

Leg. Finance - Finance Comte Files (1971-72) 8879

HCR 45 cont. 888

STATE OF ALASKA

State Capital: Juneau

WILLIAM A. EGAN Governor
H. A. BOUCHER Lieutenant Governor
JOSEPH R. HENRI Commissioner of Administration
GEORGE W. EASLEY Commissioner of Public Works
JOHN E. HAVELOCK Attorney General
CARL P. JOHNSON Director—Division of Buildings

ALASKA STATE HOUSING AUTHORITY

P. O. Box 179, Anchorage 99501

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WAYNE JOHNSON First Vice-Chairman
MARVIN MITCHELL Second Vice-Chairman
CHARLES W. GUINN Member
KENNETH W. KADOW Member and Commissioner of Commerce
ROBERT E. BUTLER Executive Director
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APPENDIX C

\$8,280,000 — 1972 CONSTRUCTION BONDS
TABLE OF BOND YEARS

Year of Maturity (October 1)	Bonds Maturing	Bond Years*	
		This Maturity	Cumulative
1975	250	937.50	937.50
1976	265	1,258.75	2,196.25
1977	285	1,638.75	3,835.00
1978	305	2,058.75	5,893.75
1979	325	2,518.75	8,412.50
1980	350	3,062.50	11,475.00
1981	375	3,656.25	15,131.25
1982	400	4,300.00	19,431.25
1983	425	4,993.75	24,425.00
1984	450	5,737.50	30,162.50
1985	480	6,600.00	36,762.50
1986	510	7,522.50	44,285.00
1987	545	8,583.75	52,868.75
1988	580	9,715.00	62,583.75
1989	620	11,005.00	73,588.75
1990	660	12,375.00	85,963.75
1991	705	13,823.75	99,887.50
1992	750	15,562.50	115,450.00

Average life this issue: 13.9432 years

\$1,130,000 — 1972 ACQUISITION BONDS
TABLE OF BOND YEARS

Year of Maturity (October 1)	Bonds Maturing	Bond Years*	
		This Maturity	Cumulative
1973	25	43.75	43.75
1974	30	82.50	126.25
1975	30	12.50	238.75
1976	35	166.25	405.00
1977	40	230.00	635.00
1978	40	270.00	905.00
1979	45	348.75	1,253.75
1980	45	393.75	1,647.50
1981	50	487.50	2,135.00
1982	50	537.50	2,672.50
1983	55	646.25	3,318.75
1984	60	765.00	4,083.75
1985	65	893.75	4,977.50
1986	65	958.75	5,936.25
1987	70	1,102.50	7,038.75
1988	75	1,256.25	8,295.00
1989	80	1,420.00	9,715.00
1990	85	1,593.75	11,308.75
1991	90	1,777.50	13,086.25
1992	95	1,971.25	15,057.50

Average life this issue: 13.3247 years

* Assuming \$1,000 denomination for purposes of this calculation. Bonds will in fact be of \$5,000 denomination.



Governor's Mansion, Juneau.

Official Statement

of the

Alaska State Housing Authority

Concerning

\$9,410,000

State Lease Revenue Bonds, 1972 Projects

Consisting of

\$8,280,000 Construction Bonds

\$1,130,000 Acquisition Bonds

To Be Sold

January 11, 1972

At 1:00 P.M. Eastern Standard Time

at the Offices of Hawkins, Delafield & Wood
67 Wall Street, New York, N. Y. 10005

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1972 Construction Project prior to or during construction thereof and allocable portions of direct costs of the Authority, legal fees, fees and expenses of the Trustee, cost of issuance of the bonds by the Authority and financing charges and fees and expenses of bond counsel, financial advisors and consultants in connection therewith, costs of audits, the cost of all machinery, apparatus and equipment, cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, the reimbursement of all moneys advanced or applied by the State or any agency, instrumentality or officer thereof, whether to or by the Authority, the State or others, from whatever source provided, for the payment of any item or items of cost of the 1972 Construction Project, and all other expenses necessary or incident to determining the feasibility or practicability of the 1972 Construction Project, and such other expenses not specified herein as may be necessary or incident to the construction, acquisition, improvement, and alteration of the 1972 Construction Project, the financing thereof and the placing of the same in use and operation.

Requisitions for Payment.

SECTION 404. Pursuant to Section 2.05 of Agreement of Lease No. 11 the Authority hereby fixes and determines that payment of the cost of the 1972 Construction Project be made in the following manner:

Before any payment shall be made on account of the cost of the 1972 Construction Project, the Authority shall make and thereafter keep as a record open to the inspection of the holders of the Construction Bonds during reasonable business hours at its principal office in the City of Anchorage, Alaska:

A requisition, signed by an officer of the Authority, stating in respect of each payment to be made:

- (1) the name of the person or party to whom the payment is to be made;
- (2) the amount to be paid; and
- (3) the purpose, by general classification, for which the payment is to be made.

Regulations Concerning Investment of 1972 Project Construction Account.

SECTION 405. Pursuant to the provisions of Section 2.04 of Agreement of Lease No. 11 it is hereby fixed and determined that moneys in the 1972 Project Construction Account be invested, reinvested or deposited in the following manner:

Subject to the covenant contained in Section 713 of this Trust Indenture all moneys held in the 1972 Project Construction Account shall, as nearly as may be practicable, be invested and reinvested in direct obligations of the United States of America or in obligations the principal and interest on which are guaranteed or insured by the United States of America or any agency thereof, obligations issued by federal land banks or federal intermediate credit banks established under the Federal Home Loan Act, as amended, bonds or debentures of the Federal Home Loan Bank Board or of any federal home loan bank established under the Federal Home Loan Act, obligations of the Federal National Mortgage Association established under the National Housing Act as amended, Participation Certificates issued by the Federal National Mortgage Association under the Participation Sales Act of 1966, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933 as amended, obligations of any State, and in obligations of any political subdivisions of the State of Alaska, including the Authority, or deposited in demand or time deposits in any national banking association, bank or trust company to the extent such deposits are guaranteed by the Federal Deposit Insurance Corporation or other Federal Agency or to the extent not so guaranteed secured by a pledge of the aforesaid obligations, certificates, bonds or debentures which shall be lodged with the trust department of the depository bank or pledged to some other bank or trust company. In any event such obligations, certificates, bonds, debentures or time deposits shall mature or become due in such amounts and at such times as may be necessary, as determined by the Authority, to provide moneys when needed to pay the cost of the 1972 Construction Project when the same become due.

Payments for Real Property.

SECTION 406. If any requisition filed in accordance with Section 404 contains any item for the payment of the cost and expense of acquisition of any lands, easements, or rights or interests in or

relating to lands (other than the cost or expense of a preliminary survey, search, appraisal, legal or engineering examination, or contract or option to acquire), there shall be attached to such requisition, before any transfer or payment with respect to such item shall be made, an opinion of counsel to the Authority or an opinion of the Attorney General of Alaska, stating, in the opinion of the signer, that the Authority has authority to acquire such lands, easements, rights or interests, and that the Authority will have upon the payment of such item title in fee simple to, or easements over, said real property or such lesser right or interest in said real property sufficient for the purposes of the 1972 Construction Project, subject to no lien, charge or encumbrance thereon or affecting the title thereto except such as will not under any circumstances cause the possession and use of the property by the Authority for its purposes to be disturbed.

SECTION 407. Upon completion of original construction on or about the 1972 Construction Project, the Authority shall at any time or from time to time withdraw from the 1972 Project Construction Account the balance in the 1972 Project Construction Account, or any part thereof, in the amounts, at the time, in the manner and on the other terms and conditions set forth in this Section 407. Before any such withdrawal shall be made, there shall be filed in the office of the Authority:

(a) its requisition therefor, stating the amount of such withdrawal;

(b) its certificate attached to the requisition certifying (1) that original construction on or about the 1972 Construction Project has been completed in accordance with the Trust Indenture, and (2) that a sum stated in the certificate is sufficient to pay, and is required to be reserved in the 1972 Project Construction Account to pay, all items of cost of the 1972 Construction Project then remaining unpaid, including the estimated amount of any such items the amount of which is not finally determined and all claims against the Authority arising out of the construction, acquisition or completion of the 1972 Construction Project; and

(c) an opinion of counsel who may be counsel to the Authority, or an opinion of the Attorney General of Alaska, dated as of the date of such requisition and stating that, in the opinion of the signer, except in the case of such part of the 1972 Construction Project as is lawfully located in a public street or highway the Authority has acquired title to or perpetual easements in all real property constituting a part of the 1972 Construction Project and all real property incidental thereto sufficient for the purposes of the Authority, or such lesser right or interest in said real property sufficient for the purposes of the 1972 Construction Project, free from all liens, charges, conditions or encumbrances except such as will not under any circumstances cause the possession and use of the property by the Authority for its purposes to be disturbed prior to the payment in full of all the bonds then outstanding, and that either (i) there are no uncanceled mechanics', laborers', contractors', or materialmen's liens on any such property or on any funds of the Authority or on file in any public office where the same should be filed in order to be valid liens against any funds of the Authority or any part of such property and that, in the opinion of the signer of such opinion, the time within which such liens can be filed has expired or (ii) the Authority has irrevocably set aside in trust an amount sufficient and available to pay the sum claimed in any such lien.

If at the time of the filing of such requisition and accompanying certificate, the amount in the 1972 Construction Project Bond Service Fund equals or exceeds any unpaid interest then due on any outstanding bonds, plus the interest to become due on outstanding bonds on the next succeeding interest payment date, and the Authority is not in default in the payment of the principal of or interest on any bonds, the Authority shall pay out of the 1972 Project Construction Account, the amount stated in such requisition, and may expend such amount for any lawful purpose for which any obligations of the Authority may be issued to finance public buildings for lease to the State under the Act, or may transfer such amount to the State for expenditure for any lawful purpose, provided that no such withdrawal shall be made if it reduces the amount in the 1972 Project Construction Account below the amount stated in the said certificate of the Authority as required to be reserved in the 1972 Project Construction Account.

SECTION 408. The Authority hereby establishes a special fund or account designated the "1972 Project Acquisition Account". The 1972 Project Acquisition Account shall be held by the Authority.

Disposition of Balance in 1972 Project Construction Account.

Cost of the 1972 Acquisition of the Project.

Pursuant to Article II of Agreement of Lease No. 12, the Authority hereby fixes and determines the following provisions contained in Section 408 to Section 410, inclusive, which shall be part of the contract with the holders of the Acquisition Bonds at any time outstanding, and as provided in Section 2.02 of Agreement of Lease No. 12, hereby fixes the following as the cost of the 1972 Acquisition Project:

The cost of the 1972 Acquisition Project shall include the cost of acquisition of the 1972 Acquisition Project and the cost of constructing certain improvements thereto, including the cost of advance planning undertaken in connection with the 1972 Acquisition Project property allocable in the opinion of the Authority to the 1972 Acquisition Project, cost of issuance of the Acquisition Bonds by the Authority and financing charges and fees and expenses of bond counsel, financial advisors and consultants in connection therewith, all related direct administrative and inspection expenses whether incurred by the Authority or another in connection with the 1972 Acquisition Project, legal fees and other expenses incurred in connection with the acquisition of the 1972 Acquisition Project and the reimbursement of all moneys advanced or applied by the State, or any agency, instrumentality or officer thereof, whether to or by the Authority, the State or others, from whatever source provided, for the payment of any item or items of cost of the 1972 Acquisition Project, and all other expenses necessary or incident to determining the feasibility or practicability of the 1972 Acquisition Project including engineering and rehabilitation costs, and such other expenses not specified herein as may be necessary or incident to the acquisition of the 1972 Acquisition Project and the financing thereof.

SECTION 409. The Authority shall make payment of costs of the 1972 Acquisition Project, in addition to the payment to Island Development Corporation upon requisition filed with the Trustee of an amount necessary to acquire the 1972 Acquisition Project, in such manner as set forth in Section 404 hereof with respect to payment from the 1972 Project Construction Account. Moneys held for such purpose may be invested or deposited in the manner provided in Section 405 for moneys in the 1972 Project Construction Account. Any requisition filed in accordance herewith with respect to payment of the cost of acquisition of any land or rights or interests in or relating to lands shall have attached to it an opinion of counsel to the Authority or an opinion of the Attorney General of Alaska, stating, in the opinion of the signer, that the Authority has authority to acquire such land, rights or interests, and that the Authority will have upon the payment of such item title in fee simple to said real property or such lesser right or interest sufficient for the purposes of the 1972 Acquisition Project subject to no lien, charge or incumbrance thereon or affecting the title thereto except such as will not under any circumstances cause the possession and use of the property of the Authority for its purposes to be disturbed.

SECTION 410. If at the time all costs of the 1972 Acquisition Project are fully paid, the amount in the 1972 Acquisition Project Bond Service Fund equals or exceeds any unpaid interest then due on any outstanding Acquisition Bonds, plus the interest to become due on outstanding Acquisition Bonds on the next succeeding interest payment date, and the Authority is not in default in the payment of the principal of or interest on any Acquisition Bonds, the Authority may expend any remaining bond proceeds for any lawful purpose for which any obligations of the Authority may be issued to finance public buildings for lease to the State under the Act.

ARTICLE V

RENTAL PAYMENTS AND FUNDS

SECTION 501. A Special Fund is hereby created and designated "1972 Construction Project Bond Service Fund" for the purpose of paying on the Construction Bonds (i) interest with moneys paid into the said Fund pursuant to Section 210(a) hereof during the period of acquisition and construction of the 1972 Construction Project and (ii) principal thereof and interest thereon, thereafter from moneys paid into said Fund pursuant to this Article. The 1972 Construction Project Bond Service Fund and all moneys at any time deposited therein shall be held and maintained by the Trustee in trust for the benefit of the holders from time to time of the Construction Bonds and disbursed, allocated and applied solely for the uses and purposes hereinafter set forth. The right of the Authority to

redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such bonds on such date. On the date so designated for redemption, notice having been published and moneys for payment of the redemption price being held by the Trustee; as provided in this Trust Indenture, interest on the bonds so called for redemption shall cease to accrue; the coupons for interest on any coupon bonds so called for redemption maturing subsequent to the redemption date shall be void; such bonds shall cease to be entitled to any lien, benefit or security under this Trust Indenture; and the holders or registered owners of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. All unpaid interest installments represented by coupons appertaining to such bonds which shall have matured on or prior to the date of redemption designated in such notice shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

SECTION 304. Coupon bonds so redeemed and all unmatured coupons appertaining thereto, and registered bonds so presented and surrendered, shall be delivered to the Trustee for cancellation and certification thereof made to the Authority by the Trustee.

SECTION 305. Bonds of a series which have been duly called for redemption under the provisions of this Article, and for the payment of the redemption price of which moneys shall be held by the Trustee on the date fixed for such redemption, shall not be deemed to be outstanding under the provisions of this Trust Indenture.

ARTICLE IV

1972 PROJECT CONSTRUCTION ACCOUNT AND 1972 PROJECT ACQUISITION ACCOUNT

SECTION 401. The Authority hereby establishes a special fund or account designated the "1972 Project Construction Account". The 1972 Project Construction Account shall be held by the Authority. Pursuant to Section 2.04 of Agreement of Lease No. 11, the Authority hereby fixes and determines the following provisions contained in Section 402 to Section 407, inclusive, which shall be a part of the contract with the holders of the bonds at any time outstanding, with respect to the 1972 Project Construction Account (referred to in said Section 2.04 as the Project Construction Account).

SECTION 402. The Authority shall make payment of the cost of the 1972 Construction Project as in this Article provided. All payments from the 1972 Project Construction Account shall be subject to the provisions and restrictions set forth in this Article and the Authority shall not cause or permit to be paid from the 1972 Project Construction Account any sums except in accordance with such provisions and restrictions.

SECTION 403. Pursuant to Section 2.02 of Agreement of Lease No. 11 the following is fixed as the cost of the 1972 Construction Project:

The cost of construction and acquisition of the 1972 Construction Project, including interest on the bonds prior to and during such construction, and reasonable fees of the Trustee for the payment of such interest, to the extent, if any, that the same is not paid by the application of moneys elsewhere than in the 1972 Project Construction Account, the cost whether incurred by the Authority or another of field surveys and advance planning undertaken in connection with the 1972 Construction Project properly allocable, in the opinion of the Authority, to the 1972 Construction Project, and the cost of acquisition of any land or interest therein required as the site of the 1972 Construction Project or for use in connection therewith, the cost of preparation of the site of the 1972 Construction Project and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance incurred in connection with the 1972 Construction Project prior to or during construction thereof and all related direct administrative and inspection expenses whether incurred by it or by another in connection with the

Payment of Costs of 1972 Acquisition Project.

Disposition of Balance of Acquisition Bond Proceeds.

Creation of 1972 Construction Project Bond Service Fund.

Pledge and Assignment of 1972 Construction Project Rentals.

Cancellation of Bonds and Coupons Redeemed.

Bonds Called for Redemption Not Outstanding.

1972 Project Construction Account.

Payment of Cost of 1972 Construction Project.

Cost of Construction of 1972 Construction Project.

therefor attached thereto or, if no coupons for such interest are attached, then only upon presentation of such temporary bonds for notation thereon of the payment of such interest. The Authority at its own expense shall prepare and cause to be executed and, upon the surrender of such temporary bonds with all unmatured coupons and all matured coupons in default, if any, appertaining thereto at the principal office of the Trustee, and upon the cancellation thereof, the Trustee shall authenticate and, without charge to the holder thereof, deliver in exchange for such surrendered temporary bonds and coupons, definitive coupon bonds, with appropriate coupons attached, or, at the option of the holder, definitive registered bonds, of the same aggregate principal amount, series and maturity as the temporary bonds surrendered. Until so exchanged, the temporary bonds shall in all respects be entitled to the same benefits and security as definitive bonds authenticated and issued under the Trust Indenture. If temporary bonds shall be authorized to be issued in more than one denomination, the holder of any temporary bond or bonds may, at his option, surrender the same to the Trustee in exchange for another temporary bond or bonds, of like aggregate principal amount, series and maturity of any other authorized denominations, and thereupon the Authority shall cause to be executed and the Trustee shall authenticate and, in exchange for the temporary bond or bonds so surrendered, shall deliver a temporary bond or bonds of like aggregate principal amount, series and maturity in such other authorized denomination or denominations as shall be requested by such holder. All temporary bonds so surrendered shall be cancelled.

Mutilated, Destroyed, Stolen or Lost Bonds.

