of Subordinated Indebtedness).

“Net Revenues” means General Revenues, less operating expenses, excluding depreciation and amortization; interest expense; extraordinary, nonrecurring expenses; non-cash items such as unrealized gains and losses and expenses resulting from a refunding transaction and costs of issuance related thereto.

“Obligations” or “Parity Obligations” means the Borrower Bond, the USDA Loan, the AIDEA Notes and any additional bond or other indebtedness the payment of which is secured on a parity with the Borrower Bond and, other than the USDA Loan, is issued as an Obligation as defined in the Master Trust Indenture in accordance with the provisions of the Master Trust Indenture, the First Supplemental Indenture and Article IV.

“Parity Agreement” means the Parity Agreement dated _____, 2017, by and among the Borrower, USDA and the Master Trustee as amended from time to time in accordance with the Master Trust Indenture and with the prior written consent of the Authority.

“Permitted Liens” or “Permitted Encumbrances” has the meaning assigned thereto in the Master Security Documents.

[“Permitted Equipment Loans and Leases” means _____.

“Project” means the expansion of the Borrower’s hospital and the design, construction and equipment of the Borrower’s primary care clinic in Bethel, Alaska.

“Regional Health Organization” means an organization defined in AS 18.28.100, currently, a nonprofit corporation or home rule borough that provides health aide services under a contract with the Alaska Native Health Service in a rural area that is at least 4,000 square miles.

“Reserve Depositary Agreement” means the Reserve Depositary Agreement, between the Borrower and the Trustee providing for the establishment, funding and investment of the Borrower Reserve Account as amended from time to time.

“Reserve Fund Credit Facility” has the meaning assigned thereto in the 2016 Master Resolution.

“Reserve Fund Credit Facility Reimbursement Obligation” has the meaning assigned thereto in the 2016 Master Resolution.

“Restricted Borrower Funds” means Revenues and gifts, grants, devises, bequests and contributions of any and all types (i) designated by the maker to a specific purpose inconsistent with their use or (ii) unavailable under applicable law, in either case to pay debt service on Indebtedness.

“Security Agreement” means the Security Agreement, dated as of ____ __, 2017, between the Borrower and the Master Trustee [Collateral Agent], as amended from time to time in accordance with the Master Trust Indenture and with the prior written consent of the Authority.

“Series 2017A Bonds” means the Alaska Municipal Bond Bank Authority Master Resolution General Obligation Bonds, Series 2017A.

“Series Resolution” means the Authority’s Resolution No. 2017-01 adopted by the Board on January 10, 2017, as amended or supplemented from time to time in accordance therewith and with the Master Resolution.

“Supplemental Deposit Day” has the meaning set forth in 4.01(c).

“Total Coverage Ratio” means for any specified period the ratio achieved by dividing Net Revenues by (1) Debt Service, plus (2) the amounts required to be deposited (other than from the proceeds of Subordinated Indebtedness) to any fund or account held by or for the Master Trustee for the payment of the Subordinated Indebtedness issued under the Master Trust Indenture.

“Trust Estate” means the trust estate created under the Master Trust Indenture and the other Master Security Documents.

“Underwriter” means J.P. Morgan Securities LLC.

“Unrestricted Cash and Investments” means the sum of the following unrestricted items: cash, cash equivalents, marketable securities and liquid investments but excluding in each case, Trustee-held funds, debt service funds, debt service reserve funds and pension and retirement funds.

“USDA” means the United States Department of Agriculture acting through its Rural Housing Service, and any successor agency.

“USDA Loan” means a loan from the USDA to the Borrower made pursuant to [the Letter of Conditions as amended,] from the USDA to the Borrower.

Part II

Rules of Construction and Interpretation

Words of the masculine gender are deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number include the plural numbers and vice versa unless the context indicates otherwise. Reference to sections and to other subdivisions are references to sections and subdivisions in this Loan Agreement unless the stated otherwise. The headings and titles of articles and sections and the table of contents are for convenience of reference only and do not define or limit the provisions hereof.

EXHIBIT C
FORM OF THE BORROWER'S
CONTINUING DISCLOSURE AGREEMENT

Alaska Municipal Bond Bank Authority
Master Resolution General Obligation Bonds, Series 2017A

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Yukon-Kuskokwim Health Corporation (the "Borrower") in connection with the issuance by the Alaska Municipal Bond Bank Authority (the "Authority") of the bonds described above (the "Bonds"). The Bonds are being issued pursuant to the Authority's 2016 Master Bond Resolution (the "2016 Master Resolution"), adopted by the Board of Directors (the "Board") of the Authority on May 5, 2016, as supplemented by a Series Resolution, adopted by the Board of the Authority on January 10, 2017 (the "Series Resolution" and together with the 2016 Master Resolution, the "Resolutions"). A portion of the proceeds of the Bonds are being loaned to the Borrower by the Authority pursuant to a Loan Agreement, dated as of _____, 20__, between the Authority and the Borrower (the "Loan Agreement").

As required by the Loan Agreement, the Borrower is entering into this Disclosure Agreement and covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement; No Authority Responsibility. This Disclosure Agreement is being executed and delivered by the Borrower for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5). The Borrower acknowledges that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required to be provided under this Disclosure Agreement and has no liability of any kind to any person, including any Holder or Beneficial Owner of the Bonds, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Borrower, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Borrower a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond is registered.

“Listed Events” shall mean any of the events listed in subsection 5(a) or (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated _____, 2017, relating to the Bonds.

“Participating Underwriter” shall mean J.P. Morgan Securities LLC, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) 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 3. Provision of Annual Reports.

(a) The Borrower shall, or shall cause the Dissemination Agent to, not later than 210 days after the end of the Borrower’s fiscal year, commencing with the report for the fiscal year ending September 30, 2017 (which is due not later than April 28, 2018), provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4; provided, that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Borrower’s fiscal year changes, it shall give notice of such change in a filing with the MSRB in the same manner as for a Listed Event. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection 3(a), the Borrower shall provide the Annual Report to the Dissemination Agent (if other than the Borrower). If the Borrower is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Borrower shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Borrower) file a report with the Borrower certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Borrower’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the Borrower for the preceding fiscal year, prepared in accordance with generally accepted accounting principles from time to time. If the Borrower's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statement of the Borrower, the Annual Report also shall include historical operating data and financial information for the prior fiscal year of the type included in Appendix __ of the Official Statement [under the heading "Yukon-Kuskokwim Health Corporation."]

Any or all of the items listed above may be set forth in one document or in a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Borrower, or related public entities, which have been made available to the public on the MSRB's website. The Borrower shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Borrower shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds or the Borrower Bond, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 relating to any such actions, other than pursuant to its terms; or
7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the Borrower determines would be material under applicable federal securities laws, the Borrower shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Series Resolution.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Borrower's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Borrower.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it 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 an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of

dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Borrower to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Borrower to comply with its obligations under this Disclosure Agreement; provided, that any such action may be instituted only in the Superior Court of the State of Alaska in and for the Fourth Judicial District in Bethel, Alaska or in U.S. District Court in or nearest to the Superior Court of the Fourth Judicial District in Bethel, Alaska. The sole remedy under this Disclosure Agreement in the event of any failure of the Borrower to comply with this Disclosure Agreement shall be an action to compel performance, and a failure under this Disclosure Agreement shall not be a default or Event of Default under the Loan Agreement or under any of the Master Security Documents.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Dissemination Agent, if any, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Notices. Any notices or communications to the Borrower under this Disclosure Agreement may be given to the Borrower as follows: _____.

