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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/23/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 2/27/89

1/9/89
Mr. President:

RESOURCES _____ Committee considered SB 83

transfer of assets of the Alaska Resources Corporation upon
dissolution; and providing for an effective date.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature: Billie Fabrikamp]
 Chairman signature and recommendation

Committee backup attached

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: _____
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: Transfer of Alaska Resources
Corporation assets upon dissolution
Sponsor: Rules
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Mill Barker MB
Division: Treasury

Phone: 465-2350
Date: December 29, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: December 29, 1988

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

AN ACT

Relating to the Alaska Resources Corporation and
repealing the Alaska renewable resources development
fund and the Alaska renewable resources investment
fund; and providing for an effective date.

Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

(1) it is in the best interests of the state to terminate the
operations of the Alaska Resources Corporation; and

(2) the Alaska Resources Corporation has made substantial loans
of equity investments in certain businesses as part of the performance of
its duties.

(b) It is the purpose of this Act to effect an orderly wind-up of
the affairs of the Alaska Resources Corporation.

* Sec. 2. AS 37.12.010 is amended to read:

Sec. 37.12.010. ALASKA RESOURCES CORPORATION CREATED. There is
created the Alaska Resources Corporation to carry out the purposes of
this chapter. The corporation is a public corporation of the state
and an instrumentality of the state within the Department of Revenue
(COMMERCE AND ECONOMIC DEVELOPMENT), but has a legal existence in-
dependent of and separate from the state. The exercise by the corpo-
ration of the powers conferred by this chapter is considered an essen-
tial function of the state.

* Sec. 3. AS 37.12.015 is repealed and reenacted to read:

Sec. 37.12.015. PURPOSE. The purpose of the corporation is to

Chapter 141, AS 37.12.050 is amended to read:

* Sec. 4. AS 37.12.050 is amended to read:

Sec. 4. AS 37.12.050. DEVELOPMENT CAPITAL FUND. The development capital fund is established in the corporation, consisting of the proceeds (gross, before tax) from the sale of the proceeds of FEDERAL AND INTEREST ON BONDS AND EQUITY ISSUED BY THE CORPORATION. The development capital fund shall be used to pay the liabilities of the corporation that might arise as a result of the development projects that qualify for assistance under this chapter, and to pay the operating expenses of the corporation, if money remains in the development capital fund after the projects that qualify for assistance under this chapter after paying the operating expenses of the corporation, the money shall be retained by the corporation under AS 37.10.070(a).

* Sec. 5. AS 37.12.051 is amended by adding a new section to read:

Sec. 5. AS 37.12.051. DEPOSIT OF MONEY. Repayments of principal, payments of interest and other income from loans of the corporation, dividends received from capital stock investments, and money received from the sale of equity investments or other assets of the corporation must be deposited in the general fund.

* Sec. 6. AS 37.12.056 is repealed and reenacted to read:

Sec. 6. AS 37.12.056. COMPOSITION AND TERM OF BOARD OF DIRECTORS. The board consists of the commissioner of revenue, who shall serve as chairman, and the commissioner or two other principal executive officers designated by the governor. The term of office of the board members continues until the corporation is dissolved.

* Sec. 7. AS 37.12.056(a) is amended to read:

(a) The three members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties

the board.

* Sec. 8. AS 37.12.055 is amended to read:

Sec. 8. AS 37.12.055. COMPENSATION OF BOARD MEMBERS. Members of the board receive \$400 for each day spent on official business of the corporation, and are entitled to per diem and travel expenses authorized by law for state boards and commissions under AS 39.20.180.

* Sec. 9. AS 37.12.056 is amended by adding a new section to read:

Sec. 9. AS 37.12.056. ADDITIONAL POWERS. Notwithstanding other provisions of law governing disposal of state property, the board may, at either public or private sale, dispose of the assets of the corporation as required in AS 37.12.075. In addition, the corporation may spend money to protect the assets of the corporation.

* Sec. 10. AS 37.12.075 is repealed and reenacted to read:

Sec. 10. AS 37.12.075. DUTIES. In carrying out the purposes of this chapter the board shall

(1) contract with the Department of Revenue to manage the assets of the corporation;

(2) divest the corporation of all equity investments by July 1, 1989; and

(3) divest the corporation of all other remaining assets, with the exception of the outstanding loan portfolio, by July 1, 1989.