SECTION 212. In case any bond shall become mutilated or be destroyed, stolen or lost, the Authority may cause to be executed, and the Trustee may authenticate and deliver, a new bond of like series, interest rate, principal amount and maturity in exchange and substitution for and upon the cancellation of such mutilated bond and its interest coupons, if any, or in lieu of and in substitution for such bond destroyed, stolen or lost, and its coupons, if any, upon the holder's paying the reasonable expenses and charges of the Authority and the Trustee in connection therewith and, in the case of a bond destroyed, stolen or lost, his filing with the Trustee evidence satisfactory to it and to the Authority that such bond and coupons, if any, were destroyed, stolen or lost, and of his ownership thereof, and furnishing the Authority and the Trustee with indemnity satisfactory to them. Any new bond so delivered may bear a number differing from the number on the bond it replaces.

Exchange of Bonds.

SECTION 213. The Authority shall make provision for the exchange of bonds at the principal office of the Trustee, and shall cause books to be kept by the Trustee, as Bond Registrar, for the registration and transfer of bonds as provided in this Trust Indenture.

ARTICLE III
REDEMPTION OF BONDS

Redemption of Bonds.

SECTION 301. The bonds of each series issued under the provisions of this Trust Indenture at the time outstanding are subject to redemption by or on behalf of the Authority as follows:

The bonds of each series maturing on or before October 1, 1983 are not subject to redemption prior to maturity. The bonds of each series maturing on or after October 1, 1984 are subject to redemption as a whole at the election of the Authority on any interest payment date on or after October 1, 1983 at a redemption price equal to the principal amount of each bond to be redeemed, plus a redemption premium of 1/4 of 1% of such principal amount for each year or portion thereof remaining prior to the maturity of each bond to be redeemed.

Redemption Notice.

SECTION 302. Notice of any such redemption of the bonds of a series shall be published not less than thirty (30) days and not more than sixty (60) days before the redemption date in each of the authorized newspapers. Each such notice shall set forth the date fixed for redemption and the redemption price to be paid.

Effect of Calling for Redemption.

SECTION 303. Notice of redemption of bonds of a series having been published in the manner and under the conditions hereinabove provided, the bonds of a series so called for redemption shall, on the

receive and collect 1972 Construction Project Rentals under Agreement of Lease No. 11, and all 1972 Construction Project Rentals to be paid pursuant to Agreement of Lease No. 11, are hereby pledged, assigned and transferred to the Trustee for the benefit of the holders of any Construction Bonds and such pledge, assignment and transfer shall not be terminated, modified or amended by the Authority so long as any Construction Bonds are outstanding. The Authority hereby irrevocably exercises its right under Agreement of Lease No. 11 to direct the State to pay 1972 Construction Project Rentals directly to the Trustee and covenants not to otherwise direct the State in respect of such 1972 Construction Project Rentals while any Construction Bonds are outstanding. All 1972 Construction Project Rentals received by the Trustee shall be paid by the Trustee into the 1972 Construction Project Bond Service Fund.

Payment of 1972 Construction Project Rentals to Trustee.

SECTION 502. (1) The Trustee shall from time to time pay out of moneys held for the credit of the 1972 Construction Project Bond Service Fund to itself as paying agent on or before each interest payment date, the amount required for the payment of the interest and principal due on such date on the Construction Bonds outstanding, and such amounts so withdrawn shall be applied to the payment of such interest and principal on or before the due dates thereof.

Application of 1972 Construction Project Bond Service Fund.

(2) Notwithstanding any other provision of this Trust Indenture, whenever on any date prior to April 1, 1975, the amount in the 1972 Construction Project Bond Service Fund equals or exceeds any unpaid interest then due on any outstanding Construction Bonds, plus the interest to become due or accruing on outstanding bonds on or before April 1, 1975, after subtracting therefrom the amounts paid from the 1972 Construction Project Bond Service Fund on account of interest which has theretofore become due on outstanding Construction Bonds prior to said date, and the Authority is not in default in the payment of the interest on any Construction Bonds, the Trustee shall pay out of the 1972 Construction Project Bond Service Fund to the Authority, any amount therein in excess of the said amount then in said fund, free and clear of any lien or pledge created by the Trust Indenture.

(3) Notwithstanding any other provision of this Trust Indenture, if on September 25 in each year commencing with the year 1975 the amount in the 1972 Construction Project Bond Service Fund equals or exceeds any unpaid interest then due on outstanding bonds, plus the interest to become due on outstanding bonds on the next following October 1 and April 1, plus the principal of outstanding bonds to become due on the next following October 1, and the Authority is not in default in the payment of the principal of or interest on any bonds, the Trustee shall pay out of the 1972 Construction Project Bond Service Fund to the Authority any amount therein in excess of the said amount then in said fund, free and clear of any lien or pledge created by the Trust Indenture.

(4) Any amount paid to the Authority pursuant to this section may be spent by it for any 1972 Construction Project Administrative Expenses or for any purpose for which any obligations of the Authority may be issued to finance public buildings for lease to the State under the Act, or may be transferred by the Authority to the State for expenditure for any lawful purpose.

SECTION 503. A special fund is hereby created and designated "1972 Acquisition Project Bond Service Fund". The 1972 Acquisition Project Bond Service Fund and all moneys at any time deposited therein shall be held and maintained by the Trustee in trust for the benefit of the holders from time to time of the Acquisition Bonds and disbursed, allocated and applied solely for the uses and purposes herein-after set forth. The right of the Authority to receive and collect 1972 Acquisition Project Rentals under the Agreement of Lease No. 12, and all 1972 Acquisition Project Rentals to be paid pursuant to Agreement of Lease No. 12, are hereby pledged, assigned and transferred to the Trustee for the benefit of the holders of any Acquisition Bonds and such pledge, assignment and transfer shall not be terminated, modified or amended by the Authority as long as any Acquisition Bonds are outstanding. The Authority hereby irrevocably exercises its right under the Agreement of Lease No. 12 to direct the State to pay the 1972 Acquisition Project Rentals directly to the Trustee and covenants not to otherwise direct the State in respect of such 1972 Acquisition Project Rentals while any Acquisition Bonds are outstanding.

Creation of 1972 Acquisition Project Bond Service Fund.

Pledge and Assignment of 1972 Acquisition Project Rentals.

Payment of 1972 Acquisition Project Rentals to Trustee.

SECTION 504. (1) The Trustee shall from time to time, pay out of moneys held for the credit of the 1972 Acquisition Project Bond Service Fund to itself as paying agent and to the other paying

Application of 1972 Acquisition Project Bond Service Fund.

ALASKA STATE HOUSING AUTHORITY

TO

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION

as Trustee

Trust Indenture

[Respecting \$8,280,000 principal amount of Alaska State Housing Authority State Lease Revenue Bonds (1972 Construction Project) and \$1,130,000 principal amount of Alaska State Housing Authority State Lease Revenue Bonds (1972 Acquisition Project)]

Dated as of January 1, 1972

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STATE OF ALASKA
..... JUDICIAL DISTRICT } ss.:

On this day of , 1972, before me personally appeared to me known to be the Chairman of Alaska State Housing Authority, one of the parties described in and which executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Authority for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

Given under my hand and official seal this day of , 1972.

.....
Notary Public in and for
My commission expires

[NOTARIAL SEAL]

STATE OF ALASKA
..... JUDICIAL DISTRICT } ss.:

On this day of , 1972, before me personally appeared to me known to be the Secretary of Alaska State Housing Authority, one of the parties described in and which executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Authority for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument and that the seal affixed is the corporate seal of said Authority.

Given under my hand and official seal this day of , 1972.

.....
Notary Public in and for
My commission expires

[NOTARIAL SEAL]

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO } ss.:

On the day of in the year 1972 before me personally came to me known, who, being by me duly sworn, did depose and say that he resides at , ; that he is a of Bank of America National Trust and Savings Association, one of the parties described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by like order.

.....
Notary Public, State of

IN WITNESS WHEREOF, the Alaska State Housing Authority has caused this Trust Indenture to be executed in its name and behalf by its Chairman or Vice-Chairman and its official seal to be impressed hereon and attested by its Secretary or Assistant Secretary, and Bank of America National Trust and Savings Association has caused this Trust Indenture to be executed in its behalf by its Assistant Trust Officer and its corporate seal to be impressed hereon and attested by an Assistant Secretary, all as of the day and year first above written.

ALASKA STATE HOUSING AUTHORITY

By
Chairman

(SEAL)

ATTEST:

Secretary

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION
Trustee

By

(SEAL)

ATTEST:

Assistant Secretary

The foregoing Trust Indenture is approved:

Commissioner of Administration
of the State of Alaska

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to the Authority, if addressed to Alaska State Housing Authority, Box 179, Anchorage, Alaska, or at such other address as may be designated in writing by the Authority to the Trustee; to the Trustee, at its then principal office.

All documents received by the Trustee under the provisions of this Trust Indenture shall be retained in its possession, subject at all reasonable times to the inspection of the Authority, any bondholder, and the agents and representatives thereof.

SECTION 1303. Nothing in this Trust Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the holders of the bonds and the coupons thereunto appertaining any right, remedy or claim, legal or equitable, under or by reason of this Trust Indenture or any provision hereof, this Trust Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders from time to time of the bonds and such coupons.

Parties
and Bondholder
Rights Under
Trust Indenture.

SECTION 1304. Nothing in the bonds or coupons or in this Trust Indenture shall be construed as pledging the faith and credit of the State of Alaska or any political subdivision (except the Authority) thereof for their payment, or to create any debt against said State or any such political subdivision thereof.

Credit of State
Not Pledged.

SECTION 1305. In case any one or more of the provisions of this Trust Indenture or of the bonds or coupons shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Trust Indenture or of said bonds or coupons, but this Trust Indenture and said bonds and coupons shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the bonds or in this Trust Indenture shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

Effect of Partial
Invalidity.

SECTION 1306. All covenants, stipulations, obligations and agreements of the Authority contained in this Trust Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized by the Act and permitted by the Constitution of the State of Alaska. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Authority in his individual capacity, and neither the members of the Authority nor any official executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Effect of
Covenants.

SECTION 1307. This Trust Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Multiple
Counterparts.

SECTION 1308. Any headings preceding the texts of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Indenture, nor shall they affect its meaning, construction or effect.

Headings Not Part
of Trust Indenture.

Indenture, and that the same either does or does not relate solely to the Construction Bonds or the Acquisition Bonds and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such supplemental indenture.

Modification With Unanimous Consent.

SECTION 1105. Notwithstanding anything contained in the foregoing provisions of this Trust Indenture, the rights and obligations of the Authority and of the holders of the bonds, and the terms and provisions of the bonds, and this Trust Indenture or any supplemental indenture, may be modified or altered in any respect with the consent of the Authority and the consent of the holders of all of the bonds then outstanding.

ARTICLE XII
DEFEASANCE

Release of Trust Indenture.

SECTION 1201. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the holders of all bonds and coupons of either series, the principal and interest and redemption price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Trust Indenture, then the pledge of any 1972 Acquisition Project Rentals or 1972 Construction Project Rentals and other moneys and securities hereby pledged to secure bonds of such series, the right, title and interest of the Trustee, and all other rights granted hereby, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause a final accounting with respect to either series or both series, as the case may be, to be prepared and filed with the Authority, and the Trustee, upon request of the Authority, shall release this Trust Indenture with respect to either series or both series, as the case may be, and execute and deliver to the Authority all such instruments as may be desirable to evidence such release, discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant to this Trust Indenture with respect to either series or both series, as the case may be, which are not required for the payment or redemption of bonds or coupons with respect to either series or both series, as the case may be, not theretofore surrendered for such payment or redemption.

Method of Defeasance.

SECTION 1202. All outstanding bonds of a series shall be deemed to have been paid within the meaning and with the effect expressed in Section 1201 of this Article if (a) in case the bonds of such series are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to publish as provided in this Trust Indenture notice of redemption on said date of said bonds of such series, and (b) there shall have been deposited with the Trustee direct obligations of the United States maturing and bearing interest at times and in amounts sufficient to pay when due the principal and interest or redemption price, if any, to become due on said bonds of such series. The obligations deposited with the Trustee pursuant to this Section and the principal or interest payments thereon shall not be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on, and the redemption price of the said bonds of such series. Such obligations shall be registered in the name of and held by the Trustee.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

Successorship of Authority.

SECTION 1301. All of the covenants, stipulations, obligations and agreements contained in this Trust Indenture by or in behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time, and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Manner of Giving Notice.

SECTION 1302. Any notice, demand, direction, request or other instrument authorized or required by this Trust Indenture to be given to or filed with the Authority or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Trust Indenture if and when sent by registered mail, return receipt requested:

THIS TRUST INDENTURE, dated as of January 1, 1972, by and between the Alaska State Housing Authority, a public corporate authority of the State of Alaska (hereinafter sometimes called the "Authority"), and Bank of America National Trust and Savings Association, which is authorized under law to exercise corporate trust powers (said bank, its successor or successors and any other corporation which may be substituted in its place under this Trust Indenture, being herein sometimes called the "Trustee").

Parties.

WITNESSETH:

WHEREAS, by virtue of Section 10 to Section 290, inclusive, of Chapter 55 of Title 18, Alaska Statutes, as amended, the Authority was duly created a public corporate authority of the State of Alaska;

Statutory Authority.

WHEREAS, the Authority is authorized and empowered pursuant to said Section 10 to Section 290, inclusive, of Chapter 55 of Title 18 of the Alaska Statutes, as amended, and Section 37.05.280 of the Alaska Statutes (hereinafter collectively called the "Act"), among other things:

Powers of Authority.

(a) To provide for the acquisition, construction, improvement, or alteration of public building projects on lands granted or leased from the Department of Public Works, or on any lands acquired by it, for lease to the State of Alaska,

(b) To enter into leases with the State of Alaska acting through the Department of Administration for the use of space by the State provided by any such public building projects, and

(c) To issue bonds for its corporate purposes including, but not limited to, bonds on which the principal and interest are payable from its revenue generally, or exclusively from rents collected on public buildings, or by a pledge of income or revenue of the Authority and to secure the payment of such bonds as provided in this Trust Indenture;

WHEREAS, after investigation and study, the Authority has determined to acquire and construct as a project a new court building in Juneau, Alaska, at the location, and of the description, set forth in Agreement of Lease No. 11 between the Department of Administration and the Authority, hereinafter mentioned (herein and therein called the "1972 Construction Project");

Acquisition and Construction of 1972 Construction Project.

WHEREAS, the State of Alaska and the Authority have, pursuant to the Act, and Senate Concurrent Resolution No. 45, Alaska State Legislature, 1971, entered into a lease entitled "Agreement of Lease No. 11" dated as of January 11, 1972, providing for a lease of the 1972 Construction Project by the State for a lease term of seventeen and one-half years (17½) commencing on April 1, 1975 (or such earlier date as the Authority and the State may agree upon) and ending on October 1, 1992 at an Annual Rental as therein provided;

Lease of 1972 Construction Project.

WHEREAS, after investigation and study, the Authority has determined to acquire a public building project consisting of a building for use as highway department headquarters in the former City of Douglas, Alaska and the site thereof, being a tract of land described as a certain portion of Lot 1, Block 4; Lot 4, Block 32; and Lot 11, Block 32; in the former City of Douglas, Alaska, all more specifically described as set forth in Agreement of Lease No. 12 between the Department of Administration and the Authority, hereinafter mentioned (herein and therein called the "1972 Acquisition Project");

Acquisition of 1972 Acquisition Project.

WHEREAS, the State of Alaska and the Authority have, pursuant to the Act, and Senate Concurrent Resolution No. 18, Alaska State Legislature, 1966, entered into a further lease entitled "Agreement of Lease No. 12" dated as of January 11, 1972 providing for a lease of the 1972 Acquisition Project by the State for a term of at least twenty years and seven months commencing on March 1, 1972 (or such earlier date as the Authority and the State may agree upon) and ending on October 1, 1992 at the Annual Rental as therein provided;

Lease of 1972 Acquisition Project.

WHEREAS, the Authority has determined to provide for the issuance of bonds in accordance with the Act and under the provisions of this Trust Indenture, for the purpose of paying the cost of acquisition and construction of the 1972 Construction Project and the cost of acquisition of the 1972 Acquisition Project and has, by resolution duly adopted pursuant to Section 18.55.180 of the Act, duly authorized such bonds in the aggregate principal amount of nine million four hundred ten thousand dollars (\$9,410,000), each to be designated "Alaska State Housing Authority State Lease Revenue

Issuance of Bonds.

Bond" with the bonds issued to pay the cost of the 1972 Construction Project (authorized in the aggregate principal amount of eight million two hundred eighty thousand dollars (\$8,280,000)) to be further designated "(1972 Construction Project)" and the bonds issued to pay the cost of the 1972 Acquisition Project (authorized in the aggregate principal amount of one million one hundred thirty thousand dollars (\$1,130,000)) to be further designated "(1972 Acquisition Project)" and all dated (when coupon in form) January 1, 1972;

WHEREAS, said resolution duly adopted pursuant to said Section 18.55.180 prescribes said date of issuance, and the maturity, the interest rate, denomination, form, conversion privilege, rank or priority, execution, terms of redemption, medium and place of payment of each bond in accordance with the Act, and being otherwise as hereinafter set forth (each of said bonds being hereinafter sometimes called "bond"); and

WHEREAS, each coupon bond to be issued under this Trust Indenture, the coupons to be attached thereto, and the provisions for registration to be endorsed thereon shall be respectively in substantially the following forms, with such variations, omissions and insertions as may be required or permitted by this Trust Indenture:

[FORM OF COUPON BOND]
ALASKA STATE HOUSING AUTHORITY
STATE LEASE REVENUE BOND
(1972 Project)

\$5,000

No.

The Alaska State Housing Authority (herein called the "Authority"), a public corporate authority created and existing under and by virtue of the laws of the State of Alaska, acknowledges itself indebted and for value received hereby promises to pay to the bearer or, if this bond be registered as herein provided, the registered owner hereof, on the First day of October, 19 , upon presentation and surrender hereof, the principal sum of Five Thousand Dollars (\$5,000), and to pay interest on such principal sum from the date hereof until the Authority's obligation with respect to the payment of such principal sum shall be discharged as provided in the Trust Indenture hereinafter mentioned, at the rate of per centum (%) per annum, payable on the first days of April and October but only, in the case of interest due at or before maturity of this bond, according to the tenor of the respective coupons therefor annexed hereto and upon presentation and surrender of said coupons as they severally become due. This bond, as to principal and interest and redemption price when due, will be payable at the principal office in the City of San Francisco, California, of Bank of America National Trust and Savings Association, paying agent of the Authority, or at the principal office of its successor as such paying agent, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is a direct and general obligation of the Authority and is one of the State Lease Revenue Bonds (1972 Project) of the Authority limited to the aggregate principal amount of \$..... (each herein called "Bond") issued under and by virtue of Section 10 to Section 290, inclusive, of Chapter 55 of Title 18, Alaska Statutes, and the acts amendatory thereof or supplemental thereto (herein collectively, as from time to time amended or supplemented, sometimes called the "Act"), and under and pursuant to a Trust Indenture dated as of January 1, 1972 (herein called the "Trust Indenture") executed by the Authority and Bank of America National Trust and Savings Association, as Trustee (herein called the "Trustee").