Date: _____.

YUKON-KUSKOKWIM HEALTH
CORPORATION

By _____
Authorized Borrower Representative

CONTINUING DISCLOSURE EXHIBIT A

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Borrower: Yukon-Kuskokwim Health Corporation

Name of Bond Issue: Alaska Municipal Bond Bank Authority Master Resolution General
Obligation Bonds, Series 2017A

Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Agreement of the Borrower, dated the Date of Issuance. [The Borrower anticipates that the Annual Report will be filed by _____.]

Dated: _____

YUKON-KUSKOKWIM HEALTH
CORPORATION

By _____ [to be signed only if filed]

EXHIBIT D
INSURANCE REQUIREMENTS

To come

**Yukon Kuskokwim Health Corporation
Paul John Calricaraq Project**

Master Finance Schedule

DECEMBER							JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4				1	2	3	4	
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28					26	27	28	29	30	31	

<u>Role</u>	<u>Party</u>	<u>Identifier</u>
Borrower	Yukon Kuskokwim Health Corporation	YKHC
Permanent Lender #1	Alaska Municipal Bond Bank Authority	AMBB
Permanent Lender #2	United States Department of Agriculture	USDA
Construction BAN Conduit Issuer	Alaska Industrial Development & Export Authority	AIDEA
YKHC Financial Advisor	PFM Financial Advisors, LLC	YKFA
Bond Bank Financial Advisor	Western Financial Group	BBFA
Bond Bank Underwriter	J.P. Morgan Securities LLC	JPM
Construction Note Underwriter	Raymond James & Associates, Inc.	RJ
YKHC Bond Counsel	Birch Horton Bitner & Cherot	Birch
Bond Bank Bond Counsel	Orrick Herrington & Sutcliffe LLP	Orrick
AIDEA Bond Counsel	Law Offices of Kenneth E. Vassar, LLC	Vassar
USDA Counsel	Office of the General Counsel	OGC
Bond Bank Underwriter Counsel	Foster Pepper	Foster
Construction Note UW Counsel	Kutak Rock	Kutak
Working Group	All of the Above	WG

<u>Date</u>	<u>Task</u>	<u>Responsibility</u>
Fri, 12/16	YKHC Master Trust Indenture circulated	Birch
Tues, 12/20	Bond Bank legal documents circulated	Orrick
Wed, 12/21	Circulation of Master Trustee RFP	YKHC, YKFA
Wed, 12/28	Comments due on documents	WG
Mon, 1/3/2017	Working Group conference call	WG
Tues, 1/3	Series Resolution, Loan Agreement and Credit Summary Update to Bond Bank Board	BBBC, BBFA
Mon, 1/9	Selection of Master Trustee confirmed	YKHC, YKFA
Tues, 1/10	Bond Bank Board meeting to approve Resolution	WG (as appropriate)
Fri, 1/13	Distribute 1 st draft Preliminary Official Statement (POS) to WG	Foster
Tues, 1/17	Comments on 1 st draft POS	WG
Tues, 1/17	Wells Fargo Series 2015 consent received	YKHC
Fri, 1/20	Distribute 2 nd draft POS to WG	Foster
Fri, 1/20	Forward POS, Bond Resolution, Loan Summary to rating agencies	BBFA
Tues, 1/24	Comments on 2 nd draft of POS, Bond Resolution	WG
Thurs, 1/26	Distribute 3 rd draft POS to WG	Foster
Week of 1/30	Rating agency presentation	AMBB, BBFA
Tues, 1/31	Comments due on 3 rd draft POS	WG
Tues, 2/14	Receive ratings	AMBB, BBFA
Thurs, 2/16	Post POS to internet	Foster

DECEMBER							JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7			1	2	3	4				1	2	3	4	
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	30	31					26	27	28					26	27	28	29	30	31	

Wed, 3/1	Bond Sale/Pricing	AMBB, BBFA, YKHC, YKFA, JPM
Fri, 3/3	Distribute draft Final Official Statement (FOS)	UC
Mon, 3/6	Comments due on FOS, deliver FOS to printer	WG
Mon, 3/6	Transcript preparation commences	Orrick, Birch
Wed, 3/8	Closing documents distributed to WG	Orrick, Birch
Mon, 3/20	Pre-Closing (Seattle)	WG
Tues, 3/21	Final Closing (Seattle)	WG
	BAN ISSUANCE (Preliminary)	
January, 2017	1 st Draft BAN POS and Bond Purchase Agreement circulated	Kutak
February	AIDEA legal documents circulated	Vassar, Kutak
February	Comments due on legal documents	WG
February	Working Group conference call	WG
February	2 nd draft POS and Bond Purchase Agreement circulated	Kutak
February	2 nd draft legal documents circulated	Vassar
March	Resolution, POS, Bond Purchase Agreement to AIDEA Board	Vassar, Kutak
March	AIDEA Board Meeting to approve Resolution	WG (as appropriate)
May	Comments to 2 nd draft POS and Bond Purchase Agreement	WG
May	Forward POS, Resolution, USDA takeout letter to rating agency	Kutak
May	Distribute 3 rd draft POS and Bond Purchase Agreement	Kutak
May	Comments to 3 rd Draft of documents	WG
May	Receive rating	RJ, YKFA
June	Post POS to internet	Kutak
June	Bond Sale/Pricing	RJ, YKHC, YKFA
June	Distribute draft FOS	Kutak
June	Comments due on FOS	WG
June	Closing documents distributed to WG	Vassar, Kutak
June	Pre-Closing (location TBD)	WG (as needed)
June	Final Closing (location TBD)	WG (as needed)

**YUKON-KUSKOKWIM HEALTH CORPORATION
PAUL JOHN CALRICARAK PROJECT WORKING GROUP**

DISTRIBUTION LIST

PROJECT OWNER/BORROWER

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CONDUIT ISSUER (LOAN ANTICIPATION NOTES)

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Alaska Municipal Bond Bank
Internal - Application Credit Review Summary for Kenai Peninsula Borough
Date Application Submitted: 11/22/2016

Applicant: Kenai Peninsula Borough (KPB)

Total Loan Par: \$6,000,000

Loan Amount Summary:

- 1) KPB has applied to the Bond Bank for a loan of \$6,000,000, issued pursuant to KPB's approved *General Obligation Bond Measure* for a regional solid waste facility located near Soldotna - approved by voters in October 2016

2016 Projects - \$6,000,000 Request

- \$10,600,000 total authorization was approved by voters in October 2016 for KPB's Central Peninsula Landfill (CPL) General Obligation Bonds
- \$12,000,000 in GO Bonds was authorized in October 2002. This debt was used for long-term planning, construction of two lined landfill cells, leachate collection and treatment system, gas collection and treatment, landfill equipment and related improvement to meet federal and state requirements
- Cell 1 was constructed in 2004 and Cell 2 was constructed in 2010. Cell 2 is expected to be full in 2019
- With the closure of the Homer Landfill to municipal waste, CPL accepts approximately 98% of the waste that is generated in the Borough
- The recent October 2016 Ballot Measure was approved by 54.0% yes / 46.0% no, "for KPB to incur general obligation bonded indebtedness in an amount not to exceed \$10.6 million, for the purpose of paying the cost of planning, designing, site preparation, constructing, and equipping a regional solid waste facility located near Soldotna within the Borough."

