ALASKA MUNICIPAL BOND BANK AUTHORITY

BOARD OF DIRECTOR'S MEETING

TO BE HELD AT
State of Alaska Department of Revenue
Treasury Conferenece Room
333 Willoughby Avenue, 11th Floor
Juneau, Alaska 99811

March 29, 2017

1:00 P.M. ADT

333 Willoughby Avenue, 11th Floor
P.O. Box 110405
Juneau, Alaska 99811-405

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AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:
State of Alaska – Department of Revenue
Treasury Conference Room
333 Willoughby Avenue, 11th Floor
Juneau, Alaska 99811

March 29, 2017 at 1:00 p.m. ADT

I. **Call to Order**

II. **Roll Call**

III. **Public Meeting Notice**

IV. **Approval of Agenda**

V. **Minutes of the February 9, 2017 Meeting of the Board of Directors**

VI. **General Business**

- **A.** **Resolution 2017-02 - Authorizing the Series 2017 One and Two Bonds**
- **B.** **Updates to AMBBA's Investment Policy Statement**
- **C.** **Presentation by AMBBA's Investment Advisor**
- **D.** **AMBBA Series 2017A – Post Sale Summary**
- **E.** **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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Attachments, History, Details

Attachments
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MINUTES for the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

February 9, 2017

I. CALL TO ORDER

Mark Pfeffer called the meeting to order at 2:05 PM, Alaska Daylight Time. Members participated at State of Alaska, Department of Revenue, Commissioner's conference room, 333 Willoughby Avenue, 11th Floor, Juneau, Alaska 99811, and telephonically.

II. ROLL CALL

Mark Pfeffer
Greg Gursey
Luke Welles
Pam Leary
Michael Lamb – Not in attendance

There was a quorum

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
- Craig Chapman, Finance Director, Kenai Peninsula Borough
- Dan Winkelman, President / CEO, Yukon-Kuskokwim Health Corporation (YKHC)
- Tommy Tompkins, CFO, YKHC

- Lisa Wimmer, Project Finance Manager, YKHC
- Deanna Latham, VP of Support Services, YKHC
- Fred Eoff, Director, PFM
- Ken Vassar, Law Office of Ken Vassar
- Isaac Sine, Executive Director, JP Morgan Securities, LLC
- Will Frymann, Managing Director, JP Morgan Securities, LLC
- Laura Janke, Managing Director, RBC Capital Markets, LLC
- Marc Greenough, Foster Pepper

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 February 1, 2017 on the official Alaska Online Public Notice website for the February 9, 2017 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 January 10, 2017 Board of Directors Meeting

The January 10, 2017 minutes of the AMBBA Board of Directors meeting was reviewed by the board and approved unanimously as written without objection.

VI. GENERAL BUISNESS

WFG, LLC's Second Follow-up Memo and final credit review determination on YKHC's loan application

Mr. Pfeffer asked Mr. Pierce to go over the most recent YKHC credit review memo dated February 3, 2017, identifying issues that still needed to be addressed from previous meetings. This furthers the discussion from the previous memo presented at the January 10, 2017 Bond Bank board meeting. Mr. Pierce described that YKHC has provided Wells Fargo (Wells) with a document that provides consents and amends the existing loan agreements, related to the City of Marshall loan in the amount of $8 million, and to allow YKHC's proposed financings to move forward. As of the date of this update, Wells has not confirmed its willingness to agree to the necessary amendments and consents.

Mr. Mitchell mentioned that there was a conference call before today's Board meeting discussing this topic, and is hopeful that an agreement can be reached. Absent an agreement by Wells, there will still be full resolution on the issue, but may involve a defeasement of the loan. Absent receipt of a satisfactory consent document from Wells, YKHC has also agreed, prior to the distribution of the Bond Bank's preliminary official statement, to provide documentation of its agreement to defease the outstanding Wells obligations that currently hold a senior lien and, among other things, require consent to all future financings. Mr. Pierce went on to describe that the Bond Bank's bond counsel has completed its tax diligence and has obtained documentation and affirmations from YKHC sufficient for bond counsel to provide a tax-exempt opinion on the Bond Bank bonds issued for the YKHC project. Mr. Piece also described the status of the parity agreement that 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. All parties to the agreement have agreed that although the federal government is not permitted to condition its exercise of remedies upon receipt of consent by other lenders, it has agreed to various notification provisions, and funds recovered by either USDA or by the Master Trustee will be shared pro rata with the other. Under the Master Trust Agreement, the exercise of remedies, including acceleration, will require majority consent by lenders. The preliminary official statement will not be distributed until the Parity Agreement has been signed by all parties. Based on the progress made on the above issues, Mr. Pierce recommended approval of the loan application submitted by YKHC. Ms. Barry mentioned that with the outstanding items that still need resolved within the memo presented by Mr. Pierce today, the board would delegate authority in Resolution 2017-01 to the Chairman and Executive Director to make the final approval of the preliminary official statement and approval of the bond purchase agreement, among other items, which would not be undertaken unless there is complete resolution on these items, and that a subject-to clause is not necessary to move forward with approval of the loan application. Mr. Welles moved to approve the approximate $102.5 million loan to YKHC, and Mr. Gursey seconded the motion. There was no further discussion. Mr. Williams called the vote, and there were 4 'yes' votes, the loan was approved unanimously by present board members.

RESOLUTION 2017-01, Authorizing the Series 2017A Bonds:

Ms. Barry summarized resolution 2017-01, a series resolution authorizing the issuance of master resolution general obligation bonds, series 2017A, in an aggregate principal amount not to exceed $102,500,000. These would be issued under the Bond Bank's 2016 Master Resolution. The Chairman or the Executive Director would be the designated representatives of the transaction, and among other items will approve of the preliminary official statement. The true interest cost on the Series 2017A Bonds shall not exceed five percent (5.00%). The Series 2017A Bonds shall be sold to the Underwriters in a negotiated sale pursuant to the terms of a Bond Purchase Agreement, also approved by the designated representatives. Underwriters shall mean JP Morgan Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith, Inc., and RBC Capital Markets, LLC, the underwriters of the Series 2017A Bonds. Ms. Barry mentioned that the Board packet also contains a form of continuing disclosure certificate of the authority, draft loan agreement between the Bond Bank and YKHC, and a form of the borrower's continuing disclosure agreement. Mr. Welles moved to approve Resolution 2017-01, authorizing the issuance of the Series 2017A Bonds, and Ms. Leary seconded the motion. There was no further discussion. Mr. Williams called the vote, and there were 4 'yes' votes, Resolution 2017-01 was approved unanimously by present board members.

Application Credit Review Summary for the City of Unalaska (UnAK):

Mr. Pierce went over an application credit review summary for UnAK, a $35 million revenue bond loan request from the Bond Bank for port improvements. Major work items include demolition of two existing pile supported docks, removal and salvage of existing armor rock, and installation of a new sheet pile bulkhead, compaction, structural steel, new pile supported concrete crane rail beams, interlocking concrete block pavement surface, and high mast lighting. The proposed term of the loan is 25 years, with Ports and Harbors Enterprise Fund net system revenues pledged to the loan, of which forecast fiscal year 2016 pledged revenues were $3.24 million. Total Bond Bank annual debt service is $5.89 million with most recent fiscal year state-shared revenues of $18.6 million, a debt service coverage ratio of 3.15 times. Gross savings on utilizing the Bond Bank for the transaction is estimated at $2.68 million. Mr. Pierce mentioned that the no litigation letter has not yet been received.

Mr. Pierce discussed a background of the harbor, with location being a major marine cargo hub in the State of Alaska, providing connectivity both domestically and internationally. The City-owned Unalaska Marine Center (UMC) captures approximately 45% of the marine corridor that connects the State of Alaska and the Arctic regions to the rest of the world, with major development continuing to blossom for a diverse set of Arctic activities. The UMC has 7 berthing positions with 2,051 linear feet. Positions 3 and 4 are aging and inadequate to meet the service demand of cargo, fueling, and passenger vessels. Position 3 is a deteriorating wood pile-supported dock with no adjacent uplands and Position 4 is a steel pile-supported dock with severe erosion problems in areas that cannot be accessed for repair. The UMC Expansion and Replacement Project removes these two aging dock faces with a minimum water depth of 45 feet, and 1.8 acres of uplands with load capacity to handle major cargoes, fueling and larger vessels. Northern Economics has conducted a cost benefit analysis confirming that the expansion and replacement project provides economic benefits by eliminating displaced vessels and the associated costs. The completion of this project is estimated to reduce displaced vessels' marine fuel consumption by 490,000 gallons annually. The project has gone through extensive review by the UnAK City Council and the public, and the design is complete; additionally, all permits are in hand with contemplated construction in the Spring of 2017. The UnAK Ports and Harbors Fund accounts for operations at six marine facilities at the International Port of Dutch Harbor. These include the UnAK Coast Guard Dock, the UnAK Marine Center Dock, the Spit Dock, the Spit Light Cargo, Robert Storrs International Small Boat Harbor, and the Carl E. Moses Boar Harbor. Mr. Pierce went over net revues produced from these fund accounts from 2013 through 2016. Net revenues declined slightly in 2016 to approximately $3.2 million as a result of an increase in General and Administration expenses from 2015 to 2016. The total unrestricted net assets have ranged from $15.8 million to $17.5 million over the same time period. UnAK reported that its last rate study was conducted in 2009 in conjunction with a 10-year development plan. Rates were reviewed by Northern Economics in 2014. City staff indicate that an update to the rate study will likely be performed in the next two years. In addition to bonds being secured by net revenues of the UnAK's Ports and Harbors Funds, they will also fund a debt service reserve fund to the maximum allowed under federal tax law (held at the Bond Bank's trustee). Before additional parity bonds may be issued, the City must demonstrate that the net revenues of the Port and Harbors Enterprise Funds are sufficient to cover existing and projected debt service by 1.25 times based on audited financial statements. Alternatively, UnAK may issue additional parity bonds based on the report of an expert consultant that takes into account: 1) any additional net revenues to be derived by expansion or improvements to the harbor; and 2) revenue to be derived from any additional fees and charges that have been established by UnAK. The issuance of additional bonds based on a forecast will require prior consent by the Bond Bank. In addition to the additional bonds test, the resolution adopted by UnAK with respect to the Bond Bank loan will require UnAK to maintain rates, fees, and changes at UnAK's Ports and Harbors sufficient to produce net revenues equal to at least 125% of the debt service on all outstanding bonds secured by the ports and harbors system net revenues. If pledged net revenues fall below that ratio, the rate covenant will require UnAK to retain a consultant to make recommendations as to operations and revision of schedules for rentals, tariffs, rates, fees and charges, and on the basis of such recommendations, UnAK will establish fees and charges that are necessary to meet the rate covenant. The Bond Bank's loan agreement will specify that UnAK needs to make debt service payments on a monthly basis. The payment of debt service on the 2010 Bond Bank loan outstanding will need to be treated as subordinate to the payment of debt service on the Bonds Bank's 2017 loan (the 2010 loan had a general obligation pledge, but has historically been paid from the Ports and Harbors Enterprise fund revenues). Mr. Pierce mentioned that UnAK indicated there are no capital projects contemplated that may involve the sale of bonds in the future. Mr. Pierce stated that based on WFG, LLC's assessment, the security offered by UnAK, as set forth in the UnAK's loan application and supplemental materials, provides sufficient security to recommend approval of the application, subject to the receipt of a no litigation letter. Mr. Welles moved to approve the $35 million loan to UnAK for the port improvements project subject to the receipt of a no litigation letter, and Mr. Gursey seconded the motion. There was no further discussion. Mr. Williams called the vote, and there were 4 'yes' votes, the loan was approved unanimously by present board members.

Application Credit Review Summary for the City of Seward:

Mr. Pierce went over an application credit review for the City of Seward's loan request for $3 million for road improvements. Seward would apply the Bond Bank loan toward paving in some areas that are currently unpaved, as well as remove and replace asphalt in several other locations throughout Seward. The road improvements projects will be jointly funded with federal DOT money, and the State of Alaska Department of Transportation will manage engineering and project permitting. The proposed term of loan is 20 years, with property taxes pledged towards the loan. Most recent Seward property tax revenues were $1 million, and the estimated annual debt service on this loan is $220,000. Total Bond Bank annual debt service stands at $3.1 million, most recent state-shared revenues are $16.7 million, placing a debt service coverage of AMBBA debt service of 5.39 times. The loan is not subject to State Debt reimbursement, and the estimated gross borrower savings by utilizing the Bond Bank is $173,000. Mr. Pierce mentioned that the no litigation letter has been received. Bids are expected to be solicited in early 2017 and construction expected to conclude by the end of Summer 2017. Seward has already appropriated $300,000 toward the project. Mr. Pierce presented the general fund revenue distribution from 2012 through 2015. Sales taxes have accounted for approximately 40% over that period. Charges for services at approximately 23.2%, and intergovernmental, property taxes and other revenues provided 19.2%, 8.4% and 8.2%, respectively. Mr. Pierce presented the general fund ending balances, broken out by assigned, committed, non-spendable and unassigned portions. The unassigned portion for 2015 was approximately $4.7 million, representing about 5 months of expenditures and transfers out (conforming to a Seward policy, maintaining 3 to 6 months). The margin of yes votes regarding these general obligation bonds of Seward was 73% to 27%. The City has also secured approximately $3 million in state and federal funds to address a portion of the identified local road projects. The City is discovering how to best repay annual debt payments among different sources including a mill rate increase, or sales tax. Seward is evaluating the option of assessing a fee that corresponds to the benefit received by those that will actually be using the improved roads, including several public buildings. Such a concept includes proposals for a linear foot calculation similar to what would be utilized for a local improvement district, or special assessment district financing. In any event, the full faith and credit and unlimited taxing ability is pledged to the Bond Bank loan while Seward fine tunes further managerial details. Mr. Pierce mentioned that Seward does not report having any plans at this time for additional capital investments that will require the issuance of bonds supported Seward revenues. Mr. Pierce recommended approval of the loan application for $3 million for the City of Seward. Mr. Gursey moved to approve the $3 million loan to the City of Seward for road improvement projects, and Ms. Leary seconded the motion. There was no further discussion. Mr. Williams called the vote, and there were 4 'yes' votes, the loan was approved unanimously by present board members.

Application Credit Review Summary for the City of Whittier:

Mr. Pierce went over an application credit review for the City of Whittier. The total application is for $6.5 million in authorization for small boat harbor improvements through the Bond Bank. This includes a current loan request of approximately $2 million, with the potential of another $4.5 million loan within a year. Whittier began significant renovation of the Small Boat Harbor in 2008 with removal of outdated launch ramps and construction of a new $5 million three lane launch ramp. In 2010 and 2011 sheet pile was installed over half the harbor front, which included new docks along the length of the new sheet pile and relocation of the Harbormaster building at a total cost of $4.6 million. The Bond Bank loan will be used to replace the remaining floats and pilings. Mr. Piece mentioned the proposed term of the loan is for 20 years, with a pledge of Cruise Vessel Passenger (CVP) Taxes and Small Boat Harbor Enterprise Fund Net Revenues. Most recent pledged revenues were approximately $881,000 (FY2015 audited results), and estimated maximum annual debt service on the *total* project is $445,000. Total Bond Bank fiscal year 2018 debt service is $140,000. Most recent FY debt service coverage ratio on the entire project is 1.92 times. Most recent fiscal year state-shared revenues with the City and Whitter was $3.52 million, leaving debt service coverage of AMBBB debt service from state-shared revenue of 7.91 times. The loan is *not* subject to State debt service reimbursement. Gross borrower savings from using the Bond Bank for this loan is estimated at $335,000. Mr. Pierce mentioned the no litigation letter has been received. Mr. Pierce noted that since 2008, Whitter has placed nearly $14 million of new infrastructure in the Harbor, with estimated cost to finish of $7,605,000. Whittier is pursuing several low interest loans, and will seek a second installment to the total Bond Bank authorization contemplated in this credit analysis, should other loans not materialize. After the Whittier tunnel expanded access in 2000, additional cruise ship passenger visitations increased, ranging from 130 thousand to 200 thousand from 2011 to 2015. Whittier generally receives a distribution from the State of Alaska in January or February each year for the CVP tax collected, in the amount of $5 per passenger. Mr. Pierce displayed the receipts from 2011 through 2016. Mr. Pierce described Whittier's loan agreement will specify that they need to make debt service payments on a monthly basis, they will fund a debt service reserve fund with proceeds of the Bond Bank loan which will be held by the Bond Bank's trustee. Mr. Pierce presented a graph showing small boat harbor fund net revenues for 2013 through 2015. Fiscal 2015 results were positive compared to a negative value for 2013 and 2014. Fiscal 2015's positive result is attributed to both growth, and a decline in expenditures of approximately $178 thousand. For 2015, net revenues of approximately $90 thousand combine with $790 thousand of CVP for total pledged revenues of $881 thousand. Mr. Pierce mentioned there are no future capital plans besides the potential second installment of this Bond Bank request, or an additional $4.5 million. Mr. Pierce recommended approval for total authorization of $6.5 million to the City of Whittier, with $2 million of the request being contemplated for the immediately upcoming issuance. Mr. Gursey moved to approve the $6.5 million total application from the City of Whittier for small boat harbor improvements, and Ms. Leary seconded the motion. There was no further discussion. Mr. Williams called the vote, and there were 4 'yes' votes, the application was approved unanimously by present board members.

Application Credit Review Summary for the Kenai Peninsula Borough – South Kenai Peninsula Hospital Service Area:

Mr. Williams presented an internal application credit review summary for the Kenai Peninsula Borough – South Kenai Peninsula Hospital Service Area (SPH) in the amount of $4.8 million. Mr. Williams mentioned there was an approved General Obligation bond measure for the SPH. SPH would use bond proceeds for the purpose of improving and expanding the Homer Medical Center. The Homer Medical Center is the service area's main primary care facility providing family practice and other services. A 5,700 square foot expansion is contemplated, including replacement of HVAC units to bring operating room airflow up to code. The proposed term of the loan is 15 years, with property taxes of the SPH pledged. Estimated debt service on this loan request is approximately $410 thousand, and FY2016 non-operating general property tax revenue of SPH was $3.95 million. Total Bond Bank annual debt service for fiscal year 2018 is approximately $15.4 million, and most recent KPB state-shared revenues were reported at $95.4 million, providing a debt service coverage to state-shared revenues of 6.21 times. Mr. Williams mentioned that the no litigation letter has been received. The SPH is governed by an independently elected board; however, is fiscally dependent on the KPB because the assembly approves the SPH budget, approves the tax levy to support the budget, and must approve any debt issuance. Mr. Williams presented a graph of SPH total taxable assessed value from 2007 through 2016, showing general increases for a few years, then maintaining stable values from 2009 through 2016. Mr. Williams also depicted a graph of SPH net patient revenues, increasing year-over-year from approximately $32.4 million in 2011 to approximately $61.7 million in 2016. The hospital still had a $2.7 million loss from operations for fiscal year 2016. This was due to increases in expenses that outpaced the net revenue increase. SPH has taken recent action in an effort to bring-in expenses and further increase revenues. A new SPH finance director has been hired. A consultant was hired in mid-2016 to do a management audit. There's confidence within the administration that fine tuning management processes, decreasing staff hours, increasing certain below market billing rates, and increasing collections through software utilization will have direct impact on future operations of the hospital.

Mr. Williams went over net position of the hospital that has also slightly increased from 2011 through 2016. Future capital plans of KPB include the issuance of revenue debt for the Central Peninsula Hospital (CPH) in an amount up to approximately $28.955 million, plus a contribution of $10 million in cash for the project from the CPH Plant and Expansion Fund. The Central Emergency Services Area (CES) expects to issue debt in 2019, with a 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, with estimated cost of approximately $10.9 million. Mr. Williams reiterated the debt service coverage on KPB from total state shared revenues of 6.21 times. Mr. Williams stated that based on the Bond Bank staff's assessment, there is sufficient security to support approval of the loan request in the amount of $4.8 million. Mr. Gursey moved to approve the $4.8 million application from SPH for improving and expanding the Homer Medical Center, and Mr. Welles seconded the motion. There was no further discussion. Mr. Williams called the vote, and there were 4 'yes' votes, the application was approved unanimously by present board members.

Executive Director's Report

Mr. Mitchell reported on the following items that were not covered in the February 9, 2017 Agenda:

Mr. Mitchell mentioned the Bond Bank's ongoing disclosure commitments have been met through posting of the annual reserve sufficiency statement from the Chairperson, the fiscal year 2016 audited financial statements, and the fiscal year 2016 annual report. The audited financial statements and annual report are posted on the Bond Bank's web site.

The Governor's proposed fiscal year 2018 budget includes the appropriations to the Bond Bank to replenish any reserve that suffers a draw due to a default of a borrower as well as an appropriation of any excess earnings to the Bond Bank.

Upcoming travel –

Ryan and I are planning to travel to New York City for the pricing of the 2017A bonds. The travel has been approved by both the Commissioner of Revenue and the Governor's Office.

I will be travelling to Anchorage on February 22 to meet with Mark on a potential future financing.

The Bond Bank's budget has been submitted and the first House Finance subcommittee hearing is on Saturday February 11th.

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

There were none.

IX. ADJOURNMENT

Mr. Pfeffer adjourned the meeting without objection at 3:26 p.m. ADT.

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Mark Pfeffer, Chairman

ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2017-02

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2017 SERIES ONE AND 2017 SERIES TWO OF THE ALASKA MUNICIPAL BOND BANK

ADOPTED ON MARCH 29, 2017

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ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2017-02

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, 2017 SERIES ONE AND 2017 SERIES TWO OF THE ALASKA MUNICIPAL BOND BANK

WHEREAS, the Board of Directors of the Alaska Municipal Bond Bank (the "Bank") by Resolution entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted on July 13, 2005, as amended (as further defined in Section 102 hereof, the "Resolution"), has created and established an issue of Bonds of the Bank; and

WHEREAS, the 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 Bank has determined that it is necessary and desirable that the Bank issue at this time a Series of Bonds in an aggregate principal amount of not to exceed $15,000,000 (or otherwise as provided in Section 201 hereof), to be designated "Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series One" and a Series of Bonds in an aggregate principal amount of not to exceed $45,000,000 (or otherwise as provided in Section 201), to be designated "Alaska Municipal Bond Bank Obligation General Bonds, 2017 Series Two," in each case to provide moneys to carry out the purposes of the Bank;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA MUNICIPAL BOND BANK AS FOLLOWS:

ARTICLE I
AUTHORITY AND DEFINITIONS

<u>Section 101- Series Resolution.</u>

This Series Resolution (the "2017 Series One and Two Resolution") is adopted in accordance with the provisions of the Resolution and pursuant to the authority contained in the Act.