Copies of the Trust Indenture are on file at the office of the Authority in the City of Anchorage, Alaska, and at the principal office of the Trustee, and reference to the Trust Indenture and any and all trust indentures supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the rights and remedies of the bearers or registered owners of the Bonds with respect to such pledge and covenants, the terms and conditions upon which the Bonds are issued and may be issued thereunder, and a statement of the rights, duties, immunities and obligations

If at any time the Authority shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the Authority, cause notice of the proposed execution of such supplemental indenture to be published in each of the authorized newspapers and shall also cause a similar notice to be mailed, postage prepaid, to all owners of the registered bonds or of coupon bonds registered other than to bearer then outstanding at their addresses as they appear on the registration books hereinabove provided for, and to all other bondholders who shall have filed their names and addresses with the Trustee for such purpose. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all bondholders. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section.

Whenever at any time within one (1) year after the date of the first publication of such notice, the Authority shall deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than sixty-six and two-thirds per centum (66⅔%) in the aggregate principal amount of the Construction Bonds or of the Acquisition Bonds, or of the Construction Bonds and of the Acquisition Bonds, as the case may be, then outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice, and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such supplemental indenture in substantially such form, without liability or responsibility to any holder of any bond, whether or not such holder shall have consented thereto.

If the holders of not less than sixty-six and two-thirds per centum (66⅔%) in the aggregate principal amount of the Construction Bonds or of the Acquisition Bonds, or of the Construction Bonds and of the Acquisition Bonds, as the case may be, outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any bond shall have any right to object to the execution of such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Trust Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Indenture of the Authority, the Trustee and all holders of bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

SECTION 1103. The Trustee may join with the Authority in the execution of any such supplemental indenture and make the further agreements and stipulations which may be contained therein. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Trust Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Trust Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of any bonds issued thereafter, if deemed necessary or desirable by the Trustee or the Authority.

Anything elsewhere in this Trust Indenture to the contrary notwithstanding, the Trustee shall not be obligated to enter into any supplemental indenture if in the judgment of the Trustee such supplemental indenture adversely affects the Trustee's rights, duties or immunities under this Trust Indenture.

SECTION 1104. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Trust

Trustee Joining in Supplemental Indentures.

Reliance by Trustee on Opinion of Counsel.

Form of Coupon Bond.

be proved by the affidavit of the person claiming to be such holder, if such affidavit shall be deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depository wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depository, the bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The ownership of registered bonds shall be proved by the registration books kept by the Trustee under the provisions of this Trust Indenture.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept or require any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the holder of any bond shall bind every future holder of the same bond in respect of any thing done by the Trustee in pursuance of such request or consent.

ARTICLE XI SUPPLEMENTAL INDENTURES

SECTION 1101. The Authority and the Trustee may, from time to time and at any time, enter into such trust indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental trust indentures shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this Trust Indenture or in any supplemental trust indenture, or

(b) to grant or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustee.

SECTION 1102. Subject to the terms and provisions contained in this Section, and not otherwise, (1) the holders of not less than sixty-six and two-thirds per centum ($66\frac{2}{3}\%$) in aggregate principal amount of the bonds of either series then outstanding shall have the right, from time to time, anything contained in this Trust Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such trust indenture or supplemental trust indenture hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Indenture or in any supplemental trust indenture relating solely to such series of bonds, and (2) the holders of not less than sixty-six and two-thirds per centum ($66\frac{2}{3}\%$) in aggregate principal amount of the bonds then outstanding shall have the right, from time to time, anything contained in this Trust Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such trust indenture or supplemental trust indenture hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, any of the terms or provisions contained in this Trust Indenture or in any supplemental trust indenture, provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any bond issued hereunder, or (b) a reduction in the principal amount or redemption price of any bond or the rate of interest thereon, or (c) the creation of a lien upon or pledge of 1972 Construction Project Rentals or 1972 Acquisition Project Rentals, or any other matter or thing ranking prior to or on a parity with the liens or pledges created by this Trust Indenture, or (d) a preference or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the bonds required for consent to such a supplemental trust indenture. Nothing herein contained, however, shall be construed as making necessary the approval by bondholders of the execution of any supplemental indenture or indentures as authorized in Section 1101 of this Trust Indenture.

of the Authority and of the Trustee and paying agent. Such pledge and other obligations of the Authority under the Trust Indenture may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Trust Indenture.

To the extent and in the respects permitted by the Trust Indenture, the provisions of the Trust Indenture or any trust indenture amendatory thereof or supplemental thereto may be modified or amended by action on behalf of the Authority taken in the manner and subject to the conditions and exceptions prescribed in the Trust Indenture. The holder or owner of this bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Trust Indenture or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture.

This bond is transferable by delivery, unless registered as to principal other than to bearer. It may be registered as to principal in the name of the bearer on the books of the Authority kept for that purpose at the principal office of the Trustee, such registration to be noted hereon, after which no transfer hereof shall be valid unless made on said books by the registered owner hereof in person or by his attorney duly authorized in writing, and similarly noted hereon; but this bond may be discharged from registration by being in like manner transferred to bearer, after which it shall again become transferable by delivery. This bond may again, from time to time, be registered or discharged from registration in the same manner. Such registration, however, shall not affect the negotiability by delivery of the coupons appertaining hereto, which shall continue to pass by delivery merely and shall remain payable to bearer. The Authority, the Trustee and the paying agent of the Authority may treat and consider the bearer of this bond or, if it be registered as herein provided, the person in whose name it is registered, as the holder and absolute owner of this bond for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and for all other purposes whatsoever except for the purpose of receiving payment of coupons, and may treat and consider the bearer of any coupon appertaining hereto as the holder and absolute owner thereof for the purpose of receiving payment thereof and for all other purposes whatsoever.

Form of
Coupon Bond.

The Bonds are issuable in the form of coupon Bonds in the denomination of \$5,000 and in the form of registered Bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000. Coupon Bonds, upon surrender thereof at the principal office of the Trustee with all unmatured coupons and all matured coupons for which no payment or only partial payment has been provided attached, may, at the option of the bearer thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity and interest rate of any of the authorized denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Trust Indenture. In like manner, subject to such conditions and upon the payment of such charges, registered Bonds, upon surrender thereof at said principal office with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner thereof or by his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of coupon Bonds of the same maturity and interest rate with appropriate coupons attached or of registered Bonds of the same maturity and interest rate of any of the authorized denominations.

The Bonds maturing on or before October 1, 1983 are not subject to redemption prior to maturity.

The Bonds maturing on or after October 1, 1984 are subject to redemption as a whole at the election of the Authority on any interest payment date on or after October 1, 1983 at a redemption price equal to the principal amount of each Bond to be redeemed, plus a redemption premium of $\frac{1}{4}$ of 1% of such principal amount for each year or portion thereof remaining prior to the maturity of each Bond to be redeemed. Notice of redemption shall be published at least once in a newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, City and State of New York, and in the City of Anchorage, Alaska, and otherwise as provided in the Trust Indenture, not less than thirty days nor more than sixty days prior to the redemption date, all in the manner and upon the terms and conditions set forth in the Trust Indenture. If notice of redemption shall have been published as

Supplemental
Indentures
Without Consent
of Bondholders.

Supplemental
Indentures
With Consent
of Bondholders.

Form of
Coupon Bond.

aforesaid, the Bonds specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the Bonds to be redeemed, together with interest to the redemption date, shall be on deposit with the Trustee on said date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable and the coupons for interest appertaining thereto maturing subsequent to the redemption date shall be void.

The Bonds are not a debt of the State of Alaska, or of any political or municipal corporation or other subdivision of the State, except the Authority.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Alaska or by the Act or the Trust Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed, and that the issue of the Bonds, together with all other indebtedness of the Authority, is in full compliance with all constitutional and statutory provisions.

It is further hereby recited that this bond is issued in the financing of a public building project under Section 10 to Section 290, inclusive, of Chapter 55 of Title 18, Alaska Statutes.

Neither this bond nor any coupons for interest thereon shall be entitled to any security, right or benefit under the Trust Indenture or be valid or obligatory for any purpose, unless the certificate of authentication hereon has been duly executed by the Trustee.

IN WITNESS WHEREOF, Alaska State Housing Authority has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman or Acting Chairman and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary and coupons for interest, bearing and signed by the facsimile signature of its Chairman or Acting Chairman, to be hereunto attached, all as of the first day of January, 1972.

ALASKA STATE HOUSING AUTHORITY

By
Chairman

Attest:

.....
Secretary

[FORM OF PROVISIONS FOR REGISTRATION]

NOTICE: No Writing Below Except By the Trustee as Registrar:

Date of Registration	Name of Registered Owner	Authorized Signature of Registrar
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.....
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.....

of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee hereafter appointed shall be a national banking association, bank or trust company duly authorized to exercise corporate trust powers and having, at the time of its appointment, a combined capital and surplus aggregating not less than Five Million Dollars (\$5,000,000).

SECTION 914. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Authority, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Authority and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to the provisions of Section 905 of this Trust Indenture, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Authority.

Vesting of Trusts
in Successor
Trustee.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of the Trust Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

SECTION 915. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it in respect of any action taken or suffered by it hereunder in good faith and in accordance with such opinion of counsel.

Opinion of
Counsel.

ARTICLE X

EXECUTION OF INSTRUMENTS BY BONDHOLDERS
AND PROOF OF OWNERSHIP OF BONDS

SECTION 1001. Any request, direction, consent or other instrument in writing required or permitted by this Trust Indenture to be signed or executed by bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of bonds shall be sufficient for any purpose of this Trust Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, if made in the following manner:

Execution
of Instruments
by Bondholders.

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation, association or member of a partnership on behalf of such corporation, association or partnership, his authority to execute such certificate or affidavit shall be sufficiently proved by his execution thereof.

(b) The fact of the holding of coupon bonds by any bondholder and the amount and the numbers of such bonds and the date of his holding the same (unless such bonds be registered) may

notified in writing of such event of default by the holders of not less than ten per centum (10%) in principal amount of the series of bonds then outstanding with respect to which an event of default has occurred.

Trustee May Deal in Bonds.

SECTION 908. The bank or trust company acting as Trustee under this Trust Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the bonds or coupons issued under and secured by this Trust Indenture, and may join in any action which any bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Trust Indenture.

Trustee Not Responsible for Recitals.

SECTION 909. The recitals, statements and representations contained herein and in the bonds (excluding the Trustee's certificate on the bonds) shall be taken and construed as made by and on the part of the Authority and not by the Trustee and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

Trustee May Rely on Documents.

SECTION 910. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Trust Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Trust Indenture, or upon the correctness of any written opinion of any attorney or accountant believed by the Trustee to be qualified in relation to the subject matter. The Trustee shall not be bound to recognize any person as a holder of any bond or coupon for the purpose of taking any action at his request, unless such bond or coupon shall be deposited with the Trustee.

Resignation of Trustee.

SECTION 911. The Trustee may resign and thereby become discharged from the trusts hereby created by notice in writing to be given to the Authority and by notice published in each of the authorized newspapers not less than thirty (30) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee, if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Removal of Trustee.

SECTION 912. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, signed by the holders of not less than a majority in principal amount of the Construction Bonds and of the Acquisition Bonds then outstanding, and filed with the Authority. A photostatic copy of each such instrument shall be delivered promptly by the Authority to the Trustee.

Appointment of Successor Trustee.

SECTION 913. If at any time the Trustee shall resign, or shall be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Authority shall appoint a successor Trustee to fill such vacancy. The Authority shall cause notice of any such appointment made by it to be published in each of the authorized newspapers.

At any time within one (1) year after any such vacancy shall have occurred, the holders of a majority in principal amount of the Construction Bonds and of the Acquisition Bonds then outstanding, by an instrument or concurrent instruments in writing, signed by such bondholders or their attorneys in fact thereto duly authorized and filed with the Authority, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the Authority. Photostatic copies of each such instrument shall be delivered promptly by the Authority to the predecessor Trustee and to the Trustee so appointed by the bondholders.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the holder of any bond outstanding hereunder or any retiring Trustee may apply to any court

[FORM OF COUPON]

No.....

\$.....

Form of Coupon.

On the first day of _____ (unless the bond hereinafter mentioned shall have been duly called for previous redemption and payment of the redemption price made or duly provided for) Alaska State Housing Authority will pay to the bearer at the principal office in the City of San Francisco, California, of Bank of America National Trust and Savings Association, paying agent of the Authority, or at the principal office of its successor as such paying agent, upon surrender of this coupon, Dollars (\$ _____) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, being six months' interest then due on its Alaska State Housing Authority State Lease Revenue Bond (1972 Project) No. _____

.....
Chairman, Alaska State Housing Authority

WHEREAS, the Authority has determined that each fully registered bond shall be in substantially the form of the coupon bond hereinabove set forth with such insertions or variations as may be required or permitted by the Trust Indenture, except that there shall be no coupons to be attached thereto and no provisions for registration to be endorsed thereon and that the first, fifth, twelfth and thirteenth paragraphs thereof shall be in substantially the following forms respectively:

FIRST PARAGRAPH

The Alaska State Housing Authority (herein called the "Authority"), a public corporate authority created and existing under and by virtue of the laws of the State of Alaska, acknowledges itself indebted and for value received hereby promises to pay to _____, or registered assigns, on the First day of October, 19 _____, upon presentation and surrender hereof, the principal sum of _____ Dollars (\$ _____), and to pay to the registered owner hereof interest on such principal sum from the date hereof until the Authority's obligation with respect to the payment of such principal sum shall be discharged as provided in the Trust Indenture hereinafter mentioned, at the rate of _____ per centum (_____ %) per annum, payable on the first days of April and October in each year. This bond, as to principal and interest and redemption price when due, will be payable at the principal office in the City of San Francisco, California, of Bank of America National Trust and Savings Association, paying agent of the Authority, or at the principal office of its successor as such paying agent, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Provisions of Registered Bond Without Coupons.

FIFTH PARAGRAPH

This bond is transferable, as provided in the Trust Indenture, only upon the books of the Authority kept for that purpose at the principal office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney, and thereupon the Authority shall issue in the name of the transferee a new fully registered Bond or Bonds or, at the option of the transferee, a coupon Bond or Bonds with appropriate coupons attached, of the same aggregate principal amount, maturity and interest rate as the surrendered bond as provided in the Trust Indenture and upon the payment of the charges therein prescribed. The Authority, the Trustee and the paying agent of the Authority may treat and consider the person in whose name this bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price and interest due hereon and for all other purposes whatsoever.

TWELFTH AND THIRTEENTH PARAGRAPHS

This bond shall not be entitled to any security, right or benefit under the Trust Indenture or be valid or obligatory for any purpose, unless the certificate of authentication hereon has been duly executed by the Trustee.

IN WITNESS WHEREOF, Alaska State Housing Authority has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman or Acting Chairman, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, or otherwise reproduced, and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, all as of the day of

ALASKA STATE HOUSING AUTHORITY

By
Chairman

Attest:
Secretary

WHEREAS, the Authority has determined that the Certificate of Authentication to be endorsed on all bonds hereunder shall be in substantially the following form:

[FORM OF CERTIFICATE OF AUTHENTICATION OF ALL BONDS]
TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Alaska State Housing Authority State Lease Revenue Bonds (1972 Project) issued under the provisions of the within-mentioned Trust Indenture.

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION
Trustee

By
Authorized Signature

and

WHEREAS, by virtue of the Act, the Authority is authorized to issue bonds as hereinafter provided and limited, to enter into this Trust Indenture and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, the Authority has in its discretion determined that the bonds shall be secured by this Trust Indenture and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the holders of the bonds are reasonable and proper and in accordance with law, that this Trust Indenture is necessary to the performance of its duties and the execution of its powers under the Act and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the holders of the bonds; and

WHEREAS, the execution and delivery of this Trust Indenture have been duly authorized by resolution of the Authority; and

in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in any such case the Authority shall reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Trust Indenture and shall be entitled to a preference therefor over any of the bonds or coupons outstanding hereunder.

SECTION 903. The Trustee shall be under no obligation to effect or maintain insurance, or to renew any policies of insurance, or to inquire as to the sufficiency of any policies of insurance carried by the Authority and the State, or either of them. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Trust Indenture on the part of the Authority.

SECTION 904. The Trustee shall not be liable or responsible because of the failure of the Authority or the State or any of its employees or agents to make any collections or deposits, or to perform any act herein required of the Authority or its employees or agents. The Trustee shall not be responsible for the application of any of the proceeds of the bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with the provisions of this Trust Indenture. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 905. Subject to the provisions of any contract between the Authority and the Trustee, the Authority shall, from its available revenues, pay to the Trustee reasonable compensation (which shall not be limited by any provision of law with respect to the compensation of a trustee of an express trust) for all services performed by it hereunder, and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, and from such available revenues only, shall indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder.

SECTION 906. In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything as such Trustee, and in any case in which this Trust Indenture provides for permitting or taking any action, the Trustee may conclusively rely as to the truth of the statements made in any resolution, order, notice, request, waiver, certificate, statement, affidavit, requisition, bond or other paper or document required or permitted to be filed with it under the provisions of this Trust Indenture but, unless otherwise specifically provided herein, the Trustee shall be under a duty to examine such instruments to determine whether or not they conform to the requirements of this Trust Indenture. Except as otherwise provided in this Trust Indenture, any request, notice or other instrument from the Authority to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Chairman or Vice-Chairman and the Secretary of the Authority and the Trustee may accept a certificate signed by the Secretary of the Authority as to any action taken by the Authority.

The determination of the Trustee as to whether an event of default has occurred only with respect to the Acquisition Bonds or only with respect to the Construction Bonds or with respect to all the bonds shall be conclusive. The Trustee may rely on opinion of counsel which it may select and shall be fully protected by opinion of such counsel concurring in such determination.

SECTION 907. Except as otherwise provided in this Trust Indenture, the Trustee shall not be obligated to take notice or be deemed to have notice of any event of default hereunder, unless specifically

Limitation on Trustee's Responsibility.