Proposed Term of Loan: 6 Years

Revenues Pledged to Loan: Property Taxes

Projected (as of 1/4/17) Level Annual Debt Service on this \$6 million request: \$1,080,000

FY 2016 Total GF Property Tax Revenue for KPB: \$34.3 million

Total Bond Bank Annual Debt Service FY18 (estimated): \$14,941,539

Most Recent KPB State-Shared Revenues (SSR): \$97.1 million

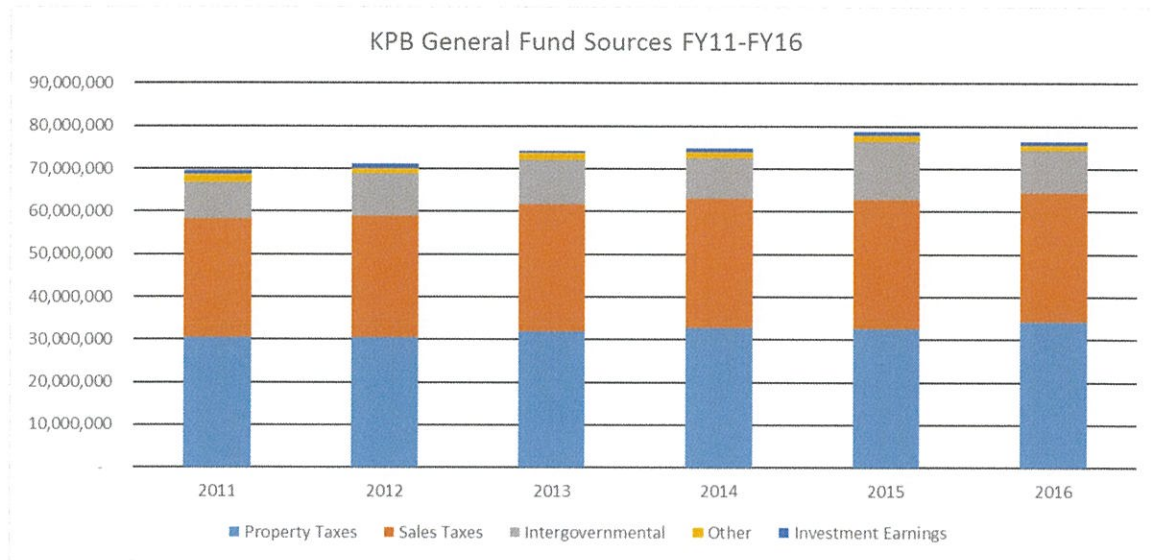
Debt Service Coverage Estimate to SSR: 6.50x

No Litigation Letter Received: No

Security & KPB Financial Position

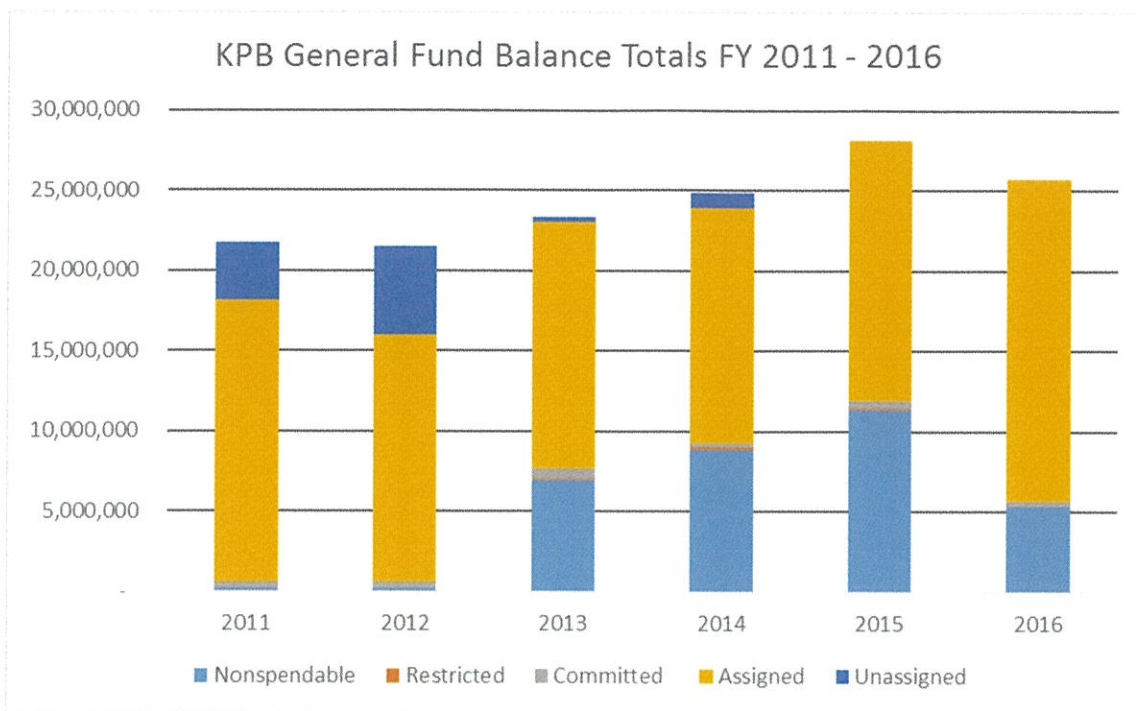
The three major revenue drivers of KPB's general fund are ad valorem property taxes (44.8% in fiscal year 2016), sales taxes (39.3% in fiscal year 2016), and intergovernmental revenues (13.1% in fiscal year 2016). KPB had stable general fund revenue distribution over the past six fiscal years, with a combination of property taxes and sales taxes accounting for approximately 80% of KPB's general fund revenue sources for each of those fiscal years.

The following graph depicts KPB's general fund revenue distribution in a stable range, increasing from \$69.7 million in fiscal year 2011 to \$76.6 million in fiscal year 2016. The highest revenue year, over this period, was fiscal year 2015 with \$78.8 million. Property tax collections have consistently been the primary source of general fund revenues, with sales taxes coming in directly behind property taxes each year.



As the graph above shows, ad valorem property taxes have ranged from \$30.5 million to \$34.3 million over the last 6 fiscal years. Property taxes have increased every year during this reporting period, recently increasing \$1.65 million year over year (from FY15 to FY16). Property tax collections have remained at 4.5 mils since their reduction in 2009 from 5.5 mils (previously reduced from 6.5 mils in 2008). Property tax rates peaked in the Borough at a level of 8.59 mils in fiscal year 1996.

KPB established a fund balance policy in 2001. The property tax mil rate reduction described above was due to the determination that general fund balances were in excess of their policy maximum. In January 2008, at the same time that the property tax rate dropped from 6.5 mils to 5.5 mils, the Borough increased the sales tax rate from 2% to 3%. As a result, the general fund balance grew from \$15.3 million at the end of 2006 to \$25.1 million at the end of 2009. The General fund balance subsequently declined to approximately \$21.5 million at the end of 2012, increased to \$28.1 million by the end of fiscal year 2015, and the current balance is \$25.8 million at the end of fiscal year 2016.



At the end of fiscal year 2016, the total general fund balance was \$25.8 million (FY2015 value was \$28.1 million, FY2014 value was \$24.9 million, FY2013 value was \$23.3 million, FY2012 value was \$21.5 million, and FY2011 value was \$21.7 million – a snapshot of these balances is attached at the end of the credit report). Total general fund balance decreased by approximately \$2.4 million during fiscal year 2016, compared to a \$3.3 million increase in the prior year. The assigned value makes up a majority of the classification for general fund balances.