<u>Section 102- Definitions.</u>

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

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

(2) "Approved Bid" shall mean, in the case of a competitive sale, the winning bid submitted for the 2017 Series One Bonds or the winning bid submitted for the 2017 Series Two Bonds, as applicable.

(3) "Bank" shall mean the Alaska Municipal Bond Bank (in the Act also referred to as the "Alaska Municipal Bond Bank Authority").

(4) "Beneficial Owner" shall mean the person in whose name a 2017 Series One Bond or 2017 Series Two Bond, as applicable, is recorded as the beneficial owner of such 2017 Series One Bond or 2017 Series Two Bond by the respective systems of The Depository Trust Company and Depository Trust Company Participants or the Holder of the 2017 Series One Bond or 2017 Series Two Bond if such 2017 Series One Bond or 2017 Series Two Bond is not then held in book-entry form pursuant to Section 206.

(5) "Bond Purchase Agreement" shall mean, in the case of a negotiated sale, one or more bond purchase agreements entered into among one or more Underwriters and the Bank, providing for the purchase and the terms of the 2017 Series One and Two Bonds of one or both series.

(6) "Bond Year" shall mean each one-year period that ends on an anniversary of the date of issue of the 2017 Series One and Two Bonds.

(7) "Chairman" shall mean the chairman of the Board of Directors of the Bank.

(8) "Code" shall mean the Internal Revenue Code of 1986, together with all regulations applicable thereto.

(9) "Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate executed by the Bank and dated the date of issuance and delivery of the 2017 Series One and Two Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(10) "Depository Trust Company" or "DTC" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

(11) "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 Depository Trust Company.

(12) "Excess Investment Earnings" shall mean the amount of investment earnings on gross proceeds of the 2017 Series One and Two Bonds determined by the Bank to be required to be rebated to the United States of America under the Code.

(13) "Financial Advisor" shall mean Western Financial Group, LLC.

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

(15) "Loan Agreement" shall mean, collectively, each of the following pertaining to the repayment of a Loan or Loans to the related Governmental Unit as provided for herein: (a) the agreement by and between the Bank and the Kenai Peninsula Borough, Alaska (the "Kenai Peninsula Borough") to finance a portion of the costs of capital improvements to the Kenai Peninsula Borough's Central Peninsula Landfill; (b) the agreement by and between the Bank and the Kenai Peninsula Borough to finance a portion of the costs of capital improvements to the Kenai Peninsula Borough's South Peninsula Hospital and Homer Medical Center; (c) the agreement by and between the Bank and the City of Seward, Alaska (the "City of Seward") to finance a portion of the costs of road-paving projects in the City of Seward; (d) the agreement by and between the Bank and the City of Unalaska, Alaska (the "City of Unalaska") to finance a portion of the costs of capital improvements to the City of Unalaska's harbor facilities; and (e) the agreement by and between the Bank and the City of Whittier, Alaska (the "City of Whittier") to finance a portion of the costs of capital improvements to the City of Whittier's harbor facilities.

(16) "National" shall mean National Public Finance Guarantee Corporation, a monoline insurance company.

(17) "Notice of Sale" shall mean, in the case of a competitive sale, the Official Notice of Sale and Bidding Instructions for the 2017 Series One Bonds and/or the Official Notice of Sale and Bidding Instructions for the 2017 Series Two Bonds.

(18) "Official Statement" shall have the meaning assigned thereto in Section 211 hereof.

(19) "Preliminary Official Statement" shall have the meaning assigned thereto in Section 211 hereof.

(20) "Record Date" shall mean the date fifteen calendar days preceding each interest payment date with respect to the 2017 Series One and Two Bonds of one or both series.

(21) "Resolution" shall mean the General Bond Resolution adopted by the Board of Directors on July 13, 2005, as amended by a Supplemental Resolution, Resolution No. 2009-03, adopted by the Board of Directors on May 28, 2009 and effective on August 19, 2009; and by a First Supplemental Resolution, Resolution No. 2013-02, adopted by the Board of Directors on February 19, 2013, the amendments in which are effective after all Bonds issued prior to February 19, 2013 are no longer outstanding and the requirements of such First Supplemental Resolution are satisfied.

(22) "Surety Bond Issuer" shall mean the Credit Enhancement Agency, if any, selected by the Chairman or the Executive Director to provide Credit Enhancement for a portion of the Reserve Fund Requirement.

(23) "2017 Bond Credit Enhancement" shall mean a Credit Enhancement, if any, issued by a 2017 Bond Insurer on the date of issuance of the 2017 Series One Bonds and/or the 2017 Series Two Bonds for the purpose of further securing the payment of the principal of and interest on all or a portion of the 2017 Series One Bonds and/or of the 2017 Series Two Bonds.

(24) "2017 Bond Insurer" shall mean a monoline insurance company, if any, selected by the Chairman or the Executive Director to provide a 2017 Bond Credit Enhancement to further secure the payment of the principal of and interest on all or a portion of the 2017 Series One Bonds and/or the 2017 Series Two Bonds.

(25) "2017 Reserve Fund Credit Enhancement" shall mean the Credit Enhancement, if any, issued by a Surety Bond Issuer on the date of issuance of the 2017 Series One and Two Bonds for the purpose of satisfying a portion of the Reserve Fund Requirement.

(26) "2017 Reserve Fund Credit Enhancement Agreement" shall mean (i) if 2017 Reserve Fund Credit Enhancement is obtained and if National is the Surety Bond Issuer, the Financial Guaranty Agreement, dated March 1, 2016, between the Bank and National or (ii) if 2017 Reserve Fund Credit Enhancement is obtained and if another provider is selected as the Surety Bond Issuer, a reimbursement agreement relating to a letter of credit, a policy from a monoline insurance company or an agreement with the State or with any department, political subdivision or agency thereof, credited to the Reserve Fund to satisfy all or a portion of the Reserve Fund Requirement, approved by the Authorized Officer in accordance with the provisions of Section 302 hereof.

(27) "2017 Series One Bonds" shall mean the Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series One authorized in Article II hereof.

(28) "2017 Series Two Bonds" shall mean the Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series Two authorized in Article II hereof.

(29) "2017 Series One and Two Bonds" shall mean, collectively, the 2017 Series One Bonds, the 2017 Series Two Bonds and any additional series of Bonds authorized in Article II hereof.

(30) "Underwriter" shall mean the initial purchaser (or representative of the purchasers, if one or more firms act collectively) of the 2017 Series One and Two Bonds of one or both series.

ARTICLE II
AUTHORIZATION OF 2017 SERIES ONE AND TWO BONDS

Section 201- Principal Amount, Designation and Series.

Pursuant to the provisions of the Resolution, a Series of Bonds designated as "Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series One" is hereby authorized to be issued in an aggregate principal amount not to exceed $15,000,000 (or, if all or a portion of the

2017 Series Two Bonds is to be allocated to and issued as part of the 2017 Series One Bonds, the 2017 Series One Bonds may be issued in an aggregate principal amount of up to $53,000,000 so long as the aggregate principal amount of 2017 Series One and Two Bonds does not exceed $60,000,000) and a Series of Bonds designated as “Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series Two” is hereby authorized to be issued in an aggregate principal amount not to exceed $45,000,000. The Chairman or the Executive Director, in consultation with the Bank’s Financial Advisor, shall determine the number of series and the series names and designations and the aggregate principal amount of the 2017 Series One and Two Bonds of each series, provided that the aggregate principal amount of all Bonds issued pursuant to this 2017 Series One and Two Resolution does not exceed $60,000,000.

The Chairman or the Executive Director is authorized hereby to change the designations of the 2017 Series One and Two Bonds, and/or to establish additional series of 2017 Series One and Two Bonds, and/or to consolidate the 2017 Series One and Two Bonds into a single series and to determine designations thereof.

Section 202- Purposes of the 2017 Series One and Two Bonds.

The purposes for which the 2017 Series One and Two Bonds are being issued are (i) to make Loans to the Governmental Units to the extent and in the manner provided in Article III; (ii) to make a deposit to the Reserve Fund if necessary, as provided in Section 302 hereof; and (iii) to finance costs of issuing the 2017 Series One and Two Bonds.

Section 203- Date, Maturities and Interest Rates.

The 2017 Series One and Two Bonds of each series shall be dated the date the 2017 Series One and Two Bonds of such series are delivered to the Underwriter of such series, subject to the terms and conditions set forth in this 2017 Series One and Two Resolution and in the applicable Bond Purchase Agreement or Notice of Sale. Subject to adjustment as provided for in this Section 203, the 2017 Series One and Two Bonds of each series shall mature, or have Sinking Fund Installments due, on May 1, 2018 and thereafter on May 1 in each of the years and in the principal amounts set forth in the Notice of Sale in the case of a competitive sale or in the Bond Purchase Agreement in the case of a negotiated sale.

The number of series of 2017 Series One and Two Bonds, the names and designations of, the aggregate principal amount of, the principal amount of each maturity, the amount of each Sinking Fund Installment, if any, and the maturity dates and interest rates and payment dates of the 2017 Series One and Two Bonds of each series shall be fixed and determined by the Chairman or by the Executive Director at the time the Approved Bid is accepted, in the case of competitive sale, or at the time a Bond Purchase Agreement is executed and delivered in the case of a negotiated sale pursuant to Section 210 hereof, but subject to the limitations set forth in Sections 201 and 210 hereof.

Section 204- Interest Payments.

The 2017 Series One and Two Bonds of each series shall bear interest from their date of delivery to the Underwriter, payable on each May 1 and November 1, commencing November 1, 2017 (or such other date or dates as may be fixed and determined by the Chairman or the Executive Director at the time the Approved Bid is accepted, in the case of a competitive sale, or at the time the Bond Purchase Agreement is signed in the case of a negotiated sale). Interest shall be computed on the basis of a 360-day year composed of twelve thirty-day months.

Section 205- Denominations, Numbers and Other Designation.

The 2017 Series One and Two Bonds of each series shall be issued in registered form in the denomination of $5,000 or any integral multiple thereof within a maturity and interest rate, not exceeding the aggregate principal amount of the 2017 Series One and Two Bonds authorized herein. The 2017 Series One and Two Bonds of each series shall be numbered serially with any additional designation that the Chairman or the Executive Director deems appropriate.

Section 206- Securities Depository.

(1) The 2017 Series One and Two Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, and shall be issued initially in the form of a single bond for each series, maturity and interest rate, in the aggregate principal amount for such series, maturity and interest rate. Transfers of ownership of the 2017 Series One and Two Bonds or any portions thereof, may not thereafter be registered except transfers (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository or such substitute depository's successor; or (iii) to any person as provided in paragraph (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Bank that it is no longer in the best interest of Beneficial Owners to continue the system of book-entry transfers through DTC or its successors (or any substitute depository or its successor), the Bank may appoint a substitute depository or provide that 2017 Series One and Two Bonds no longer be held by a depository and instead be held as provided in paragraph (4). Any substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (1) above, the Trustee shall, upon receipt of all Outstanding 2017 Series One and Two Bonds of a series, together with a written request of an Authorized Officer and a supply of new 2017 Series One and Two Bonds of such series, authenticate a single new 2017 Series One and Two Bond for the Outstanding 2017 Series One and Two Bonds of such series for each maturity and interest rate, registered in the name of such successor or such substitute depository, or its nominee, as the case may be, all as specified in such written request.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the

Bank determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the ownership of 2017 Series One and Two Bonds of such series may then be transferred to any person or entity as provided in the Resolution and the 2017 Series One and Two Bonds of such series shall no longer be held in book-entry form. An Authorized Officer shall deliver a written request to the Trustee to authenticate 2017 Series One and Two Bonds of such series as provided in the Resolution in any authorized denomination, together with a supply of definitive Bonds. Upon receipt of all then Outstanding 2017 Series One and Two Bonds of such series by the Trustee, together with a written request of an Authorized Officer to the Trustee, new 2017 Series One and Two Bonds of such series shall be issued and authenticated in such denominations and registered in the names of such persons as are requested in such written request.

(5) For so long as the 2017 Series One and Two Bonds are held in book-entry form under this Section, the Bank and the Trustee may treat DTC (or its nominee) or any substitute depository (or its nominee) as the sole and exclusive registered owner of the 2017 Series One and Two Bonds registered in its name for the purposes of payment of principal or Redemption Price of and interest on such 2017 Series One and Two Bonds, selecting such 2017 Series One and Two Bonds, or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Resolution (except as otherwise provided pursuant to Section 508 hereof), registering the transfer of such 2017 Series One and Two Bonds and obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Bank nor the Trustee shall be affected by any notice to the contrary. Neither the Bank nor the Trustee shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the 2017 Series One and Two Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books of the Trustee as being a registered owner, with respect to the accuracy of any records maintained by DTC or any DTC Participant (or by any substitute depository or participant); the payment by DTC or any DTC Participant (or by any substitute depository or participant) of any amount in respect of the principal or Redemption Price of or interest on the 2017 Series One and Two Bonds, any notice that is permitted or required to be given to Bondholders under the Resolution, the selection by DTC or any DTC Participant (or by any substitute depository or participant) of any person to receive payment in the event of a partial redemption of the 2017 Series One and Two Bonds, or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay from money available under the Resolution all principal and Redemption Price of and interest on 2017 Series One and Two Bonds only to or upon the order of DTC of the 2017 Series One and Two Bonds are then requested to DTC or its nominee, and all such payments shall be valid and effective to fully satisfy and discharge the Bank's obligations with respect to the principal or Redemption Price of and interest on the 2017 Series One and Two Bonds to the extent of the sum or sums so paid.

<u>Section 207- Places and Manner of Payment.</u>

For so long as all Outstanding 2017 Series One and Two 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 2017 Series One and Two 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 2017 Series One and Two 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 Bank 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 2017 Series One and Two 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 2017 Series One and Two Bonds will be payable at the corporate trust office of the Trustee upon surrender of the 2017 Series One and Two Bonds representing such principal. Both principal of and interest on the 2017 Series One and Two 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 2017 Series One and Two Bonds of each series, and such provisions shall be included in the applicable Notice of Sale and Approved Bid in the case of a competitive sale, or in the Bond Purchase Agreement in the case of a negotiated sale, and in the form of the 2017 Series One and Two Bond of such series.

(b) Unless otherwise determined by the Chairman or Executive Director by the time the Approved Bid is accepted or the Bond Purchase Agreement is signed, as applicable, notice of optional redemption shall be given at least 20 days, and not more than 60 days, prior to the date fixed for redemption of the 2017 Series One and Two Bonds to be redeemed and in addition to the requirements of Section 402(A)(1) through (5) and of Section 402(A)(7) of the Resolution, such notice of optional redemption shall state that it is a conditional notice and that on the date fixed for redemption, provided that moneys sufficient to redeem the 2017 Series One and Two Bonds specified in such notice are on deposit with the Trustee, the redemption price will become due and payable and interest thereon will cease to accrue from and after said date.

Section 209- Mandatory Redemption.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the mandatory redemption provisions, if any, for the 2017 Series One and Two Bonds of each series that are term bonds, and such provisions shall be included in the applicable Notice of Sale and in the applicable Approved Bid in the case of a competitive sale or in the Bond Purchase Agreement in the case of a negotiated sale and in the 2017 Series One and Two Bond of such series and maturity.

Unless otherwise determined by the Chairman or Executive Director by the time the Approved Bid is accepted or the Bond Purchase Agreement is signed, as applicable, notice of mandatory redemption shall be given at least 20 days, and not more than 60 days, prior to the date fixed for redemption of the 2017 Series One and Two Bonds to be redeemed.

Section 210- Sale of 2017 Series One and Two Bonds.

(a) The 2017 Series One and Two Bonds of each series shall be sold to the applicable Underwriter at competitive sale pursuant to the terms of the applicable Notice of Sale or pursuant to the terms of a Bond Purchase Agreement in the case of a negotiated sale, as determined by the Executive Director or the Chairman after consulting with the Financial Advisor. The Chairman and the Executive Director are, and each of them is, hereby authorized to (i) amend or supplement the Notice of Sale and to approve and accept an Approved Bid in the case of a competitive sale and in the case of a negotiated sale to approve and execute and deliver a Bond Purchase Agreement, in each case with terms consistent with the provisions of this 2017 Series One and Two Resolution; (ii) to determine the number of series of 2017 Series One and Two Bonds, and the name and designation of each such series, and for each series of 2017 Series One and Two Bonds, the dated date and the delivery date, the aggregate principal amount, the principal amount of Bonds of each series, maturity and interest rate, the purchase price, the maturity and the interest payment dates and the redemption provisions and interest rate(s); provided, however, that (A) the aggregate principal amount of the 2017 Series One and Two Bonds shall not exceed $60,000,000; (B) the true interest cost on the 2017 Series One Bonds shall not exceed 4.0 percent; and (C) the true interest cost on the 2017 Series Two Bonds shall not exceed 5.0 percent. Prior to acceptance of the Approved Bid, in the case of a competitive sale, or in the case of a negotiated sale, prior to the execution and delivery of a 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 2017 Series One and Two Bonds of each series.

(b) The authority granted to the Chairman and the Executive Director under this Section 210 shall expire one hundred twenty (120) days after the date of adoption of this 2017 Series One and Two Resolution.

Section 211- Notice of Sale, 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 Notice of Sale, in the case of a competitive sale, and the preliminary official statement for the 2017 Series One and Two Bonds of one or both series (including any supplements and amendments thereto prior to acceptance of the Approved Bid and/or the execution of the Bond Purchase Agreement, the "Preliminary Official Statement"), each substantially in the form submitted to the Board prior to the date the Preliminary Official Statement is approved, with such changes as the Chairman or the Executive Director deems advisable. The distribution of the Notice of Sale (in the case of a competitive sale) and the Preliminary Official Statement is hereby authorized, ratified and approved. The Chairman and the Executive Director are hereby further authorized to approve and execute the final official statement for the 2017 Series One and Two Bonds of one or both series (the "Official Statement") substantially in the form of the Preliminary Official Statement with the addition of pricing information and such changes therein from the Preliminary Official Statement as the

Chairman or the Executive Director deems advisable, and to approve and authorize the distribution of the final Official Statement in electronic and printed form.

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

ARTICLE III
DISPOSITION OF BOND PROCEEDS

Section 301 - Disposition of Proceeds for Loan Purposes.

Upon the delivery of the 2017 Series One and Two Bonds, the Bank shall apply, in accordance with Article V of the Resolution, proceeds derived from the sale of the 2017 Series One and Two Bonds (i) to make a Loan to the Kenai Peninsula Borough, in an aggregate principal amount not to exceed $6,100,000, to finance a portion of the costs of capital improvements to the Kenai Peninsula Borough's Central Peninsula Landfill and to pay costs of issuance; (ii) to make a Loan to the Kenai Peninsula Borough, in an aggregate principal amount not to exceed $5,000,000, to finance a portion of the costs of capital improvements to the Kenai Peninsula Borough's South Peninsula Hospital and Homer Medical Center and to pay costs of issuance; (iii) to make a Loan to the City of Seward in an aggregate principal amount not to exceed $3,050,000, to finance a portion of the costs of road-paving projects in the City of Seward and to pay costs of issuance; (iv) to make a Loan to the City of Unalaska in an aggregate principal amount not to exceed $38,000,000, to finance a portion of the costs of capital improvements to the City of Unalaska's harbor facilities, to make a deposit to the Borrower Reserve Account and to pay costs of issuance; (v) to make a Loan to the City of Whittier in an aggregate principal amount not to exceed $7,100,000, to finance a portion of the costs of capital improvements to the City of Whittier's harbor facilities, to make a deposit to the Borrower Reserve Account and to pay costs of issuance; (vi) to satisfy the Reserve Fund Requirement as provided in Section 302 hereof; and (vii) to finance costs of issuing the 2017 Series One and Two Bonds.

Section 302 - Reserve Fund Deposit; Credit Enhancement.

(a) On or before the date of sale of the 2017 Series One and Two Bonds of each series, but subject to Section 201 hereof, the Chairman or the Executive Director shall determine whether an additional deposit to the Reserve Fund is required and if so, whether it is in the best interest of the Bank to use (1) available cash or (2) a portion of the proceeds received from the sale of the 2017 Series One and Two Bonds of such series or (3) 2017 Reserve Fund Credit Enhancement or (4) a combination of cash, proceeds and 2017 Reserve Fund Credit Enhancement, to satisfy the Reserve Fund Requirement upon delivery of the 2017 Series One and Two Bonds, and shall cause such deposits and/or purchase to be made on or before the date of delivery of the 2017 Series One and Two Bonds.

(b) In the event a deposit to the Reserve Fund is required to satisfy the portion of the Reserve Fund Requirement related to the 2017 Series One and Two Bonds, the Chairman and the

Executive Director are each hereby authorized to determine whether to satisfy such requirement by depositing with the Trustee a 2017 Reserve Fund Credit Enhancement in the form of a debt service reserve surety bond; to select a Surety Bond Issuer and purchase such 2017 Reserve Fund Credit Enhancement; and if the Surety Bond Issuer is not National, to negotiate, approve, execute and deliver a 2017 Reserve Fund Credit Enhancement Agreement in form and with terms that comply with the requirements of the Resolution and that, in the Chairman's or Executive Director's judgment after consulting with the Bank's Financial Advisor, are advisable and in the best interest of the Bank.

(c) The Governmental Units' responsibility for paying, or for reimbursing the Bank for the payment of any 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 set forth in each Loan Agreement, as applicable, authorized in Section 507 hereof.

(d) The Chairman and the Executive Director are each hereby authorized to determine whether purchasing 2017 Bond Credit Enhancement for any of the 2017 Series One and Two Bonds is in the best interest of the Bank and if so, to solicit commitments for such 2017 Bond Credit Enhancement with respect to payment of the interest on and principal of all or a portion of the 2017 Series One and Two Bonds and thereafter to accept one or more such commitments that are in the best interest of the Bank, to purchase such 2017 Bond Credit Enhancement, and to negotiate, approve, execute and deliver a 2017 Bond Credit Enhancement Agreement in form and with terms that comply with the requirements of the Resolution and that, in the Chairman's or Executive Director's judgment after consulting with the Bank's Financial Advisor, are advisable and in the best interest of the Bank.