Further Limitations on Trustee's Responsibility.

Compensation and Indemnification of Trustee.

Trustee May Rely on Certificates.

Notice of Default to Trustee.

Certificate of Authentication.

Powers Under the Act.

Compliance of Trust Indenture With the Act.

Authorization of Trust Indenture.

(20%) in principal amount of the series of bonds affected by such default or breach of trust or duty then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted, or to institute such suit, action, mandamus, or other proceedings in its or their name, and unless, also, there shall have been offered to the Trustee security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within sixty days; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Indenture. It is understood and intended that no one or more holders of the Construction Bonds or Acquisition Bonds hereby secured shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided.

Actions by Trustee.

SECTION 808. All rights of action under this Trust Indenture or under any of the bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the bonds or the coupons appertaining thereto or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such bonds and coupons, subject to the provisions of this Trust Indenture.

No Remedy Exclusive.

SECTION 809. No remedy herein conferred upon or reserved to the Trustee or to the holders of the bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Delay or Omission.

SECTION 810. No delay or omission of the Trustee or of any holder of the bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Trust Indenture to the Trustee and the holders of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the holders of not less than a majority in principal amount of the series of bonds then outstanding with respect to which a default has occurred shall, waive any default with respect to such series of bonds which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Trust Indenture, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Right to Enforce Payment of Bonds Unimpaired.

SECTION 811. Nothing in this Article contained shall affect or impair the right of any bondholder to enforce the payment of the principal of and interest on his bonds, or the obligation of the Authority to pay the principal of and interest on each bond issued hereunder to the holder thereof at the time and place in said bond and the appurtenant coupons, if any, expressed.

ARTICLE IX CONCERNING THE TRUSTEE

Acceptance of Trusts.

SECTION 901. The Trustee accepts and agrees to execute the trusts imposed upon it by this Trust Indenture, but only upon the terms and conditions and subject to the provisions of this Trust Indenture, to all of which the parties hereto and the respective holders of the bonds agree.

Trustee Entitled to Indemnity.

SECTION 902. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Trust Indenture, or to enter any appearance or in any way defend in any suit

WHEREAS, all acts, conditions and things required by the Constitution and the laws of the State of Alaska to happen, exist and be performed precedent to and in the execution and delivery of this Trust Indenture have happened, exist and have been performed as so required, in order to make this Trust Indenture a valid, binding and legal trust indenture for the security of the bonds in accordance with its terms; and

Conditions Precedent

WHEREAS, the Trustee has accepted the trusts created by this Trust Indenture and in evidence thereof has joined in the execution hereof;

Acceptance of Trusts.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH, that in consideration of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the bonds by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which the bonds are to be issued, authenticated, delivered, secured and accepted, and in order to secure the payment of all the bonds and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions therein and herein contained, the Authority has pledged and assigned, and does hereby pledge and assign, to the Trustee the 1972 Construction Project Rentals to the extent provided in this Trust Indenture, as security for the payment of the Construction Bonds and the interest thereon, and as security for the satisfaction of any other obligation assumed by it in this Trust Indenture in connection with the Construction Bonds, and the Authority has pledged and assigned, and does hereby pledge and assign, to the Trustee the 1972 Acquisition Project Rentals to the extent provided in this Trust Indenture, as security for the payment of the Acquisition Bonds and the interest thereon, and as security for the satisfaction of any other obligation assumed by it in this Trust Indenture in connection with such Acquisition Bonds, and it is mutually agreed and covenanted by and between the parties hereto, for the benefit and security of all and singular the present and future holders of the bonds and interest coupons issued and to be issued under this Trust Indenture, as follows:

Agreement of Parties and Pledge and Assignment.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

SECTION 101. In this Trust Indenture unless a different meaning clearly appears from the context, the following words and terms shall have the following meanings respectively:

Meaning of Words and Terms.

- (1) The term "Act" shall have the meaning given or ascribed to such term in the recitals of this Trust Indenture;
- (2) The term "Agreement of Lease No. 11" shall mean the agreement so entitled duly executed by the State and the Authority and dated as of January 11, 1972;
- (3) The term "Agreement of Lease No. 12" shall mean the agreement so entitled duly executed by the State and the Authority and dated as of January 11, 1972;
- (4) All references herein to "Articles", "Sections" and other subdivisions are to corresponding Articles, Sections, or subdivisions of this Trust Indenture; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Trust Indenture as a whole and not to any particular Article, Section or subdivision hereof;
- (5) The term "authorized newspapers" shall mean (a) a newspaper published in the City of Anchorage, Alaska, and (b) a newspaper or financial journal published in the Borough of Manhattan, City and State of New York, each of which newspapers is customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language, and of general circulation in the City in which it is published;
- (6) The term "Authority" shall have the meaning given or ascribed to such term in the recitals of this Trust Indenture;
- (7) The term "authorized Officer of the Authority" shall mean the Chairman, the Vice-Chairman, the Secretary or the Comptroller of the Authority, or, when used with reference

to an act or document, any other person authorized by resolution of the Authority to perform such act or sign such document;

(8) The term "bond" shall mean any of the nine million four hundred ten thousand dollars (\$9,410,000) principal amount of Alaska State Housing Authority State Lease Revenue Bonds, authenticated and delivered pursuant to the provisions of this Trust Indenture and the term "Construction Bond" shall mean any of the Eight Million Two Hundred Eighty Thousand Dollars (\$8,280,000) of said bonds to be additionally designated "(1972 Construction Project)" issued pursuant to Section 2.08(a) to pay costs of the 1972 Construction Project and the term "Acquisition Bond" shall mean any of the One Million One Hundred Thirty Thousand Dollars (\$1,130,000) of said bonds to be additionally designated "(1972 Acquisition Project)" issued pursuant to Section 2.08(b) to pay costs of the 1972 Acquisition Project;

(9) The term "bondholder" or "holder" or any similar term, when used with reference to a bond or bonds, shall mean any person who shall be a bearer of any outstanding coupon bond or bonds registered to bearer or not registered, or the registered owner of any outstanding coupon bond or bonds which shall at the time be registered other than to bearer or the registered owners of any fully registered bond without coupons;

(10) The term "Bond Registrar" shall mean the Trustee;

(11) The term "1972 Acquisition Project Administrative Expenses" shall mean the Administrative Expenses as defined in Section 1.01 of Agreement of Lease No. 12 for the 1972 Acquisition Project;

(12) The term "1972 Acquisition Project Bond Service Fund" shall mean the fund created and established by Section 503;

(13) The term "1972 Project Acquisition Account" shall mean the account created and established by Section 408 pursuant to Section 2.04 of Agreement of Lease No. 12 for the 1972 Acquisition Project;

(14) The term "1972 Acquisition Project" shall have the meaning given or ascribed to such term in the recitals of this Trust Indenture and the same meaning given or ascribed to such term in Section 1.01 of Agreement of Lease No. 12;

(15) The term "1972 Acquisition Project Rentals" shall mean the Annual Rental payable by the State pursuant to Section 4.01 of Agreement of Lease No. 12, including any proceeds of insurance paid in lieu of such rental with respect to the 1972 Acquisition Project, pursuant to Section 3.04(c) of Agreement of Lease No. 12;

(16) The term "1972 Construction Project Administrative Expenses" shall mean the Administrative Expenses as defined in Section 1.01 of Agreement of Lease No. 11 for the 1972 Construction Project;

(17) The term "1972 Construction Project Bond Service Fund" shall mean the fund created and established by Section 501;

(18) The term "1972 Project Construction Account" shall mean the account created and established by Section 401 pursuant to Section 2.04 of Agreement of Lease No. 11 for the 1972 Construction Project;

(19) The term "1972 Construction Project" shall have the meaning given or ascribed to such term in the recitals of this Trust Indenture and shall have the same meaning given or ascribed to such term in Section 1.01 of Agreement of Lease No. 11;

(20) The term "1972 Construction Project Rentals" shall mean the Annual Rental payable by the State pursuant to Section 4.01 of Agreement of Lease No. 11 including any proceeds of insurance paid in lieu of such rental with respect to the 1972 Construction Project, pursuant to Section 3.04(c) of Agreement of Lease No. 11;

(21) The term "principal office", when used with respect to the Trustee, shall mean that office at which the Trustee conducts its corporate trust business;

(22) The term "outstanding" when used with reference to bonds of a series, and as of a particular date, shall mean all bonds theretofore and thereupon being authenticated and delivered

according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Acquisition Bonds; and

(b) If the principal of all the Acquisition Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Acquisition Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Acquisition Bond over any other Acquisition Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Acquisition Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 801 of this Trust Indenture.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the setting aside of such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Authority, to any bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid coupon or any bond unless such coupon or such bond and all unmatured coupons, if any, appertaining to such bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 805. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Authority, the Trustee and the bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

SECTION 806. Anything in this Trust Indenture to the contrary notwithstanding, the holders of a majority in principal amount of the series of bonds then outstanding hereunder with respect to which the remedial proceedings hereinafter mentioned are to be taken shall have the right, subject to the provisions of Section 902 of this Trust Indenture, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Trust Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to bondholders not parties to such direction.

SECTION 807. No holder of any of the outstanding bonds of either series shall have the right to institute any suit, action, mandamus or other proceeding in equity or at law for the execution of any trust hereunder, or the protection or enforcement of any right under this Trust Indenture or any resolution of the Authority authorizing the issuance of such bonds, unless such holder previously shall have given to the Trustee written notice of the specific event of default or breach of trust or duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty per centum

Meaning of
Words and Terms.

Discontinuance of
Proceedings.

Control of
Proceedings.

Restrictions
on Individual
Bondholder Action.

SECTION 803. Upon the happening and continuance of any event of default specified in Section 802 of this Trust Indenture, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty per centum (20%) in principal amount of the series of bonds then outstanding with respect to which an event of default has occurred shall proceed, subject to the provisions of Section 902 of this Trust Indenture, to protect and enforce its rights and the rights of the bondholders with respect to which an event of default has occurred under the Act and under this Trust Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Trust Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Authority for principal, redemption price, interest or otherwise under any of the provisions of this Trust Indenture or of the bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such bonds, without prejudice to any other right or remedy of the Trustee or of the bondholders, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in such bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from any moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

SECTION 804. (1) If at any time the moneys in the 1972 Construction Project Bond Service Fund shall not be sufficient to pay the principal of or interest on the Construction Bonds as the same becomes due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied by the Trustee (subject to the provisions of Section 902 of this Trust Indenture) as follows:

(a) Unless the principal of all the Construction Bonds shall have become due and payable, all such moneys shall be applied to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Construction Bonds; and

(b) If the principal of all the Construction Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Construction Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Construction Bond over any other Construction Bonds ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Construction Bonds.

(2) If at any time the moneys in the 1972 Acquisition Project Bond Service Fund shall not be sufficient to pay the principal of or interest on the Acquisition Bonds as the same becomes due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied by the Trustee (subject to the provisions of Section 902 of this Trust Indenture) as follows:

(a) Unless the principal of all the Acquisition Bonds shall have become due and payable, all such moneys shall be applied to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably,

except (a) any bond cancelled by the Authority or the Trustee at or before said date, (b) any bond for the payment or redemption of which cash, equal to the principal amount with interest to the date of maturity or redemption price thereof, as the case may be, or obligations in accordance with Section 1202, shall have theretofore been deposited with the Trustee, in trust (whether upon or prior to maturity or the redemption date of such bond) and, in the case of a bond to be redeemed before maturity, of which notice of redemption shall have been given or provided for in accordance with Article III, and (c) any bond in lieu of or in substitution for which another bond shall have been authenticated and delivered in accordance with Article II;

(23) The terms "Secretary" and "Assistant Secretary" shall mean respectively the Secretary or Secretary-Treasurer, and any Assistant Secretary or Assistant Secretary-Treasurer, of the Authority;

(24) The term "series" shall mean when used with respect to less than all of the bonds either (a) all of the Construction Bonds or (b) all of the Acquisition Bonds;

(25) The term "State" shall mean the State of Alaska;

(26) The term "Trustee" shall have the meaning given to the term in the recitals of this Trust Indenture; and

(27) The term "Trust Indenture" shall mean this Trust Indenture as originally executed and as from time to time supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions hereof.

SECTION 102. As used herein, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and unless the context shall otherwise indicate, the words "bond", "coupon", "owner", "holder", and "person" shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

SECTION 103. As used herein, the terms "herein", "hereunder", "hereby", "hereto", "hereof", and any similar terms, refer to this Trust Indenture.

ARTICLE II

FORM, EXECUTION, AUTHENTICATION, DELIVERY, AND REGISTRATION OF BONDS

SECTION 201. No bonds may be issued under the provisions of this Trust Indenture except in accordance with the provisions of this Article.

SECTION 202. All bonds issued under the provisions of this Trust Indenture shall be either coupon in form and payable to bearer and registerable as to principal alone as herein provided, or in fully registered form without coupons and payable to a named person or registered assigns. All bonds coupon in form (herein called "coupon bonds") shall each be of the denomination of Five Thousand Dollars (\$5,000). All bonds fully registered in form (herein called "registered bonds") shall each be of the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof approved by the Authority, such approval to be evidenced by the execution of such bonds. The coupon bonds and the registered bonds shall be, respectively, substantially in the forms of such bonds hereinabove set forth, with such appropriate variations, omissions or insertions as are permitted or required by this Trust Indenture, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority, or any usage or requirement of law with respect thereto. Coupon bonds of each series shall be numbered consecutively from one upward in order of maturity and registered bonds of each series shall be numbered consecutively from one upward with the letter R prefixed to each number.

Details of Bonds.

SECTION 203. The coupon bonds shall be dated and bear interest from January 1, 1972. Each registered bond shall bear interest from its date, and shall be dated as of the interest payment date next preceding the date of its authentication, unless authenticated upon an interest payment date in which case it shall be dated as of the date of its authentication, or as of the same date as the coupon bonds if authenticated prior to the first interest payment date of such bonds; provided, however, that if at the time of authentication of any registered bond, interest is in default, such bond shall be dated as of the date to which interest has been paid.

Execution of Bonds.

Each of the bonds shall be signed by the manual or facsimile signature of the Chairman or Acting Chairman of the Authority, and the official seal of the Authority (or a facsimile thereof) shall be affixed, imprinted or otherwise reproduced on the bonds and attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Authority. The coupons attached to the coupon bonds shall be executed with the facsimile signature of the Chairman or Acting Chairman of the Authority. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery.

Medium of Payment.

Both the principal and redemption price of and the interest on the bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Place of Payment.

The principal and redemption price of and the interest on all coupon bonds shall be payable at the principal office of the Trustee, as paying agent, in the City of San Francisco, California, or at the principal office of its successor as such paying agent, or at the option of the holder at the office of such other bank, trust company or national banking association, as may be fixed by or pursuant to a resolution of the Authority adopted prior to the issuance of the bonds, or its successor as such paying agent and the principal and redemption price on all registered bonds, shall be payable at said office of the Trustee as paying agent or at the principal office of its successor as said paying agent. Payment of the interest on the coupon bonds shall be made only upon presentation and surrender of the coupons, if any, representing such interest as the same respectively fall due. The interest on all registered bonds shall be paid on each interest payment date by the Trustee to the person appearing as the registered owner thereof on the registration books of the Authority hereinafter provided for, by check or draft mailed to such registered owner at his address as it appears on said registration books. Each successor paying agent shall be a bank, trust company or national banking association selected by resolution of the Authority delivered to the Trustee having a capital and surplus aggregating at least five million dollars (\$5,000,000) if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms.

Authentication of Bonds.

SECTION 204. Only such of the bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth, duly executed by the Trustee, shall be entitled to any right or benefit under this Trust Indenture. No bond, and no coupon appertaining to any coupon bond, shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such bond shall be conclusive and the only evidence that such bond has been duly authenticated and delivered under this Trust Indenture. The Trustee's certificate of authentication on any bond shall be deemed to have been duly executed if signed by an authorized signature of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the bonds that may be issued hereunder at any one time. Before authenticating or delivering any coupon bonds the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, representing interest theretofore paid.

Exchange of Coupon Bonds for Registered Bonds.

SECTION 205. Coupon bonds, upon surrender thereof at the principal office of the Trustee with all unmatured coupons and all matured coupons in default, if any, appertaining thereto, may, at the option of the holder or registered owner thereof, be exchanged for an equal aggregate principal amount of registered bonds of the same series, maturity and interest rate of any of the authorized denominations.

assuring, conveying, granting, assigning and confirming all and singular the rights, the 1972 Construction Project Rentals and 1972 Acquisition Project Rentals and other funds hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of the Trust Indenture and comply with the Act. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the 1972 Construction Project Rentals and the 1972 Acquisition Project Rentals and other funds pledged hereunder and all the rights of the holders of the bonds of each series hereunder against all claims and demands of all persons whomsoever.

Conditions Precedent.

SECTION 712. Upon the date of issuance of the bonds, all conditions, acts and things required by the Constitution or statutes of the State of Alaska or the Trust Indenture to exist, to have happened and to have been performed precedent to or in the issuance of the bonds of each series shall exist, have happened and have been performed, and the bonds of each series, together with all other indebtedness of the Authority, will be in full compliance with all constitutional and statutory provisions of the State of Alaska.

Arbitrage Provision.

SECTION 713. No part of the proceeds of any of the bonds of either series or any other funds of the Authority shall at any time be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any such bond to be an "arbitrage bond" as defined in subsection (d)(2) of Section 103 of the Internal Revenue Code of 1954 of the United States of America as then in effect and subject to treatment under subsection (d)(1) of said section as an obligation the interest on which is not excludable from gross income under subsection (a) of said section.

ARTICLE VIII REMEDIES

Transferred, Pledged or Extended Coupons.

SECTION 801. No coupon which in any way before or after maturity shall have been transferred or pledged separate and apart from the bond to which it appertains shall, unless accompanied by such bond, be entitled, in case of default hereunder, to any benefit of or from this Trust Indenture, except after the prior payment in full of the principal of all bonds and of all coupons not so transferred or pledged. In case the time for the payment of any coupon or the interest on any registered bond shall be extended, whether or not such extension be by or with the consent of the Authority, such coupon or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Trust Indenture except subject to the prior payment in full of the principal of all bonds then outstanding and of all coupons and interest the time for the payment of which shall not have been extended.

Events of Default.