Future Capital Plans

The Borough assembly authorized the issuance of revenue debt for Central Peninsula Hospital in an amount up to \$28.955 million for the new obstetrics facilities, cardiac catheterization laboratory and related projects. The "Project" is expected to consist of a building of approximately 30,000 GSF that provides obstetrics services with a C-section room, five labor/delivery/recovery rooms, and four postpartum rooms, a cardiac catheterization laboratory with six pre/post-operative rooms; three new intensive care patient rooms; site improvements to accommodate increased parking, a new heated helipad, and improved truck delivery area; and full or partial remodel and/or replacement of areas impacted by the construction including pre-operative clinic, physical rehabilitation, cardiopulmonary, pharmacy, outpatient lab, dietary, and several offices. The estimated cost of the Project is \$38,955,000 and the Project is expected to be financed with cash in the amount of \$10,000,000 from the Central Peninsula Hospital Plant and Expansion Fund and \$28,955,000 from proceeds of hospital revenue bonds.

At the time of this writing, the Bond Bank expects an application from KPB for the South Kenai Peninsula Hospital Service Area in the amount of \$4.8 million (a General Obligation of the Service Area).

The Central Emergency Services Area (CES) expects to issue debt in 2019, with projected term of 15 years, in the projected amount of \$1.6 million. Additionally, the CES is projecting that in FY2021, they will be remodeling Station #1. The estimated cost is approximately \$10,900,000 with funding to be provided from by a combination of grants and debt issuance. These bonds would be the responsibility of the Service Area.

State Aid Intercept

The Bond Bank has the authority to intercept State revenues that would otherwise flow to an underlying borrower in the event that a borrower failed to make timely payment on a Bond Bank loan. State aid intercept is a significant credit strength (although it has never been tested). The table below represents KPB's most recent revenues subject to intercept compared to recent estimates on annual fiscal year debt service.

Shared Taxes and Fees	\$1,162,737
Dept. of Transportation Reimbursement	\$0
Reimbursement and Other Education Funding	\$2,321,622
Education Support Funding	\$80,573,649
Matching Grants	\$11,647,720
Community Jails	\$0
PILT Transfers	\$0
Revenue Sharing	\$1,374,231
Total Revenue Subject to Intercept	\$97,079,959
Total Bond Bank Annual Debt Service FY18 (estimated)	\$14,941,539
Debt Service Coverage	6.50

KPB has a historical track record of receiving these State supported amounts, providing a sufficient intercept capacity to cover the projected amount of the debt service on the proposed Bond Bank loan by 6.5 times estimated FY2018 debt service. When compared to other political subdivisions with Bond Bank loans outstanding, KPB's total revenue subject to State intercept is behind only that of the Municipality of Anchorage, the University of Alaska, and Fairbank North Star Borough.

Statement of No Litigation

KPB's has provided a statement of no litigation from the Borough attorney stating "there is no litigation pending or threatened..."

Summary

After review of KPB's provided loan application and supplemental materials, the Bond Bank staff's assessment shows sufficient security to support approval of the loan request in the amount of \$6,000,000. KPB's general fund has shown ample and recurrent property and sales tax revenues and stable revenue generation. The Bond Bank's ability to intercept state aid adds a significant extra layer of security for this loan request.

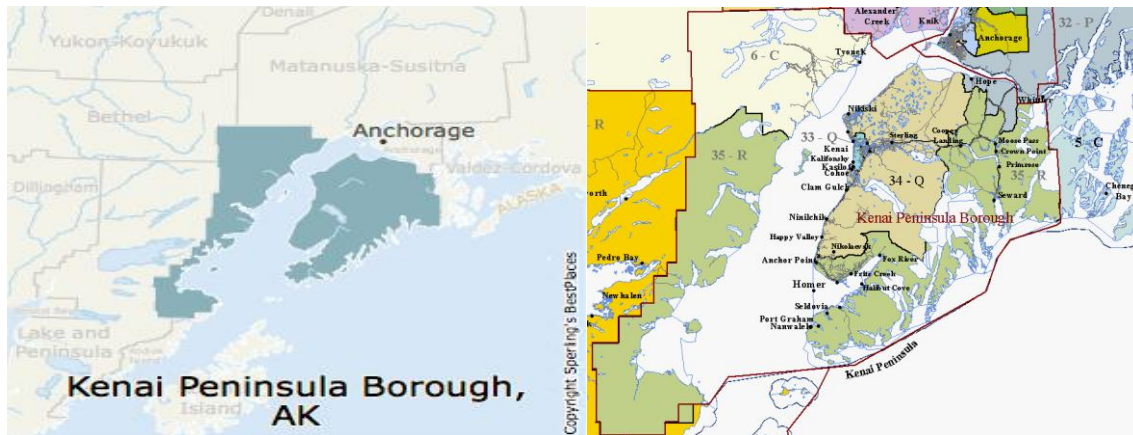
For these reasons, we recommend approval of this loan application. If you have any questions regarding our analysis, or would like to discuss in further detail, please feel free to reach out to us.

On behalf of Alaska Municipal Bond Bank Staff,



Ryan Williams
Finance Director
Alaska Municipal Bond Bank Authority
(907) 465-2893
ryan.williams@alaska.gov

Kenai Peninsula Borough Economic & General Information



Profile of the Kenai Peninsula Borough

The Borough was incorporated in 1964 as a second-class borough. It occupies a geographic area of approximately 25,600 square miles and is located in the south central part of the state of Alaska. The estimated population for the Borough is 57,763.

Local Economy

The Borough economy is highly diverse. The five industry categories that have the most employment are local government, retail trade, leisure and hospitality, natural resources and health care. Together they represent most of the Borough's employment. That diversity allows the Borough to be more resilient to declines in any one industry. The Borough's economy has experienced consistent, gradual growth since the late 1980's. Borough wide, the general government tax rate has decreased from a high of 8.59 mills in FY1996 to its current rate of 4.5 mills. The Borough also has a 3% sales tax, which is applied only to the first \$500 of each separate sale. Taxable sales in FY2016 were \$1,008 million, a decrease of 1.0% from the prior year but a 15.0% increase from FY2010. Most of the decrease for FY2016 is attributed a reduction in sales tax collected on fuel sales due to a drop in the price of oil. The overall increase from FY2010 reflects an improving economy recovering from the recession of 2009. Sales tax continues to generate a larger portion of the Borough's revenue; in FY1998, sales tax revenue represented 21% of total General Fund revenues; in FY2016, sales tax revenues represented almost 40%. It should be noted that the sales tax rate went from 2% to 3% effective January 1, 2008.

Oil and gas continues to play a vital role in the Borough's economy, although the players have changed. Large national and multinational companies have been replaced by independents, which resulted in a resurgence in exploration and production. This has led to new wells in the Anchor Point and Kenai area, jack up rigs being used throughout Cook Inlet, along with increased exploration in other areas of the Borough, resulting in an increase in assessed value for oil and gas properties. Assessed values for oil and gas properties increased from \$635 million for 2009, to \$1,224 million in FY2016. During this same time frame, oil production has increased from approximately 7,500 barrels per day to approximately 17,900 barrels per day.