Section 303- Disposition of Remainder of Bond Proceeds.

The balance of the proceeds received from the sale of the 2017 Series One and Two Bonds, including any premium received over the principal amount of the 2017 Series One and Two Bonds, after deducting the amounts to be paid for costs of issuing the 2017 Series One and Two Bonds, amounts, if any, necessary to ensure the deposit to the Reserve Fund equals the Required Debt Service Reserve, and after deducting the amount allocable to the Reserve Obligations, if any, which amount shall be deposited in the Reserve Fund, shall be deposited with the Governmental Units and applied towards costs of issuance and debt service payments due and owing on their respective Municipal Bonds (as such term is defined in the Loan Agreements or Amendatory Loan Agreements, as applicable) or such other permitted purpose, including costs of the projects financed or refinanced with proceeds of the 2017 Series One and Two Bonds.

ARTICLE IV
EXECUTION AND FORM OF 2017 SERIES ONE AND TWO BONDS

Section 401 - Execution and Form of 2017 Series One and Two Bonds.

The 2017 Series One and Two Bonds shall be executed in the manner set forth in Section 303 of the Resolution. Subject to the provisions of the Resolution, the 2017 Series One and Two Bonds, and the Trustee's certificate of authentication, shall be of substantially the following form and tenor:

ALASKA MUNICIPAL BOND BANK
GENERAL OBLIGATION BONDS, 2017 SERIES [ONE/TWO]

INTEREST RATE:	MATURITY DATE:	CUSIP NO.:
_____%	_________ 1, 20__	_____

Registered Owner: CEDE & Co.

Principal Amount: ________________ and No/100 Dollars

Alaska Municipal Bond Bank (herein called the "Bank"), 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., in San Francisco, California, as trustee under the General Bond Resolution of the Bank, adopted July 13, 2005, as amended (herein called the "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 Bank kept by the Trustee, or, upon the written request of a registered owner of at least $1,000,000 in principal amount of 2017 Series [One/Two] 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 general obligation of the Bank and is one of a duly authorized issue of Bonds of the Bank designated "Alaska Municipal Bond Bank General Obligation Bonds" (herein called the "Bonds"), issued and to be issued in various series under and pursuant to the Alaska Municipal Bond Bank Act, constituting Chapter 85, Title 44, of the Alaska Statutes (herein called the "Act"), and under and pursuant to the Resolution and a series resolution authorizing each such series. As provided in the 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 Resolution is not limited except as provided in the Resolution, the applicable Series Resolution, and the Act, and all Bonds issued and to be issued under said Resolution are and will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Resolution and the applicable Series Resolution.

The Bank is obligated to pay the principal of and premium, if any, and interest on the Bonds, including this Bond, only from the revenues or funds of the Bank pledged under the Resolutions (as defined below), 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 Bank has no taxing power.

This Bond is one of a series of Bonds (the "2017 Series [One/Two] Bonds") issued in the aggregate principal amount of $__________ under the Resolution of the Bank and a series resolution of the Bank, adopted on March 29, 2017, and entitled "A Series Resolution Authorizing the Issuance of General Obligation Bonds, 2017 Series One and 2017 Series Two of the Alaska Municipal Bond Bank" (said resolutions being herein collectively called the "Resolutions").

Copies of the Resolutions are on file at the office of the Bank 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 2017 Series [One/Two] Bonds; the nature, extent and manner of enforcement of such pledges; the rights and remedies of the registered owners of the 2017 Series [One/Two] 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 Bank, 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 2017 Series [One/Two] Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The 2017 Series [One/Two] 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 Bank 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 or purchased for cancellation, the 2017 Series [One/Two] 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 2017 Series [One/Two] 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 2017 Series [One/Two] 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 2017 Series [One/Two] 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 Bank 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 2017 Series [One/Two] 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 2017 Series [One/Two] Bonds are issuable in the denomination of $5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of 2017 Series [One/Two] 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, 2017 Series [One/Two] 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 2017 Series [One/Two] Bonds of any other authorized denominations, of the same maturity.

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 Bank contained in the Resolutions and in this 2017 Series [One/Two] Bond are the obligations of the Bank and not of any member, director, officer or employee of the Bank, 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 Bank or any natural person executing the 2017 Series [One/Two] 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.

The Bank modified the Resolution, effective on the date when all Bonds issued prior to February 19, 2013 cease to be Outstanding, by: (i) authorizing the Trustee to release to the Bank amounts held in the Reserve Fund which exceed the Required Debt Service Reserve whenever there is a reduction in the Required Debt Service Reserve; (ii) requiring the Trustee to withdraw earnings and profits realized in the Reserve Fund, and to provide such amounts to the Bank on or before June 30 of each year so long as the balance therein equals the Required Debt Service Reserve; (iii) authorizing certain amendments and modifications to the Resolution effective upon securing the consent of Holders of at least two-thirds in principal amount of Bonds then Outstanding; and (iv) providing that an underwriter or purchaser of a Series of Bonds may consent to a modification of, or amendment to, the Resolution as Holder of such Bonds at the time such Bonds are issued.

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 2017 Series [One/Two] Bonds, together with all other indebtedness of the Bank, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Municipal Bond Bank 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

[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 2017 Series [One/Two] Bonds of the Alaska Municipal Bond Bank.

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, is appointed paying agent for the 2017 Series One and Two Bonds.

Section 502 – Arbitrage Rebate.

Except as otherwise provided in the Bank's applicable 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 2017 Series One and Two Bonds have been retired (and/or at such other times as may be required by the Code and applicable Income Tax Regulations), the Bank 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 - 2017 Series One and Two Debt Service Accounts.

There is hereby established as special accounts in the Debt Service Fund the "2017 Series One Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2017 Series One Bonds, and the "2017 Series Two Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2017 Series Two Bonds; provided, that if so determined by the Chairman or Executive Director, separate debt service accounts for any additional series of 2017 Series One and Two Bonds are hereby authorized to be established. Such amounts and the earnings thereon shall be deposited and held, and separately accounted for, in the applicable 2017 Series One and Two Debt Service Account.

Section 504 - Tax Exemption and General Tax Covenant.

The Bank intends that interest on the 2017 Series One and Two Bonds of each series shall be excludable from gross income for federal income tax purposes pursuant to Section 103 and 141 through 150 of the Code, and the applicable regulations. The Bank 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 2017 Series One and Two Bonds issued on a tax exempt basis to be included in gross income, as defined in Section 61 of the Code, for federal income tax purposes.

Section 505 - Arbitrage Covenant.

The Bank shall make no use or investment of the gross proceeds of the 2017 Series One and Two Bonds which will cause the 2017 Series One and Two Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The Bank hereby covenants that so long as any of the 2017 Series One and Two Bonds are outstanding, the Bank, with respect to the gross proceeds of the 2017 Series One and Two 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 - Resolution Clarification.

It shall hereby be clarified that the Resolution, at Section 919, shall only apply to Bonds issued on a tax-exempt basis.

Section 507 - Loan Agreements.

The Chairman and the Executive Director are each hereby authorized to execute the Loan Agreements between the Bank and the Governmental Units referred to therein, each in a form similar to the form attached hereto as Appendix C and submitted to and part of the records of the meeting on March 29, 2017, with such changes as the Chairman or the Executive Director shall deem advisable.

Section 508 - Continuing Disclosure.

The Bank 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 Bank. Notwithstanding any other provision of this 2017 Series One and Two Resolution, failure of the Bank to comply with the Continuing Disclosure Certificate shall not be a default of the Bank’s obligations under this 2017 Series One and Two Resolution, the Resolution or the 2017 Series One and Two Bonds; however, the Beneficial Owner of any 2017 Series One and Two Bond may bring an action for specific performance, to cause the Bank to comply with its obligations under the Continuing Disclosure Certificate and this Section.

Section 509 - Chairman and Executive Director.

The Chairman and the Executive Director are, and each is, hereby authorized to execute all documents and to take any action necessary or desirable to carry out the provisions of this 2017 Series One and Two Resolution and to effectuate the issuance and delivery of the 2017 Series One and Two Bonds, including acceptance of the Approved Bid, or the approval and execution and delivery of one or more Bond Purchase Agreements, for the 2017 Series One and Two Bonds of one or both series, and all prior actions taken to effectuate and in connection with the provisions of this 2017 Series One and Two Resolution and the issuance and delivery of the 2017 Series One and Two 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 determine the manner of sale and authorization to solicit commitments for a policy of insurance with respect to payment of the interest on and principal of all or a portion of the 2017 Series One and Two Bonds and/or a surety policy and thereafter to accept such commitment which is in the best interest of the Bank and enter into such agreement with the bond insurer as shall be in the best interests of the Bank.

Section 510 - Effective Date.

This 2017 Series One and Two Resolution shall take effect immediately on the date hereof (March 29, 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: [signature]
(Authorized Officer's Signature)
NORMAN J. LEVESQUE
Executive Director

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: [signature]

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SAMPLE OFFERING DOCUMENT LANGUAGE
<u>DESCRIBING BOOK-ENTRY-ONLY ISSUANCE</u>
(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

Alaska Municipal Bond Bank (the "Issuer") executes and delivers this Continuing Disclosure Certificate (the "Disclosure Certificate") in connection with the issuance of $__________ Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series One and $__________ Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series Two (collectively, the "Bonds"). The Bonds are being issued under the General Bond Resolution of the Bank entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended (the "General Bond Resolution"), and Series Resolution No. 2017-02 adopted on March 29, 2017 (the "Series Resolution," and together with the General Bond 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.

"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.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriters of the Bonds of one or both series required to comply with the Rule in connection with the offering of the Bonds of one or both series.

"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. Commencing with its Fiscal Year ending June 30, 2017, the Issuer will provide to the MSRB, in a format as prescribed by the Rule:

(a) Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference: (i) annual audited financial statements of the Issuer; (ii) a statement of authorized, issued and outstanding bonded debt of the Issuer; (iii) the Reserve Fund balance; and (iv) statistics regarding Governmental Units similar to those found in Appendix D to the Official Statement as of the end of the prior Fiscal Year. Any or all of these items may be included by specific reference to documents available to the public or 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) Not later than 120 days after the end of each Fiscal Year, the Issuer will notify each Governmental Unit, who has, or had, an amount of bonds equal to or greater than ten percent (10%) of all outstanding loans under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of such Governmental Units for the prior Fiscal Year will be included in the Annual Report.

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 Significant Events. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds of one or both series, within ten (10) business days of 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) Notices of Proposed Issues (IRS Form 5701-TEB), (iii) other material notices or determinations with respect to the Bonds, and (iv) other 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."

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

(1) Nonpayment-related defaults.

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

(3) Bond calls, other than mandatory, scheduled redemptions not otherwise contingent on the occurrence of an event.

(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.

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. 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. 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 10. 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

____

DEVEN J. MITCHELL
Executive Director

APPENDIX C

FORM OF

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated the ___ day of ____________ 20__ (the "Loan Agreement"), between the Alaska Municipal Bond Bank (the "Bank"), a body corporate and politic constituted as an instrumentality of the State of Alaska (the "State") exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the "Act"), having its principal place of business at Juneau, Alaska, and the ___________________, Alaska, a duly constituted ____________ [city] [borough] of the State (the "[City] [Borough]"):

W I T N E S S E T H:

WHEREAS, pursuant to the Act, the Bank is authorized to issue bonds and make loans of money (the "Loan" or "Loans") to governmental units; and

WHEREAS, the [City] [Borough] is a "Governmental Unit" as defined in the General Bond Resolution of the Bank hereinafter mentioned and was authorized to accept a Loan from the Bank, evidenced by its municipal bonds; and

WHEREAS, the [City] [Borough] desires to borrow money from the Bank in the amount not to exceed $________ and has submitted an application to the Bank for a Loan in the amount not to exceed $________; and

WHEREAS, the [City] [Borough] has duly authorized the issuance of its fully registered bond in the principal amount of $________ (the "Municipal Bond"), which Municipal Bond is to be purchased by the Bank as evidence of and security for the [City's][Borough's] obligation to repay the Loan in accordance with this Loan Agreement; and

WHEREAS, the application of the [City] [Borough] contains the information requested by the Bank; and

WHEREAS, to provide for the issuance of bonds of the Bank to obtain from time to time money with which to make, and/or to refinance Loans, the Board of Directors of the Bank (the "Board") has adopted its General Obligation Bond Resolution on July 13, 2005 (as amended, the "General Bond Resolution"); and

WHEREAS, the Board approved certain modifications to the General Bond Resolution, effective on the date when all bonds issued under the terms of the General Bond Resolution, prior to February 19, 2013, cease to be outstanding; and

WHEREAS, on __________ __, 2017 the Board adopted Series Resolution No. 20__-__ (the "Series Resolution" and together with the General Bond Resolution, the "Bond Resolution"), authorizing the Bank to, among other things, issue the Bank's General Obligation

Bonds, 2017 Series One and General Obligation Bonds, 2017 Series Two (the "2017 Series One and Two Bonds"), make the Loan to the [City][Borough] and purchase the [City's][Borough's] Municipal Bond.

NOW, THEREFORE, the parties agree as follows:

1. The Bank hereby makes the Loan, and the [City] [Borough], hereby accepts the Loan in the principal amount of $_________. As evidence of the Loan made to the [City] [Borough] and such money borrowed from the Bank by the [City] [Borough], the [City] [Borough] hereby agrees to sell to the Bank the Municipal 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.

2. The [City] [Borough] represents that it has duly adopted or will adopt all necessary ordinances or resolutions, including [Ordinance] [Resolution] No. _______, adopted on _______ ___, 20__ (the "[City] [Borough] [Ordinance] [Resolution]"). The [City][Borough] further represents to the Bank that the [City][Borough] has taken or will take all other proceedings required by law to enable it to enter into this Loan Agreement and to issue its Municipal Bond to the Bank and that the Municipal Bond will constitute [a general obligation bond, secured by the full faith and credit] [a revenue bond, secured by a special and limited obligation] of the [City] [Borough], all duly authorized by the [City] [Borough] [Ordinance] [Resolution].

The [City][Borough] represents that the [City][Borough] [Resolution][Ordinance] is in full force and effect and has not been amended, supplemented or otherwise modified, other than as may have been previously certified by the [City][Borough] to the Bank.

3. Subject to any applicable legal limitations, the amounts to be paid by the [City] [Borough] pursuant to this Loan Agreement representing interest due on its Municipal Bond (the "Municipal Bond Interest Payments") shall be computed at the same rate or rates of interest borne by the corresponding maturities of the bonds sold by the Bank in order to obtain the money with which to make the Loan and to purchase the Municipal Bond (the "Loan Obligations") and shall be paid by the [City] [Borough] [for revenue obligations in monthly installments] at least seven (7) business days before the interest payment date to provide funds sufficient to pay interest as the same becomes due on the Loan Obligations.

4. The amounts to be paid by the [City] [Borough] pursuant to this Loan Agreement representing principal due on its Municipal Bond (the "Municipal Bond Principal Payments"), shall be paid [for revenue obligations, in monthly installments on the dates and in amounts sufficient] to provide at least seven (7) business days before the payment date stated in the Municipal Bond funds sufficient to pay the principal of the Loan Obligations as the same matures based upon the maturity schedule stated in Exhibit A.

5. In the event the amounts referred to in Sections 3 and 4 hereof to be paid by the [City] [Borough] pursuant to this Loan Agreement are not made available at any time specified

herein, the [City] [Borough] agrees that any money payable to it by any department or agency of the State may be withheld from it and paid over directly to the Trustee acting under the General Bond Resolution, and this Loan Agreement shall be full warrant, authority and direction to make such payment upon notice to such department or agency by the Bank, with a copy provided to the [City] [Borough], as provided in the Act.

6. In the event that all or a portion of the Loan Obligations have been refunded and the interest rates the Bank is required to pay on its refunding bonds in any year are less than the interest rates payable by the [City] [Borough] on the Municipal Bond for the corresponding year pursuant to the terms of the Municipal Bond, then both the Municipal Bond Interest Payments and the Municipal Bond Principal Payments will be adjusted in such a manner that (i) the interest rate paid by the [City] [Borough] on any principal installment of the Municipal Bond is equal to the interest rate paid by the Bank on the corresponding principal installment of the Bank's refunding bonds and (ii) on a present value basis the sum of the adjusted Municipal Bond Interest Payments and Municipal Bond Principal Payments is equal to or less than the sum of the Municipal Bond Interest Payments and Municipal Bond Principal Payments due over the remaining term of the Municipal Bond as previously established under this Loan Agreement. In the event of such a refunding of the Loan Obligations, the Bank shall present to the [City] [Borough] for the [City's] [Borough's] approval, a revised schedule of principal installment amounts and interest rates for the Municipal Bond. If approved by the [City] [Borough] 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.

7. The [City] [Borough] is obligated to pay to the Bank Fees and Charges. Such Fees and Charges actually collected from the [City] [Borough] shall be in an amount sufficient, together with the [City's] [Borough's] Allocable Proportion (as defined below) of other money available therefor under the provisions of the Bond Resolution, and other money available therefor, 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 Fund pursuant to Section 606 of the General Bond Resolution:

(a) to pay, as the same become due, the [City's] [Borough's] Allocable Proportion of the Administrative Expenses of the Bank; and

(b) to pay, as the same become due, the [City's] [Borough's] Allocable Proportion of the fees and expenses of the Trustee and paying agent for the Loan Obligations.

The [City's] [Borough'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 Municipal Bond outstanding bears to the total of all Loans then outstanding to all Governmental Units under the General Bond Resolution, as certified by the Bank. The waiver by the Bank of any fees payable pursuant to this Section 7 shall not constitute a subsequent waiver thereof.

8. The [City] [Borough] is obligated to make the Municipal Bond Principal Payments scheduled by the Bank. The first such Municipal Bond Principal Payment is due at least seven (7) business days prior to each date indicated in Exhibit A, and thereafter on the anniversary thereof each year. The [City] [Borough] is obligated to make the Municipal Bond Interest Payments scheduled by the Bank on a semi-annual basis commencing seven (7) business days prior to each date indicated in Exhibit A, and to pay any Fees and Charges imposed by the Bank within 30 days after receiving the invoice of the Bank therefor.

9. The Bank shall not sell and the [City] [Borough] shall not redeem prior to maturity any portion of the Municipal Bond in an amount greater than the related Loan Obligations which are then outstanding and which 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 Municipal Bond (or portion thereof) to be redeemed, (ii) the interest to accrue on the Municipal Bond (or portion thereof) to be redeemed to the next redemption date thereof not previously paid, (iii) the premium, if any, payable on the Municipal Bond (or portion thereof) to be redeemed, and (iv) the cost and expenses of the Bank in effecting the redemption of the Municipal Bond (or portion thereof) to be redeemed. The [City] [Borough] shall give the Bank at least 50 days' prior written notice of the [City's][Borough's] intention to redeem its Municipal Bond.

In the event the Loan Obligations with respect to which the sale or redemption prior to maturity of such Municipal Bond is being made have been refunded and the refunding bonds of the Bank 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 Municipal Bond remaining unpaid at the date of issuance of such refunding bonds, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

In the event all or a portion of the Loan Obligations have been refunded and the interest the Bank is required to pay on the refunding bonds is less than the interest the Bank was required to pay on the Loan Obligations, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

In the event all or a portion of the Loan Obligations have been refunded, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (iii) above, when the refunded Loan Obligations or portion thereof are redeemed, shall be the premium, if any, on the Loan Obligations to be redeemed.

Nothing in this Section shall be construed as preventing the [City] [Borough] from refunding the Municipal Bond in exchange for a new Municipal Bond in conjunction with a refunding of all or a portion of the Loan Obligations.

10. Simultaneously with the delivery of the Municipal Bond to the Bank, the [City] [Borough] shall furnish to the Bank evidence satisfactory to the Bank which shall set forth, among other things, that the Municipal Bond will constitute a valid and binding [general

obligation] [special and limited obligation] of the [City] [Borough], secured by the [full faith and credit] [revenue of the ____________] of the [City] [Borough].

11. Invoices for payments under this Loan Agreement shall be addressed to the [City] [Borough], Attention: ________, ________, ________, Alaska 99___. The [City] [Borough] shall give the Bank and the corporate trust office of the Trustee under the General Bond Resolution at least 30 days' prior written notice of any change in such address.

12. [The [City] [Borough] hereby agrees that it shall fully fund, at the time of loan funding, its debt service reserve fund (in an amount equal to $ _______________) which secures payment of principal and interest on its Municipal Bond, that such fund shall be held in the name of the [City] [Borough] with the Trustee, and that the yield on amounts held in such fund shall be restricted to a yield not in excess of ___________ percent. **(Applies to revenue bonds only.)**]

13. **[Rate covenant language – if applicable.]**

14. The [City] [Borough] hereby agrees to keep and retain, until the date six years after the retirement of the Municipal Bond, or any bond issued to refund the Municipal Bond, or such longer period as may be required by the [City's] [Borough's] record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Municipal 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 [City] [Borough] agrees that all records required by the preceding sentence shall be made available to the Bond Bank upon request.

15. Prior to payment of the amount of the Loan or any portion thereof, and the delivery of the Municipal Bond to the Bank or its designee, the Bank shall have the right to cancel all or any part of its obligations hereunder if:

(a) Any representation, warranty or other statement made by the [City] [Borough] to the Bank in connection with its application to the Bank for a Loan shall be incorrect or incomplete in any material respect.

(b) The [City] [Borough] has violated commitments made by it in the terms of this Loan Agreement.

(c) The financial position of the [City] [Borough] has, in the opinion of the Bank, suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Municipal Bond to the Bank.

16. The obligation of the Bank under this Loan Agreement is contingent upon delivery of its General Obligation Bonds, 20__ Series _____ and receipt of the proceeds thereof.

17. The [City] [Borough] agrees that it will provide the Bank with written notice of any default in covenants under the [City] [Borough] [Ordinance] [Resolution] within thirty (30) days after the date thereof.