SECTION 802. Each of the following events is hereby declared an "event of default", that is to say: If

(a) default in the payment of the principal or redemption price of any of the bonds shall be made when the same shall become due and payable; or

(b) default in the payment of any installment of interest on bonds shall be made when the same shall become due and payable, and such default shall continue for a period of thirty (30) days; or

(c) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the bonds or in this Trust Indenture on the part of the Authority to be performed and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request specifically referring to an event of default set forth in this Section 802 of the holders of not less than ten per centum (10%) in principal amount of the series of bonds outstanding with respect to which an event of default occurs.

Lease No. 11 to the payment and retirement of the Construction Bonds in accordance with their terms or (ii) paragraph (b) and paragraph (c) of Section 3.04 of Agreement of Lease No. 12 to the payment and retirement of the Acquisition Bonds in accordance with their terms.

In the event of failure of the State to pay any premium or other charge with respect to insurance which it is obligated to pay pursuant to Agreement of Lease No. 11 or Agreement of Lease No. 12, or otherwise to procure or maintain any policy of insurance which it is obligated to procure or maintain pursuant thereto, the Authority will pay such premium and secure and maintain such policy.

Sale of Property.

SECTION 707. No part of the 1972 Construction Project or the 1972 Acquisition Project shall be sold, mortgaged, leased to others than the State, or otherwise disposed of or encumbered by the Authority, except in accordance with the terms of Agreement of Lease No. 11 or Agreement of Lease No. 12.

Completion of 1972 Construction Project.

SECTION 708. The Authority covenants and agrees to cause the 1972 Construction Project to be acquired and completed with all reasonable speed and dispatch in accordance with the terms of Section 2.01 of Agreement of Lease No. 11.

Creation of Liens.

SECTION 709. The Authority shall not issue any bonds or other evidences of indebtedness, other than the Acquisition Bonds secured by a pledge of the 1972 Acquisition Project Rentals or the Construction Bonds secured by a pledge of the 1972 Construction Project Rentals or any other sums payable to or for account of the Authority under Agreement of Lease No. 11 or Agreement of Lease No. 12 and shall not create or cause to be created any lien or charge on such 1972 Acquisition Project Rentals, 1972 Construction Project Rentals or other sums or on any amounts held by the Trustee under the Trust Indenture; provided, however, that neither this Section nor any other provision of this Trust Indenture shall prevent the Authority from issuing bonds or notes for the purposes of the Authority payable out of, or secured by a pledge of 1972 Acquisition Project Rentals or 1972 Construction Project Rentals or other sums to be derived on and after such date as the pledge of the 1972 Acquisition Project Rentals or 1972 Construction Project Rentals provided in the Trust Indenture shall be discharged and satisfied as provided in Section 1202, or from issuing bonds, notes or other evidences of indebtedness payable from any source other than such 1972 Acquisition Project Rentals or 1972 Construction Project Rentals or such other sums.

Accounts and Audits.

SECTION 710. The Authority shall keep separate books of record and account for the 1972 Construction Project and 1972 Acquisition Project in which complete and correct entries shall be made of its transactions relating to the 1972 Construction Project, or any part thereof, and to the 1972 Acquisition Project, or any part thereof, and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to the inspection of the Trustee or the holder or holders of not less than five per centum (5%) in principal amount of the Construction Bonds or of the Acquisition Bonds then outstanding or their representatives duly authorized in writing. The Authority shall cause its books and accounts to be audited annually by a certified public accountant of the State and annually prior to October 1 of each year copies of the reports of such audits so made shall be furnished to the Authority and the Trustee, including statements in reasonable detail, accompanied by a certificate of the accountant, of financial condition, of all funds held by the Trustee under the Trust Indenture and the security held therefor, and a statement whether or not, in the opinion of the accountant, the Authority has complied with the terms and conditions of this Trust Indenture. In making such audit, the accountant may rely upon certification by the Trustee, without other verification of the facts stated therein. The Authority shall cause a copy of every such respective report of audit to be mailed to every holder of a bond of a series who has filed a request therefor.

Further Assurances.

SECTION 711. At any and all times the Authority shall, in so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better

Registered bonds, upon surrender thereof at the principal office of the Trustee, together with an assignment duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Trustee, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of coupon bonds of the same series, maturity and interest rate with coupons attached representing all unpaid interest due or to become due thereon, or of registered bonds of the same series, maturity and interest rate of any other authorized denominations.

SECTION 206. Title to any coupon bond, unless such bond is registered as to principal in the manner hereinafter provided, and to any interest coupon, shall pass by delivery in the same manner as a negotiable instrument payable to bearer. At the option of the bearer, any coupon bond (but not any temporary bond unless the Authority shall so provide) may be registered as to principal alone on books for the registration and transfer of bonds, kept by the Trustee as Bond Registrar, upon presentation thereof to the Trustee, which shall make notation of such registration thereon. Any such bond registered as to principal alone may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the bond by the Trustee. Such transfer may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. Registration of any coupon bond as to principal, however, shall not affect the negotiability by delivery of the coupons appertaining to such bond, but every such coupon shall continue to pass by delivery merely and shall remain payable to bearer.

Any registered bond may be transferred only upon said books kept for the registration and transfer of bonds, upon surrender thereof at the principal corporate trust office of the Trustee, together with an assignment duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Bond Registrar. Upon the transfer of any such registered bond, there shall be executed in the name of the transferee, and the Trustee shall authenticate and deliver, a new registered bond or bonds of the same series, maturity and interest rate of any of the authorized denominations, or, at the option of the transferee, coupon bonds with coupons attached representing all unpaid interest due or to become due thereon, of the same aggregate principal amount, series, maturity and interest rate as the surrendered bond.

In all cases in which bonds shall be exchanged, or registered bonds shall be transferred hereunder, there shall be executed, and the Trustee shall authenticate and deliver, bonds in accordance with the provisions of this Trust Indenture. All bonds and coupons surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. Except as otherwise provided in Section 211, the Authority and the Trustee may make a charge for every such exchange or transfer of bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and such charge or charges shall be paid before any such new bond shall be delivered. Neither the Authority nor the Trustee shall be required to make any such exchange or transfer of a bond of either series during the ten (10) days next preceding an interest payment date on such bond or after such bond has been called for redemption or, in the case of any proposed redemption of bonds of such series, during the ten (10) days next preceding the date of the first publication of notice of such redemption.

SECTION 207. As to any registered bond or any coupon bond registered as to principal other than to bearer, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such bond and the interest on such a registered bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond, including the interest thereon to the extent of the sum or sums so paid. The Authority, the Trustee, or the paying agent may deem and treat the bearer of any coupon bond registered to bearer or not registered as to principal, and the bearer of any coupon appertaining to any coupon bond, whether or not such coupon bond shall be registered as to principal, as the absolute owner of such bond or coupon, as the case may be, whether such bond or coupon shall be overdue or not, for the purpose of receiving payment

Negotiability of Coupon Bonds.

Transfer of Registered Bonds and Delivery of New Registered or Coupon Bonds.

Cancellation of Bonds and Coupons Surrendered for Exchange or Transfer.

Ownership of Registered Bonds.

Ownership of Bearer Bonds.

thereof and for all other purposes whatsoever, and neither the Authority, the Trustee nor the paying agent shall be affected by any notice to the contrary.

Authorization of Bonds.

SECTION 208(a) The Construction Bonds authorized to be issued hereunder shall be in the aggregate principal amount of Eight Million Two Hundred Eighty Thousand Dollars (\$8,280,000).

The Construction Bonds shall mature on October 1 in each year as follows:

Year	Amount	Year	Amount
1975.....	\$250,000	1984.....	\$450,000
1976.....	265,000	1985.....	480,000
1977.....	285,000	1986.....	510,000
1978.....	305,000	1987.....	545,000
1979.....	325,000	1988.....	580,000
1980.....	350,000	1989.....	620,000
1981.....	375,000	1990.....	660,000
1982.....	400,000	1991.....	705,000
1983.....	425,000	1992.....	750,000

(b) The Acquisition Bonds authorized to be issued hereunder shall be in the aggregate principal amount of One Million One Hundred Thirty Thousand Dollars (\$1,130,000).

The Acquisition Bonds shall mature on October 1 in each year as follows:

Year	Amount	Year	Amount
1973.....	\$25,000	1983.....	\$55,000
1974.....	30,000	1984.....	60,000
1975.....	30,000	1985.....	65,000
1976.....	35,000	1986.....	65,000
1977.....	40,000	1987.....	70,000
1978.....	40,000	1988.....	75,000
1979.....	45,000	1989.....	80,000
1980.....	45,000	1990.....	85,000
1981.....	50,000	1991.....	90,000
1982.....	50,000	1992.....	95,000

(c) The bonds shall bear interest from their date payable on the first days of April and October in each year, commencing April 1, 1972, until their payment, at such rate or rates, not exceeding seven per centum (7% per annum, as may be fixed by resolution of the Authority adopted prior to the issuance thereof as hereinafter provided.

Conditions of Authentication and Delivery of Bonds.

SECTION 209. Each of the bonds shall be executed substantially in the form and manner hereinabove set forth, and deposited with the Trustee for authentication, but before said bonds shall be delivered by the Trustee there shall be filed with the Trustee the following:

(a) a copy, certified by the Secretary of the Authority, of a resolution of the Authority authorizing said bonds and awarding the bonds sold, specifying the interest rates of said bonds and directing the authentication and delivery to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth; and

(b) an opinion of Hawkins, Delafield & Wood, as Bond Counsel for the Authority, stating the opinion that the Trustee has been duly appointed by the Authority and that the issuance of said bonds and the execution and delivery of this Trust Indenture have been duly authorized and that all conditions precedent to such issuance, execution and delivery have been fulfilled.

(c) with respect to the Acquisition Bonds, a copy, certified by the Secretary of the Authority, or a duplicate original, of a title insurance policy issued by Alaska Title Guaranty Company insuring the Authority against loss or damage by reason of defect of title to the 1972 Acquisition Project and otherwise conforming to the title insurance policy referred to in the Agreement of Sale made December 20, 1971 among Island Development Corporation as the seller, the State of

series, and hereby includes in the Trust Indenture provisions which shall be a part of its contracts with such holders, to the effect, with the purposes, and for the benefit of the holders of Construction Bonds or coupons or for the benefit of the holders of Acquisition Bonds or coupons, as set forth in the following respective provisions and Sections of this Article.

SECTION 702. The Authority shall duly and punctually pay or cause to be paid the principal or redemption price, if any, of every bond of each series and the interest thereon, at the dates and places and in the manner mentioned in the bonds of each series and in the coupons thereto appertaining, according to the true intent and meaning thereof.

SECTION 703. (a) As long as any Construction Bonds are outstanding, the Authority shall not terminate, modify or change Agreement of Lease No. 11, but shall maintain and keep the same in full force and effect; shall not release or modify the obligations of the State under Agreement of Lease No. 11; shall take all reasonable measures permitted by Agreement of Lease No. 11 or by the Act or otherwise by law to enforce prompt payment to the Trustee of the 1972 Construction Project Rentals; and shall at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of the Authority, the Trustee, and the holders of the Construction Bonds under Agreement of Lease No. 11.

(b) As long as any Acquisition Bonds are outstanding, the Authority shall not terminate, modify or change the Agreement of Lease No. 12 but shall maintain and keep the same in full force and effect, shall not release or modify the obligations of the State under Agreement of Lease No. 12, shall take all reasonable measures permitted by Agreement of Lease No. 12 or by the Act or otherwise by law to enforce prompt payment to the Trustee of 1972 Acquisition Project Rentals, and shall at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of the Authority, the Trustee, and the holders of the Acquisition Bonds under Agreement of Lease No. 12.

SECTION 704. The Authority shall, during the acquisition and construction of any part of the 1972 Construction Project and during the acquisition of any part of the 1972 Acquisition Project, make on or before August 1 in each year beginning in 1972 a written report in reasonable detail as to the progress and costs of such acquisition and construction and acquisition, respectively, showing comparisons of such progress and costs with the prior estimates of such progress and costs and describing any modifications made in the plans or specifications for such acquisition and construction and acquisition, respectively. The Authority shall cause a copy of every such report to be mailed to the Trustee for inspection by bondholders of each respective series for the 1972 Acquisition Project or the 1972 Construction Project, as the case may be, and to each such bondholder who has filed a request therefor.

SECTION 705. The Authority shall pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the 1972 Construction Project or the 1972 Acquisition Project or any part thereof, or the 1972 Construction Project Rentals or the 1972 Acquisition Project Rentals provided, however, that nothing in this Section 705 contained shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 706. The Authority shall take all reasonable measures permitted by Agreement of Lease No. 11 or Agreement of Lease No. 12 or by the Act or otherwise by law to enforce (i) the provisions of Agreement of Lease No. 11 or Agreement of Lease No. 12 respecting insurance on or with respect to the 1972 Construction Project and the 1972 Acquisition Project and (ii) the prompt payment to it or to the Trustee of all proceeds of insurance which may become payable to it or the Trustee under the provisions of Agreement of Lease No. 11 or Agreement of Lease No. 12 and shall pay to the Trustee all of such proceeds which may be collected or received by the Authority. The Trustee, after deduction of payment therefrom of expenses of collection, shall apply all such proceeds received with respect to the insurance described in (i) paragraph (d) and paragraph (e) of Section 3.04 of Agreement of

Payment of Bonds.

Preservation of Agreement of Lease No. 11

Preservation of Agreement of Lease No. 12

Annual Reports.

Payment of Charges.

Insurance.

agent on or before each interest payment date the amount required for the payment of the interest and principal due on such date on the Acquisition Bonds, and such amounts so withdrawn shall be applied to the payment of such interest and principal on or after the due dates thereof.

(2) Notwithstanding any other provision of this Trust Indenture, wherever on September 25 in each year the amount in the 1972 Acquisition Project Bond Service Fund equals or exceeds any unpaid interest then due on outstanding Acquisition Bonds, plus the interest to become due on outstanding Acquisition Bonds on the next following October 1 and April 1 plus the principal of outstanding Acquisition Bonds to become due on the following October 1, and the Authority is not in default in the payment of the principal of or interest on any Acquisition Bonds, the Trustee shall pay out of the 1972 Acquisition Project Bond Service Fund to the Authority any amount therein in excess of the said amount in the said fund, free and clear of any lien or pledge created by the Trust Indenture.

(3) Any amounts paid to the Authority pursuant to this section may be spent by it for any 1972 Acquisition Project Administrative Expenses or for any purpose for which bonds may be issued to finance public buildings for lease to the State under the Act or may be transferred by the Authority to the State for expenditure for any lawful purpose.

ARTICLE VI INVESTMENT OF FUNDS

SECTION 601. Subject to the covenant contained in Section 713 of this Trust Indenture moneys held in the 1972 Acquisition Project Bond Service Fund and the 1972 Construction Project Bond Service Fund may be invested by the Trustee, upon receipt of a copy of a resolution of the Authority certified by its Secretary (which may be a resolution applying to a series of investments to be made at future dates but which may be revoked at any time prior to such dates) authorizing such investment, in such direct obligations of the United States of America, or other obligations payment of the principal of and interest on which are unconditionally guaranteed by the United States of America, as the Authority may approve, provided that such obligations shall mature or become due in such amounts and at such times as may be necessary to provide moneys when needed to pay principal of and interest on the bonds of the respective series as the same become due.

The Trustee shall use its best efforts to sell at the best price obtainable, or present for redemption, any obligations purchased by it as an investment of moneys in the 1972 Construction Project Bond Service Fund or the 1972 Acquisition Project Bond Service Fund whenever it shall be necessary so to do in order to provide moneys to pay principal of and interest on the bonds of the respective series as the same become due.

SECTION 602. Obligations purchased as an investment of moneys in any fund or account created under the provisions of this Trust Indenture shall be deemed at all times to be a part of such fund or account and the interest accruing thereon and any profit realized from such investment shall be credited to such fund or account and any loss resulting from such investment shall be charged to such fund or account. For the purposes of any such investment, such obligations shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations. In computing for any purpose hereunder the amount in any fund or account created under the provisions of this Trust Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of the cost or market price thereof, exclusive of accrued interest. The Trustee shall present for payment all such obligations when they mature or when they shall be called for redemption. The Trustee shall not be liable or responsible for making any investment or for any loss resulting from any action which it may take with respect to such investment or for failing to provide that any obligation matures and becomes due or is sold in accordance with the terms of Section 601.

ARTICLE VII PARTICULAR COVENANTS OF THE AUTHORITY

SECTION 701. The Authority hereby, in order to secure the payment of the bonds of each series, particularly covenants and agrees with the Trustee and with the holders of the bonds and coupons of each

Alaska, as lessee, and the Alaska State Housing Authority, as purchaser, on file in the office of the Secretary of the Authority.

(d) with respect to the Construction Bonds, from Franklin National Bank, as Trustee under a Trust Indenture dated as of June 1, 1966 between said Bank and the Authority securing bonds of the Authority issued to finance the cost of acquisition of the Authority's Acquisition Project No. 1 (as defined in said Trust Indenture) (i) a certificate to the effect that it has received sufficient moneys from the Authority together with irrevocable instructions to pay the principal of and interest on said bonds to the date of redemption and thereupon to call said bonds for redemption at the earliest possible redemption date and (ii) such other documents as may be necessary, in the opinion of Hawkins, Delafield & Wood, Bond Counsel for the Authority, to evidence the defeasance of said bonds and the release of the lien on the Acquisition Project Rentals (as defined in said Trust Indenture).

When the documents mentioned above shall have been filed with the Trustee and when said bonds shall have been executed and authenticated as required by this Trust Indenture, the Trustee shall deliver said bonds at one time to or upon the order of the purchasers named in the resolution mentioned in clause (a) of this Section, but only upon payment to the Trustee of the purchase price of said bonds as set forth in said resolution. The Trustee shall be entitled to rely upon such resolution as to the names of the purchasers, the amount of such purchase price and the amount of such bonds sold.

SECTION 210. (a) Simultaneously with the delivery of any Construction Bonds, the Trustee shall pay the proceeds thereof (including accrued interest, if any, collected at the time of the delivery of the Construction Bonds) as follows:

(1) Into the 1972 Construction Project Bond Service Fund, an amount equal to the interest on said Construction Bonds which will become payable or will accrue prior to and on April 1, 1975; and

(2) To the Authority for deposit in the 1972 Project Construction Account, the balance of such proceeds remaining after the foregoing payment.

(b) Simultaneously with the delivery of any Acquisition Bonds, the Trustee shall pay the proceeds thereof (including accrued interest, if any, collected at the time of the delivery of the Acquisition Bonds) as follows:

(1) Into the 1972 Acquisition Project Bond Service Fund an amount equal to the interest on said Acquisition Bonds accruing to the date of delivery thereof; and

(2) Into the 1972 Project Acquisition Account the balance of such proceeds for application to the costs of the 1972 Acquisition Project.