* Sec. 11. AS 38.05.180(g) is amended to read:

(g) The share of the net profit derived from a lease reserved to the state under (f) of this section is royalty sale proceeds for the purposes of the Alaska permanent fund under AS 37.13.010 (add THE ALASKA RENEWABLE RESOURCE DEVELOPMENT FUND UNDER AS 37.11.020).

* Sec. 12. AS 38.05.180(f) is amended to read:

(f) The commissioner may provide for the establishment of an exploration incentive credit system under which a lessee of state land

drilling an exploratory well on that land may earn credits based on the footage drilled and the region in which the well is situated. The commissioner may also provide for credits to be earned by performing geophysical work on state land, if that work is performed during the two seasons immediately preceding an announced lease and on land included within the sale area and the geophysical information is made public following the sale. Credits may not exceed percent of the cost of the drilling or geophysical work. Credits may be used during a limited period established by the commissioner and may be assigned during that period. Credits may be applied to:

- (1) oil and gas royalty and rental payments payable to the state;
- (2) taxes payable under AS 43.55. A [NO] credit may not exceed percent of the payment toward which it is being applied. Amounts in the Alaska permanent fund (AS 37.10.065) [AND THE ALASKA RESOURCE DEVELOPMENT FUND (AS 37.11.020)] shall be calculated at the application of credits under this subsection.

* Sec. 13. AS 43.05.010 is amended by adding a new paragraph to read:

- (17) contract to manage the assets of the Alaska Resources Corporation as provided in AS 37.12.075, and administer the outstanding loan portfolio upon dissolution of the corporation.

* Sec. 16. AS 44.83.161(c) is amended to read:

(c) The plan of finance shall include recommendations for the most appropriate means to finance a project, including, but not limited to,

- (1) the issuance of revenue bonds of the authority;
- (2) the issuance of
 - (A) general obligation bonds of the state; or
 - (B) revenue bonds of the authority that [ARE] guaranteed or partially guaranteed by the state;

- (3) an appropriation from the general fund
- (4) to pay debt service on bonds or for other project purposes; or
- (5) to reduce the amount of debt financing for the project;
- (6) a loan from the general fund;
- (7) financing arrangements with other entities using leveraged leases or other financing methods;
- (8) assistance from any federal agency, including, but not limited to, the Rural Electrification Administration;
- (9) a loan from the power project fund (AS 44.83.170(a)) [], OR FROM THE RENEWABLE RESOURCES INVESTMENT FUND (AS 37.11.950); or
- (10) any combination of financing arrangements listed in this subsection.

* Sec. 15. All but \$500,000 of the unexpended and unobligated money in the development capital fund is transferred to the general fund.

* Sec. 16. AS 37.11; AS 37.12.035, 37.12.045, 37.12.060, 37.12.070(5), 37.12.070(6), 37.12.070(11), 37.12.080, 37.12.085, 37.12.125(1), 37.12.125(4), 37.12.125(5), 37.12.125(6), 37.12.125(7); AS 44.66.010(a)(7), and 44.83.080(16)(E) are repealed.

* Sec. 17. The Alaska Resources Corporation is dissolved. As of the date of dissolution, administration of the outstanding loan portfolio, along with all attendant rights and obligations of the corporation is transferred to the Department of Revenue.

* Sec. 18. AS 37.12.010 - 37.12.125 are repealed.

* Sec. 19. Sections 1 - 16 of this Act take effect immediately in accordance with AS 01.10.070(c).

* Sec. 20. Sections 17 and 18 of this Act take effect July 1, 1989.

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

STEVE COWPER, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
P.O. BOX SB
JUNEAU, ALASKA 99811-0400

January 20, 1989

JAN 25 1989

The Honorable Bettye Fahrenkamp
Chair
Senate Resources Committee
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Attention: Danny Consenstein

Dear Senator Fahrenkamp:

At the request of your staff, I would like to provide you some background on Senate Bill 83, an Act relating to the transfer of assets of the Alaska Resources Corporation upon dissolution.