18. The [City] [Borough] agrees that it shall file, on an annual basis, its annual financial statements with the Municipal Securities Rulemaking Board not later than two hundred ten (210) days after the end of each fiscal year of the [City] [Borough] for so long as the Municipal Bond remains outstanding. The [City] [Borough] further agrees that filings under this Section 18 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 Bank to the [City] [Borough]. The [City] [Borough] agrees that if it shall receive from the Bank CUSIP number(s) in addition to those set forth in this Section then it shall thereafter make its filings using both CUSIP numbers herein stated and any additional CUSIP number(s).

19. The [City] [Borough] 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 Municipal Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Municipal Bond is subject on the date of original issuance thereof.

The [City] [Borough] shall not permit any of the proceeds of the Municipal Bond, or any facilities financed with such proceeds, to be used in any manner that would cause the Municipal Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code.

The [City] [Borough] shall make no use or investment of the proceeds of the Municipal Bond that will cause the Municipal Bond to be an "arbitrage bond" under Section 148 of the Code. So long as the Municipal Bond is outstanding, the [City] [Borough], shall comply with all requirements of Section 148 of the Code 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 [City] [Borough] shall indemnify and hold harmless the Bank from any obligation of the [City] [Borough] to make rebate payments to the United States under said Section 148 arising from the [City's] [Borough's] use or investment of the proceeds of the Municipal Bond.

20. Upon request of the Bank, the [City] [Borough] agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution, it shall execute a continuing disclosure agreement prepared by the Bank for purposes of Securities and Exchange Commission Rule 15c2-12, adopted under the Securities and Exchange Act of 1934.

21. The [City] [Borough] agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution it shall provide the Bank for inclusion in future official statements, upon request, financial information generally of the type included in Appendix D of the Bank's Official Statement, dated __________ __, 20__, under the heading "Summaries of Borrowers Representing 10% or More of Outstanding Principal of Bonds Issued Under the 2005 General Bond Resolution," attached hereto as Exhibit B.

22. 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.

23. 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.

24. 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.

25. In this Loan Agreement, unless otherwise defined herein, all capitalized terms which are defined in Article I of the General Bond Resolution shall have the same meanings, respectively, as such terms are given in Article I of the General Bond Resolution.

26. This Loan Agreement shall remain in full force and effect so long as the Municipal Bond remains outstanding.

27. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement as of date first set forth above.

ALASKA MUNICIPAL BOND BANK

By: ______________________________

DEVEN J. MITCHELL
Executive Director

[CITY] [BOROUGH] OF ____________,
ALASKA

By: ______________________________

____

Its: ______________________________

EXHIBIT A

$____________
[City] [Borough], Alaska
[General Obligation] [Revenue] Bond, 20__
(the "Municipal Bond")

Due (__________ 1)	Principal Amount	Interest Rate

Principal installments shall be payable on _________ 1 in each of the years, and in the amounts set forth above. Interest on the Municipal Bond shall be payable on _______1, 20__, and thereafter on ___________1 and ___________ 1 of each year.

[Prepayment Provisions: The Municipal Bond principal installments are not subject to prepayment prior to maturity.]

Optional Prepayment: The Municipal Bond principal installments due on or after _________1, 20__ are subject to prepayment in whole or in part at the option of the [City] [Borough] 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 of prepayment.

EXHIBIT B

[Information from Appendix D of the Bank's Official Statement to be inserted

APPENDIX D

FORM OF
OFFICIAL NOTICE OF SALE AND BIDDING INSTRUCTIONS

ALASKA MUNICIPAL BOND BANK
[$___________ GENERAL OBLIGATION BONDS, 2017 SERIES ONE]
[$___________ GENERAL OBLIGATION BONDS, 2017 SERIES TWO]

THE SALE

NOTICE IS HEREBY GIVEN that electronic bids will be received at the place, on the date and until the time specified below for the purchase of all, but not less than all, of **[**$_________* aggregate principal amount of General Obligation Bonds, 2017 Series One**]** **[**$_________* aggregate principal amount of General Obligation Bonds, 2017 Series Two**]** (the "Bonds") to be issued by the Alaska Municipal Bond Bank (the "Bond Bank").

DATE: __________ __, 2017**

TIME: **[**9:00**]** A.M. Pacific Daylight Time**

ELECTRONIC BIDS: Must be submitted in their entirety via BiDCOMP™/Parity® as described below. **No other form of bid or provider of electronic bidding services will be accepted.**

ELECTRONIC BIDDING AND BIDDING PROCEDURES

Registration to Bid. All prospective bidders must be contracted customers of BiDCOMP™/Parity® Competitive Bidding System ("BIDCOMP/Parity"). If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to become a customer. No other provider of electronic bidding services and no other means of delivery (i.e. telephone, telefax, telegraph, personal delivery, etc.) of bids will be accepted. **If any provision of this Notice of Sale conflicts with information provided by BiDCOMP/Parity as approved provider of electronic bidding services, this Notice of Sale shall control.** Further information about submitting a bid using BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5021 or from Chip Pierce, Western Financial Group, LLC, the Bond Bank's Financial Advisor, at (503) 719-6113.

By submitting a bid for the Bonds, a prospective bidder represents and warrants to the Bond Bank that such bidder's bid for the purchase of the Bonds (if a bid is submitted) is submitted for and on behalf of such prospective bidder by an officer or agent who is authorized to bind the prospective

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* Preliminary, subject to change.
** Preliminary, subject to change before the sale date and time, as provided in this Notice of Sale.

bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Disclaimer. Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Bond Bank nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Bond Bank nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by BiDCOMP/Parity. The Bond Bank is using BiDCOMP/Parity as a communication mechanism, and not as the Bond Bank's agent, to conduct electronic bidding for the Bonds. The Bond Bank is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bidding Procedures" described below. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Bond Bank is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Bonds, it should telephone BiDCOMP/Parity or notify the Bond Bank's Financial Advisor by email to pierce@westernfinancialgroup.com.

Bidding Procedures. Bids must be submitted electronically for the purchase of the Bonds (all or none) by means of the Bid Forms via BiDCOMP/Parity by **[**9:00**]** A.M. Pacific Daylight Time on **__________**, **__________ __**, 2017*, unless postponed as described herein. See "Postponement." Prior to that time, a prospective bidder may input and save proposed terms of its bid in BiDCOMP/Parity. Once the final bid has been saved in BiDCOMP/Parity, the bidder may select the final bid button in BiDCOMP/Parity to submit the bid to BiDCOMP/Parity. Once the bids are communicated electronically via BiDCOMP/Parity to the Bond Bank, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP/Parity shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Bond Bank, as described below under "Basis of Award."

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time specified above for receiving such bids.

Award of the Bonds. The Bond Bank will notify the responsible bidder complying with the terms of this Notice of Sale and offering to purchase the Bonds at the lowest true interest cost to the Bond Bank of the award the Bonds (or all bids will be rejected) by 12:00 p.m. Pacific Daylight

* Preliminary, subject to change before the sale date and time as provided below. See "Postponement."

Time on __________, __________ __, 2017.*

Basis of Award. The Bonds will be awarded to the bidder whose proposal produces the lowest true interest cost. The true interest cost will be that annual interest rate, which, when compounded semiannually and used to discount all payments of principal and interest payable on the Bonds under such proposal to the date of delivery, results in an amount equal to the purchase price for the Bonds. If two or more bids provide the same lowest true interest cost, the Bond Bank shall determine, in its sole discretion, which bid shall be accepted, and such determination shall be final. See "Interest Rates and Bid Price."

Modifications. The Bond Bank reserves the right to modify any term of this Notice of Sale and/or the Preliminary Official Statement for any other reason by notice on the Amendments Page of the BiDCOMP/Parity website no later than 5:00 p.m., Eastern Daylight Time, on __________ __________ __, 2017* (or, in the event of a postponement in accordance herewith, the day prior to the reset bid date).

Postponement. The Bond Bank also reserves the right to postpone the sale and to set a new time for the sale either separately or at one time. Postponement may be effected by 8:00 a.m. Pacific Daylight Time on __________ __, 2017,* by a Statement of Postponement carried on the Amendments page of the BiDCOMP/Parity website (the "Statement of Postponement"). At the same time or within 48 hours following the Statement of Postponement, the Bond Bank may reset a new time for the sale. The reset sale notice may state different terms and conditions of sale and may refer to this notice for any or all terms of sale. All bidders will be deemed to have assented to the above conditions by submitting a bid, and lack of actual notice of the postponement or of the reset terms of sale will not be considered.

Right of Rejection. The Bond Bank reserves the right to reject any and all bids, to waive any irregularity or informality in any bid, to take any actions adjourning or postponing the sale of the Bonds or to take any other action that the Bond Bank may deem to be in its best interest. In the event that the Bond Bank rejects all bids, notice of a new sale date, if any, will be carried on the Amendments page of the BiDCOMP/Parity website.

THE BONDS

Bond Details. The Bonds will be dated the date of delivery and will bear interest from their dated date, payable semiannually on each __________ 1 and __________ 1 of each year, commencing on __________ 1, 2017. Interest will be computed upon the basis of a 360-day year of twelve 30-day months. The Bonds will be dated to mature on the following dates and in the following principal amounts:

2017 Series One [Two]*

$_______ of 2017 Series One **[**Two**]** Bonds will mature on _________ 1, 2017.* The

* Preliminary, subject to change before the sale date and time as provided below. See "Postponement."
* Preliminary, subject to change before the sale date and time as provided below.

remaining 2017 Series One **[**Two**]** Bonds will mature on __________ 1 in the years and principal amounts set forth below.*

Year (__________ 1)	Principal Amount*	Year (__________ 1)	Principal Amount*

2017 Series [One/Two]*

$_______ of 2017 Series **[**One/Two**]** Bonds will mature on _________ 1, 2017.* The remaining 2017 Series **[**One/Two**]** Bonds will mature on __________ 1 in the years and principal amounts set forth below.*

Year (__________ 1)	Principal Amount*	Year (__________ 1)	Principal Amount*

Adjustment of Maturities. The Bond Bank reserves the right to adjust the principal amount of each maturity as may be necessary to achieve structuring objectives related to the underlying loans. The principal amount of any maturity of the Bonds will only be adjusted in increments of $5,000. Notice of any adjustment will be provided within two hours after the time at which bids are opened through BiDCOMP/Parity. The Bond Bank will attempt to maintain the Underwriter's compensation as a percentage of the final principal amount of the Bonds when adjusting the maturities. The successful bidder may not withdraw its bid or change the interest rates

* Preliminary, subject to change. See "Adjustment of Maturities."

* Preliminary, subject to change. See "Adjustment of Maturities."

bid or the initial reoffering prices as a result of any changes made to the revised amounts within these limits.

Optional Designations of Term Bonds and Mandatory Sinking Fund Redemption. Bidders have the option of specifying in their bid proposal that all of the principal amount of Bonds scheduled to mature in any two or more consecutive years may, in lieu of maturing in each such year, be combined to comprise one or more maturities of the Bonds (the "Term Bonds") scheduled to mature in the latest year of each such combination. The Term Bonds so specified by the bidder will then be subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount thereof, in the principal amount in each year during the combined period of such Term Bonds, which otherwise would have been scheduled to mature in such years. If no Term Bonds are designated in the successful bid, the Bonds will mature serially without Term Bonds.

Immobilization of the Bonds. The Bonds are being issued in fully registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, and immobilized in the custody of DTC, which will act as securities depository for the Bonds. A book-entry system will be employed by DTC evidencing ownership of the Bonds in principal amount of $5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC.

The principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfers of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and persons acting through such participants (the "Participants"), and other nominees of beneficial owners. The Bond Bank will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, the payment by DTC or by Participants of principal of or interest on the Bonds, any notice to bondholders or any consent given or other action taken by DTC as the registered owner of the Bonds.

Optional Redemption. The Bonds maturing on or after ___________ 1, 20__, are subject to redemption at the option of the Bond Bank in whole or in part on any date on or after _______, 20__, at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

Security for the Bonds. The Bonds are general obligations of the Bond Bank payable only from revenues or funds of the Bond Bank. The Bond Bank has no taxing power. The State of Alaska is not liable for payment on the Bonds, and the Bonds are not a debt of the State of Alaska. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for payment of the Bonds.

The security for the Bonds is described in the Preliminary Official Statement and the 2005 General Bond Resolution and Series Resolution, and those documents should be consulted for a complete description of the security for the Bonds.

Bond Insurance At Bidder's Option And Expense. Bidders may elect to insure the Bonds at the bidders' risk and expense. The Trustee will only enter into agreements to comply with the administrative requirements of the bond insurer; **the Bond Bank will not amend the General Bond Resolution, the Series Resolution or any of the loan agreements**. The Bond Bank will pay the fee for ratings from Standard & Poor's Ratings Services and Fitch Ratings, regardless of whether the Bonds are insured.

The Bond Bank is not seeking and has not requested or obtained a commitment for any credit enhancement, including a policy to insure payment of scheduled debt service on the Bonds. If the Bond Bank selects a bid that is based on providing insurance on the Bonds, then the Official Statement and closing certificates will be amended accordingly. No additional security beyond that described in the Preliminary Official Statement will be allowed, however. **Failure of a bond insurer to deliver a policy of insurance for the Bonds will not release the successful bidder from its obligation to purchase the Bonds.**

Interest Rates and Bid Price. The Bonds will be sold in one block on an "all or none" basis, and **at a price of not less than one hundred percent (100%) of the aggregate principal amount of the Bonds**. **No serial or term bond maturity may bear a price of less than ____ percent (__%).** Bidders must specify the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be a multiple of one-eighth (1/8) of one percent (1%) or one-twentieth (1/20) of one percent (1%). The highest interest rate bid may not exceed ___%. No limitation is imposed upon bidders as to the number of rates which may be used, except that all Bonds of one maturity must bear one and the same interest rate. **The bidding is permitted either with or without bond insurance at the discretion of the bidder. In either event, the winning bid will be selected on the basis of the true interest cost to the Bond Bank, and in all cases the insurance premium will be paid by the bidder.**

Good Faith Deposit. The successful bidder will be required to provide a good faith deposit in the amount of ________________________ Dollars ($_______) in immediately available funds wired to the Bond Bank's Trustee not later than 2:00 p.m. (Pacific Daylight Time) on ___________, __________ __, 2017.* Wire information will be provided to the successful bidder by the Financial Advisor upon bid award.

The Good Faith Deposit will be held by the Bond Bank to ensure the successful bidder's compliance with the terms of its bid and the Notice of Sale and Bidding Instructions and will be applied to the purchase price on the date of delivery of the Bonds. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the Bond Bank. In the event the successful bidder fails or refuses to pay for the Bonds in accordance with its bid, the amount of the good faith deposit and any investment earnings thereon shall be accepted by the Bond Bank as full and complete liquidated damages.

Delivery. It is expected that the Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New

* Preliminary, subject to change before the sale date and time.

York on or about ___________ __, 2017,* and closing will take place on the same date in Seattle, Washington or at another location specified by the Bond Bank. The successful bidder will be required to provide the Bond Bank with information as to the initial offering price of the Bonds to the public (excluding bond-houses, brokers and similar persons acting as underwriters or wholesalers) at which a substantial amount of the Bonds were sold and the insurance premium (if insurance is purchased by the bidder). Such information must be confirmed with a certificate dated the date of closing of the Bonds, in the form attached to this Notice of Sale as Exhibit A and satisfactory to Bond Counsel.

There will be furnished to the successful bidder without cost, the executed Bonds to be delivered to DTC or its agent and the usual closing documents dated as of the date of delivery of and payment for the Bonds, including a certificate that there is no litigation pending or threatened affecting the validity of the Bonds.

The Bond Bank will confirm to the successful bidder, by a certificate signed on its behalf by the Executive Director or Chairman and delivered at the closing, that at the time of the acceptance of the bid, and at the time of the closing, insofar as the Bond Bank and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Payment. The successful bidder shall make full payment of the purchase price of the Bonds to the Bond Bank at the time of delivery in federal funds or other immediately available funds without cost to the Bond Bank.

Tax-Exempt Status. **[2017 Series One Bonds**. The opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank, will state that based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance by the Bond Bank and by the Governmental Units with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel will observe that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. For further information, please refer to "TAX MATTERS" in the Preliminary Official Statement.**]**

[2017 Series Two Bonds (AMT). The opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank, will state that based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2017 Series Two Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, except that no opinion is expressed as to the status of interest on any 2017 Series Two Bond for any period that such 2017 Series Two Bond is held by a "substantial user" of the facilities financed or refinanced by the 2017 Series Two Bonds or by a "related person" within the meaning Section 147(a) of the Internal Revenue Code of 1986. Bond Counsel will observe that interest on the 2017 Series Two Bonds is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. For further information, please refer to "TAX MATTERS" in the Preliminary Official Statement.**]**

Legal Opinion. The opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank, approving the validity of the Bonds, will be furnished upon delivery of the Bonds. The proposed form of Bond Counsel's opinion is included in the Preliminary Official Statement as an appendix.

CUSIP Numbers. CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bonds nor any error with respect thereto shall constitute cause for the successful bidder to fail or to refuse to accept delivery of and to pay for the Bonds. No liability shall attach to the Bond Bank or to any director, officer, employee or agent thereof, including any paying agent or registrar for the Bonds, by reason of such number or by reason of any inaccuracy, error, or omission with respect thereto.

Continuing Disclosure Undertaking. The Bond Bank covenants and agrees to execute and deliver on or before the date of delivery of the Bonds a continuing disclosure certificate constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Bond Bank for the benefit of the beneficial owners of the Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. In the Undertaking, the Bond Bank will undertake to provide certain annual financial information and to provide notices of certain events with respect to the Bonds. The proposed form of the Bond Bank's Undertaking is set forth in the Preliminary Official Statement and will be set forth in the final Official Statement.

The Bond Bank is represented by an Independent Registered Municipal Advisor. The Bond Bank has engaged, is represented by and will rely upon the advice of Western Financial Group, LLC, an independent registered municipal advisor, to advise it on the issuance of the Bonds offered for sale in this Notice of Sale, and other aspects of the financing for which the Bonds are being issued. The Bond Bank intends that (i) this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3)(vi)(B) and (ii) by publically making this written statement in this Notice of Sale, all prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3)(vi).

Additional Information. A Preliminary Official Statement relating to the Bonds and an Official Bid Form for the Bonds may be obtained from Chip Pierce, Western Financial Group, LLC, at pierce@westernfinancialgroup.com, (503) 719-6113 or from Deven J. Mitchell, Executive Director of the Alaska Municipal Bond Bank, 333 Willoughby Avenue, State Office Building, 11th Floor, Juneau, Alaska 99811, (907) 465-3750.

The Preliminary Official Statement, referred to above, has been "deemed final" by the Bond Bank for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion including by the final Official Statement.

By awarding the Bonds to any underwriter or underwriting syndicate submitting a bid, the Bond Bank agrees that within seven (7) business days after the date of such award the Bond Bank shall provide the senior managing underwriter of the successful syndicate with copies of a final Official Statement. The senior managing underwriter of the successful syndicate will be supplied with final Official Statements in a quantity sufficient to meet its request. Up to 100 copies of the final Official Statement will be furnished without cost.

The Bond Bank designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the final Official Statement to each participating underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Bond Bank, (i) it will accept such designation, (ii) it will enter into a contractual relationship with all participating underwriters of the Bonds for purposes of assuring the receipt by each such participating underwriter of the final Official Statement, and (iii) within one business day following the receipt from the Bond Bank, it will file, or cause to be filed, with a the Municipal Securities Rulemaking Board the final Official Statement and the escrow agreement.

DATED: __________, 2017

ALASKA MUNICIPAL BOND BANK

By________________________________
DEVEN J. MITCHELL
Executive Director

EXHIBIT A

FORM OF

CERTIFICATE OF THE UNDERWRITER [REPRESENTATIVE]

_______________**[**, on behalf of itself and as representative (the "Representative") of ______________________, ________________ and _____________ (collectively, the "Underwriters"),**]** purchaser**[**s**]** of the **[**$____________ aggregate principal amount of Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series One**]** **[**$____________ aggregate principal amount of Alaska Municipal Bond Bank General Obligation Bonds, 2017 Series Two**]** (the "Bonds") of the Alaska Municipal Bond Bank, certify the following facts for purpose of determining the issue price of the Bonds:

1. Authorized Representative. The undersigned is the duly authorized representative of ___________ **[**the Underwriters**]**.

2. On ____________ __, 2017 (the "Sale Date"), the Underwriters made a *bona fide* public offering of the Bonds to the public (excluding bond houses, brokers, and similar persons acting in the capacity of underwriters or wholesalers, "Public Buyers"), at the following reoffering prices expressed as a percentage of the principal amount (the "Initial Reoffering Prices"):

Maturity	Principal Amount	Reoffering Price
__________ 1, 2017		
(___________ 1)		

3. On the Sale Date, based upon our assessment of market conditions, investor demand, sale and offering prices for comparable bonds, and the recent behavior of interest rates, the Underwriter[s] reasonably expected that the Initial Reoffering Prices could be a market clearing price for the Bonds of each maturity. On the Sale Date, the Initial Reoffering Prices did not exceed the fair market value of the Bonds. Based upon the Underwriter's[s'] records, the Initial Reoffering Prices were the first prices at which a substantial portion (at least 10%) of the Bonds of each maturity were sold to Public Buyers**[**, except that the Underwriter[s] did not sell a substantial portion of the Bonds maturing on ____________ 1, ____ at the Initial Reoffering Price to Public Buyers.

4. These representations are provided to (i) Orrick, Herrington & Sutcliffe LLP and the Bond Bank to provide them with information concerning the Bonds; **[**(ii) (a) Birch Horton Bittner & Cherot P.C. to provide it with information concerning the municipal bond of the City of Whittier, Alaska; (b) Jermain Dunnagan & Owens, P.C. to provide it with information concerning the municipal bonds of the Kenai Peninsula Borough, Alaska and the City of Seward, Alaska; and (c) Foster Pepper PLLC to provide it with information concerning the municipal bond of the City of Unalaska, Alaska,**]** in each case for purposes of formulating their opinions in respect of the related municipal bonds, and are not to be used or relied upon by any other person. The Underwriter**[**s**]** express**[**es**]** no view regarding the legal sufficiency or the correctness of any legal interpretation made by bond counsel, and nothing herein represents the Underwriter's**[**s'**]** interpretation of any laws or regulations under the Internal Revenue Code of 1986, and the Underwriter**[**s**]** express**[**es**]** no view regarding the legal sufficiency of any representations made herein.