The Trustee shall be entitled to rely on any requisitions delivered under this Trust Indenture as to the proper disposition of said proceeds.

SECTION 211. The bonds of each series (herein called "definitive bonds") shall be fully engraved (as that term is customarily used) or lithographed or printed on steel engraved borders as the Authority may determine. Until the definitive bonds of any part of either series have been prepared and are executed, there may be executed, in the same manner as is provided in Section 203 hereof, and, upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive bonds but subject to the same provisions, limitations and conditions as the definitive coupon bonds except as to the denominations thereof and as to exchangeability for registered bonds, one or more temporary bonds, substantially of the tenor of the definitive coupon bonds in lieu of which such temporary bonds or bonds are issued, but with or without coupons and in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof determined by resolution of the Authority and with such omissions, insertions and variations as may be appropriate to temporary bonds. The installments of interest payable on such temporary bonds shall be payable only upon the presentation and surrender of the coupons

Investment of
Moneys Held in 1972
Acquisition Project
Bond Service Fund
and the 1972
Construction Project
Bond Service Fund.

General Regulations
Regarding Invest-
ment of Funds.

Covenants With
Bondholders.

Disposition of
Bond Proceeds.

Preparation of
Definitive Bonds
and Delivery of
Temporary Bonds.

therefor attached thereto or, if no coupons for such interest are attached, then only upon presentation of such temporary bonds for notation thereon of the payment of such interest. The Authority at its own expense shall prepare and cause to be executed and, upon the surrender of such temporary bonds with all unmatured coupons and all matured coupons in default, if any, appertaining thereto at the principal office of the Trustee, and upon the cancellation thereof, the Trustee shall authenticate and, without charge to the holder thereof, deliver in exchange for such surrendered temporary bonds and coupons, definitive coupon bonds, with appropriate coupons attached, or, at the option of the holder, definitive registered bonds, of the same aggregate principal amount, series and maturity as the temporary bonds surrendered. Until so exchanged, the temporary bonds shall in all respects be entitled to the same benefits and security as definitive bonds authenticated and issued under the Trust Indenture. If temporary bonds shall be authorized to be issued in more than one denomination, the holder of any temporary bond or bonds may, at his option, surrender the same to the Trustee in exchange for another temporary bond or bonds, of like aggregate principal amount, series and maturity of any other authorized denominations, and thereupon the Authority shall cause to be executed and the Trustee shall authenticate and, in exchange for the temporary bond or bonds so surrendered, shall deliver a temporary bond or bonds of like aggregate principal amount, series and maturity in such other authorized denomination or denominations as shall be requested by such holder. All temporary bonds so surrendered shall be cancelled.

Mutilated, Destroyed,
Stolen or Lost Bonds.

SECTION 212. In case any bond shall become mutilated or be destroyed, stolen or lost, the Authority may cause to be executed, and the Trustee may authenticate and deliver, a new bond of like series, interest rate, principal amount and maturity in exchange and substitution for and upon the cancellation of such mutilated bond and its interest coupons, if any, or in lieu of and in substitution for such bond destroyed, stolen or lost, and its coupons, if any, upon the holder's paying the reasonable expenses and charges of the Authority and the Trustee in connection therewith and, in the case of a bond destroyed, stolen or lost, his filing with the Trustee evidence satisfactory to it and to the Authority that such bond and coupons, if any, were destroyed, stolen or lost, and of his ownership thereof, and furnishing the Authority and the Trustee with indemnity satisfactory to them. Any new bond so delivered may bear a number differing from the number on the bond it replaces.

Exchange of Bonds.

SECTION 213. The Authority shall make provision for the exchange of bonds at the principal office of the Trustee, and shall cause books to be kept by the Trustee, as Bond Registrar, for the registration and transfer of bonds as provided in this Trust Indenture.

ARTICLE III REDEMPTION OF BONDS

Redemption
of Bonds.

SECTION 301. The bonds of each series issued under the provisions of this Trust Indenture at the time outstanding are subject to redemption by or on behalf of the Authority as follows:

The bonds of each series maturing on or before October 1, 1983 are not subject to redemption prior to maturity. The bonds of each series maturing on or after October 1, 1984 are subject to redemption as a whole at the election of the Authority on any interest payment date on or after October 1, 1983 at a redemption price equal to the principal amount of each bond to be redeemed, plus a redemption premium of $\frac{1}{4}$ of 1% of such principal amount for each year or portion thereof remaining prior to the maturity of each bond to be redeemed.

Redemption Notice.

SECTION 302. Notice of any such redemption of the bonds of a series shall be published not less than thirty (30) days and not more than sixty (60) days before the redemption date in each of the authorized newspapers. Each such notice shall set forth the date fixed for redemption and the redemption price to be paid.

Effect of Calling
for Redemption.

SECTION 303. Notice of redemption of bonds of a series having been published in the manner and under the conditions hereinabove provided, the bonds of a series so called for redemption shall, on the

receive and collect 1972 Construction Project Rentals under Agreement of Lease No. 11, and all 1972 Construction Project Rentals to be paid pursuant to Agreement of Lease No. 11, are hereby pledged, assigned and transferred to the Trustee for the benefit of the holders of any Construction Bonds and such pledge, assignment and transfer shall not be terminated, modified or amended by the Authority so long as any Construction Bonds are outstanding. The Authority hereby irrevocably exercises its right under Agreement of Lease No. 11 to direct the State to pay 1972 Construction Project Rentals directly to the Trustee and covenants not to otherwise direct the State in respect of such 1972 Construction Project Rentals while any Construction Bonds are outstanding. All 1972 Construction Project Rentals received by the Trustee shall be paid by the Trustee into the 1972 Construction Project Bond Service Fund.

Payment of 1972
Construction
Project Rentals to
Trustee.

SECTION 502. (1) The Trustee shall from time to time pay out of moneys held for the credit of the 1972 Construction Project Bond Service Fund to itself as paying agent on or before each interest payment date, the amount required for the payment of the interest and principal due on such date on the Construction Bonds outstanding, and such amounts so withdrawn shall be applied to the payment of such interest and principal on or before the due dates thereof.

Application of 1972
Construction
Project Bond
Service Fund.

(2) Notwithstanding any other provision of this Trust Indenture, whenever on any date prior to April 1, 1975, the amount in the 1972 Construction Project Bond Service Fund equals or exceeds any unpaid interest then due on any outstanding Construction Bonds, plus the interest to become due or accruing on outstanding bonds on or before April 1, 1975, after subtracting therefrom the amounts paid from the 1972 Construction Project Bond Service Fund on account of interest which has theretofore become due on outstanding Construction Bonds prior to said date, and the Authority is not in default in the payment of the interest on any Construction Bonds, the Trustee shall pay out of the 1972 Construction Project Bond Service Fund to the Authority, any amount therein in excess of the said amount then in said fund, free and clear of any lien or pledge created by the Trust Indenture.

(3) Notwithstanding any other provision of this Trust Indenture, if on September 25 in each year commencing with the year 1975 the amount in the 1972 Construction Project Bond Service Fund equals or exceeds any unpaid interest then due on outstanding bonds, plus the interest to become due on outstanding bonds on the next following October 1 and April 1, plus the principal of outstanding bonds to become due on the next following October 1, and the Authority is not in default in the payment of the principal of or interest on any bonds, the Trustee shall pay out of the 1972 Construction Project Bond Service Fund to the Authority any amount therein in excess of the said amount then in said fund, free and clear of any lien or pledge created by the Trust Indenture.

(4) Any amount paid to the Authority pursuant to this section may be spent by it for any 1972 Construction Project Administrative Expenses or for any purpose for which any obligations of the Authority may be issued to finance public buildings for lease to the State under the Act, or may be transferred by the Authority to the State for expenditure for any lawful purpose.

SECTION 503. A special fund is hereby created and designated "1972 Acquisition Project Bond Service Fund". The 1972 Acquisition Project Bond Service Fund and all moneys at any time deposited therein shall be held and maintained by the Trustee in trust for the benefit of the holders from time to time of the Acquisition Bonds and disbursed, allocated and applied solely for the uses and purposes herein-after set forth. The right of the Authority to receive and collect 1972 Acquisition Project Rentals under the Agreement of Lease No. 12, and all 1972 Acquisition Project Rentals to be paid pursuant to Agreement of Lease No. 12, are hereby pledged, assigned and transferred to the Trustee for the benefit of the holders of any Acquisition Bonds and such pledge, assignment and transfer shall not be terminated, modified or amended by the Authority as long as any Acquisition Bonds are outstanding. The Authority hereby irrevocably exercises its right under the Agreement of Lease No. 12 to direct the State to pay the 1972 Acquisition Project Rentals directly to the Trustee and covenants not to otherwise direct the State in respect of such 1972 Acquisition Project Rentals while any Acquisition Bonds are outstanding.

Creation of 1972
Acquisition Project
Bond Service Fund.

Pledge and
Assignment
of 1972 Acquisition
Project Rentals.

Payment of 1972
Acquisition
Project Rentals
to Trustee.

SECTION 504. (1) The Trustee shall from time to time, pay out of moneys held for the credit of the 1972 Acquisition Project Bond Service Fund to itself as paying agent and to the other paying

Application
of 1972 Acquisition
Project Bond
Service Fund.

Pursuant to Article II of Agreement of Lease No. 12, the Authority hereby fixes and determines the following provisions contained in Section 408 to Section 410, inclusive, which shall be part of the contract with the holders of the Acquisition Bonds at any time outstanding, and as provided in Section 2.02 of Agreement of Lease No. 12, hereby fixes the following as the cost of the 1972 Acquisition Project:

The cost of the 1972 Acquisition Project shall include the cost of acquisition of the 1972 Acquisition Project and the cost of constructing certain improvements thereto, including the cost of advance planning undertaken in connection with the 1972 Acquisition Project property allocable in the opinion of the Authority to the 1972 Acquisition Project, cost of issuance of the Acquisition Bonds by the Authority and financing charges and fees and expenses of bond counsel, financial advisors and consultants in connection therewith, all related direct administrative and inspection expenses whether incurred by the Authority or another in connection with the 1972 Acquisition Project, legal fees and other expenses incurred in connection with the acquisition of the 1972 Acquisition Project and the reimbursement of all moneys advanced or applied by the State, or any agency, instrumentality or officer thereof, whether to or by the Authority, the State or others, from whatever source provided, for the payment of any item or items of cost of the 1972 Acquisition Project, and all other expenses necessary or incident to determining the feasibility or practicability of the 1972 Acquisition Project including engineering and rehabilitation costs, and such other expenses not specified herein as may be necessary or incident to the acquisition of the 1972 Acquisition Project and the financing thereof.

SECTION 409. The Authority shall make payment of costs of the 1972 Acquisition Project, in addition to the payment to Island Development Corporation upon requisition filed with the Trustee of an amount necessary to acquire the 1972 Acquisition Project, in such manner as set forth in Section 404 hereof with respect to payment from the 1972 Project Construction Account. Moneys held for such purpose may be invested or deposited in the manner provided in Section 405 for moneys in the 1972 Project Construction Account. Any requisition filed in accordance herewith with respect to payment of the cost of acquisition of any land or rights or interests in or relating to lands shall have attached to it an opinion of counsel to the Authority or an opinion of the Attorney General of Alaska, stating, in the opinion of the signer, that the Authority has authority to acquire such land, rights or interests, and that the Authority will have upon the payment of such item title in fee simple to said real property or such lesser right or interest sufficient for the purposes of the 1972 Acquisition Project subject to no lien, charge or incumbrance thereon or affecting the title thereto except such as will not under any circumstances cause the possession and use of the property of the Authority for its purposes to be disturbed.

SECTION 410. If at the time all costs of the 1972 Acquisition Project are fully paid, the amount in the 1972 Acquisition Project Bond Service Fund equals or exceeds any unpaid interest then due on any outstanding Acquisition Bonds, plus the interest to become due on outstanding Acquisition Bonds on the next succeeding interest payment date, and the Authority is not in default in the payment of the principal of or interest on any Acquisition Bonds, the Authority may expend any remaining bond proceeds for any lawful purpose for which any obligations of the Authority may be issued to finance public buildings for lease to the State under the Act.

ARTICLE V

RENTAL PAYMENTS AND FUNDS

SECTION 501. A Special Fund is hereby created and designated "1972 Construction Project Bond Service Fund" for the purpose of paying on the Construction Bonds (i) interest with moneys paid into the said Fund pursuant to Section 210(a) hereof during the period of acquisition and construction of the 1972 Construction Project and (ii) principal thereof and interest thereon, thereafter from moneys paid into said Fund pursuant to this Article. The 1972 Construction Project Bond Service Fund and all moneys at any time deposited therein shall be held and maintained by the Trustee in trust for the benefit of the holders from time to time of the Construction Bonds and disbursed, allocated and applied solely for the uses and purposes hereinafter set forth. The right of the Authority to

redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such bonds on such date. On the date so designated for redemption, notice having been published and moneys for payment of the redemption price being held by the Trustee; as provided in this Trust Indenture, interest on the bonds so called for redemption shall cease to accrue; the coupons for interest on any coupon bonds so called for redemption maturing subsequent to the redemption date shall be void; such bonds shall cease to be entitled to any lien, benefit or security under this Trust Indenture; and the holders or registered owners of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. All unpaid interest installments represented by coupons appertaining to such bonds which shall have matured on or prior to the date of redemption designated in such notice shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

SECTION 304. Coupon bonds so redeemed and all unmatured coupons appertaining thereto, and registered bonds so presented and surrendered, shall be delivered to the Trustee for cancellation and certification thereof made to the Authority by the Trustee.

SECTION 305. Bonds of a series which have been duly called for redemption under the provisions of this Article, and for the payment of the redemption price of which moneys shall be held by the Trustee on the date fixed for such redemption, shall not be deemed to be outstanding under the provisions of this Trust Indenture.

ARTICLE IV

1972 PROJECT CONSTRUCTION ACCOUNT AND 1972 PROJECT ACQUISITION ACCOUNT

SECTION 401. The Authority hereby establishes a special fund or account designated the "1972 Project Construction Account". The 1972 Project Construction Account shall be held by the Authority. Pursuant to Section 2.04 of Agreement of Lease No. 11, the Authority hereby fixes and determines the following provisions contained in Section 402 to Section 407, inclusive, which shall be a part of the contract with the holders of the bonds at any time outstanding, with respect to the 1972 Project Construction Account (referred to in said Section 2.04 as the Project Construction Account).

SECTION 402. The Authority shall make payment of the cost of the 1972 Construction Project as in this Article provided. All payments from the 1972 Project Construction Account shall be subject to the provisions and restrictions set forth in this Article and the Authority shall not cause or permit to be paid from the 1972 Project Construction Account any sums except in accordance with such provisions and restrictions.

SECTION 403. Pursuant to Section 2.02 of Agreement of Lease No. 11 the following is fixed as the cost of the 1972 Construction Project:

The cost of construction and acquisition of the 1972 Construction Project, including interest on the bonds prior to and during such construction, and reasonable fees of the Trustee for the payment of such interest, to the extent, if any, that the same is not paid by the application of moneys elsewhere than in the 1972 Project Construction Account, the cost whether incurred by the Authority or another of field surveys and advance planning undertaken in connection with the 1972 Construction Project properly allocable, in the opinion of the Authority, to the 1972 Construction Project, and the cost of acquisition of any land or interest therein required as the site of the 1972 Construction Project or for use in connection therewith, the cost of preparation of the site of the 1972 Construction Project and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance incurred in connection with the 1972 Construction Project prior to or during construction thereof and all related direct administrative and inspection expenses whether incurred by it or by another in connection with the

Payment of Costs of 1972 Acquisition Project.

Disposition of Balance of Acquisition Bond Proceeds.

Creation of 1972 Construction Project Bond Service Fund.

Pledge and Assignment of 1972 Construction Project Rentals.

Cancellation of Bonds and Coupons Redeemed.

Bonds Called for Redemption Not Outstanding.

1972 Project Construction Account.

Payment of Cost of 1972 Construction Project.

Cost of Construction of 1972 Construction Project.

1972 Construction Project prior to or during construction thereof and allocable portions of direct costs of the Authority, legal fees, fees and expenses of the Trustee, cost of issuance of the bonds by the Authority and financing charges and fees and expenses of bond counsel, financial advisors and consultants in connection therewith, costs of audits, the cost of all machinery, apparatus and equipment, cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, the reimbursement of all moneys advanced or applied by the State or any agency, instrumentality or officer thereof, whether to or by the Authority, the State or others, from whatever source provided, for the payment of any item or items of cost of the 1972 Construction Project, and all other expenses necessary or incident to determining the feasibility or practicability of the 1972 Construction Project, and such other expenses not specified herein as may be necessary or incident to the construction, acquisition, improvement, and alteration of the 1972 Construction Project, the financing thereof and the placing of the same in use and operation.

Requisitions for Payment.

SECTION 404. Pursuant to Section 2.05 of Agreement of Lease No. 11 the Authority hereby fixes and determines that payment of the cost of the 1972 Construction Project be made in the following manner:

Before any payment shall be made on account of the cost of the 1972 Construction Project, the Authority shall make and thereafter keep as a record open to the inspection of the holders of the Construction Bonds during reasonable business hours at its principal office in the City of Anchorage, Alaska:

A requisition, signed by an officer of the Authority, stating in respect of each payment to be made:

- (1) the name of the person or party to whom the payment is to be made;
- (2) the amount to be paid; and
- (3) the purpose, by general classification, for which the payment is to be made.

Regulations Concerning Investment of 1972 Project Construction Account.

SECTION 405. Pursuant to the provisions of Section 2.04 of Agreement of Lease No. 11 it is hereby fixed and determined that moneys in the 1972 Project Construction Account be invested, reinvested or deposited in the following manner:

Subject to the covenant contained in Section 713 of this Trust Indenture all moneys held in the 1972 Project Construction Account shall, as nearly as may be practicable, be invested and reinvested in direct obligations of the United States of America or in obligations the principal and interest on which are guaranteed or insured by the United States of America or any agency thereof, obligations issued by federal land banks or federal intermediate credit banks established under the Federal Home Loan Act, as amended, bonds or debentures of the Federal Home Loan Bank Board or of any federal home loan bank established under the Federal Home Loan Bank Act, obligations of the Federal National Mortgage Association established under the National Housing Act as amended, Participation Certificates issued by the Federal National Mortgage Association under the Participation Sales Act of 1966, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933 as amended, obligations of any State, and in obligations of any political subdivisions of the State of Alaska, including the Authority, or deposited in demand or time deposits in any national banking association, bank or trust company to the extent such deposits are guaranteed by the Federal Deposit Insurance Corporation or other Federal agency or to the extent not so guaranteed secured by a pledge of the aforesaid obligations, certificates, bonds or debentures which shall be lodged with the trust department of the depository bank or pledged to some other bank or trust company. In any event such obligations, certificates, bonds, debentures or time deposits shall mature or become due in such amounts and at such times as may be necessary, as determined by the Authority, to provide moneys when needed to pay the cost of the 1972 Construction Project when the same become due.