The Alaska Resources Corporation ("ARC") dissolves by law on July 1, 1989. At that time, current law provides for the transfer to the Department of Revenue of any outstanding loans that ARC has made. ARC has been in the process of collecting or liquidating these loans and depositing the proceeds in the general fund. The Department of Revenue would continue this process with the loan assets; it would directly hold after the transfer on July 1, 1989.

Unfortunately, current law is not clear as to what happens to non-loan assets of ARC, such as common stock or real estate, upon dissolution. These assets have also been in the process of liquidation. Under SB 83, disposition of these other assets also would be handled by the Department of Revenue and the proceeds deposited in the general fund.

Enclosed is a recent summary of the status of ARC's various assets. To assure your files are complete, I have also enclosed the Governor's transmittal letter and the Department of Revenue's fiscal note for this bill.

Sincerely,



Milt Barker
Deputy Commissioner

MB/ph

January 9, 1989

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January 9, 1989

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SB 81 cont'd

was read the first time and referred to the Resources
Committee.

Zero fiscal note published today from Department of Revenue.

Governor's transmittal letter dated January 9:

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska
Constitution, I am transmitting a bill relating to the
disposition of assets of the Alaska Resources Corporation
(ARC) upon its dissolution.

Current law provides that upon dissolution of the cor-
poration on July 1, 1989, "administration of the outstanding
loan portfolio along with all attendant rights and obli-
gations of the corporation is transferred to the Department
of Revenue." Section 17, ch. 161, SLA 1984 (emphasis
added). Also see secs. 18 and 20, ch. 161, SLA 1984. By
use of the term "attendant," this provision could be inter-
preted to mean that only those rights and obligations of the
corporation directly associated with the outstanding loan
portfolio are to be transferred to the Department of Revenue
at the time of dissolution. Under this interpretation, it
is unclear what would happen to other non-loan assets of the
corporation, such as common stock, preferred stock, and real
estate. This bill clarifies that all corporate assets
remaining as of the date of dissolution are to be trans-
ferred to the Department of Revenue.

The bill also makes minor technical changes to the 1984
session law. I urge your support of this bill.

Sincerely,

/s/
Steve Cowper

Governor

SB 84

SENATE BILL NO. 84 by the Rules Committee by request of the
Governor, entitled:

"An Act relating to the exemptions from the
salmon enhancement tax; and providing for an
effective date."

CODES: R-RESTRUCTURE
 E-EXPANSION
 S-START UP
 IB-INVESTMENT BANKING
 VC-VENTURE CAPITAL

ALASKA RESOURCES CORPORATION
 INVESTMENT RECAP
 September 30, 1988

CODE	COMPANY NAME	FISHERIES	SPECIAL FISH	AGRICULTURE	FOREST PRODUCTS	SPECIAL FOREST	MANUFACTURING	COMMITTED UNDIS. FUNDS	TOTAL DEBT	EQUITY AMOUNT	EQUITY %
RVC	ACT I (ALASKA F.I.S.H.)	-0-							-0-		
EIB	ALASKA TIMBER					-0-			-0-		
EIB	ALYESKA CANDY KITCHEN			-0-					-0-		
SIB	AMERICAN EAGLE	-0-	-0-						-0-		
SVC	ANCHOR RENEWABLE FARMS			-0-					-0-		
SVC	ANCHORAGE TANK						364,059		364,059		
SIB	ARCTIC FROST	-0-				-0-			-0-		
RVC	BALL BROTHERS	994,095	2,253,848						3,247,943	500,000	40%
RVC	BALL, ALBERT	2,329							2,329		
RVC	BALL, GERALD	434							434		
RVC	BALL, NEWTON	-0-							-0-		
SIB	CLARK, INC.		-0-						-0-		
RVC	ICICLE SEAFOODS		-0-						-0-	⁰ 1,469,000	Est 28%
EIB	KACHEMAK	-0-							-0-		
SVC	KOKECHIK	174,296							174,296	490	49%
EVC	MASTERCRAFT				-0-				-0-		
EVC	PACIFIC FOREST PROD.				-0-	-0-			-0-		
EIB	PINES SAWMILL				-0-				-0-		
SVC	RICE FUR FARM			101,523					101,523		
RVC	SALAMATOF		1,900,000						1,900,000		
SVC	SAYLES MARINE	95,126							95,126		
EVC	SEAWARD SHIPYARD	124,932							124,932	150,000	22%
SVC	SMARAGD PARTNERS	-0-							-0-		
SVC	STEIK ENTERPRISES				-0-				-0-		
SVC	STERLING SEAFOODS	-0-							-0-	-0-	
SVC	TRINITY RESOURCES									-0-	
SIB	WYMAN	-0-							-0-		
TOTALS:		1,391,212	4,153,848	101,523	-0-	-0-	364,059	-0-	6,010,642	2,119,490	