Increased oil and gas exploration has also had an impact on the Borough's unemployment rate. The unemployment rate decreased from 10.0% in 2010; to 9.5% for 2011; to 8.6% for 2012, 7.9% in 2013 and 7.8% in 2014. The 2015 unemployment rate for the Borough was 7.8%. The 2015 statewide unemployment average was 6.5%. The Borough's unemployment rate for the first nine

months of 2016 is 8.4% as compared to the first nine months of 2015 of 7.8%. Traditionally the Borough's unemployment rate has been 2% to 3% higher than the statewide rate, much of this due to the seasonality of work in the fishing and tourism industry. Due to the decrease in the price of oil, the borough's unemployment rate is expected to increase in 2016 and 2017 as oil companies have announced a reduction in the amount of drilling and exploration. The impact to the Borough if the global reduction in the price of gas and oil continues is unknown at this time. In addition, with the phase out the tax credit program from the State of Alaska, it is expected that both the Borough and the State will see a reduction in oil and gas exploration.

Kenai Peninsula Borough
Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	Bond Funded Capital Projects Fund	Nikiski Fire Service Area Special Revenue Fund	Road Service Area Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and short-term investments	\$ 1,010	\$ -	\$ 13,658	\$ -	\$ 27,774	\$ 42,442
Equity in central treasury	16,389,589	-	8,305,970	6,470,906	35,344,211	66,510,676
Receivables (net of allowances for estimated uncollectibles):						
Taxes receivable	6,792,017	-	57,667	153,647	211,692	7,215,023
Accounts receivable	263,186	-	81,446	-	1,121,456	1,466,088
Note receivable-short term	737,893	-	-	-	-	737,893
Land sale contracts receivable:						
Current	-	-	-	-	86,274	86,274
Delinquent	-	-	-	-	48,208	48,208
Due from other governments	1,162,346	-	11,946	31,496	2,764,004	3,969,792
Due from special assessment districts	2,432,444	-	-	-	-	2,432,444
Due from other funds	1,729,764	-	-	-	-	1,729,764
Prepays	8,389	-	-	-	-	8,389
Note receivable-long term	5,290,007	-	-	-	-	5,290,007
Land sale contracts receivable - Long-term	-	-	-	-	601,231	601,231
Restricted assets - Equity in central treasury	-	9,521,755	-	-	-	9,521,755
Total assets	\$ 34,806,645	\$ 9,521,755	\$ 8,470,687	\$ 6,656,049	\$ 40,204,850	\$ 99,659,986
Liabilities, Deferred Inflows and Fund Balances						
Liabilities:						
Accounts and retainage payable	834,562	1,667,170	55,858	691,110	1,387,031	4,635,731
Accrued payroll and payroll benefits	846,200	294	173,786	45,088	588,471	1,653,839
Due to other funds	-	-	-	-	1,729,764	1,729,764
Unearned revenue	3,230	-	-	-	778,210	781,440
Total liabilities	1,683,992	1,667,464	229,644	736,198	4,483,476	8,800,774
Deferred Inflows of resources:						
Prepaid property taxes	6,630,557	-	3,075,580	1,972,486	1,981,647	13,660,270
Property tax receivable - unavailable	713,260	-	52,156	139,936	188,403	1,093,755
Land sales - unavailable	-	-	-	-	735,713	735,713
Total deferred inflows of resources	7,343,817	-	3,127,736	2,112,422	2,905,763	15,489,738
Fund balances:						
Nonspendable:						
Long-term notes receivable	5,290,007	-	-	-	-	5,290,007
Prepays	8,389	-	-	-	-	8,389
Restricted:						
Landfill closure/postclosure costs	-	-	-	-	6,096,187	6,096,187
Hazard tree removal program	-	-	-	-	275,192	275,192
General government	51,000	-	-	-	863,111	914,111
Public safety	-	-	5,113,307	-	4,846,595	9,959,902
Recreation	-	-	-	-	1,864,042	1,864,042
Education	-	3,182,858	-	-	-	3,182,858
Solid waste	-	28,336	-	-	-	28,336
Committed:						
Outstanding committed contracts	100,818	4,643,097	-	-	3,124,847	7,868,762
Software upgrades	19,036	-	-	-	255,416	274,452
Building maintenance and upgrades	-	-	-	-	605,009	605,009
Public safety facilities and equipment	50,000	-	-	-	5,346,779	5,396,779
Recreational facility maintenance	-	-	-	-	207,043	207,043
School facility upgrades	-	-	-	-	449,867	449,867
Solid waste facilities	-	-	-	-	254,032	254,032
Road construction and upgrades	-	-	-	3,795,929	-	3,795,929
Professional services	122,976	-	-	-	-	122,976
Assigned:						
Subsequent year's expenditures	2,182,826	-	-	11,500	1,776,534	3,970,860
Minimum fund balance policy	14,622,468	-	-	-	-	14,622,468
General government	3,331,316	-	-	-	7,418,031	10,749,347
Unassigned (deficit)	-	-	-	-	(567,074)	(567,074)
Total fund balances	25,778,836	7,854,291	5,113,307	3,807,429	32,815,611	75,369,474
Total liabilities, deferred inflows and fund balances	\$ 34,806,645	\$ 9,521,755	\$ 8,470,687	\$ 6,656,049	\$ 40,204,850	\$ 99,659,986

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Bond Funded Capital Projects Fund</u>	<u>Nikiski Fire Service Area Special Revenue Fund</u>	<u>Road Service Area Special Revenue Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 34,317,527	\$ -	\$ 4,714,052	\$ 7,238,879	\$ 11,736,641	\$ 58,007,099
Sales tax	30,116,611	-	-	-	-	30,116,611
Intergovernmental:						
Federal	3,861,218	-	9,305	-	771,872	4,642,395
State	6,175,805	-	115,497	35,448	8,467,013	14,793,763
Investment earnings	968,985	23,588	138,124	127,497	600,099	1,858,293
Interest subsidy	-	-	-	-	306,593	306,593
Other revenues	1,141,225	-	304,031	8,144	4,229,836	5,683,236
Total revenues	<u>76,581,371</u>	<u>23,588</u>	<u>5,281,009</u>	<u>7,409,968</u>	<u>26,112,054</u>	<u>115,407,990</u>
Expenditures:						
General government	16,271,230	-	-	-	2,277,883	18,549,113
Solid waste	6,015,694	-	-	-	1,822,758	7,838,452
Public safety	649,091	-	4,296,533	-	13,586,828	18,532,452
Recreation	-	-	-	-	3,221,706	3,221,706
Education	48,964,435	7,267,452	-	-	3,571,551	59,803,438
Environmental protection	-	-	-	-	404,895	404,895
Roads and trails	-	-	-	6,168,733	3,640,387	9,809,120
Debt service:						
Principal	-	-	-	-	2,645,000	2,645,000
Interest and other	-	-	-	-	2,084,980	2,084,980
Total expenditures	<u>71,900,450</u>	<u>7,267,452</u>	<u>4,296,533</u>	<u>6,168,733</u>	<u>33,255,988</u>	<u>122,889,156</u>
Excess (deficiency) of revenues over expenditures	<u>4,680,921</u>	<u>(7,243,864)</u>	<u>984,476</u>	<u>1,241,235</u>	<u>(7,143,934)</u>	<u>(7,481,166)</u>
Other financing sources (uses):						
Bonds issued	-	-	-	-	2,465,000	2,465,000
Premium on bond issuance	-	-	-	-	330,138	330,138
Insurance proceeds	-	-	-	-	1,746,495	1,746,495
Transfers in	-	-	-	-	9,700,383	9,700,383
Transfers out	(7,040,719)	-	(567,669)	(1,000,000)	(1,091,995)	(9,700,383)
Net other financing sources (uses)	<u>(7,040,719)</u>	<u>-</u>	<u>(567,669)</u>	<u>(1,000,000)</u>	<u>13,150,021</u>	<u>4,541,633</u>
Net change in fund balances	(2,359,798)	(7,243,864)	416,807	241,235	6,006,087	(2,939,533)
Fund balances at beginning of year	<u>28,138,634</u>	<u>15,098,155</u>	<u>4,696,500</u>	<u>3,566,194</u>	<u>26,809,524</u>	<u>78,309,007</u>
Fund balances at end of year	<u>\$ 25,778,836</u>	<u>\$ 7,854,291</u>	<u>\$ 5,113,307</u>	<u>\$ 3,807,429</u>	<u>\$ 32,815,611</u>	<u>\$ 75,369,474</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2015