Dated ____________ __, 2017

[Name of Underwriter/Representative**]**

By :___________________________

Alaska Municipal Bond Bank Authority
Investment Policy

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1.0 Statutory Authority

Listed below is a brief summary of the statutes regarding the Alaska Municipal Bond Bank Authority's creation, authority, and responsibility. These statutes provide that the Authority: 1) has the power to invest its funds, and 2) has the powers and responsibilities established in AS 37.10.07 (the prudent investor rule) with respect to the investment of amounts held by the Authority.

AS 44.85.005 - 44.85.420 create and control the Alaska Municipal Bond Bank Authority (Bond Bank).

AS 44.85.020. CREATION OF ALASKA MUNICIPAL BOND BANK AUTHORITY. The bond Bank is a public corporation and government instrumentality within the Department of Revenue but having a legal existence independent of and separate from the state and has continuing succession until its existence is terminated by law.

AS 44.44.85.080. GENERAL POWERS. In addition to other powers granted in this chapter, the Authority may:

(13) invest funds or money of the Bond Bank Authority not required at the time of investment for loan to political subdivisions for the purchase of municipal bonds, in the same manner as permitted for investment of funds belonging to the state, except as otherwise provided in this chapter.

2.0 Delegation of Authority

Overall management responsibility for the investment program is retained by the Bond Bank's Board of Directors with certain powers delegated to the Executive Director and the Investment Committee. The Investment Committee consists of a designated representative of the Board, the Executive Director and the Financial Advisor. The Executive Director chairs the Investment Committee and establishes meeting dates and times. The Investment Committee has primary responsibility for oversight of investments and recommends updates to investment policy. The Investment Committee can modify authorized investments for up to 90 days or until the next scheduled board meeting.

3.0 **Management**

The purpose of the Bond Bank is to provide statutorily authorized borrowers access to low cost funds for capital projects. The Bond Bank has achieved this goal since 1975 primarily by issuing bonds and purchasing borrower bonds at the same interest rate. Since 2005 the Bond Bank has only sold general obligation bonds that are secured by a full faith and credit pledge of the Bond Bank, a pledge of the underlying borrower loans, a statutory moral obligation pledge of the state, a pledge of a Bond Bank level reserve, an ability to intercept certain state revenues of the borrower, and starting in fiscal year 2009, an annual State appropriation of an unlimited amount of general funds in the operating budget to replenish Bond Bank reserves if there is a default. Bond Bank bonds are currently rated AA by both Standard & Poor's Ratings Services, and Fitch Ratings.

The Bond Bank consolidates bond issues through master resolutions which provide for periodic bond issues to be authorized through series resolutions on a parity basis. Each series resolution authorizes bonds of the Bond Bank to be issued and loans to a single or multiple borrowers to be entered into. All bonds issued under a master resolution are secured, in part, by a pooled debt service reserve fund. Other than issues for a lease backed transaction in the 2010 Master Resolution, and regional health organization backed transactions in the 2016 Master Resolution, a majority of Bond Bank issues have been sold through the 2005 Master Resolution program. Prior to the 2005 program the Bond Bank sold general obligation bonds through the 1976 resolution, and revenue bonds on a stand-alone basis. All of the bonds issued under the 1976 resolution or on a stand-alone basis have been repaid.

The Bond Bank's assets are contained within three general types of funds: 1) those held in reserves as required by bond resolution; 2) the funds in the Custodian Account of the Bond Bank; and 3) the payments from borrowers received seven days prior to Bond Bank debt service payments (unless underlying loan agreements stipulate earlier funding of debt service payments). The Bond Bank's investment manager manages the majority of the funds in the reserves and the funds in the custodian account, but not those in the debt service payment accounts.

The investment earnings of the Bond Bank pay for debt service on reserve obligations of the Bond Bank and funding the annual operating budget of the Bond Bank. When earnings exceed these needs, there is a statutory sweep of those earnings to the State of Alaska's General Fund (which have been appropriated back to the Bond Bank each year since fiscal year 2008). When earnings are less than expenses, net assets of the Bond Bank are used to fund costs. As a result of extraordinarily low yields on allowed investments in recent fiscal years, earnings have been less than expenses of the Bond Bank.

A. Funds and Accounts

1. Custodian Account (held by Bond Bank's custodian bank)

This account holds unrestricted funds of the Bond Bank and is used to pay operating costs, provide for reserve fund deposits when required due to authorization with new money bond issues or as reserve obligations mature, and make annual transfers of any excess earnings of appropriated funds to the State. Any excess earnings generated by, or releases due to a diminished reserve requirement of the Bond Bank's reserve funds are transferred to the custodian account as required by resolution. There are no federal arbitrage yield limitations on the custodian account. The Custodian Account balance has been somewhat volatile over the Bond Bank's life. The Custodian Account balance, and future projected cash outflows, are a critical component in determining the investment policy of this account. A graph of historical Custodian Account values is provided in Exhibit D.

In the current interest rate environment it is anticipated that until the Custodian Account balance reduces to $10 million, funds will be transferred from the Custodian Account to be placed in Bond Reserves as required by additional bond issues, dependent upon the type of issuance, and if the use or extension of surety policies present themselves. A review of anticipated bond issuances, reserve funding requirements, reserve obligation debt service, and operating budget impact shall be documented and provided to the Investment Committee annually. Generally, projecting forward, a continuation of the gradual trend of increasing outstanding par amount of bonds is expected.

Per AS 44.85.270(i) the Bond Bank may borrow excess funds from the State of Alaska's general fund at the discretion of the Commissioner of the Department of Revenue. The Bond Bank has used this authority in 2010, and again in 2011. The loans carried a variable rate based on the return on the general fund and were expected to last for a term of less than five years. This authority to borrow from the State's general fund provides additional flexibility for future cash flow needs of the Bond Bank and additional borrowing from the general fund may be undertaken.

2. Bond Reserve Funds (held by Trustee Bank)

There are three funds under the control of bond resolutions referred to as "Reserve Funds." The reserves are part of the security structure provided to bond purchasers and are available in the case of a deficiency in a Debt Service Fund in accordance with the bond resolutions. The use and investment of these funds are restricted by the applicable bond resolution. The funds' earnings are capped by the arbitrage yield limit on the bonds they secure. While earnings subject to rebate can exceed the applicable arbitrage yield limit, any cumulative excess return calculated on a five-year rolling schedule will be rebated to the Internal Revenue Service. All Bond Reserve Funds are valued quarterly by the trustee using an accreted methodology rather than a mark to market eliminating the impact of interest rate volatility on unrealized gains and losses of securities. Excess amounts are transferred to the Custodian Account and deficiencies must be made up from the Custodian Account.

(a) 2005 General Bond Resolution, adopted July 13, 2005

Provides authorization for issuing the majority of general obligation bonds of the Authority to fund both general obligation and revenue bond loans to municipalities. The 2005 Resolution's Reserve Fund allows the reserve requirement to be met with any combination of Bond Bank assets, borrowed funds, or surety policies. The 2005 Reserve Fund balance is anticipated to be stable with continued growth.

(b) 2010 General Bond Resolution, adopted October 19, 2010

Provides authorization for issuing general obligation bonds of the Authority to fund lease obligations of municipalities. The 2010 Resolution creates a Reserve Fund with funding flexibility similar to the 2005 Resolution. There has only been one series of bonds sold through the 2010 Resolution, and no additional issues are planned or known of at this time. The Reserve Fund is expected to remain static for the foreseeable future.

(c) 2016 Master Bond Resolution, adopted May 5, 2016

Provides authorization for issuing general obligation bonds of the Authority, created to finance loans to regional health organizations (RHOs). The 2016 Resolution's Reserve Fund allows the reserve requirement to be met with any combination of Bond Bank assets, borrowed funds, or surety policies. The 2016 Reserve Fund balance is anticipated to be stable with potential for modest growth until the limit of outstanding bonds at any one time of $205 million is reached.

Investment of moneys and funds held in the 2005 Reserve Fund, 2010 Reserve Fund, and 2016 Reserve Fund is controlled by Resolution**.** Permitted investments are limited to the following securities:

1. Direct obligations of or obligations insured or guaranteed by the United States of America or agencies or instrumentalities of the United States;

2. Money market funds, that are SEC registered, in which the securities of the fund consist of obligations listed in item 1 of this section.

3. Interest-bearing time deposits or certificates of deposit of a bank or trust company continuously secured and collateralized by obligations of the type described in item 1 of this section, or by general obligations of the State having a market value at least equal at all times to the amount of such deposit or certificate, to the extent such deposit or certificate is not insured by the Federal Deposit Insurance Corporation or any successor thereto.

-Included in Exhibit B are excerpts from the 2005 General Bond Resolutions defining "Investment Securities."

(e) Municipal Debt Payments (held by Trustee/Paying Agent)

Per bond resolutions, debt service payments are made seven business days in advance of debt service coming due. Investment of these funds is limited by the bond resolutions. Due to the short duration, these funds will be held in a US Treasury backed money market fund.

UPDATED as of January 31, 2017

	Total Cash	**Market Value**
Custody Account	$705,867	$11,031,733
2005 Reserve	$72,187	$48,513,254

2010 Reserve	$119,500	$408,413
2016 Reserve	-	-
Total	**$897,554**	**$59,953,400**

4.0 Prudence

As established by 37.10.071 (c) the management and investment of assets by the Bond Bank shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor would use in the conduct of an enterprise of a like character and with like aims. This is commonly known as the "Prudent Investor Standard".

A. The Prudent Investor Standard shall be applied by the Bond Bank in the context of managing an overall portfolio. Investment officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action taken to control adverse developments.

5.0 Investment Objectives

There are distinct investment objectives associated with the Custodian Account, Reserve Funds, and Municipal Debt Payments. The objectives for these three classes of funds are listed below in order of priority.

A. The Custodian Account

1. Minimum Fund Balance: As the means of providing for the ongoing operation of the Bond Bank a minimum balance of $5 million shall be targeted. The account shall be analyzed each June 30 and if the balance is projected to be reduced to under $10 million in the coming 18 months the entire Board of Directors shall be advised of the projections and strategies implemented to ensure the minimum balance target is maintained.

2. Return on Investment: The Custodian Account investment portfolio shall be designed with the objective of attaining the highest market rate of return subject to the required uses of the Account. An annual analysis of risk profile and historical benefit must be undertaken by the Investment Committee and Bond Bank staff to determine the reasonable length of investment horizon and how it relates to the current Custodian Account balance, known cash transfers, and reasonably projected liquidity needs.

3. Liquidity: The Custodian Account is managed to provide sufficient liquidity to meet annual operating requirements, paying the prior fiscal year's state dividend, transfers to reserves as needed for bond issuance activity, and all or part of reserve obligation debt service. The annual operating budget was set at $1,004,700 for FY 2017. The FY2017 statutory sweep to the State's general fund has been appropriated back to the Custodian Account, as it has for the last nine years. The liquidity requirement for the operating budget, or any required transfer to the State

are predictable from year to year while transfers from the Custodian Account to fund reserves are more difficult to predict as they are based on future borrowing activity. Reserve obligations are limited to the 2005 and 2016 Reserve funds and need to be tracked to provide funds to pay them off as they mature. Additionally, any coverage beyond the reserve requirement provided for by utilization of surety policies within the 2005 or 2016 Reserve fund needs to be factored into forecasting. A schedule of the 2005 Reserve debt service payments is depicted on Exhibit C.

To ensure liquidity is assessed properly: 1) the annual budget and annual audit shall be provided to the investment manager when available to detail anticipated expenditures during the fiscal year; 2) the investment manager shall be included in distribution lists for bond issues and informed of anticipated transfers to reserve funds; and 3) the Executive Director or Finance Director shall provide the Investment Manager with annual updates on the schedule of reserve obligations of the 2005 and 2016 reserve, and if those debt service payments are anticipated to be funded with cash from the Custodian Account.

4. Preservation of Principal: Long-term preservation of principal is the third objective of the Custodian Account's investment program. Investments shall be undertaken in a manner that minimizes the probability of principal loss.

B. The Bond Reserve Funds

1. Preservation of Principal: Preservation of Principal is the foremost objective of the Reserve Funds' investment program. These funds shall be managed to ensure that the corpus is preserved. These funds are valued quarterly with excess flowing to the Custody Account and any deficiencies funded from the Custody Account.

2. Liquidity: These funds are in place to provide for debt service on reserve obligations in the event of underlying borrower default, but are expected to reside in the reserve for the life of the bonds until release upon the final maturity of the bond issue, or change in reserve requirement due to maturity of bond issues within the reserve. There has been no failure to pay during the Authority's history, indicating a low probability of expending these funds due to failed payment. The Bond Bank would have up to seven days' notice of an impending draw upon one of the reserve funds, and based on the dispersion of borrowers and payment dates any potential draw, even due to default, is anticipated to be limited to less than approximately 10% of the total reserve.

3. Return on Investment: Due to IRS restrictions, there is a limit to maximizing return that is correlated to the interest rate of the bonds that the reserve secures. Generally, the IRS code requires arbitrage rebate payments when investment returns exceed a bond yield. It is anticipated that the Reserve Funds cumulative average return should generally target the blended arbitrage yield limit of the bond issues secured. With significant negative arbitrage resulting from reinvestment in taxable Treasury and Agency securities since 2009, the arbitrage rebate limit is significantly higher on select series of bonds for their remaining life. An annual review of the Treasury and Agency environment shall be undertaken by the Investment Committee to show the relationship between rebate limits on outstanding loans and what can be reasonably achieved on the open market.

C. Municipal Debt Payments

1. Preservation of Principal and Liquidity: Preservation of principal and liquidity are the foremost objectives of the Municipal Debt Payments investment program, as these funds will be expended within seven business days of receipt (unless municipal debt payments must be paid further in advance per the loan agreement).

2. Return on Investment: Return on investment is a benefit of holding these funds for the advance payment period, but not the focus of investing the funds.

6.0 Investment Policy

This section outlines the investment policy for the Custodian Account, Reserve Funds, and the Municipal Debt Payments.

A. Custodian Account

The Custodian Account funds shall be invested as follows:

Risk Tolerance	Moderate
Investment Objective	Minimal exposure to principal loss. Maximize current income with moderate risk tolerance. Medium to High liquidity requirement to match cash flow transfer needs of the Bond Bank.
Time Horizon	At least a $350,000 market value shall be maintained at all times for cash and cash equivalents (money market, Three-month U.S. Treasury Bills, targeting U.S. Treasuries or Agencies with maturities of less than three months). Up to $1,000,000 shall be used for longer term, 5 year to 10 year U.S. Treasury and Agency securities. The balance of the fund shall target one day to 5 year U.S. Treasury and Agency securities according to current and projected cash flow needs of the Bond Bank.
Special Considerations	No arbitrage rebate restrictions. Some of this account’s earnings are used to calculate the state’s general fund payment. Target near term cash flows to match annual budget and payment to state’s general fund.

Effective June 30, 2016, the Alaska Municipal Bond Bank Authority's investment policy for the Custodian Account is:

5% +/- 2%	**Money Market Fund (no less than $350,000)**
95% +/- 3%	**Government Agencies and U.S. Treasuries**

Alaska Municipal Bond Bank's shall track the following benchmarks for annual review by the Investment Committee; however, due to the targeted nature of the fund to invest in short to long dated maturities, and match the cash flow needs, there is not a performance benchmark that directly mirrors the objectives of the funds.

5% +/- 2%	**Three-month U.S. Treasury Bill**
95% +/- 3%	**Barclays 1-5 Year Gov't Bond Index; Barclays US Aggregate**

B. Bond Reserve Funds

The 2005 Reserve fund shall be invested as follows:

Risk Tolerance	Low to Moderate
Investment Objectives	Low exposure to principal loss. While much of the money in the fund will be expended over an intermediate to long time horizon, material loss would affect outstanding obligations. Intermediate liquidity requirement. Arbitrage yield limitations reduce the benefit of obtaining higher yields.
Time Horizon	While the anticipated time horizon is intermediate (one to ten years) there may be a need for cash quickly in the event of a payment delinquency. The reserves may have only as much as a seven days' notice of the need for a draw on the reserve. The expectation is that much of the money will be spent as scheduled for debt repayment or returned to the Custodian Account in greater than five years. Anticipated and unanticipated liquidity needs should be funded from the portion of the portfolio invested in the shorter term maturities to the extent allowed by portfolio limits.
Special Considerations	Bond Resolutions limit allowed investment of these funds, investment risk should be examined on an annual basis to

	ensure that no greater than the minimum level of risk required to achieve the highest probability of earning the arbitrage yield limit on the bonds is incurred.

Effective June 30, 2016, the Alaska Municipal Bond Bank Authority's investment policy for the 2005 Reserve Fund is:

90% +/- 10%	**Government Agencies and U.S. Treasuries with Maturities of less than 5 years**
10% +/- 10%	**Government Agencies and U.S. Treasuries with Maturities of more than 5 years and less than 10 years**

Effective June 30, 2016, the Alaska Municipal Bond Bank's performance benchmark for the 2005 Reserve Fund is:

90%	**Barclays US 1-5 Year Government Index**
10%	**Barclays US Aggregate Index**

The 2010 Reserve fund shall be invested as follows:

Risk Tolerance	Low to Moderate
Investment Objectives	Low exposure to principal loss. While the money in the fund will be expended over an intermediate to long time horizon, material loss would affect outstanding obligations. Intermediate liquidity requirement. Arbitrage yield limitations reduce the benefit of obtaining higher yields.
Time Horizon	While the anticipated time horizon is intermediate (one to ten years) there may be a need for cash quickly in the event of a payment delinquency. The reserves may have only as much as a seven days' notice of the need for a draw on the reserve. The expectation is that much of the money will be spent as scheduled for debt repayment or returned to the Custodian Account in greater than five years. Anticipated and unanticipated liquidity needs should be funded from the portion

	of the portfolio invested in the shorter term maturities to the extent allowed by portfolio limits.
Special Considerations	Bond Resolutions limit allowed investment of these funds. Investment risk should be examined on an annual basis to ensure that the minimum level of risk required to achieve the highest probability of earning the arbitrage yield limit on the bonds is maintained.

Effective June 30, 2016, the Alaska Municipal Bond Bank Authority's investment policy for the 2010 Reserve Fund is:

90% +/- 10%	**Government Agencies and U.S. Treasuries with Maturities of less than 5 years**
10% +/- 10%	**Government Agencies and U.S. Treasuries with Maturities of more than 5 years and less than 10 years**

Effective June 30, 2016, the Alaska Municipal Bond Bank's performance benchmark for the 2010 Reserve Fund is:

90%	**Barclays US 1-5 Year Government Index**
10%	**Barclays US Aggregate Index**

The 2016 Reserve fund shall be invested as follows:

Risk Tolerance	Low to Moderate
Investment Objectives	Low exposure to principal loss. While the money in the fund will be expended over an intermediate to long time horizon, material loss would affect outstanding obligations. Intermediate liquidity requirement. Arbitrage yield limitations reduce the benefit of obtaining higher yields.
Time Horizon	While the anticipated time horizon is intermediate (one to ten years) there may be a need for cash quickly in the event of a payment delinquency. The reserves may have only as much as a seven days' notice of the need for a draw on the reserve. The

	expectation is that much of the money will be spent as scheduled for debt repayment or returned to the Custodian Account in greater than five years. Anticipated and unanticipated liquidity needs should be funded from the portion of the portfolio invested in the shorter term maturities to the extent allowed by portfolio limits.
Special Considerations	Bond Resolutions limit allowed investment of these funds. Investment risk should be examined on an annual basis to ensure that the minimum level of risk required to achieve the highest probability of earning the arbitrage yield limit on the bonds is maintained.

Effective June 30, 2016, the Alaska Municipal Bond Bank Authority's investment policy for the 2016 Reserve Fund is:

90% +/- 10%	**Government Agencies and U.S. Treasuries with Maturities of less than 5 years**
10% +/- 10%	**Government Agencies and U.S. Treasuries with Maturities of more than 5 years and less than 10 years**

Effective June 30, 2016, the Alaska Municipal Bond Bank's performance benchmark for the 2016 Reserve Fund is:

90% **Barclays US 1-5 Year Government Index**

10% **Barclays US Aggregate Index**

C. Municipal Debt Payments

These funds will be invested with the following in mind:

Risk Tolerance	Low. All of the money will be expended within seven business days. Material loss would affect outstanding obligations.
Investment Objectives	Low exposure of principal loss. High liquidity requirement.

Time Horizon	Short. All of the money is expected to be spent in less than seven business days
Other Constraints	Bond resolutions limit investments

Effective June 30, 2016, the Alaska Municipal Bond Bank's performance benchmark for the Municipal Debt Payments is:

100% Money market fund

Effective June 30, 2016, the Alaska Municipal Bond Bank Authority's performance benchmark for the Municipal Debt Payments is:

100% Three-month U.S. Treasury Bill

7.0 Diversification, Concentration & Subsequent Events:

See Exhibit A for a list of the Permitted Investments associated with the Custodian Account.

8.0 Safekeeping and Custody:

All security transactions, including collateral for repurchase agreements, entered into by the Bond Bank shall be conducted on a delivery versus payment basis. Securities will be held by a third party custodian designated by the Executive Director and evidenced by safekeeping receipts and statements

9.0 Reporting:

A monthly report shall be prepared by the Custodian as well as by the Investment manager summarizing investment activity in the portfolios. Performance reporting will be prepared and presented to the Executive Director on a quarterly basis.

EXHIBIT A

CUSTODIAN ACCOUNT
Permitted Investments

Investment of funds and money held in the Custodian Account are limited to:

a. Money market investments comprising:

- Repurchase agreements collateralized only by U.S. Treasury obligations, including bills, notes, and bonds, and only when the collateral carries a market value equal to or greater than 102% of the amount of the repurchase agreements, and only when the custodial bank appointed by retirement funds will take custody of the collateral;
- Negotiable certificates of deposit and bankers acceptances; provided that an issuing bank must have total assets in excess of $5 billion.
- US Treasury or US Government Agency

b. United States Treasury obligations including bills, notes, bonds, and other debt obligations issued by the United States Treasury, and backed by the full faith and credit of the U.S. Government.

c. Other full faith and credit obligations of the U.S. Government.

d. Securities issued or guaranteed by agencies and instrumentalities of the U.S. Government, but not explicitly backed by the full faith and credit of the U.S. Government.

e. Investment grade corporate debt securities comprising:

- Mortgage-Backed Securities (MBS's) and Collateralized Mortgage Obligations (CMO's) comprising:

    - Agency MBS investments issued by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association;

    - CMO investments securitized by agency MBS's issued by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or the Governmental National Mortgage Association; provided that permissible CMO investments include only sequential class CMO's or type I planned amortization class CMO's.