ALASKA RESOURCES CORPORATION

Report Date: November 22, 1988
 Period Ending: September 30, 1988
 Reported By: Marty Lentz

LOANS RECEIVABLE & PAST DUE
 LIABILITY MONITORING REPORT

Project & Resource Sector	Next Payment Due	Original Amount	Present Prin. Bal.	Date Loan Made	Maturity Date	Collateral Value & Type	Past Due	Total Liability	Interest Rate
ACT I Comment: Legal Counsel processing this account, Summary Judgement Order January 22, 1988, granted	-0-	125,000	-0-	06-30-80	09-30-82	N/A		-0-	
ALASKA TIMBER CORP. Comment: Company filed Chapter XI October, 1984. Deal failed for refinancing, Bank of California filed motion on May 5, 1986 to sale assets of company. As of December 1986, extensive fire damage on ARC security. April 18, 1988 meeting with Bank of California mill sold, no agreed settlement between ARC/Bank... Bank to make additional offer of settlement A.S.A.P.		-0-	-0-	05-04-81	07-30-89	Loan part. w/ Bank of Calif. value at \$4 Million	YES	-0-	
ALYESKA CANDY KITCHEN Comment: Paid in full, February 1985, no loss on this account.		37,600	-0-	03-18-80	01-01-86	N/A	N/A	-0-	
AMERICAN EAGLE SEAFOODS INCORPORATED Comment: Paid in full, settlement accepted 3-11-85 for \$75,000.00. Full recovery of principal, write off interest.		150,000 50,000	-0- -0-	03-26-80 05-29-80	09-01-81 09-01-81	N/A	N/A N/A	-0- -0-	
ANCHOR RENEWABLE FARMS Comment: Chapter 12 Plan approved by Bankruptcy Court March 17, 1988. REFER TO FILE FOR INFORMATION		120,000 404	-0-	08-04-80 03-27-84	07-01-87 Demand	DOT on real estate. No value in support	YES YES	-0-	
ANCHORAGE TANK & WELDING, INC. Comment: Filed bankruptcy April 1986, Bankruptcy judge approved plan June 9, 1987	06-02-88 05-02-88 Per Court Order, should have new payment schedule!	270,000 100,000	257,428.79 106,630.46	06-06-83 06-06-83	12-31-97 12-31-97	Equipment @ \$484,099	NO NO	259,121.69 108,920.72	8% 8%

ALASKA RESOURCES CORPORATION

Report Date: November 22, 1988
 Period Ending: September 30, 1988
 Reported By: Marty Lentz