	General Fund	Bond Funded Capital Projects Fund	Nikiski Fire Service Area Special Revenue Fund	Road Service Area Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 32,667,268	\$ -	\$ 4,215,514	\$ 6,806,290	\$ 10,973,742	\$ 54,662,814
Sales tax	30,138,426	-	-	-	-	30,138,426
Intergovernmental:						
Federal	3,331,517	-	9,925	-	332,375	3,673,817
State	10,252,567	-	986,452	292,653	10,173,063	21,704,735
Investment earnings	944,763	42,941	62,934	65,625	251,147	1,367,410
Interest subsidy	-	-	-	-	313,969	313,969
Other revenues	1,429,712	-	300,976	7,466	5,306,591	7,044,745
Total revenues	<u>78,764,253</u>	<u>42,941</u>	<u>5,575,801</u>	<u>7,172,034</u>	<u>27,350,887</u>	<u>118,905,916</u>
Expenditures:						
General government	19,045,190	-	-	-	2,392,139	21,437,329
Solid waste	6,496,923	-	-	-	658,434	7,155,357
Public safety	741,247	-	4,983,501	-	15,107,198	20,831,946
Recreation	-	-	-	-	2,343,249	2,343,249
Education	44,692,184	6,030,667	-	-	3,188,806	53,911,657
Environmental protection	-	-	-	-	665,071	665,071
Roads and trails	-	-	-	6,300,093	3,770,778	10,070,871
Debt service:						
Principal	-	-	-	-	3,390,000	3,390,000
Interest and other	-	-	-	-	2,397,295	2,397,295
Total expenditures	<u>70,975,544</u>	<u>6,030,667</u>	<u>4,983,501</u>	<u>6,300,093</u>	<u>33,912,970</u>	<u>122,202,775</u>
Excess (deficiency) of revenues over expenditures	<u>7,788,709</u>	<u>(5,987,726)</u>	<u>592,300</u>	<u>871,941</u>	<u>(6,562,083)</u>	<u>(3,296,859)</u>
Other financing sources (uses):						
Refunding Bonds issued	-	-	-	-	1,425,000	1,425,000
Premium on bond issuance	-	-	-	-	245,693	245,693
Payment to refund bonds escrow agent	-	-	-	-	(1,648,963)	(1,648,963)
Transfers in	-	-	-	-	9,505,521	9,505,521
Transfers out	(7,452,073)	-	(819,632)	(400,000)	(833,816)	(9,505,521)
Net other financing sources (uses)	<u>(7,452,073)</u>	<u>-</u>	<u>(819,632)</u>	<u>(400,000)</u>	<u>8,693,435</u>	<u>21,730</u>
Net changes in fund balances	336,636	(5,987,726)	(227,332)	471,941	2,131,352	(3,275,129)
Fund balances at beginning of year	24,881,372	21,085,881	4,923,832	3,094,253	24,678,172	78,663,510
Prior period adjustment GASB 65	2,920,626	-	-	-	-	2,920,626
Restated fund balances at beginning of year	<u>27,801,998</u>	<u>21,085,881</u>	<u>4,923,832</u>	<u>3,094,253</u>	<u>24,678,172</u>	<u>81,584,136</u>
Fund balances at end of year	<u>\$ 28,138,634</u>	<u>\$ 15,098,155</u>	<u>\$ 4,696,500</u>	<u>\$ 3,566,194</u>	<u>\$ 26,809,524</u>	<u>\$ 78,309,007</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2014

	General Fund	Bond Funded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 32,854,323	\$ -	\$ 21,716,275	\$ 54,570,598
Sales tax	30,277,598	-	-	30,277,598
Intergovernmental:				
Federal	3,394,708	-	1,953,445	5,348,153
State	6,091,747	-	17,173,740	23,265,487
Investment earnings	942,985	25,631	453,454	1,422,070
Interest subsidy	-	-	318,009	318,009
Other revenues	1,383,713	-	3,869,812	5,253,525
Total revenues	<u>74,945,074</u>	<u>25,631</u>	<u>45,484,735</u>	<u>120,455,440</u>
Expenditures:				
General government	15,832,476	-	1,912,770	17,745,246
Public safety	663,702	-	22,455,876	23,119,578
Solid waste	5,849,503	779,828	4,037,890	10,667,221
Recreation	-	-	1,768,936	1,768,936
Education	44,195,330	5,937,022	6,180,257	56,312,609
Environmental protection	-	-	909,596	909,596
Roads and trails	-	-	10,273,366	10,273,366
Debt service:				
Principal	-	-	2,770,000	2,770,000
Interest and other	-	-	1,380,830	1,380,830
Total expenditures	<u>66,541,011</u>	<u>6,716,850</u>	<u>51,689,521</u>	<u>124,947,382</u>
Excess (deficiency) of revenues over expenditures	<u>8,404,063</u>	<u>(6,691,219)</u>	<u>(6,204,786)</u>	<u>(4,491,942)</u>
Other financing sources (uses):				
Bonds issued	-	20,860,000	-	20,860,000
Premium on bonds issued	-	2,124,575	-	2,124,575
Transfers in	1,674	-	8,041,387	8,043,061
Transfers out	(6,835,350)	-	(1,207,711)	(8,043,061)
Net other financing sources (uses)	<u>(6,833,676)</u>	<u>22,984,575</u>	<u>6,833,676</u>	<u>22,984,575</u>
Net changes in fund balances	1,570,387	16,293,356	628,890	18,492,633
Fund balances at beginning of year	<u>23,310,985</u>	<u>4,792,525</u>	<u>32,067,367</u>	<u>60,170,877</u>
Fund balances at end of year	<u>\$ 24,881,372</u>	<u>\$ 21,085,881</u>	<u>\$ 32,696,257</u>	<u>\$ 78,663,510</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2013