Investment Practices and Investment Restrictions

1. Prohibited Transactions

The following transactions are prohibited with the Custodian Account of the Alaska Municipal Bond Bank unless those transactions have the prior written consent of the Investment Committee:

- Short sale of securities (the sale and settlement of a security not currently owned by the Authority and a formal agreement to borrow the security to facilitate the settlement of the short sale);

- Purchases of futures, forwards or options for the purpose of speculating (currency futures, forwards and options are permitted only for hedging or to facilitate otherwise permissible transactions);

- Borrowing to leverage the return on investments. Extended settlement of securities purchases executed to facilitate or improve the efficiency of a transaction will not be considered borrowing, provided that sufficient cash equivalent securities or receivables are available to facilitate the extended settlement;

- Purchases of "private placement" or unrated bonds;

EXHIBIT B

Excerpts from the 2005 General Bond Resolution

"Investment Securities" shall mean the following to the extent permitted by the Act and the laws of the State of Alaska:

(1) Governmental Obligations;

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself);

(a) *Farmers Home Administration* ("FmHA") Certificates of Ownership;

(b) *Federal Housing Administration* ("FHA") Debentures;

(c) *General Services Administration* Participation certificates;

(d) *Government National Mortgage Association* ("GNMA" or "Ginnie Mae") GNMA-guaranteed mortgage-backed bonds or GNMA-guaranteed pass-through obligations (participation certificates);

(e) *United States Maritime Administration* Guaranteed Title XI financing;

(f) *United States Department of Housing and Urban Development ("HUD") Project Notes Local Authority Bonds*;

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following government agencies (stripped securities are only permitted if they have been stripped by the agency itself);

(a) *Federal Home Loan Bank System.* Senior debt obligations (Consolidated debt obligations);

(b) *Federal Home Loan Mortgage Corporation.* ("FHLMC" or "Freddie Mac") rated AAA by Standard & Poor's and Aaa by Moody's Participation Certificates (Mortgage-backed securities) Senior debt obligations;

(c) *Federal National Mortgage Association.* ("FNMA" or "Fannie Mae") rated AAA by Standard & Poor's and Aaa by Moody's Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal);

(d) *Student Loan Market Association.* ("SLMA" or "Sallie Mae") Senior debt obligations;

(e) *Resolution Funding Corp.* ("REFCORP") Only the interest component of REFCORP strips which have been stripped by request of the Federal Reserve Bank of New York in book-entry form are acceptable; and

(f) *Farm Credit System.* Consolidated systemwide bonds.

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAAm" or "AAm" or by Moody's of "Aaa" including funds from which the Trustee or its affiliates receive fees for investment advisory or other services to such fund;

(5) Certificates of Deposit ("CD") secured at all times by collateral described in (a) and/or (b) above. CD's must have a one-year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated "A-l+" or better by S&P, and "Prime-1" or better by Moody's. The collateral must be held by a third party and the third party must have a perfected first security interest in the collateral;

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including Bank Insurance Fund ("BIF") and Savings Association Insurance Fund ("SAIF");

(7) Commercial paper rated "Prime-1" by Moody's and "A-1+" or better by S&P and which matures not more than 270 days after the date of purchase;

(8) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in the highest long-term rating category assigned by such agencies;

(9) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" by Moody's and "A-1+" by S&P;

(10) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date; provided, however, that the repurchase agreement must satisfy certain criteria articulated in writing to the Bank by the Rating Agencies and such agreement must be approved in writing prior to its acquisition by each bond insurer then insuring any Series of Bonds; and

(11) Investment contracts with providers the long term, unsecured debt obligations of which are rated at least "Aaa" by the Rating Agencies.

EXHIBIT C
Total Reserve Obligations by Maturity

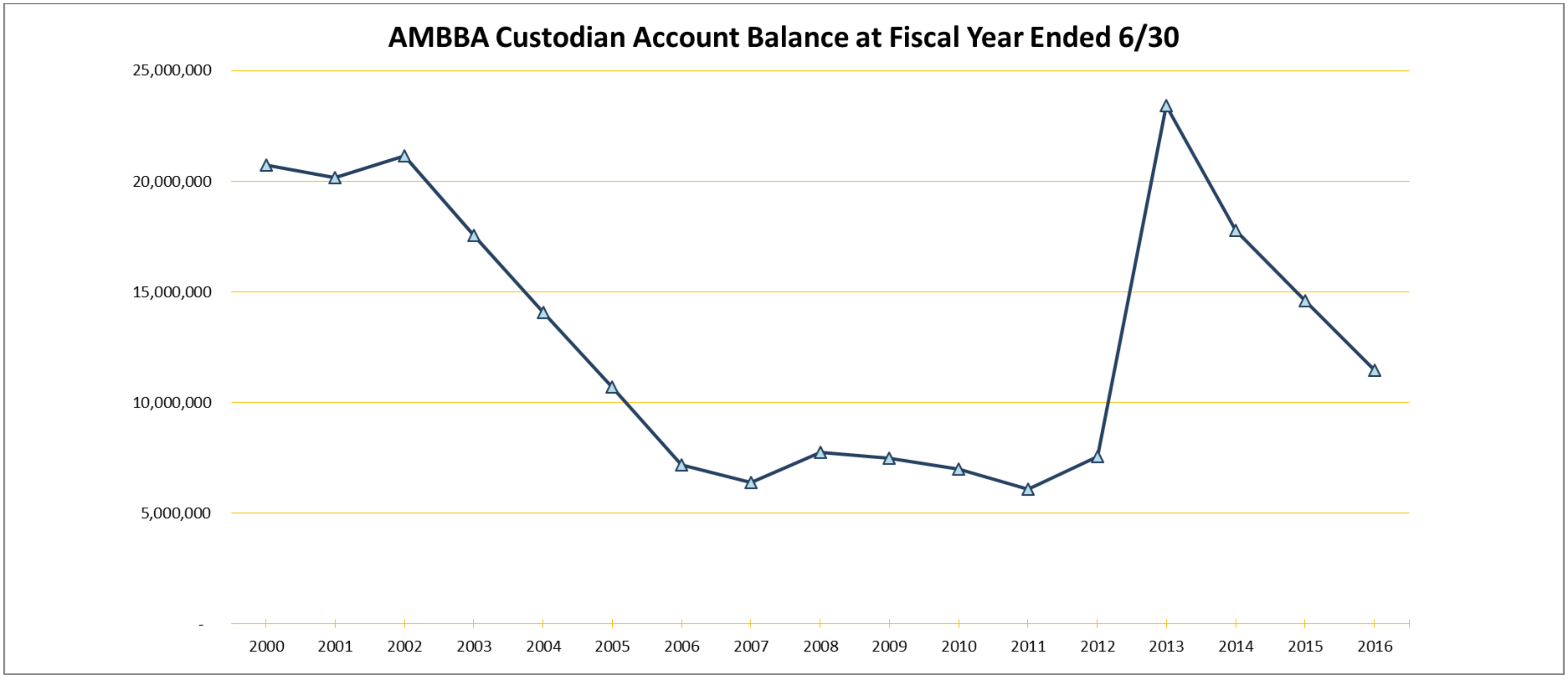
Reserve Obligation Debt Service

Reserve Obligations Due	Total DS
April 1, 2017	49,175.00
May 1, 2017	0.00
June 1, 2017	31,400.00
July 1, 2017	0.00
August 1, 2017	54,868.75
September 1, 2017	3,506,918.75
October 1, 2017	49,175.00
November 1, 2017	0.00
December 1, 2017	31,400.00
January 1, 2018	0.00
February 1, 2018	54,868.75
March 1, 2018	49,468.75
April 1, 2018	1,089,175.00
May 1, 2018	0.00
June 1, 2018	411,400.00
July 1, 2018	0.00
August 1, 2018	54,868.75
September 1, 2018	49,468.75
October 1, 2018	28,375.00
November 1, 2018	0.00
December 1, 2018	20,000.00
January 1, 2019	0.00
February 1, 2019	499,868.75
March 1, 2019	49,468.75
April 1, 2019	28,375.00
May 1, 2019	0.00
June 1, 2019	20,000.00
July 1, 2019	0.00
August 1, 2019	539,300.00
September 1, 2019	229,468.75
October 1, 2019	28,375.00
November 1, 2019	0.00
December 1, 2019	20,000.00
January 1, 2020	0.00
February 1, 2020	464,400.00
March 1, 2020	44,968.75
April 1, 2020	28,375.00
May 1, 2020	0.00
June 1, 2020	20,000.00
July 1, 2020	0.00
August 1, 2020	26,875.00
September 1, 2020	44,968.75
October 1, 2020	28,375.00
November 1, 2020	0.00
December 1, 2020	20,000.00
January 1, 2021	0.00
February 1, 2021	26,875.00
March 1, 2021	44,968.75
April 1, 2021	28,375.00
May 1, 2021	0.00
June 1, 2021	20,000.00
July 1, 2021	0.00
August 1, 2021	26,875.00
September 1, 2021	279,968.75
October 1, 2021	28,375.00
November 1, 2021	0.00
December 1, 2021	20,000.00
January 1, 2022	0.00
February 1, 2022	26,875.00
March 1, 2022	39,093.75
April 1, 2022	28,375.00
May 1, 2022	0.00
June 1, 2022	20,000.00
July 1, 2022	0.00
August 1, 2022	26,875.00
September 1, 2022	1,194,093.75
October 1, 2022	28,375.00
November 1, 2022	0.00
December 1, 2022	20,000.00
January 1, 2023	0.00
February 1, 2023	26,875.00
March 1, 2023	10,218.75
April 1, 2023	28,375.00
May 1, 2023	0.00
June 1, 2023	420,000.00
July 1, 2023	0.00
August 1, 2023	26,875.00
September 1, 2023	195,218.75
October 1, 2023	28,375.00
November 1, 2023	0.00
December 1, 2023	10,500.00
January 1, 2024	0.00
February 1, 2024	491,875.00
March 1, 2024	5,362.50
April 1, 2024	28,375.00
May 1, 2024	0.00
June 1, 2024	10,500.00
July 1, 2024	0.00
August 1, 2024	14,087.50
September 1, 2024	5,362.50
October 1, 2024	28,375.00
November 1, 2024	0.00
December 1, 2024	10,500.00
January 1, 2025	0.00
February 1, 2025	14,087.50
March 1, 2025	5,362.50

Total Reserve Obligations by Maturity

April 1, 2025	28,375.00
May 1, 2025	0.00
June 1, 2025	10,500.00
July 1, 2025	0.00
August 1, 2025	14,087.50
September 1, 2025	5,362.50
October 1, 2025	28,375.00
November 1, 2025	0.00
December 1, 2025	10,500.00
January 1, 2026	0.00
February 1, 2026	14,087.50
March 1, 2026	5,362.50
April 1, 2026	28,375.00
May 1, 2026	0.00
June 1, 2026	10,500.00
July 1, 2026	0.00
August 1, 2026	14,087.50
September 1, 2026	5,362.50
October 1, 2026	28,375.00
November 1, 2026	0.00
December 1, 2026	10,500.00
January 1, 2027	0.00
February 1, 2027	14,087.50
March 1, 2027	5,362.50
April 1, 2027	28,375.00
May 1, 2027	0.00
June 1, 2027	10,500.00
July 1, 2027	0.00
August 1, 2027	14,087.50
September 1, 2027	5,362.50
October 1, 2027	28,375.00
November 1, 2027	0.00
December 1, 2027	10,500.00
January 1, 2028	0.00
February 1, 2028	14,087.50
March 1, 2028	5,362.50
April 1, 2028	1,163,375.00
May 1, 2028	0.00
June 1, 2028	430,500.00
July 1, 2028	0.00
August 1, 2028	14,087.50
September 1, 2028	200,362.50
October 1, 2028	0.00
November 1, 2028	0.00
December 1, 2028	0.00
January 1, 2029	0.00
February 1, 2029	504,087.50
TOTAL:	**13,455,193.75**

EXHIBIT D


AMBBA Custodian Account Balance at Fiscal Year Ended 6/30
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
-
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016

INVESTMENT REVIEW

for period ending February 28, 2017

Alaska Municipal Bond Bank Authority

ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

Summary of Accounts as of February 28, 2017

Alaska Municipal Bond Bank Authority

Account Name *Benchmark*	**Market Value**	**1 Year Performance**
2005 G.O. Reserve Fund *90% Barclays 1-5 Year Government, 10% Barclays U.S. Aggregate*	$48,457,727	0.23 *0.18*
Custody Account *95% Barclays 1-5 Year Government, 5% Citi 90 Day Tbill*	$11,045,868	0.26 *0.06*
2010 G.O. Reserve Fund *90% Barclays 1-5 Year Government, 10% Barclays U.S. Aggregate*	$408,794	0.34 *0.18*
Total	**$59,912,389**	

1976 G.O. Special Reserve Fund closed Feb 2016. Performance is gross of fees.

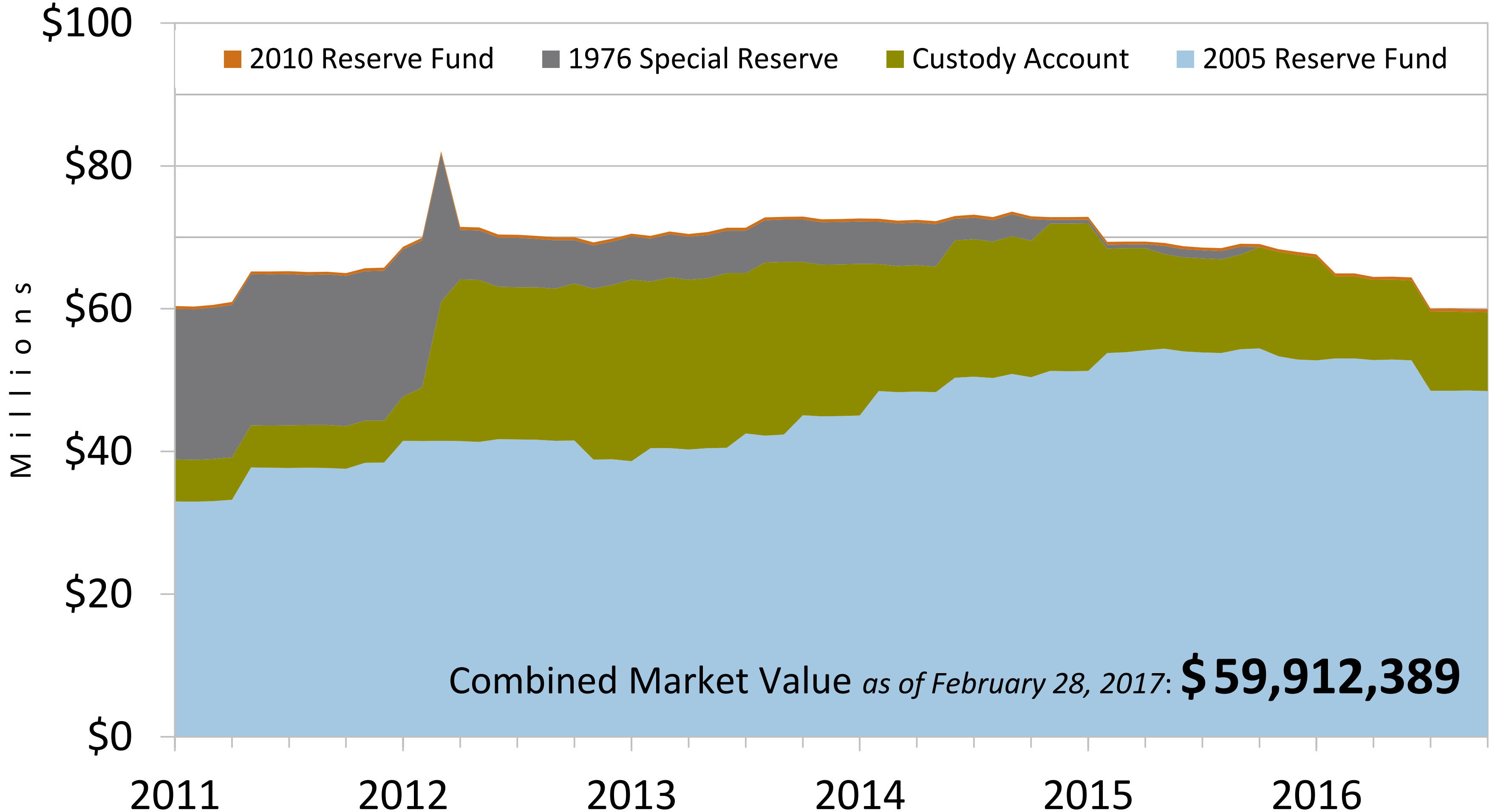
Portfolio Review

as of February 28, 2017

ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

Historical Market Value as of February 28, 2017

Alaska Municipal Bond Bank Authority

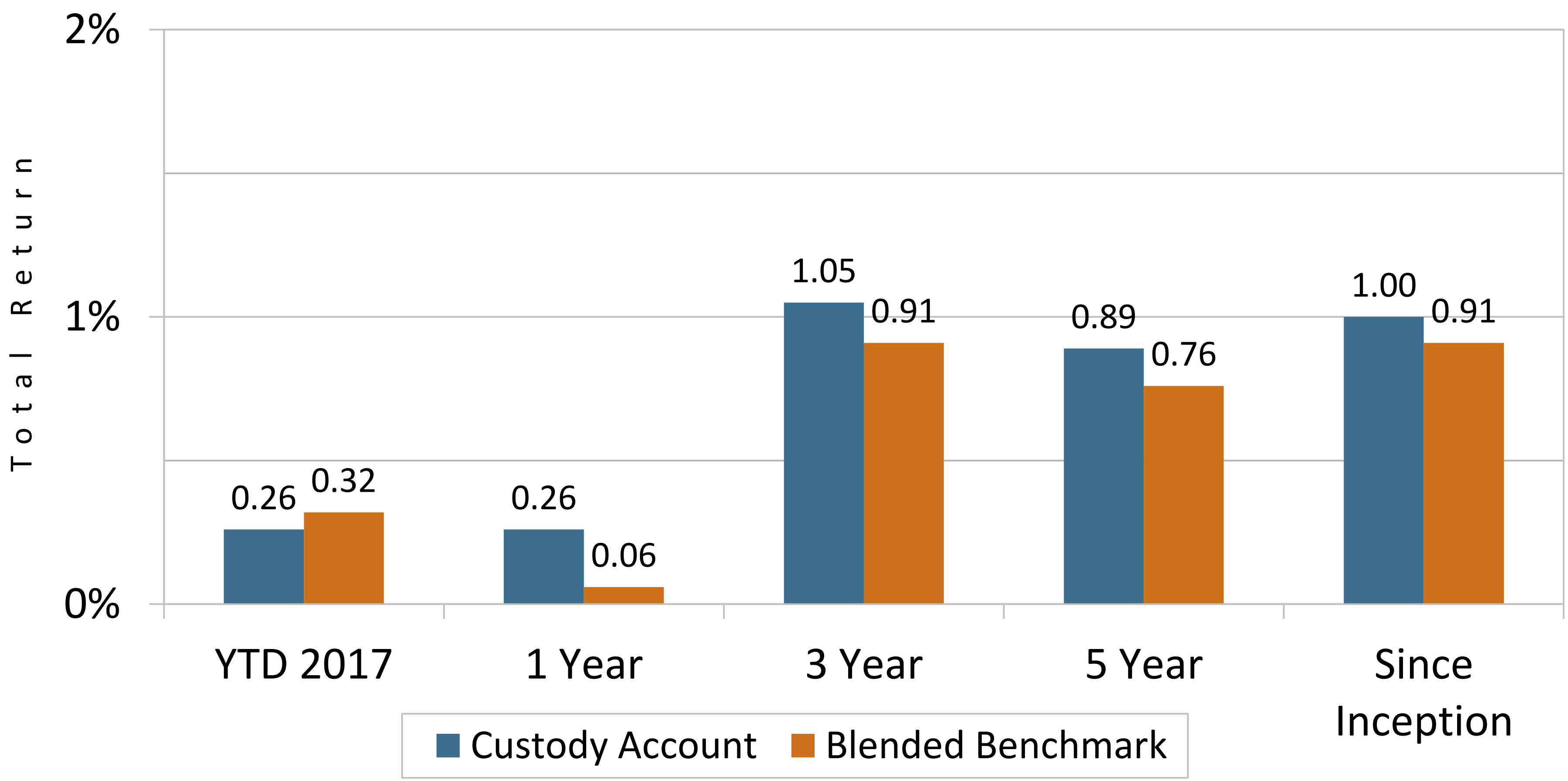


Account Inception in May 2011. Chart shows month-end portfolio market value.
1976 G.O. Special Reserve Fund closed Feb 2016.