LOANS RECEIVABLE & PAST DUE
 LIABILITY MONITORING REPORT

Project & Resource Sector	Next Payment Due	Original Amount	Present Prin. Bal.	Date Loan Made	Maturity Date	Collateral Value & Type	Past Due	Total Liability	Interest Rate
ARCTIC FROST SEAFOODS INCORPORATED		19,200	-0-	04-10-84	04-10-86	N/A	N/A	-0-	
Comment: Paid in full, 12/17/84, no loss on this account.									
BALL BROTHERS, INC.	All in default	150,000	150,000	05-01-82	05-01-82	NONE	YES	162,264.62	Sea-Firs 20%
	Demand	600,000	500,000	06-10-81	07-31-81		YES	593,666.65	20%
	Demand	159,852.83	159,852.83	08-17-82	Demand		YES	159,852.83	20%
	Demand	184,242.09	184,242.09	09-07-84	Demand		YES	184,242.09	Non-accru 16%
	10-13-81	1,000,000.	253,848.26	05-29-80	10-31-81		YES	518,246.05	Bank of America
	10-13-81	2,000,000.	2,000,000	05-29-80	10-31-86		YES	2,600,226.29	Bank of America
Comment: April 25, 1986 Ball Brothers, Inc. VS. Nefco, Judge signed settlement order, A.R.C. will be receiving a portion of \$750,000.00 As of October 20, 1987, bankruptcy Trustee "Tom Yerbitch" states settlement may take as long as a year or more!									
BALL, ALBERT	11-1-88	25,000	2,328.86	10-28-83	11-1-88	NONE	NO	2,540.06	10%
BALL, GERALD	11-1-88	25,000	434.02	10-28-83	11-1-88		NO	473.62	10%
BALL, NEWTON		25,000	-0-	10-28-83	11-1-88		NO	-0-	
Comment: Demand sent									
CLARK, INC.		395,000	-0-	11-13-81	09-20-96	Plant, equip. R/E 3,900,000. part. w/ CFAB	YES		
Comment: 4/17/87 Darlene Church (C.F.A.B.) said they have sold facility. Accounting of transaction will be provided SEE OWNED ASSETS SECTION									
ICICLE SEAFOODS, INC.		400,000	-0-	05-12-81	06-12-91		NO	-0-	
		1,900,000	paid in full	09-29-82	09-01-87		NO	-0-	
Comment: Performing and current, debenture and sale of 200,000 shares of common stock to Management Associates completed May 20, 1986. A.R.C. remaining 360,000 shares convert to preferred shares. ICICLE 5/21/87 Rec. \$162,720 dividend check, plus \$565,000 check for re-purchase of 100,000 shares preferred stock.									

ALASKA RESOURCES CORPORATION

Report Date: November 22, 1988
 Period Ending: September 30, 1988
 Reported By: Marty Lentz

LOANS RECEIVABLE & PAST DUE
 LIABILITY MONITORING REPORT

Project & Resource Sector	Next Payment Due	Original Amount	Present Prin. Bal.	Date Loan Made	Maturity Date	Collateral Value & Type	Past Due	Total Liability	Interest Rate
KACHEMAK SEAFOODS, INC.		250,000 1,092.10	-0- -0-	08-28-81 03-18-83	10-01-82 Demand	N/A	N/A N/A	-0- -0-	
Comment: Principal paid in full. VWH, Ltd. settlement proceeds provided \$68,983.26. Collection on judgement against Birdie Needham provided a net amount to retire Kachemak principal in full, with additional \$17,530.20 credited to accrued interest.									
KOKECHIK, INC.	07-01-85	300,000	174,295.98	05-15-80	07-01-87	Boats, motors orig. value \$300,000	NO	245,104.73	12%
Comment:									
MASTERCRAFT		315,000	-0-	08-08-80	10-01-87	N/A	N/A	-0-	
Comment: Paid in full, 12/23/84, no loss on this account.									
PACIFIC FOREST PRODUCTS INCORPORATED		10 @ 100,000 9 @ 200,000 1,000,000 1,800,000 165,065.83	-0- -0- -0- -0- -0-	12-13-83 12-13-83 11-02-84 04-08-81 12-13-83				-0- -0- -0- -0- -0-	
Comment: Execution sale scheduled for June 18, 1986. A.R.C. highest bidder, proceed to sell property. Total debt as of 6/18/86: Prin: \$5,810,657.42, Int. \$1,754,670.13. Agreement of Sale signed November 7, 1986, purchase price \$900,000.00. Deal closed 4/1/87, proceeds received \$1,059,178.00.									
PINES SAWMILL		30,000	N/A	04-02-80	04-01-85	N/A	N/A	-0-	
Comment: Paid in full									