	General Fund	Bond Funded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 31,922,895	\$ -	\$ 20,993,390	\$ 52,916,285
Sales tax	29,664,629	-	-	29,664,629
Intergovernmental:				
Federal	3,323,065	-	2,406,119	5,729,184
State	7,068,972	-	18,496,132	25,565,104
Investment earnings	499,984	1,533	79,877	581,394
Interest subsidy	-	-	350,894	350,894
Other revenues	1,775,948	-	4,717,626	6,493,574
Total revenues	<u>74,255,493</u>	<u>1,533</u>	<u>47,044,038</u>	<u>121,301,064</u>
Expenditures:				
General government	15,417,093	-	2,595,410	18,012,503
Solid waste	5,882,633	108,776	6,239,424	12,230,833
Public safety	605,551	-	19,390,505	19,996,056
Recreation	-	-	2,220,843	2,220,843
Education	43,667,189	4,986,169	5,927,141	54,580,499
Environmental protection	-	-	1,052,619	1,052,619
Roads and trails	-	-	10,958,968	10,958,968
Debt service:				
Principal	-	-	3,515,000	3,515,000
Interest and other	-	-	1,469,468	1,469,468
Total expenditures	<u>65,572,466</u>	<u>5,094,945</u>	<u>53,369,378</u>	<u>124,036,789</u>
Excess (deficiency) of revenues over expenditures	<u>8,683,027</u>	<u>(5,093,412)</u>	<u>(6,325,340)</u>	<u>(2,735,725)</u>
Other financing sources (uses):				
Bonds issued	-	-	1,215,000	1,215,000
Premium on bonds issued	-	-	196,568	196,568
Transfers in	41,387	-	8,388,538	8,429,925
Transfers out	(6,880,012)	(2,610)	(1,547,303)	(8,429,925)
Net other financing sources (uses)	<u>(6,838,625)</u>	<u>(2,610)</u>	<u>8,252,803</u>	<u>1,411,568</u>
Net changes in fund balances	1,844,402	(5,096,022)	1,927,463	(1,324,157)
Fund balances at beginning of year	<u>21,466,583</u>	<u>9,888,547</u>	<u>30,139,904</u>	<u>61,495,034</u>
Fund balances at end of year	<u>\$ 23,310,985</u>	<u>\$ 4,792,525</u>	<u>\$ 32,067,367</u>	<u>\$ 60,170,877</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2012

	General Fund	Bond Funded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 30,625,274	\$ -	\$ 19,605,060	\$ 50,230,334
Sales tax	28,385,150	-	-	28,385,150
Intergovernmental:				
Federal	3,165,899	-	3,002,829	6,168,728
State	6,583,565	-	9,964,525	16,548,090
Investment earnings (loss)	1,190,354	(1,059)	706,021	1,895,316
Interest subsidy	-	-	404,197	404,197
Other revenues	1,158,395	-	3,590,580	4,748,975
Total revenues	<u>71,108,637</u>	<u>(1,059)</u>	<u>37,273,212</u>	<u>108,380,790</u>
Expenditures:				
General government	14,878,397	-	2,928,386	17,806,783
Solid waste	5,574,331	1,200,587	2,835,992	9,610,910
Public safety	597,555	-	19,110,306	19,707,861
Recreation	-	-	1,577,602	1,577,602
Education	43,897,832	6,373,206	1,667,234	51,938,272
Environmental protection	-	-	2,048,151	2,048,151
Roads and trails	-	-	12,814,974	12,814,974
Debt service:				
Principal	-	-	3,340,000	3,340,000
Interest and other	-	81,813	1,531,747	1,613,560
Total expenditures	<u>64,948,115</u>	<u>7,655,606</u>	<u>47,854,392</u>	<u>120,458,113</u>
Excess (deficiency) of revenues over expenditures	<u>6,160,522</u>	<u>(7,656,665)</u>	<u>(10,581,180)</u>	<u>(12,077,323)</u>
Other financing sources (uses):				
Refunding bonds issued	-	8,150,000	-	8,150,000
Premium on bonds issued	-	1,284,121	-	1,284,121
Payment to refund bonds escrow agent	-	(9,352,308)	-	(9,352,308)
Transfers in	-	-	8,166,490	8,166,490
Transfers out	(6,399,753)	-	(1,766,737)	(8,166,490)
Net other financing sources (uses)	<u>(6,399,753)</u>	<u>81,813</u>	<u>6,399,753</u>	<u>81,813</u>
Net changes in fund balances	(239,231)	(7,574,852)	(4,181,427)	(11,995,510)
Fund balances at beginning of year	<u>21,705,814</u>	<u>17,463,399</u>	<u>34,321,331</u>	<u>73,490,544</u>
Fund balances at end of year	<u>\$ 21,466,583</u>	<u>\$ 9,888,547</u>	<u>\$ 30,139,904</u>	<u>\$ 61,495,034</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2011

	General Fund	Bond Funded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 30,548,239	\$ -	\$ 19,188,275	\$ 49,736,514
Sales tax	27,798,976	-	-	27,798,976
Intergovernmental:		-		
Federal	3,123,880	-	3,244,072	6,367,952
State	5,414,451	-	6,002,795	11,417,246
Investment earnings	969,498	30,259	528,091	1,527,848
Other revenues	1,797,017	-	3,156,982	4,953,999
Total revenues	<u>69,652,061</u>	<u>30,259</u>	<u>32,120,215</u>	<u>101,802,535</u>
Expenditures:				
General government	14,510,706	-	3,526,849	18,037,555
Solid waste	5,609,272	2,534,620	524,032	8,667,924
Public safety	2,039,226	-	14,988,428	17,027,654
Recreation	-	-	1,479,699	1,479,699
Education	43,225,705	1,700,268	2,411,554	47,337,527
Environmental protection	-	-	2,095,423	2,095,423
Roads and trails	-	-	12,140,140	12,140,140
Debt service:				
Principal	-	-	3,414,000	3,414,000
Interest and other	-	-	943,580	943,580
Total expenditures	<u>65,384,909</u>	<u>4,234,888</u>	<u>41,523,705</u>	<u>111,143,502</u>
Excess (deficiency) of revenues over expenditures	<u>4,267,152</u>	<u>(4,204,629)</u>	<u>(9,403,490)</u>	<u>(9,340,967)</u>
Other financing sources (uses):				
Issuance of debt	-	16,865,000	-	16,865,000
Transfers in	1,147,832	-	8,972,374	10,120,206
Transfers out	(6,778,649)	-	(2,341,557)	(9,120,206)
Net other financing sources (uses)	<u>(5,630,817)</u>	<u>16,865,000</u>	<u>6,630,817</u>	<u>17,865,000</u>
Net changes in fund balances	(1,363,665)	12,660,371	(2,772,673)	8,524,033
Fund balances at beginning of year	23,025,423	4,803,028	37,138,060	64,966,511
Change in beginning fund balances GASB 54	44,056	-	(44,056)	-
Restated fund balances at beginning of year	<u>23,069,479</u>	<u>4,803,028</u>	<u>37,094,004</u>	<u>64,966,511</u>
Fund balances at end of year	<u>\$ 21,705,814</u>	<u>\$ 17,463,399</u>	<u>\$ 34,321,331</u>	<u>\$ 73,490,544</u>

The accompanying notes are an integral part of the financial statements.