PORTFOLIO REVIEW

Account Performance as of February 28, 2017

AMBBA Custody Account

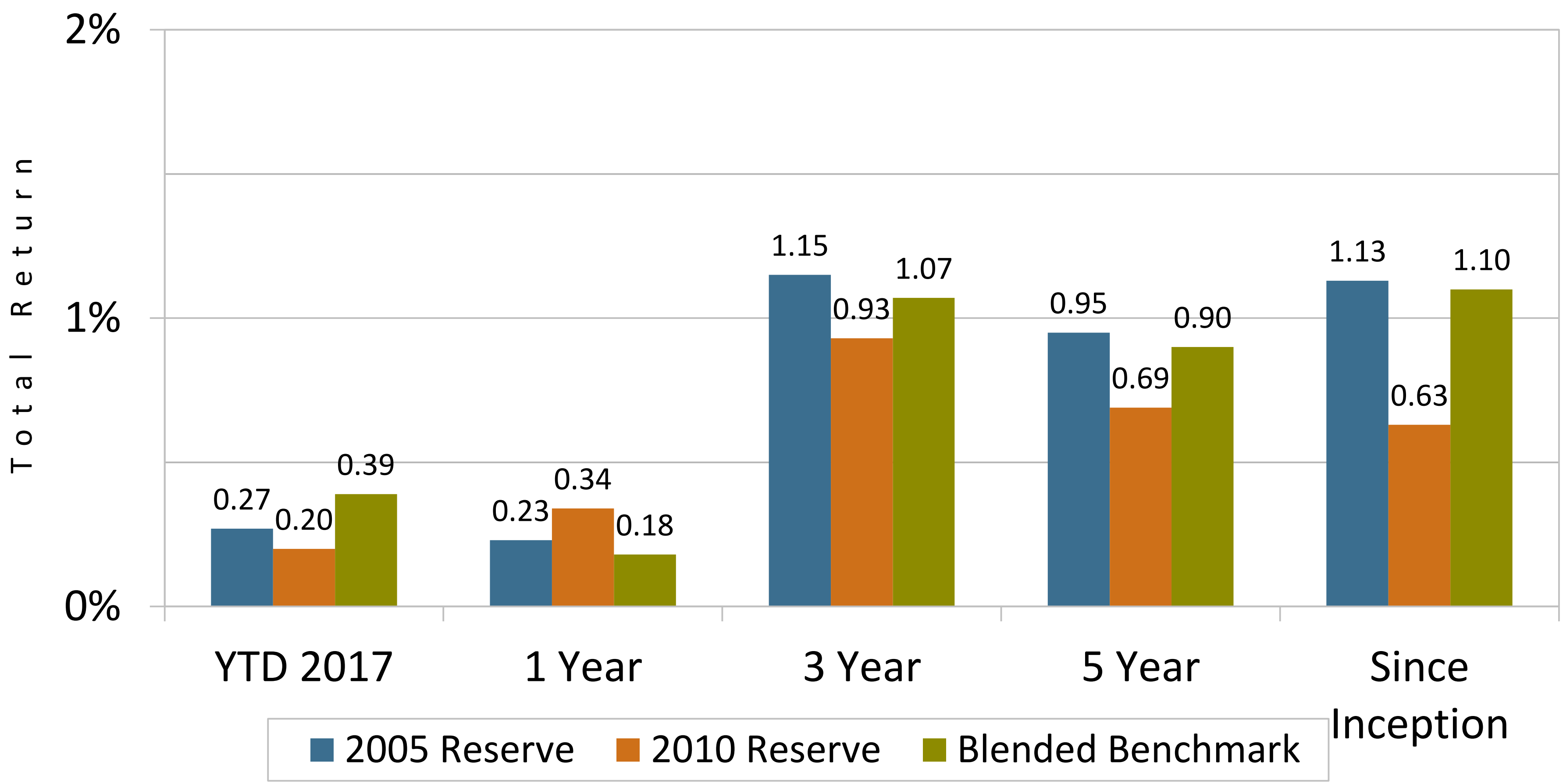


Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on 5/31/2011. Blended benchmark reflects changes to the account's benchmark over time. Current benchmark is a blend of 95% Barclays 1-5 Year Government Index and 5% Citigroup 90 Day T-bill Index. Before November 2014, the benchmark was 80% Merrill Lynch 1-5 Year Government Index and 20% Citigroup 90 Day T-bill Index.

PORTFOLIO REVIEW

Account Performance as of February 28, 2017

AMBBA 2005 & 2010 Reserve Accounts



Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on 5/31/2011. Blended benchmark reflects changes to the account's benchmark over time. Current benchmark is a blend of 90% Barclays 1-5 Year Government Index and 10% Barclays U.S. Aggregate Bond Index. Before November 2014, the benchmark was the Merrill Lynch 1-5 Year Government Index.

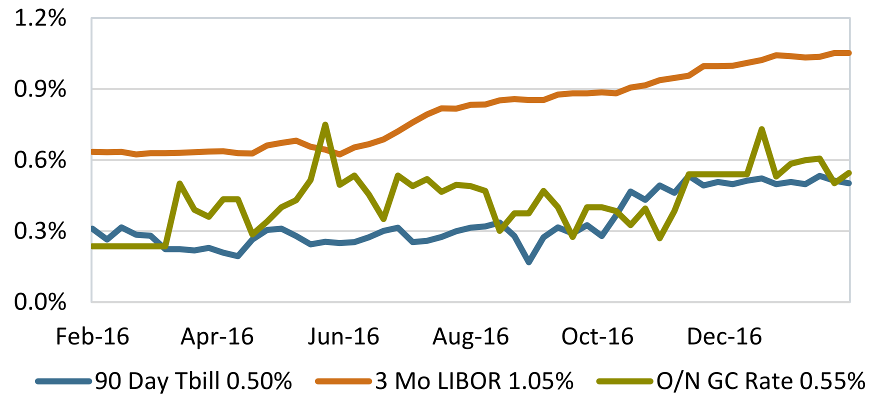
ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

Economic & Market Review

ECONOMIC & MARKET OUTLOOK

Money Markets as of February 24, 2017

Rates



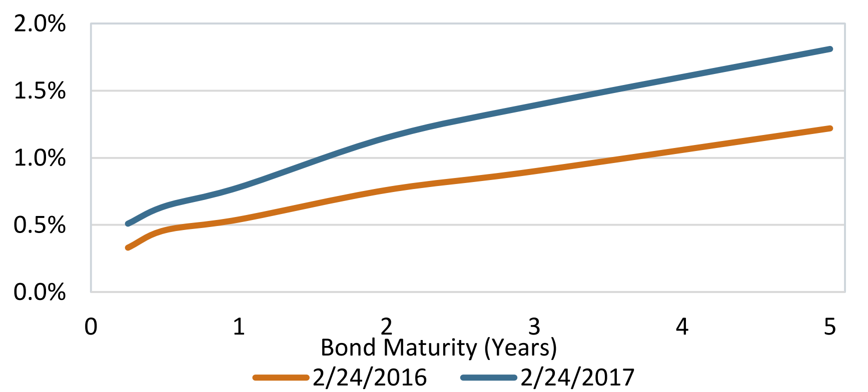
Data: Bloomberg

Money Market Rates

	1 Month	2 Month	3 Month	6 Month
Treasury	0.38%	-	0.50%	0.64%
Agency	0.46%	0.48%	0.50%	0.62%
LIBOR	0.78%	0.85%	1.05%	1.36%
CD	0.69%	0.82%	1.24%	1.32%
Dealer TT Tier	0.76%	0.86%	0.96%	1.22%
Government REPO	0.59%*	-	-	-

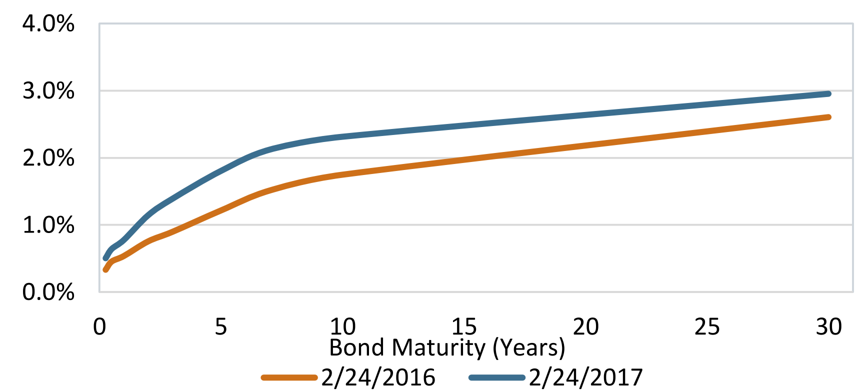
*2 week tenor
Data: Bloomberg

Yield Curve Comparison - 5 Year



Data: Bloomberg

Yield Curve Comparison - 30 Year



Data: Bloomberg

ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

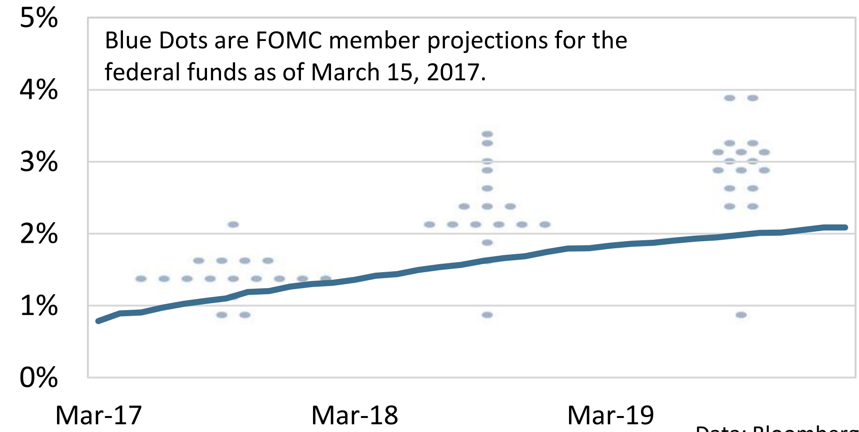
ECONOMIC & MARKET OUTLOOK

Monetary Policy and The Fed

Time Line

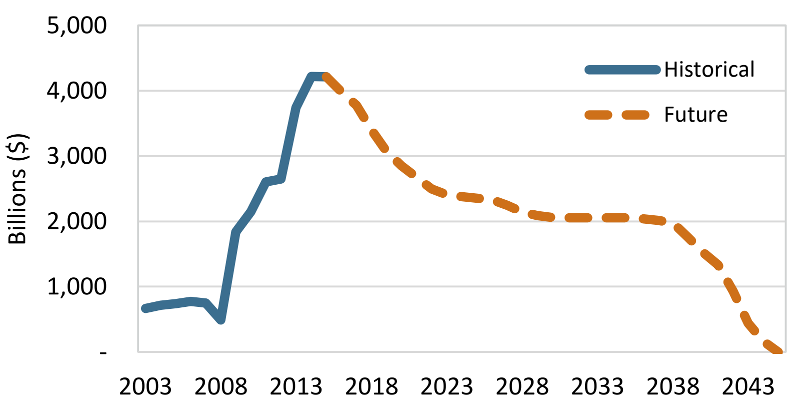
- Sept 2007: Lowered target to 4.75%
- Nov 2008: FFR reaches close to zero, now what?
- Dec 2008: QE1
- Nov 2010: QE2
- Sept 2012: QE3, forward guidance introduced – purchases until labor market "substantially improves"
- December 2013: Tapering
- Oct 2014: End of QE
- Dec 2015 & Dec 2016 & Mar 2017: 1 rate hike each

Fed Funds Futures



Data: Bloomberg

Federal Reserve Total Balance



Portfolio Impact

- Rates will be volatile for some time.
- Softening of easy global monetary policy or acceleration of inflation could speed up U.S. rate increases.
- Forces pushing rates lower (soft ceiling)
  - Geopolitical and fiscal uncertainty
  - Demand for collateral

Transition From Monetary to Fiscal Policy

- Expected reflationary policies have changed the investing landscape and resulted in **upward pressure on growth, inflation and interest rates**.
- **Sluggishness in the global economy, dollar strength and monetary policy normalization** could keep "a lid" on inflation and rates.
- **If fiscal policies translate into an acceleration of economic growth** and better earnings, the eight year bull market run in stocks could continue and there will be an easier path for interest rates to climb.
- A **modest underweight to duration** is warranted given the favorable economic outlook and anticipated fiscal stimulus.

Source: Federal Reserve Bank of St. Louis
fred.stlouisfed.org
myf.red/g/cCeE

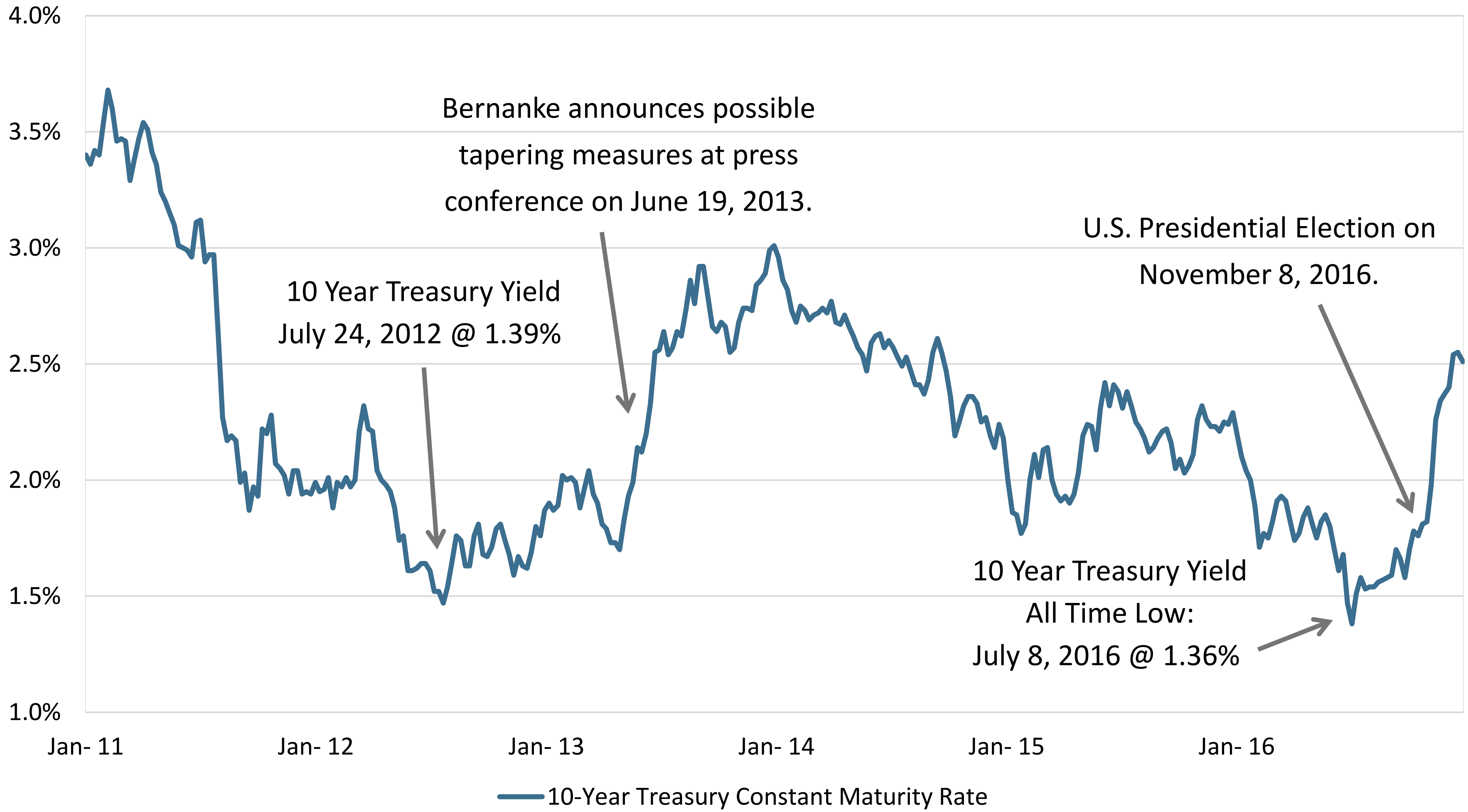
ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

Economy

Bull *Scenarios that would improve expected outcomes*	Bear *Scenarios that would detract from expected outcomes*
▪ U.S economy gaining momentum ▪ Tighter labor market ▪ Moderate increase in inflation expectations ▪ Global monetary policy continues to be accommodative ▪ Increase in consumer spending	▪ Hiccup in Congress to produce ▪ Higher rates too quickly ▪ Weak industrial production ▪ Housing weakness – Canada? ▪ Slowdown in the global economy

ECONOMIC & MARKET OUTLOOK

Bond Yields Range Bound



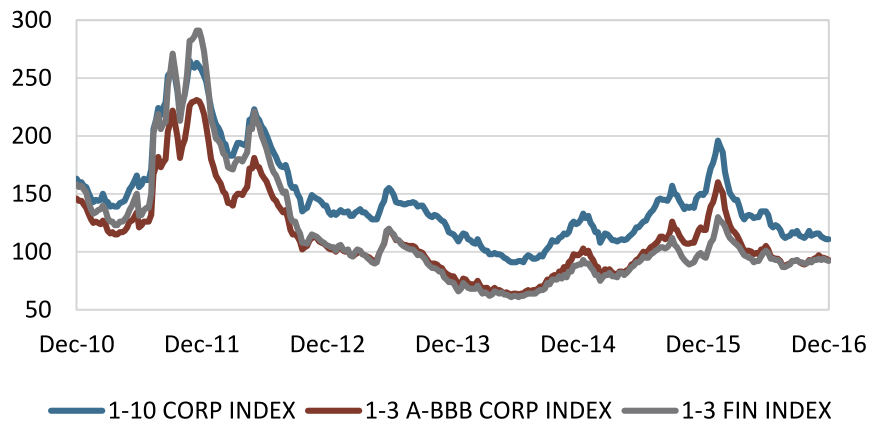
Source: Bloomberg

ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

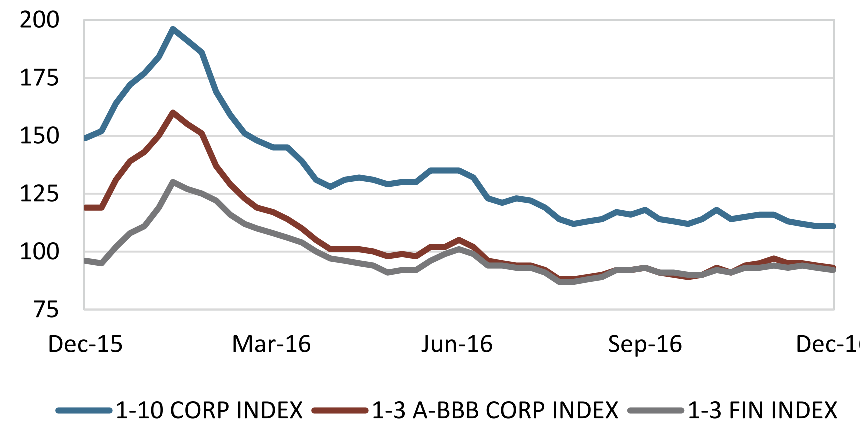
ECONOMIC & MARKET OUTLOOK

Credit Spreads vs. Treasuries

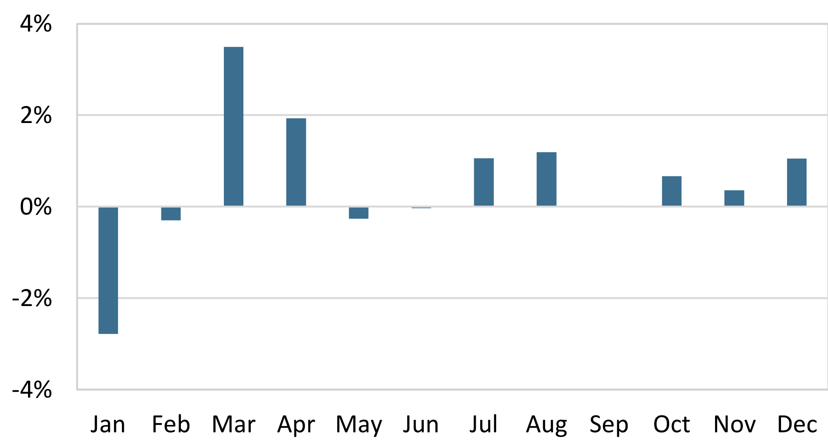
OAS (bps)



OAS (bps)



Baa Excess Returns MTD



Credit Outlook

- Balance sheets for U.S. financials remain strong
- Companies have used debt and cash for share buybacks; should slow
- Investment grade leverage continues to climb
- Credit cycle should extend with new fiscal policies
- Will foreign support continue?

Outlook & Positioning

OUTLOOK & POSITIONING

Going Forward

Bloomberg Consensus Year-End Forecasts

Data as of 03/17/2017	2016	2017	2018	2019
Real GDP (% YoY)	1.60	2.30	2.40	2.30
CPI Inflation (% YoY)	1.3	2.5	2.4	2.3
Unemployment (%)	4.8	4.6	4.5	4.5
Fed Funds (%)	0.75	1.50	-	-
10-Yr Note (%)	2.45	2.88	-	-

Risk Outlook

- Leverage in the system
- Debt ceiling March 16th & global political uncertainty
- Currency crisis – Latin America
- Corporate defaults and earnings
- Will Fed guidance work?