Payments for Real Property.

SECTION 406. If any requisition filed in accordance with Section 404 contains any item for the payment of the cost and expense of acquisition of any lands, easements, or rights or interests in or

relating to lands (other than the cost or expense of a preliminary survey, search, appraisal, legal or engineering examination, or contract or option to acquire), there shall be attached to such requisition, before any transfer or payment with respect to such item shall be made, an opinion of counsel to the Authority or an opinion of the Attorney General of Alaska, stating, in the opinion of the signer, that the Authority has authority to acquire such lands, easements, rights or interests, and that the Authority will have upon the payment of such item title in fee simple to, or easements over, said real property or such lesser right or interest in said real property sufficient for the purposes of the 1972 Construction Project, subject to no lien, charge or encumbrance thereon or affecting the title thereto except such as will not under any circumstances cause the possession and use of the property by the Authority for its purposes to be disturbed.

SECTION 407. Upon completion of original construction on or about the 1972 Construction Project, the Authority shall at any time or from time to time withdraw from the 1972 Project Construction Account the balance in the 1972 Project Construction Account, or any part thereof, in the amounts, at the time, in the manner and on the other terms and conditions set forth in this Section 407. Before any such withdrawal shall be made, there shall be filed in the office of the Authority:

(a) its requisition therefor, stating the amount of such withdrawal;

(b) its certificate attached to the requisition certifying (1) that original construction on or about the 1972 Construction Project has been completed in accordance with the Trust Indenture, and (2) that a sum stated in the certificate is sufficient to pay, and is required to be reserved in the 1972 Project Construction Account to pay, all items of cost of the 1972 Construction Project then remaining unpaid, including the estimated amount of any such items the amount of which is not finally determined and all claims against the Authority arising out of the construction, acquisition or completion of the 1972 Construction Project; and

(c) an opinion of counsel who may be counsel to the Authority, or an opinion of the Attorney General of Alaska, dated as of the date of such requisition and stating that, in the opinion of the signer, except in the case of such part of the 1972 Construction Project as is lawfully located in a public street or highway the Authority has acquired title to or perpetual easements in all real property constituting a part of the 1972 Construction Project and all real property incidental thereto sufficient for the purposes of the Authority, or such lesser right or interest in said real property sufficient for the purposes of the 1972 Construction Project, free from all liens, charges, conditions or encumbrances except such as will not under any circumstances cause the possession and use of the property by the Authority for its purposes to be disturbed prior to the payment in full of all the bonds then outstanding, and that either (i) there are no uncanceled mechanics', laborers', contractors', or materialmen's liens on any such property or on any funds of the Authority or on file in any public office where the same should be filed in order to be valid liens against any funds of the Authority or any part of such property and that, in the opinion of the signer of such opinion, the time within which such liens can be filed has expired or (ii) the Authority has irrevocably set aside in trust an amount sufficient and available to pay the sum claimed in any such lien.

If at the time of the filing of such requisition and accompanying certificate, the amount in the 1972 Construction Project Bond Service Fund equals or exceeds any unpaid interest then due on any outstanding bonds, plus the interest to become due on outstanding bonds on the next succeeding interest payment date, and the Authority is not in default in the payment of the principal of or interest on any bonds, the Authority shall pay out of the 1972 Project Construction Account, the amount stated in such requisition, and may expend such amount for any lawful purpose for which any obligations of the Authority may be issued to finance public buildings for lease to the State under the Act, or may transfer such amount to the State for expenditure for any lawful purpose, provided, that no such withdrawal shall be made if it reduces the amount in the 1972 Project Construction Account below the amount stated in the said certificate of the Authority as required to be reserved in the 1972 Project Construction Account.

SECTION 408. The Authority hereby establishes a special fund or account designated the "1972 Project Acquisition Account". The 1972 Project Acquisition Account shall be held by the Authority.

Disposition of Balance in 1972 Project Construction Account.

Cost of the 1972 Acquisition of the Project.



Alaska State Legislature
House

JUNEAU ALASKA

MEMORANDUM

TO: Joseph R. Henri
Commissioner
Department of Administration

DATE: March 27, 1972

FROM: George Hohman *GH*
Chairman
House Finance Committee

SUBJ: Juneau Court Building

It has come to the attention of this committee that the Administration may be considering a scaled-down version of the Juneau court facility or some combination building involving the court system and some other agency of state government. If you are able to shed any light on this subject, we would appreciate your earliest possible response.

The committee has also noted that Article XII of the Trust Indenture for the recently issued Alaska State Housing Authority Revenue Bonds provides:

Section 1202. All outstanding bonds of a series shall be deemed to have been paid within the meaning and with the effect expressed in Section 1201 of this Article if ... (b) there shall have been deposited with the Trustee direct obligations of the United States maturing and bearing interest at times and in amounts sufficient to pay when due the principal and interest or redemption price, if any, to become due on said bonds of such series.

What amount would be required in an appropriation designed to cover this alternative?

March 24, 1972

The Honorable Joe Henri
Commissioner
Department of Administration
Juneau, Alaska 99801

Dear Joe:

As you know, the House Finance Committee during the current session has expressed serious reservations concerning the "traditional way" in which the construction of state office space is funded through the Alaska State Housing Authority. In brief, the committee feels the Legislature has no control over the size, cost, location or use of facilities constructed through ASHA.

In an attempt to correct this situation, the Finance Committee is requesting the following specific information on each ASHA construction project currently before this Legislature (those contained in House Concurrent Resolutions 4, 28, and 37, and Senate Concurrent Resolution 15):

1. Project Information: to include a brief project description, a statement of justification and summary of project costs similar to that enclosed from the Capital Construction Budget, State of Colorado.
2. Map: fix the location of the proposed structure in a manner similar to the example enclosed for Colorado State College in Greeley.
3. Preliminary Design: include an architect's preliminary drawing to give some indication of the size, quality and design of the proposed building.

Sincerely,

FINANCE COMMITTEE

George Mohman
Chairman

GH/JHH/sb

Enclosures



Alaska State Legislature

House

JUNEAU ALASKA

MEMO TO FILES

TO: HOUSE FINANCE COMMITTEE

FROM: Jay Hogan

SUBJECT: TRUST INDENTURE MODIFICATION

DATE: March 23, 1972

At the request of the House Finance Committee, I contacted by phone Andy Jeremi, Assistant Cashier, and Mike Barrett, Trust Officer/Assistant Secretary, both officials of the Bank of America National Trust and Savings Association. My specific questions concerned the difficulties that might arise during an attempt to modify provisions of the Trust Indenture respecting \$8.2 million of Alaska State Housing Authority state lease revenue bonds (1972 construction project). Briefly the information gathered is summarized as follows:

Mr. Barrett stated he had no personal knowledge of the problems involved in an attempt to modify a trust indenture. He suggested we might wish to contact a financial advisor. He gave us the name of Mr. Harry Comerford of Blythe and Company's San Francisco office, tel 415-362-8000. Mr. Barrett did not know the name of the firm that underwrote the sale of the bonds. He suggested we contact the Housing Authority for this information (subsequent testimony before the Finance Committee indicated the underwriting firm was John Nuveen, Chicago, Ill.).

Mr. Jeremi said that to date only one of the bonds issued was registered; however, the face value of this bond was given as \$865,000 and thus in itself represented more than 10% of the total issue.

DATE: March 27, 1972

Mr. Harry Comerford discussed briefly over the phone the problems associated with modification of trust indenture agreements. He felt that for an issue of this size the cost to the state in legal fees, fees for publishing notice and "commissions" to brokers for obtaining consent would run between \$50,000 and \$75,000 with no guarantee of success. In other words he felt that much would depend on how easily John Nuveen could or would locate the bond buyers/holders.

Mr. Comerford called our attention to Article XII of the Trust Indenture "Defeasance" and suggested that the route described there might be both simpler and more effective. It appears from reading the article that the state could make an appropriation to a trust and that the trust would purchase "direct obligations of the United States maturing and bearing interest at times and in amounts sufficient to pay when due the principal and interest or redemption price, if any, to become due on said bonds of such series". It was his opinion that by doing this the legislature would lawfully substitute investments to back the bonds replacing the bond holders' call on particular structures and leases with a call on government security.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

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HON GEORGE HOYMAN

CHAIRMAN HOUSE FINANCE COMMITTEE CARE ERIC MONFORTH

COMMISSIONER OF REVENUE STATE OFFICE BLDG JUNEAU ALASKA

RESPONDING TO QUESTIONS REGARDING ASHA BONDS SOLD JANUARY 1970 FOR COURT HOUSE CONSTRUCTION WE HAVE CONTACTED SUCCESSFUL BIDDING SYNDICATE WITH QUESTIONS REGARDING INDENTURE MODIFICATION BONDS DISTRIBUTED BY NATIONWIDE SYNDICATE OF 21 MEMBERS MANAGERS SALES TICKETS TOTALLED NARLY 200 MANY TO SYNDICATE MEMBERS WHO PROBABLY BROKE THEIR PURCHASES INTO EVEN SMALL BLOCKS AS DISTRIBUTED TO ULTIMATE INVESTORS WOULD BE SAME TO SAY 200 OR MORE INVESTORS WOULD HAVE TO BE CONTACTED AND PERSUADED TO PERMIT MODIFICATION SYNDICATE MANAGER CANNOT SPEAK AS TO LIKELIHOOD OF OBTAINING CONSENTS BUT IT OBVIOUS THAT EXPENSIVE AND TIME CONSUMING TASK TO GET APPROVAL EITHER SITE RELOCATION OR PROJECT SHRINKAGE.

PROJECT RELOCATION PROBABLY LESS CONTROVERSIAL THAN REDUCING SIZE OF STRUCTURE. LATTER NECESSARILY AFFECTS SECURITY OF BONDS. QUESTIONS AS TO USE OF EXCESS BOND PROCEEDS OVER REVISED CONSTRUCTION MONEY NEEDS IS PARTICULARLY CRITICAL. WE CAN SUGGEST NO EASY SOLUTION BUT WILLING COME TO JUNEAU ON LEGISLATIVE REQUEST TO DISCUSS POSSIBILITIES

RAFFERTY, GURIN AND CO BOND CONSULTANTS BY J. T. RAFFERTY.

CERTIFICATE OF SECRETARY

I, ROBERT E. BUTLER, Secretary of Alaska State Housing Authority, HEREBY CERTIFY that the document attached hereto is a true complete and correct executed copy of Agreement of Lease No. 11 between the Authority and the State of Alaska and that the same has not been amended or modified but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of February, 1972.



Robert E. Butler, Secretary

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AGREEMENT OF LEASE NO. 11

THIS AGREEMENT OF LEASE NO. 11 made and entered into as of January 11, 1972, by and between the Alaska State Housing Authority (hereinafter called "Authority"); and the State of Alaska acting through the Department of Administration of the State of Alaska (hereinafter called "State"):

WHEREAS, the Authority is authorized pursuant to Section 10 to Section 290, inclusive, of Chapter 55 of Title 18, Alaska Statutes, as amended and supplemented (hereinafter called the "Act") to provide for the acquisition, construction and financing of public building projects for lease to the State and the Department of Administration on behalf of the State is authorized pursuant to Section 37.05.280 of the Alaska Statutes to lease necessary space for the use of the State or any agency of the State, provided that the use of the space provided for by such a lease entered into after January 1, 1966, providing for annual payments in excess of Twelve Thousand Dollars (\$12,000.00) be expressly approved by the legislature; and

WHEREAS, the State desires to lease office and courtroom space in Juneau, Alaska of approximately 64,000 square feet and a parking and utility area of approximately 63,400 square feet for a total of approximately 127,400 square feet as a new project (the "1972 Construction Project"); and

WHEREAS, Senate Concurrent Resolution No. 45, Alaska State Legislature, 1971; approves under said Section 37.05.280 the use of space to be provided the State by lease from the Authority of the 1972 Construction Project, which lease provides for payments in excess of \$12,000 annually; and

WHEREAS, the Authority is now ready to finance the 1972 Construction Project and in order to so finance the 1972 Construction Project, the 1972 Construction Project is leased, for the period and on the terms and conditions hereinafter set forth.

WITNESSETH:

In consideration of the premises and of the mutual covenants herein set forth, the parties hereto covenant and agree as follows:

ARTICLE I

Definitions and General Provisions

1.01. Definitions. The following terms shall, for all purposes of this Agreement, have the following meanings, unless the context shall clearly indicate or require some other meaning:

"Administrative Expenses" means the current administrative, general, and commercial expenses of the Authority properly allocable to the 1972 Project and not required to be met by the State directly under the provisions of the Agreement, including, without limiting the generality of the foregoing, the following particular items of such expenses: all administrative, general and commercial expenses, insurance and surety bond premiums, engineering expenses, legal expenses, auditing expenses, employees' salaries, and also the amounts required in each year in order to pay fees, expenses,

and compensation payable during such year under the Bond Resolution of Trustees and other fiduciaries and depositories and Paying Agents for the Bonds and also all amounts paid by the Authority during any year pursuant to the provisions of paragraph (j) of Section 3.04 of the Agreement.

"Act" shall mean Section 10 to Section 290, inclusive, of Chapter 55 of Title 18 of the Alaska Statutes, as amended and supplemented, and Section 37.05.280 of the Alaska Statutes.

"Agreement" shall mean this Agreement of Lease No. 11.

"Authority" shall mean the Alaska State Housing Authority, a public corporate authority of the State of Alaska created by and existing under Title 18 of the Alaska Statutes.

"Annual Rental" shall mean the annual rental fixed in Section 4.01 hereof due and payable by the State to the Authority with respect to the 1972 Construction Project.

"Bond" shall mean any Bond or Bonds issued pursuant to the Bond Resolution by the Authority for the purpose of financing the cost of the 1972 Construction Project.

"Bond Resolution" shall mean a resolution of the Authority authorizing the issuance of Bonds and any Trust Agreement or Trust Indenture securing the rights of holders of Bonds entered into by and between the Authority and a Trustee.

"Concurrent Resolution" shall mean Senate Concurrent Resolution No. 45, Alaska State Legislature, 1971.

"Cost" and "Cost of 1972 Construction Project" shall have the meanings ascribed thereto in Section 2.02.

"Department of Administration" shall mean the principal office and department of State government established, pursuant to Article III of the Alaska Constitution, by paragraph (2) of Alaska Statutes, Section 44.15.010.

"Lease Term" shall have the meaning ascribed thereto in Section 3.01.

"Project" or "1972 Construction Project" shall mean the public building project described on the Project Data Sheet (1 in number) attached to and incorporated in this agreement.

"Public Building" or "Public Building Project" means a publicly owned structure on a site owned by the State or the Authority and leased to the State for government or public use pursuant to the Agreement as authorized by the Act or the Concurrent Resolution, and has the same meaning as the term public building as defined in subdivision (2) of Section 18.55.288 of the Alaska Statutes.

Sections mentioned by number only are the respective Sections of the Agreement so numbered.

"State" shall mean the State of Alaska.

"Trust Indenture" shall mean the Trust Indenture dated as of January 1, 1972, between the Authority and Bank of America National Trust and Savings Association which secures nine million four hundred ten thousand (\$9,410,000) Alaska State Housing Authority State Lease

Revenue Bonds (1972 Projects) consisting of \$8,280,000 Construction Bonds (as defined in said Trust Indenture) and \$1,130,000 Construction Bonds (as defined in said Trust Indenture).

1.02 Duration of Agreement. (a) This Agreement and each and every provision hereof shall remain in full force and effect with respect to the Project and may not be amended in any respect until the Authority shall have been paid in full all of the Annual Rentals due and payable with respect to the Project, and all sums for interest due and to become due thereon in accordance with the provisions of Section 4.01, and the Authority shall have paid and retired, or shall have made due and adequate provision for the payment and retirement of all of the Bonds, and either the Authority or the State shall have served notice upon the other of its intention to terminate the same as of the end of the year beginning next after the date of such notice.

(b) Notwithstanding the provisions of paragraph (a) of this Section 1.02, the State and the Authority may substitute a new parcel of real property for a parcel of real property described on the Project Data Sheet attached to and incorporated in this agreement, prior to commencement of construction of the project described on said Project Data Sheet,

upon the filing with the Governor of the State of a Project Data Sheet describing the new parcel of real property and of the written finding of the State signed by the Commissioner of the Department of Public Works, the Commissioner of the Department of Administration and by the Chairman of the Authority, stating the opinion that:

1. The real property to be substituted (herein called the "new site") has a utility for the uses of the Authority and the State for the 1972 Construction Project described on the Project Data Sheet attached to and incorporated in this Agreement, which also describes the real property for which substitution is sought, at least equal to or greater than the real property described on said Project Data Sheet (herein called the "old site"), and the costs on the old site would have been substantially greater than costs will be on the new site; and

2. The State or the Authority will acquire upon payment for the new site, based upon an opinion of the Attorney General or counsel for the Authority to be filed with said finding, title in fee simple to, or such lesser right or interest in the new site sufficient for the purposes of the portion of the 1972 Construction Project to be acquired or constructed thereon, subject to no lien, charge or encumbrance thereon, or affecting the title thereto except such as will not under any circumstances cause the possession or use by the State or

the Authority of said portion of the 1972 Construction Project to be disturbed.

Upon the concurrence of the Governor with said finding, the new site shall be deemed leased hereunder and the old site no longer leased and thereafter all terms of this lease shall apply as if said new site had been described on a Project Data Sheet attached to and incorporated in this agreement as of the date first above written. The Project Data Sheet describing the new site shall be filed with the District Recorder for each District in which this agreement is recorded.