Kenai Peninsula Borough
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

TABLE IV

	2007	2008	2009	2010	2011 *	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 279,145	\$ 480,474	\$ 533,923	\$ 160,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	20,013,018	23,979,600	24,604,294	22,864,839	-	-	-	-	-	-
Nonspendable	-	-	-	-	251,065	198,063	6,944,837	8,879,666	11,345,210	5,298,396
Restricted	-	-	-	-	-	-	70,000	105,020	90,000	51,000
Committed	-	-	-	-	339,610	373,867	638,937	243,157	458,748	292,830
Assigned	-	-	-	-	17,523,149	15,407,886	15,326,705	14,658,934	16,244,676	20,136,610
Unassigned	-	-	-	-	3,591,990	5,486,767	330,506	994,595	-	-
Total General Fund	\$ 20,292,163	\$ 24,460,074	\$ 25,138,217	\$ 23,025,423	\$ 21,705,814	\$ 21,466,583	\$ 23,310,985	\$ 24,881,372	\$ 28,138,634	\$ 25,778,836
All other governmental funds										
Reserved	5,751,376	3,321,822	4,471,230	4,893,211	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	22,364,901	25,077,731	25,864,320	23,125,512	-	-	-	-	-	-
Capital projects funds	10,834,479	7,695,830	6,740,283	13,922,365	-	-	-	-	-	-
Nonspendable	-	-	-	-	803,227	1,045,538	3,661	1,500	44	-
Restricted	-	-	-	-	11,661,025	10,385,968	11,279,700	13,460,361	14,937,097	12,962,247
Special revenue funds	-	-	-	-	24,592,081	16,659,200	8,508,355	22,479,158	16,946,646	9,307,381
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	1,739,754	575,377	344,964	79,393	59,091	3,913,421
Special revenue funds	-	-	-	-	6,516,387	6,565,219	9,856,833	11,034,193	11,262,666	14,768,598
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	4,781,994	4,006,915	6,309,208	6,582,069	7,136,273	7,577,509
Special revenue funds	-	-	-	-	1,690,262	841,612	580,535	145,464	-	1,628,556
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(51,378)	(23,364)	-	(171,444)	(446,428)
Special revenue funds	-	-	-	-	-	-	-	-	-	(120,646)
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 38,950,756	\$ 36,095,383	\$ 37,075,833	\$ 41,941,088	\$ 51,784,730	\$ 40,028,451	\$ 36,859,892	\$ 53,782,138	\$ 50,170,373	\$ 49,590,638

* Implemented GASB 54 in FY2011, which resulted in a change in how fund balance was presented.

The Kenai Peninsula Borough developed an Unreserved Fund Balance policy in 2001. This policy provides guidelines regarding minimum and maximum levels of unreserved fund balance for the Borough's General Fund and Service Areas' operating and capital project funds. The policy requires that the following items should be considered when establishing an acceptable level of fund balance: working capital requirements, operating contingencies to include revenue volatility and unexpected expenditures, and future capital expansion. The policy also established that if a fund balance was outside the acceptable range, the subsequent year's budget must include a five-year plan of action to achieve compliance with the acceptable range.



Application for General Obligation Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue bond issue of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information

A. Name of Governmental Unit (Applicant):

Kenai Peninsula

B. Type of government (home rule, first class, authority, etc.):

Second Class Borough

C. Contact Person for the government:

Name:	Craig Chapman	Title:	Finance Director				
Address:	144 N Binkley St	City:	Soldotna	State:	AK	Zip:	99611
Phone:	(907) 714-2171	Fax:		E-mail:	cchapman@borough.kenai.ak.us		

D. Applicant's Bond Counsel:

Name:	Jermain Dunnagan & Owens	Title:	Cynthia Cartledge				
Address:	3000 A Street, Suite 300	City:	Anchorage	State:	AK	Zip:	99503
Phone:	907 563-8844	Fax:		E-mail:	ccartledge@jdolaw.com		

E. Applicant's Financial Advisor or Underwriter (if applicable):

Name:	N/A	Title:					
Address:		City:		State:		Zip:	
Phone:		Fax:		E-mail:			

II. Issue Information**A. Total amount of bond purchase request:**

Up to \$6,000,000

B. Total term of requested loan:

Six years

C. Preferred principal and interest payment months:principal
/interestinterest
only**D. If a bond election is required, provide a copy of the bond election ordinance and ballot proposition.**

Attachment # 1

If a bond election has been held, provide the votes for and against the issue(s):

Yes:	No:	Percent of registered voters casting ballots:
5218	4446	22.40%

Does the municipality intend to pledge any specific assets or taxes in addition to property tax?

No

E. Will you need interim financing?

No

1. If applicable, provide interim financing information:

Amount:	Maturity:	Rate:	Lender:

2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. ☐ Attached ☒ None

N/A

F. Describe project to be financed, including the information requesting in 1-6. If this information is available in a project feasibility study, you may reference and attach it.

Attachment #2

1. Are engineering and specifications completed? ☐ Yes ☒ No

2. If not, when are they projected for completion?

3. Have construction bids been awarded? ☐ Yes ☒ No4. Are there additional state or local approvals required? ☐ Yes ☒ No

5. Describe timing/scheduling plan:

January 2017
Winter/Spring 2017
Winter/Spring 2017

Attachment #2

6. What is the projected completion date?

2018

G. Sources of uses of funds**Sources of Funds**

Bonds (this application)	\$	6,000,000
Federal Funds*	\$	
State Funds*	\$	
Applicant's Funds	\$	
Other (specify)	\$	
Total:	\$	6,000,000

Uses of Funds

Construction	\$	5,300,000
Engineering		
Contingency	\$	100,000
Cost of Issuance	\$	25,000
Other	\$	575,000
Total:	\$	6,000,000

*If federal or state funds are involved, provide a complete description of the status and uses of these funds.

1. Indicate which costs, including costs of issuance, would be paid for with AMBBA bond proceeds:

All eligible cost of the project would be charged to bond proceeds

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds.

Attachment # 3.1

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? ☐ Yes ☐ No

No

If yes, provide amount of financed, purpose and principal amount outstanding. \$

C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? ☐ Yes ☐ No

No

If yes, please attach details. ☐ Attached

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? ☐ Yes ☐ No

No

If yes, please attach an explanation. ☐ Attached

E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds? ☐ Yes ☐ No

No

If yes, please attach an explanation. ☐ Attached

F. Provide information on the amount, timing, and purpose of any bonds you have authorized by the voters, but not yet issued. ☐ Attached.

Attachment # 3

G. Attach your government's forecast on amount, timing, and purpose of future general obligation or revenue bond financing. If this information is available in your long-term plan, provide a copy. ☐ Attached

Attachment # 4

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative trends or factors. (If this information is available in an annual report, provide a copy with your application.) ☐ Attached

Attachment # 5

I. Are any of the community's major employers expected to make changes in work force or operations?

Attachment # 5

If yes, provide an explanations. ☐ Attached

J. Please provide population figures for your community for the last five years. Indicate the source of your figures.

Year	Population	Source
July 1, 2015	57,763	Alaska Department of Labor
July 1, 2014	57,415	Alaska Department of Labor
July 1, 2013	56,862	Alaska Department of Labor
July 1, 2012	56,762	Alaska Department of Labor
July 1, 2011	56,610	Alaska Department of Labor

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. ☐ Attached

Attachment # 6

M. Provide your audited financial statements from the last two years.

Attachment # 7

N. Provide your current year's budget.

Attachment # 8

O. Provide your capital improvement plan.

Attachement # 9

P. Provide any other financial or economic information that will assist evaluation of your application. ☐ Attached

IV. Legal Information

- A. Provide a certificate of your legal counsel that establishes there is no litigation pending or threatened in any court
1. affecting the corporate existence of your government, or the titles of officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank, or contesting the power of your government or your authority with respect to the bonds; or
 2. against your government or involving any of the property or assets of or under the control of your government, which , whether individually or in the aggregate involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues properties, or assets, or in the condition, financial or otherwise, of your government.
- B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.
- C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

Attachement # 10

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

Craig C Chapman

Name (print)

Kenai Peninsula Borough, Finance Director

Title

Craig C Chapman

Signature

10/31/2016

Date of Application

Please return all applications to:

Deven Mitchell

Alaska Municipal Bond Bank Authority

Department of Revenue

PO Box 110405

Juneau, AK 99811-0405

(907)465-2388 phone

(907)465-2389 fax

deven_mitchell@revenue.state.ak.us