Portfolio Outlook

- Maintain discipline in uncertain environment
- Maintain defensive positioning against rising rates
- Maintain liquidity

Interest Rate Outlook

- Fed – two rate hikes before year end
- Modest increase in rates with some volatility
- Market and Fed looking for continued stability, both in U.S. and globally
- Financial conditions have improved; economy slowly improving; headline inflation increasing
- Continued market sentiment toward fundamentals and away from technical

Appendix

Portfolio Appraisal

AMBBA CUSTODY -500100

ATTN: DEPT OF REVENUE

February 28, 2017

ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.625% Due 05-31-17	99.59	497,949	100.03	500,140	4.53	3,125	781	0.51
500,000	US TREASURY NOTES 0.625% Due 11-30-17	99.57	497,832	99.86	499,295	4.52	3,125	781	0.81
1,000,000	US TREASURY NOTES 0.750% Due 02-28-18	99.71	997,109	99.80	998,008	9.04	7,500	20	0.95
500,000	US TREASURY NOTES 1.250% Due 10-31-18	100.52	502,617	100.17	500,860	4.53	6,250	2,089	1.15
1,000,000	US TREASURY NOTES 1.500% Due 01-31-19	99.84	998,437	100.54	1,005,391	9.10	15,000	1,202	1.22
1,000,000	US TREASURY NOTES 0.875% Due 07-31-19	99.00	990,039	98.91	989,100	8.95	8,750	701	1.33
1,000,000	US TREASURY NOTES 1.375% Due 02-29-20	99.76	997,617	99.64	996,410	9.02	13,750	37	1.50
500,000	US TREASURY NOTES 2.000% Due 08-31-21	99.49	497,461	100.65	503,261	4.56	10,000	27	1.85
450,000	US TREASURY NOTES 1.750% Due 02-28-22	101.89	458,490	99.21	446,431	4.04	7,875	21	1.92
500,000	US TREASURY NOTES 2.375% Due 08-15-24	99.95	499,727	100.95	504,745	4.57	11,875	459	2.24
	Accrued Interest				6,120	0.06			
			6,937,279		6,949,762	62.92		6,120	
AGENCIES									
2,000,000	FNMA 1.050% Due 09-05-17	100.00	2,000,000	100.18	2,003,542	18.14	21,000	10,267	0.71
1,000,000	FHLB* 1.000% Due 03-19-18	99.85	998,500	99.73	997,269	9.03	10,000	2,000	1.26
	Accrued Interest				12,267	0.11			
			2,998,500		3,013,078	27.28		12,267	
CASH AND EQUIVALENTS									
	FEDERATED GOVT OBL FD-PRM		1,083,029		1,083,029	9.80			
TOTAL PORTFOLIO			**11,018,808**		**11,045,868**	**100**	**118,250**	**18,386**	

PERFORMANCE HISTORY
GROSS OF FEES
ALASKA MUNICIPAL BOND BANK AUTHORITY, CUSTODY

Time Period			Total Account	Blend	BARC 1-5 YR GOV	CITIGROUP 3MO TBILL INDEX
			Percent Return Per Period			
02-29-16	to	03-31-16	0.19	0.22	0.23	0.02
03-31-16	to	04-30-16	0.02	-0.01	-0.01	0.02
04-30-16	to	05-31-16	-0.09	-0.14	-0.15	0.02
05-31-16	to	06-30-16	0.75	0.91	0.96	0.02
06-30-16	to	07-31-16	0.01	-0.04	-0.04	0.02
07-31-16	to	08-31-16	-0.24	-0.29	-0.30	0.02
08-31-16	to	09-30-16	0.17	0.17	0.17	0.02
09-30-16	to	10-31-16	-0.21	-0.19	-0.21	0.03
10-31-16	to	11-30-16	-0.63	-0.90	-0.95	0.03
11-30-16	to	12-31-16	0.03	0.01	0.01	0.03
12-31-16	to	01-31-17	0.13	0.18	0.19	0.04
01-31-17	to	02-28-17	0.13	0.14	0.15	0.04
Date to Date						
02-29-16	to	02-28-17	0.26	0.06	0.05	0.32

Portfolio Appraisal

AMBBA GO 2005 SERIES RESERVE FUND-764568

ATTN: DEPT OF REVENUE

February 28, 2017

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
2,500,000	US TREASURY NOTES 0.625% Due 05-31-17	99.99	2,499,756	100.03	2,500,700	5.16	15,625	3,906	0.51
1,500,000	US TREASURY NOTES 0.750% Due 06-30-17	99.36	1,490,391	100.06	1,500,930	3.10	11,250	1,865	0.56
1,200,000	US TREASURY NOTES 0.875% Due 07-15-17	100.27	1,203,187	100.08	1,200,936	2.48	10,500	1,305	0.67
1,000,000	US TREASURY NOTES 1.000% Due 09-15-17	100.54	1,005,391	100.15	1,001,480	2.07	10,000	4,613	0.73
1,000,000	US TREASURY NOTES 0.875% Due 11-15-17	100.41	1,004,102	100.06	1,000,630	2.06	8,750	2,562	0.79
485,000	US TREASURY BOND SLUG SERV 5.300% Due 12-01-17	100.00	485,000	100.00	485,000	1.00	25,705	6,356	5.29
2,500,000	US TREASURY NOTES 0.750% Due 12-31-17	99.99	2,499,805	99.91	2,497,650	5.15	18,750	3,108	0.86
1,000,000	US TREASURY NOTES 0.875% Due 01-31-18	98.91	989,062	99.96	999,650	2.06	8,750	701	0.91
2,950,000	US TREASURY NOTES 1.000% Due 03-15-18	100.14	2,954,264	100.04	2,951,268	6.09	29,500	13,609	0.96
1,000,000	US TREASURY NOTES 1.000% Due 05-31-18	100.30	1,003,008	100.00	999,960	2.06	10,000	2,500	1.00
3,500,000	US TREASURY NOTES 2.375% Due 06-30-18	103.76	3,631,660	101.78	3,562,195	7.35	83,125	13,778	1.03
1,500,000	US TREASURY NOTES 1.375% Due 07-31-18	99.95	1,499,238	100.45	1,506,795	3.11	20,625	1,652	1.05
1,800,000	US TREASURY NOTES 1.500% Due 08-31-18	99.79	1,796,133	100.61	1,810,908	3.74	27,000	73	1.09
1,250,000	US TREASURY NOTES 1.000% Due 09-15-18	100.24	1,253,027	99.84	1,248,000	2.58	12,500	5,767	1.10
1,805,000	US TREASURY NOTES 1.250% Due 10-31-18	100.54	1,814,801	100.17	1,808,105	3.73	22,562	7,542	1.15
750,000	US TREASURY NOTES 1.375% Due 11-30-18	99.24	744,316	100.38	752,872	1.55	10,312	2,578	1.15
1,750,000	US TREASURY NOTES 1.250% Due 01-31-19	99.10	1,734,180	100.09	1,751,505	3.61	21,875	1,752	1.20
5,000,000	US TREASURY NOTES 1.500% Due 03-31-19	99.30	4,965,234	100.48	5,024,200	10.37	75,000	31,319	1.26
1,000,000	US TREASURY NOTES 0.875% Due 06-15-19	99.79	997,891	99.02	990,160	2.04	8,750	1,827	1.31

Portfolio Appraisal

AMBBA GO 2005 SERIES RESERVE FUND-764568

ATTN: DEPT OF REVENUE

February 28, 2017

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
2,000,000	US TREASURY NOTES 1.000% Due 08-31-19	99.63	1,992,656	99.12	1,982,500	4.09	20,000	54	1.36
2,000,000	US TREASURY NOTES 1.500% Due 10-31-19	99.55	1,990,937	100.24	2,004,840	4.14	30,000	10,028	1.41
1,200,000	US TREASURY NOTES 1.125% Due 03-31-20	100.54	1,206,500	98.87	1,186,452	2.45	13,500	5,637	1.50
1,000,000	US TREASURY NOTES 1.750% Due 10-31-20	102.91	1,029,062	100.30	1,003,050	2.07	17,500	5,849	1.66
1,000,000	US TREASURY NOTES 1.375% Due 04-30-21	101.19	1,011,875	98.37	983,670	2.03	13,750	4,596	1.78
2,500,000	US TREASURY NOTES 2.000% Due 10-31-21	99.66	2,491,504	100.57	2,514,150	5.19	50,000	16,713	1.87
2,500,000	US TREASURY NOTES 2.375% Due 08-15-24	100.24	2,506,055	100.95	2,523,725	5.21	59,375	2,296	2.24
	Accrued Interest				151,986	0.31			
			45,799,035		45,943,318	94.81		151,986	
CASH AND EQUIVALENTS									
	GOLDMAN FINC'L SQ GOV'T PORTF #466		2,514,409		2,514,409	5.19			
TOTAL PORTFOLIO			**48,313,444**		**48,457,727**	**100**	**634,705**	**151,986**	

PERFORMANCE HISTORY
GROSS OF FEES

ALASKA PERMANENT CAPITAL MANAGEMENT
Registered Investment Adviser

2005 Reserve Fund - 764568

Time Period			Total Account	Blend	BARC 1-5 YR GOV	BARC AGG BENCH
			Percent Return Per Period			
02-29-16	to	03-31-16	0.17	0.30	0.23	0.92
03-31-16	to	04-30-16	0.02	0.03	-0.01	0.38
04-30-16	to	05-31-16	-0.08	-0.13	-0.15	0.03
05-31-16	to	06-30-16	0.75	1.04	0.96	1.80
06-30-16	to	07-31-16	-0.01	0.03	-0.04	0.63
07-31-16	to	08-31-16	-0.23	-0.29	-0.30	-0.11
08-31-16	to	09-30-16	0.14	0.15	0.17	-0.06
09-30-16	to	10-31-16	-0.15	-0.26	-0.21	-0.76
10-31-16	to	11-30-16	-0.69	-1.09	-0.95	-2.37
11-30-16	to	12-31-16	0.05	0.02	0.01	0.14
12-31-16	to	01-31-17	0.13	0.19	0.19	0.20
01-31-17	to	02-28-17	0.14	0.20	0.15	0.67
Date to Date						
02-29-16	to	02-28-17	0.23	0.18	0.05	1.42

Portfolio Appraisal

AMBBA GO 2010 RESERVE FUND-442473

ATTN: DEPT OF REVENUE

February 28, 2017

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
50,000	US TREASURY NOTES 0.500% Due 04-30-17	99.67	49,836	100.00	50,001	12.23	250	84	0.48
80,000	US TREASURY NOTES 0.875% Due 10-15-17	99.73	79,787	100.07	80,056	19.58	700	263	0.76
80,000	US TREASURY NOTES 0.625% Due 04-30-18	98.04	78,428	99.57	79,653	19.48	500	167	1.00
40,000	US TREASURY NOTES 1.125% Due 03-31-20	96.80	38,719	98.87	39,548	9.67	450	188	1.50
40,000	US TREASURY NOTES 1.625% Due 11-15-22	95.95	38,378	97.80	39,120	9.57	650	190	2.03
	Accrued Interest				892	0.22			
			285,148		289,271	70.76		892	
CASH AND EQUIVALENTS									
	GOLDMAN FINC'L SQ GOV'T PORTF #466		119,522		119,522	29.24			
TOTAL PORTFOLIO			**404,671**		**408,794**	**100**	**2,550**	**892**	

PERFORMANCE HISTORY
GROSS OF FEES

2010 Reserve Fund - 442473

Time Period			Percent Return Per Period			
			Total Account	Blend	BARC 1-5 YR GOV	BARC AGG BENCH
02-29-16	to	03-31-16	0.16	0.30	0.23	0.92
03-31-16	to	04-30-16	0.03	0.03	-0.01	0.38
04-30-16	to	05-31-16	-0.08	-0.13	-0.15	0.03
05-31-16	to	06-30-16	0.59	1.04	0.96	1.80
06-30-16	to	07-31-16	0.01	0.03	-0.04	0.63
07-31-16	to	08-31-16	-0.14	-0.29	-0.30	-0.11
08-31-16	to	09-30-16	0.11	0.15	0.17	-0.06
09-30-16	to	10-31-16	-0.12	-0.26	-0.21	-0.76
10-31-16	to	11-30-16	-0.46	-1.09	-0.95	-2.37
11-30-16	to	12-31-16	0.05	0.02	0.01	0.14
12-31-16	to	01-31-17	0.10	0.19	0.19	0.20
01-31-17	to	02-28-17	0.09	0.20	0.15	0.67
Date to Date						
02-29-16	to	02-28-17	0.34	0.18	0.05	1.42

WESTERN FINANCIAL GROUP

$100,715,000 Master Resolution General Obligation Bonds
(2016 Master Resolution) Series 2017A

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

March 22, 2017

Dear Deven:

With the sale of the Alaska Municipal Bond Bank Authority's General Obligation Bonds, Series 2017A on February 28, 2017 I have prepared this sale results summary.

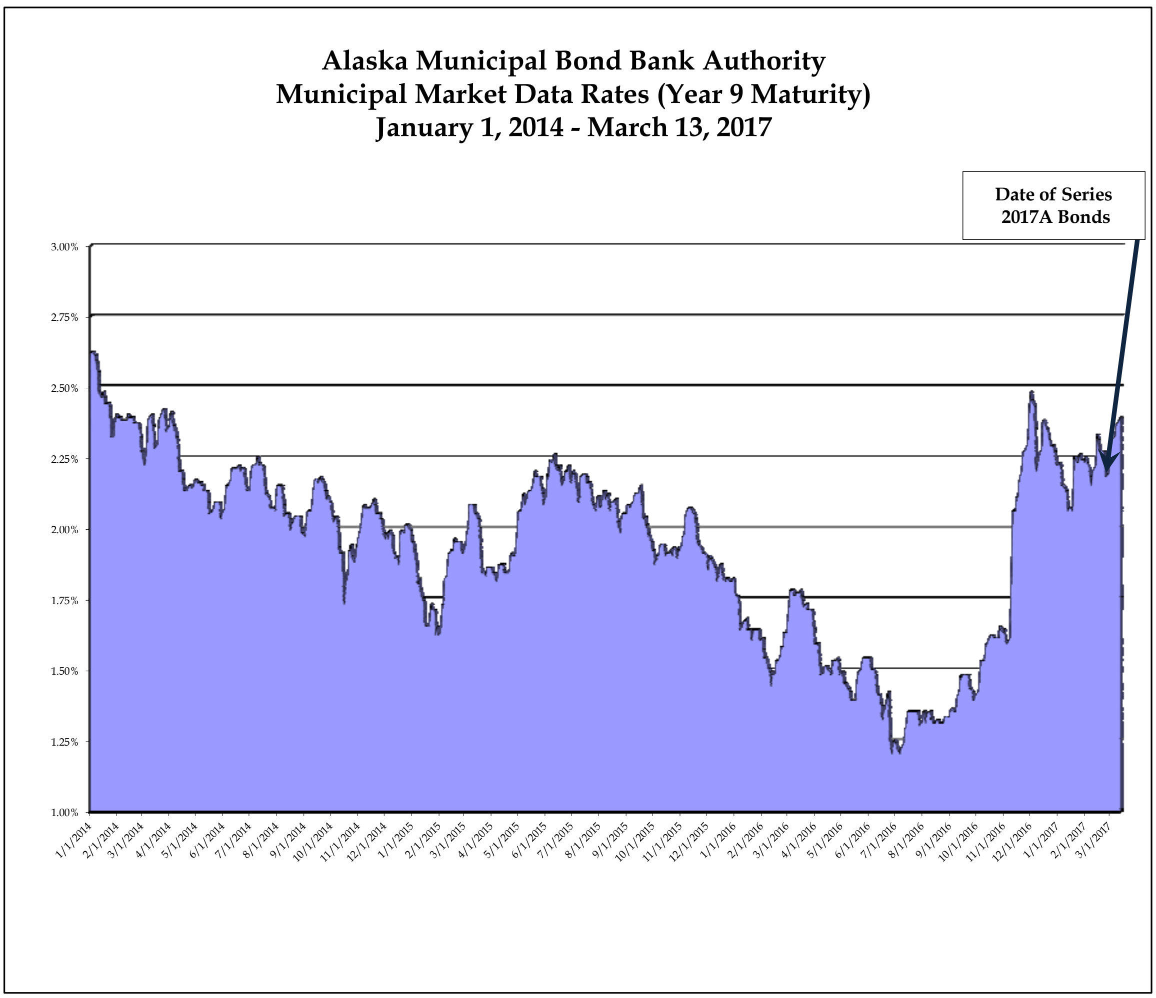
The Series 2017A Bonds were sold by negotiated sale to J.P. Morgan. The table below summarizes the true interest cost, average life and underwriter costs of recent Bond Bank issues, including the Series 2017A Bonds. As the table indicates, underwriter compensation remains at very low levels and, following the 2016 general election, interest rates have experienced an increase of 60 to 100 basis points.

Issue	TIC	Average Life	Underwriter Cost (per $1,000)
2017A	4.2054%	19.484	$3.73
2016 Three	2.4400	6.589	2.93
Series 2016A	2.2861	4.853	3.54
2016 Two	2.6756	11.166	8.77
2016 One	2.5574	10.493	5.16
2015 Three	3.6984	18.153	3.56
2015 Two	3.6255	11.732	3.03
2015 One	2.7652	8.173	2.90
2014 Three	3.3368	13.214	3.09
2014 Two	3.7806	18.742	2.75
2014A One	3.5484	12.374	2.94
2014B One	2.2643	4.318	2.52
2013 Three	4.1274	16.753	3.19
2013 Two	3.4048	11.843	3.20
2013 One	3.6056	17.671	3.15

The tone of the municipal bond market in the days leading up to the sale was generally positive, with high grade rates declining approximately 15 basis points in the last two weeks of February, although the fixed income markets saw a sharp rise in rates on the day following the 2017A sale, as is discussed below.

As the graph demonstrates, the past year has been characterized by swings in the yields of highly rated bonds. Tax-exempt rates followed a generally declining pattern from June 2015 through mid-summer 2016 when rates hit historic lows. Rates then rose sharply by nearly 100 basis points following the general election in November, a trend that continued following an address to a joint session of congress by the president on the evening of February 28th. During that address the possibility of tax reform was discussed as well as several initiatives that have the potential for ballooning the federal deficit, both of which are negative for bonds, particularly tax-exempts.

The graph below presents the yield on the nine-year maturity of a AAA rated bond according to Municipal Market Data.



The table on the following page presents the AMBB and MMD scales for sample maturities of the Series 2017A Bonds with a comparison to the yield spreads to the MMD for the 2015 Series Two through the 2016 Series Three Bonds. The yields have been adjusted to reflect the "yield kick" associated with callable premium bonds. The yield kick reflects the yield of a premium bond assuming that bond is called at its first call date, rather than maturing at the stated maturity date. Callable premium bonds are priced to the earliest call date, so the yield associated with the first call date is a more accurate measure of the true yield facing issuers, and allows an apple-to-apples comparison of discount, par and premium bonds.

The results of the Series 2017A sale continued a trend that began with the 2015 One Bonds in which Authority bonds have traded on a wider basis compared to the MMD AAA index. The credit concerns surrounding the State budget deficit continue to have a negative impact the Authority's credit ratings, and consequently, on the credit spreads to the AAA index. The spreads to the MMD AAA scale of the Series 2017A Bonds were in line with the spreads for the 2016 Three Bonds sold in October 2016 when the State was facing the threat of a downgrade from Standard & Poor's as a result of the proposed pension obligation bond sale.

	MMD (2/28/17)	AMBB (2017A Bonds)	Difference (2017A Bonds)	Difference (2016 III Bonds)	Difference (2016A Bonds)	Difference (2016 II Bonds)	Difference (2016 I Bonds)	Difference (2015 III Bonds)	Difference (2015 II Bonds)
Year 1	0.91	--	--	.27	.24	.19	.30	.37	.00
Year 3	1.21	--	--	.47	.33	.28	.24	.36	.33
Year 5	1.60	2.15	.55	.55	.92	.34	.34	.46	.40
Year 8	2.14	2.86	.72	.72	1.59	.36	.39	.60	.50
Year 12	2.51	3.51	1.00	.80		.58	.72	1.05	.87
Year 14	2.62	3.70	1.08	1.15		1.05	.81	1.17	1.01
Year 15	2.70	3.87	1.17	1.15		.94	.84	1.26	.95

This was the second issue under the Authority's Regional Health Organization program and proceeds will be used by the Yukon-Kuskokwim Health Corporation to pay for the costs of designing, constructing and equipping the expansion of the Corporation's hospital and designing, constructing and equipping the Corporation's primary care clinic in Bethel, Alaska, known as the Paul John Calricaraq Project.

On the morning of February 24th the J.P. Morgan underwriter provided WFG with a proposed consensus scale to discuss with members of the working group during a call later that morning. The scale proposed a spread to the MMD AAA index that ranged from 45 basis points in 2021 (the first year of maturing principal) to 80 basis points from 2030 through the balance of the structure to 2046. WFG recommended that the bonds maturing 2029 through 2046 be marketed at a spread of 75 basis points, an adjustment to which the J.P. Morgan underwriter agreed. On the working group call later that morning the scale was set for the retail order period which would commence on the morning of February 27th. The bonds offered to retail investors would include the 2021 through 2032 serial bonds and the 2042 term bond.

On the morning of Tuesday, February 28th the working group convened in person at the offices of J.P. Morgan in New York City to discuss the results of the retail order period and make plans for that day's institutional order period. The J.P. Morgan underwriter reported that the retail order period had been successful with a total of approximately $17.2 million in orders. With over-subscriptions factored in, total retails orders that could be used amounted to approximately $10.7 million, with the 2022 and 2023 maturities over-subscribed and the balance of the maturities offered at retail having order levels that ranged from no orders to slightly over-subscribed in the 2032 maturity.

The tone of the market was stable on the morning of Tuesday, February 28th and the working group decided to proceed with the institutional order period based on the scale presented to retail investors the previous day. Yields were, however, adjusted upward 1 basis point 2024 through the balance of the structure, reflecting the adjustment to the MMD AAA scale for the market close on February 27th.

The order period commenced at approximately 10:30am EST and was scheduled to conclude at 12:30pm EST. During the course of the order period it became clear that the transaction was struggling, with order levels ranging from no orders to, in the case of the 2027 bonds, orders for 80% of the bonds. The underwriter recommended, and the Authority agreed to, terming up the 2034 through 2037 5% serial bonds into a 4% term bond with a yield that was approximately 3 basis points lower than the "kicked" yield on the 2037 serial bond.

At the conclusion of the order period the underwriter reported that, with certain adjustments, more than 90% of the bonds could be place, leaving approximately $7.5 million underwritten by the syndicate of J.P. Morgan, Bank of America Merrill Lynch and RBC Capital Markets. Those adjustments included a 2 basis point increase in the yield on the 2023 bonds, a 5 basis point increase in the yield on the 2024 through 2028 bonds and a 4 basis point increase in the yield on the 2032 bonds. Additionally, J.P. Morgan requested a shift of the 2029 through 2031 and 2033 serial bonds from 5% coupons to discount bonds. These adjustment resulted yield impacts that ranged from approximately 4 basis points worse to 8 basis points better on a yield to maturity basis. Lastly, in order to place the 2042 and 2046 term bonds, the underwriter recommended changing the coupon from 5% to 5.50% at the same stated spread to the MMD. On a yield to maturity basis, the change resulted in a yield increase of 20 and 22 basis points, respectively. After a discussion between AMBBA staff, WFG and Y-K's financial advisor, the verbal award was given to J.P. Morgan.

As previously stated, the proceeds of the Series 2017A Bond sale will be used by Yukon-Kuskokwim Health Corporation to pay for construction and equipping of Y-K's primary care clinic in Bethel, Alaska. Had it not used the Authority, it is likely that Y-K would have had to issue the bonds either as below investment grade or low investment grade bonds. Based on estimated yields for those two scenarios provided by J.P. Morgan, WFG estimates that as a result of the Authority's bond issue, the Y-K achieved savings of $9.4 million and $20.3 million.

The bond sale closed on March 21st in Seattle. As always, it was a pleasure to serve the Authority on this transaction. If you have any questions, please feel free to call me.

Sincerely,

Chip Pierce