1.03. Obligations of Authority and State Limited To Certain Resources. Notwithstanding any other provisions of this Agreement, no obligation assumed by or imposed upon the Authority by this Agreement shall require the performance of any act by the Authority except to the extent, if any, that the cost and expense of such performance may be provided for from proceeds of Bonds issued by the Authority or from other funds legally available to the Authority to meet the cost and expense of such performance and no obligation assumed by or imposed upon the State by this Agreement shall require the performance of any act by the State, including, but not limited to, the payment of Annual Rental, except to the extent, if any, that the cost and

expense of such performance, including such payment, may have been provided for prior to the time of such performance or payment from moneys then legally available therefor. The liability of the State for payment of each installment of Annual Rental as it becomes due and each payment of Annual Rental, shall be in consideration of the right of the State, whether or not exercised, to occupy and use the Project for each twelve month period beginning on the first day of April in each of the years 1975 to 1992, both inclusive, which next precedes the date on which payment of such installment is due as provided in Section 4.01 (or such earlier date as the Authority and the State may agree upon) and for the 6 month period from April 1, 1992 to October 1, 1992.

1.04. Interest of Bondholders. The Authority and the State agree that one of the purposes of the Agreement is to induce the public to purchase the Bonds and to secure such Bonds. Accordingly all of the covenants and agreements of the Authority and the State set forth in this Agreement are hereby declared to be for the benefit of the holders and registered owners from time to time of the Bonds. The Authority may pledge, assign and transfer the right to receive and collect Annual Rentals to be paid by the State in the Bond Resolution, together with the Authority's rights to enforce this Agreement, and from and after such pledge, assignment, or transfer, this Agreement shall not be terminated, modified or changed by the State or the Authority, except in the manner (if any) and subject to the conditions (if any) permitted by the Bond Resolution.

ARTICLE II

Construction of Project

2.01. Construction of Project. The Authority covenants and agrees to cause the Project to be acquired and constructed with all reasonable speed and dispatch, in accordance with the plans and specifications approved or to be approved by the parties to this agreement, and to deliver possession of the Project to the State upon completion of such construction. No change which shall result in an increase of the cost of the Project to an amount in excess of the estimated cost of the Project (which is hereby estimated to be \$8,280,000), or which is of a substantial nature materially affecting the Project, shall be made in any such plans and specifications during acquisition or construction of the Project unless such change shall be approved by the parties hereto.

The Authority shall not be deemed to be in default under the aforesaid covenant if the construction of the Project shall be delayed by its or others' inability to secure needed labor or materials, or by stormy or inclement weather which delays completion of the Project or by strikes, labor disputes, lockouts or like trouble among mechanics or laborers which delay construction of the Project, or by acts of God, or by acts or neglect of the State or its agents or employees, or by regulations or restrictions imposed by any governmental agency or authority, or by fire or other similar catastrophe, or other similar delay beyond the control of the Authority, its

agents or contractors, or in the event of the inability of the Authority to issue Bonds to finance the Cost of the Project.

The Project shall, upon final completion, be free and clear of all liens and encumbrances of every kind and character which may arise in connection with the work of any character performed in connection with the Project, including mechanics', laborers' and materialmen's liens and other liens of a similar nature.

2.02. Cost of Project. For the purposes of the Agreement "Cost" or "Cost of the Project" may include, together with any other proper item of cost not specifically mentioned herein the cost of construction and acquisition of the Project and the financing thereof, including interest on the Bonds issued by the Authority to finance the Project during such period as may be fixed pursuant to the Bond Resolution, the cost whether incurred by it or another of field surveys and advance planning undertaken in connection with the Project, and the cost of acquisition of any land or interest therein required as the site of the Project or for use in connection therewith, the cost of preparation of the site of the Project and of any land to be used in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance, all related direct administrative and inspection expenses whether incurred by it or by another and allocable portions of direct costs of the Authority, legal fees, fees and expenses of trustees, depositories and paying agents for the Bonds issued by the Authority, cost of issuance of the

Bonds by the Authority and financing charges and fees and expenses of financial advisors and consultants in connection therewith, cost of audits, the cost of all machinery, apparatus and equipment, cost of engineering, architectural services, design, plans, specifications and surveys, estimates of cost, the reimbursement of all monies advanced or applied by the State, or any agency, instrumentality or officer thereof, whether to or by the Authority, the State or others, from whatever source provided, for the payment of any item or items of cost of the Project, and all other expenses necessary or incident to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the construction and acquisition of the Project, the financing thereof and the placing of the same in use and operation.

2.03. Financing of Project by Authority. The Authority agrees to finance the Cost of the Project by the issuance of Bonds or from funds available from other sources.

2.04. Project Construction Account. Except where required to pay the principal of and interest or redemption premium on outstanding Bonds or to make deposits into any accounts or funds established pursuant to the Bond Resolution as a reserve for the payment or security of the Bonds or otherwise fixed or determined by or pursuant to the Bond Resolution or Trust Indenture, all proceeds of Bonds shall be immediately deposited by the Authority upon receipt with one or more banks or trust companies in a special account (herein called "1972 Project Construction Account") which shall be established separately for the Project.

All of the funds deposited in the 1972 Project Construction Account

shall be used for and applied to the payment of the cost of the Project, as herein provided, and, pending their application, may be assigned or pledged for the benefit of holders of the Bonds in such manner as the Authority may provide.

All monies held in the 1972 Project Construction Account shall, as nearly as may be practicable, be invested and reinvested or deposited as may be fixed and determined by the Bond Resolution.

2.05. Payment of Project Cost. Payment of the Cost of the Project not otherwise provided for shall be made from monies in the 1972 Project Construction Account in such manner as may be provided for in the Bond Resolution, provided, that, in any event, before any such payment shall be made on account of the cost of the Project, the Authority shall make and keep the following as a record open to the inspection of the holders of Bonds under such conditions as may be prescribed in the Bond Resolution during the term of this agreement:

A requisition, signed by such officer or officers of the Authority as the Authority shall designate for such purpose, stating in respect of each payment to be made:

- (1) the name of the person or party to whom the payment is to be made;
- (2) the amount to be paid; and
- (3) the purpose, by general classification, for which the payment is to be made.

ARTICLE III

Lease, Occupancy and Maintenance of Project

3.01. Lease of Project. The Authority hereby leases to the State, and the State hereby takes and hires from the Authority the Project for a Lease term of seventeen years and six months commencing April 1, 1975 (or such earlier date as the Authority and the State may agree upon) and ending on October 1, 1992.

3.02. Operation and Maintenance of Project. The State during the Lease Term of the Project shall at its own cost and expense put, keep and maintain the Project in good order and safe condition and shall pay all cost and expense of operating and maintaining the Project, including (but without limiting the generality of the foregoing) all electric, water, heating, power, steam, sewerage or other utility charges, all taxes, assessments or governmental charges of whatever kind or nature assessed or imposed by any taxing authority (Federal, State, City, Borough or other) upon or with respect to the Project or the Authority's interest therein or revenues or receipts therefrom, all premiums and charges incidental thereto payable in respect of the insurance coverages maintained or to be maintained pursuant to Section 3.04 hereof or any other insurance related to the Project, and every item of expense (if any) which the Authority during the Lease Term may incur or pay for in connection with maintaining or repairing the Project. After completion of construction in accordance with the plans and specifica-

tions prepared and approved as provided in Section 2.01 hereof, the Authority shall not be obligated or be under any duty to operate or maintain the Project or to make any repairs thereto, whether major, minor, structural or other, or any renewals, replacements or reconstruction, provided, that, if after such completion of construction, latent defects are discovered with respect to the Project, the Authority does hereby assign any and all rights to indemnity for the same to the State.

3.03. Alterations and Improvements. At its own cost and expense, the State may make alterations, changes, additions and improvements to the Project. Any additions, or improvements made, installed or affixed to the Project by the State or any subtenant, or fixtures installed or affixed in such manner as not to be removable without material injury to the Project, shall be and become the property of the Authority. All other fixtures installed or affixed to the Project by the State or any subtenant, and all machinery, furnishings and equipment installed by the State or any subtenant, shall be and remain the property of the State or such subtenant and may be removed thereby at any time during the Lease Term or at the termination thereof.

3.04. Insurance. (a) At all times during construction of each portion of the Project, and until such portion is available for use by the State, and unless otherwise provided by or pursuant to the Bond Resolution, the Authority shall maintain or cause to be maintained with responsible insurers

the following kinds and the following amounts of insurance with respect to the Project, with such variations as shall reasonably be required to conform to customary insurance practice:

(1) Such insurance in the broadest form available, including earthquake insurance and insurance against rising water, and only if available from the United States of America or an agency thereof or corporation organized thereby, war risk insurance, regarding structures and facilities designed as part of the Project, as is customarily carried by owners of rental buildings with respect to such buildings when under construction. The net proceeds of any such insurance, after deduction therefrom of expenses of collection, shall be applied to pay the cost of the Project.

(2) Such other and additional insurance (including workmen's compensation insurance and public or comprehensive liability insurance) as is customarily carried by others in similar circumstances with respect to similar construction operations or similar property or structures and facilities. The net proceeds of any such insurance after deduction therefrom of expenses of collection, to the extent not applied directly in settlement of claims against the Authority, shall be applied to pay the cost of the Project.

To the extent, however, that any part of said insurance is carried by others for the benefit of the Authority, the Authority shall not be obligated hereunder to procure or maintain such part of said insurance.

(b) Prior to commencement of construction of each portion of

the Project, the Authority shall require each contractor to obtain, and thereafter to keep in effect, a performance bond and a payment bond of the descriptions thereof set forth in Alaska Statutes Section 36.25.010, provided, that each said performance bond and payment bond shall respectively be in a sum at least equal to 100% of the sums payable by the terms of each construction contract.

(c) Immediately upon the availability of the Project or any portion thereof for use by the State, and thereafter during the Lease Term of the Project, the State shall maintain or cause to be maintained general public liability insurance against all claims for personal injury, death or property damage for which the Authority might be liable, occurring upon, in or about the Project or such portion thereof; such insurance to afford protection to the Authority in such amounts and be of such kind as to protect the Authority against any and all penalties, costs, including attorneys' fees, claims, demands and causes of action due directly or indirectly to the use, disuse, misuse or interest in the Project.

(d) Unless otherwise provided by or pursuant to the Bond Resolution, immediately upon the availability of any portion of the Project for use by the State, and thereafter during the Lease Term of the Project, the State shall obtain and maintain with responsible insurers authorized to do business in the State of Alaska, or in such other manner as may be required or permitted by law, fire, extended coverage (including, without limiting the generality of the foregoing, if available from the United States of America or

an agency thereof or corporation organized thereby, coverage against earthquake, rising water damage and war risk), vandalism and malicious mischief insurance on the Project, in an amount not less than eighty (80%) per cent of the full current replacement value thereof (exclusive of excavations and foundations but inclusive of debris removal costs).

In case of damage, loss or destruction of the Project, or any part thereof, the proceeds of any such insurance which pertain to the Project shall be used and applied by the State as promptly as possible to repair, restore, rebuild or replace the same as nearly as possible to the condition existing prior to such damage, loss or destruction; provided, however, that, in the event of total or substantial destruction of the Project, the State may elect not to repair, restore, rebuild or replace the same if it shall pay over to the Authority from the proceeds of insurance or other available funds, monies sufficient in amount to pay and retire, in accordance with their terms, the Bonds of the Authority then outstanding issued to finance the cost of the Project, and, provided, further, that any such repair, restoration, rebuilding or replacement of the Project may be in accordance with such different design, plans and specifications as will or may provide a Project of the same or different nature or use, so long as any such change therein or thereof shall not reduce or otherwise adversely affect the value of the Project or the rental value thereof.

(c) Unless otherwise provided by or pursuant to the Bond Resolution, immediately upon the availability of any portion of the Project

for use by the State, and thereafter during the Lease Term of the Project, the State shall obtain and maintain with responsible insurers authorized to do business in the State of Alaska or in such other manner as may be required or permitted by law, at its own cost and expense, insurance in an amount equal to the annual rentals due the Authority from the State with respect to the Project during such time or times as the Project may be damaged or destroyed and not available for use by the State in accordance with the terms of this agreement. All such insurance shall be carried for the benefit of the Authority and each policy therefor, or contract thereof, shall contain a loss payable clause providing for the proceeds thereof to be payable to the Authority or to the Trustee under the Bond Resolution to the extent therein provided. The Bond Resolution may pledge such proceeds to or for the benefit of any Bonds. Annual Rental due the Authority from the State with respect to the Project shall be reduced by the amount of the payments made to the Authority or the Trustee from the proceeds of insurance carried pursuant to the foregoing provisions.

(f) Notwithstanding any of the foregoing provisions of this Section 3.04, the State may establish a special fund or funds for the purpose of partial self-insurance, and, in each and every such case, insurance required to be maintained by the foregoing provisions of this Section 3.04 may contain loss deductible provisions to the extent of the amount of the applicable special fund established and maintained by the State; provided, however, that each such special fund so established and maintained by the State when added

to the applicable policy of insurance maintained by the State shall be in an amount sufficient to prevent the Authority from becoming a co-insurer under the terms of the applicable policy, except to the extent of such special fund.

(g) All insurance policies obtained by the State under this agreement shall be open to inspection by the Authority and the holders of the Bonds at all reasonable times. A complete description of all such policies and special funds, if any, shall be furnished annually on or before July 1 by the State to the Authority, and, if any change shall be made in any such insurance or special fund, a description and notice of such change shall be furnished to the Authority at the time of such change.

(h) Unless otherwise provided by or pursuant to the Bond Resolution, notwithstanding any of the foregoing provisions of this Section 3.04, the State shall not be required to obtain or maintain any class or type of insurance required by this agreement for which it is authorized and able to obtain and maintain an appropriate substitute arrangement under which the Authority or the State, as the case may be, would be fully protected from general public liability arising from their ownership or interest in the Project, or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Project upon damage, loss or destruction of the Project, or under which monies would be available to the State from a lawful source to pay the annual rentals for the Project in the event of the damage, loss or destruction of the Project. No such arrangement or arrangements shall be substituted by the State for the insurance

required to be obtained and maintained pursuant to the foregoing provisions of this Section 3.04, unless and until each such arrangement shall have been approved in writing by the Authority.

(i) Immediately upon the availability of any portion of the Project for use by the State, and thereafter during the Lease Term of the Project, the State shall indemnify and save harmless the Authority and its agents against and from any and all liability and damages, and against and from any and all actions, claims and demands of every kind and nature (including counsel fees) by or on behalf of any person, association or corporation arising out of or in the course of or pertaining in any way to the ownership, operation or maintenance of the Project, or any accident, injury or damage, however occurring, which shall or may happen on or about the Project or in or about the vaults, streets, sidewalks or curbs in front of or adjacent to the Project, and from and against any matter or thing growing out of the ownership, condition, maintenance, repair, alteration, use, occupation or operation of the Project or of the vaults, streets, sidewalks or curbs in front of or adjacent to the Project or arising out of any failure of the Authority or the State to comply with the terms of this agreement.

(j) Unless otherwise provided by or pursuant to the Bond Resolution, in the event of failure of the State to pay any premium or other charge with respect to insurance which it is obligated to procure and maintain pursuant to said section, the Authority may pay such premium and secure and maintain such policy.

3.05. Compliance with Laws and Regulations. The State covenants and agrees that, upon the availability of the Project for use by the State and thereafter during the Lease Term of the Project, it will promptly comply with, or cause to be complied with, all laws and ordinances, rules, regulations and requirements of all federal, state and local governments and agencies and departments thereof which are applicable to the State and the Project, and whether or not the same require structural repairs or alterations, which may be applicable to the Project or the use or manner of use of the Project. The State will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Project.

3.06. Covenant Against Waste. The State covenants not to do or suffer or permit any waste or damage, disfigurement or injury to, or public or private nuisance upon, the Project.

3.07. Right of Inspection. The State covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to enter the Project at all times during usual business hours for the purpose of inspecting the same.

3.08. Condition of Premises. Immediately upon the availability of any portion of the Project for use by the State, the State shall become thoroughly familiar with the physical condition of such portion of

the Project. The Authority makes no representations whatever in connection with the condition of the Project, and the Authority shall not be liable for any latent or patent defects therein except as otherwise provided in Section 3.02.

3.09. Subletting. The State may, from time to time, without the Authority's consent, sublease all or any part of the Project. All subleases of the Project entered into by the State and any subtenant shall be and remain subject and subordinate at all times to this Agreement. For all purposes of this Agreement occupancy of the Project by any subtenant of the State shall have the effect of occupancy by the State.

ARTICLE IV

Rentals and Source of Funds Therefor

4.01. Payment of Rentals. In consideration of the right to occupy and use the Project (whether or not exercised) for the twelve month period beginning on the first day of April in each year after 1974, which next precedes the date on which each installment of annual rental becomes due and payable as herein provided, and for the six month period from April 1, 1992, to October 1, 1992, the State shall pay to the Authority an annual rental on the tenth day of July, 1975, and on the tenth day of July in each year thereafter until and including the tenth day of July, 1992, without any set off or deduction whatsoever, in each year of an amount equal to principal and interest becoming due and payable during the next twelve month period following said payment on Bonds of the Authority, plus Administrative Expenses of Five Thousand (\$5,000) Dollars. Any installment of annual rental which is not paid by the State on or before the due date thereof shall, from and after said due date, bear interest at the rate of eight (8%) percent per annum until paid, time being of the absolute essence of this obligation.

All annual rentals shall be payable in lawful money of the United States of America, which shall be legal tender for public and private debts under the laws of the United States at the time of payment. Payment shall be made at such place or places as shall be specified in the Bond Resolution.

The State and the Authority have agreed and determined that such

annual rental represents the fair rental value of the Project. In making such determination, consideration has been given to the cost of acquisition, construction and financing the Project, the uses and purposes of which will accrue to the State and the Authority and the general public by reason of the use and occupancy thereof by the State and ownership by the Authority.

ARTICLE V

Miscellaneous

5.01. Project to Vest in State. In the event the Authority's corporate existence shall be terminated by law at any time after the Authority shall have paid and retired all of the Bonds, all of the Authority's right, title and interest in and to the lands, improvements, buildings, fixtures, machinery and equipment constituting the Project shall vest in and become the property of the State.

5.02. Character of Lease. It is agreed by the parties hereto that this Agreement constitutes a net lease of the Project and, notwithstanding any language herein to the contrary, it is intended and the State expressly covenants and agrees that all Annual Rentals herein required to be paid by the State to the Authority shall be net payments to the Authority, meaning that the Authority is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation, repair, restoration, reconstruction or protection of the Project or any part thereof.

5.03. Option to Purchase. The State shall have the option during the Lease Term of the Project to purchase the Project upon payment to the Authority of an amount sufficient to redeem in accordance with the terms thereof on the next redemption date all outstanding Bonds pursuant to the provisions of the Bond Resolution.