ALASKA RESOURCES CORPORATION

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LOANS RECEIVABLE & PAST DUE
 LIABILITY MONITORING REPORT

Project & Resource Sector	Next Payment Due	Original Amount	Present Prin. Bal.	Date Loan Made	Maturity Date	Collateral Value & Type	Past Due	Total Liability	Interest Rate
RICE FUR FARM	03-31-84	115,000	101,523.14	11-23-81	12-01-92	Foxes, cages, equip. & R/E \$184,000.00	YES	101,523.14	non-bear
Comment: In default \$5760.00 of \$12,500 minimum royalty payment due 03-31-84. Royalty payment and report due 03-31-85.									
SALAMATOF SEAFOODS, INC.	06-30-89	3,065,349.93	1,900,000.00	01-01-82	06-30-89	plant, equip. \$4.5 Mil 2nd 1st APB \$900,000	YES	1,900,000.00	
Comment: Final closing of reorganization by February 1986, primary changes - forgiveness of ??Int???. \$574,054.00 and Principal reduction from \$3,065,350.00 to \$1,900,000.00 to be paid in full June 30, 1989.									
SAYLES MARINE, INC.	12-31-82	86,126	25,126	04-29-82	12-31-82	Aluminum est @ \$15,000 vessel PMM \$85,000	YES	42,305.19	20%
	10-01-84	70,000	70,000	12-30-83	07-01-98		YES	104,307.85	11.5%
Comment: Case transferred to A.G. office in Juneau.									
SEAWARD SHIPYARD & MARINE SUPPLY INC.	06-01-84	210,000	26,061.98	05-01-82	06-01-84	R/E plant & equip value @ 1.1 Mil subject to 1st D/T @ \$140.K	YES	26,190.50	NBA pri
		20,000	-0- *	03-05-81	06-01-84		YES	-0-	"
	04-01-88	350,000	98,870.04	04-02-80	05-02-90		NO	99,357.66	10%
* Seaward Shipyard #80-022-A paid off in full 2-2-88 Comment: March 3, 1986 A.R.C. Board approved workout agreement on defaulted notes, stocks purchase; Mr. Selay has agreed.									
SMARAGD PARTNERS		498,000							
Comment: Paid in full, September 20, 1985, no loss to ARC									

ALASKA RESOURCES CORPORATION
OWNED ASSETS

Report Date: November 22, 1988
Period Ending: September 30, 1988
Reported By: Marty Lentz

MARTIN'S SEAFOODS, INC.

Comment: This asset is a Fish Processing and Freezer Plant 800 Ocean Dock Road, Anchorage, Alaska. Six month lease with option to purchase, signed June 1, 1987, with Seafoods From Alaska, extended May 1, 1988, as 4-1-88, final negotiations are in process for lessee to exercise option to purchase.

STEIK ENTERPRISES

Comment: Account in bankruptcy, Deed in Lieu of Foreclosure accepted 4/29/87. Lease agreement and Option to Purchase signed May 1, 1987, three-year option to repurchase at \$95,714.56, plus \$800 per month rental income.

CLARK, INC.

Comment: This asset is a fish processing plant/apartment complex in Dillingham, Alaska. ARC funding was a participation with Alaska Commercial Fishing and Agriculture Bank. ARC owned 13.17% of the loan, and CFAB as majority investors has controlled asset to date. Business failed, CFAB after bankruptcy sold the subject asset to Rodney C. Egemo on 5/30/86. Mr. Egemo, also has difficulty and CFAB is working with borrower. Due to legal and expense, ARC will have little recovery of debt.

ALASKA TIMBER CORPORATION

Comment: This asset is a timber mill facility in Klawock, Alaska. Bank of California provided financing for the mill facility. ARC participated with Bank of California in providing funding for power plant facility. This was a very complex bankruptcy.

ALASKA RESOURCES CORPORATION
OWNED ASSETS

Report Date: November 22, 1988
Period Ending: September 30, 1988
Reported By: Marty Lentz

ACT I 7 MACHEN

Comment: Summary judgment order signed January 22, 1988 in the amount of \$260,843.76 plus interest a attorney fees.

PACIFIC FOREST PRODUCTS &
MICHAEL & SHARON CHITTICK

Comment: \$25,000 promissory note @ 10% interest, 84 monthly installments of \$531.24 P/M commencing September, 1989.

SEAFOODS FROM ALASKA

Comment: \$35,205 promissory note @ 10% interest.

ANCHOR RENEWABLE RESOURCES

Comment: United States Bankruptcy Court confirmed Chapter 12 Plan. ARC will share pro-rata in the payments to unsecured creditors. Payments to be made over a three year plan. Commencemen date unknow, anticipated ARC to receive 20 cents on dollar.
