



Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
JULY 13, 2010
Anchorage, Alaska; New York City, New York;
and Bismarck, North Dakota

1. CALL TO ORDER

Chairman Pat Galvin called the meeting of the Alaska Industrial Development and Export Authority to order on July 13, 2010 at 10:30 a.m.

2. ROLL CALL: BOARD

A quorum was established.

Board members present in Anchorage: Susan Bell (Commissioner, Department of Commerce, Community & Economic Development); Mike Felix (Public Member); and Vice-Chair John Winther (Public Member).

Participating via teleconference: Chairman Pat Galvin (Commissioner, Department of Revenue) (New York); and Commissioner Leo von Scheben (Department of Transportation & Public Facilities) (Bismarck, North Dakota).

3. AGENDA APPROVAL

The agenda was approved as amended; move agenda item 8A after 7B.

4. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Ted Leonard (AIDEA Executive Director); Chris Anderson (Deputy Director-Commercial Finance); Sara Fisher-Goad (Deputy Director-Operations); James Hemsath (Deputy Director-Business Development); Karsten Rodvik (Project Manager-External Affairs); Mike Catsi (Business Development Officer); Shelby Weems (Accountant); Brenda Fuglestad (Administrative Manager); Marge Cabanski (Administrative Assistant); and Sherrie Siverson (Administrative Assistant).

Others present in Anchorage: Brian Bjorkquist (Department of Law); Ken Vassar (Birch, Horton, Bittner & Cherot); Marty Metiva (Mat-Su); Bill Inscho, Chad Powelson, and Jean McKnight (First National Bank Alaska); Gregory Bruce Weilert (B&L Motels); (Tom Cochran (Mayor, Skagway); Tom Smith (City Manager, Skagway); Eugene Hretzay (President, White Pass Railroad); and Denali Daniels (Denali Commission).

Participating via teleconference: Michael Moen (Kennedy & Moen); and Andy Lehman (IPEC Counsel).

5. PUBLIC COMMENTS

Captain Bob Pawlowski

Captain Pawlowski, formerly with National Marine Fisheries Service (NMFS), spoke in support of investment in businesses and technologies to recover value from fish (salmon) processing waste, its challenges and market stability. He was involved with the Alaska Fisheries Development Foundation (AFDF) and orchestrated grants to researchers to find value added products from salmon processing waste. The challenge facing Alaska's fish processing industry is in finding cost-effective ways to handle the waste and development of value added products, such as Alaska produced Yummie Chummies dog treats. He discussed the modified silage (Montlake) process, a business model fully supported by technology; and the demise of a federal program for optimized fish utilization and how the approach could be adapted to Alaska, either with a fixed facility or through a portable system that could be located at peak fishery. He discussed the NMFS National Aquaculture Program's efforts to develop an aquaculture formula to enable a lower mortality rate in the larvae to fingerling transition. Alaska has concerns with this program, but also has a clear role nationally to provide the highest quality domestically produced aquaculture foods for the non-salmon species, such as striped bass. There is a market niche and Alaska can fill it with some investment. He encouraged the Board to consider the value in generating high quality meals and oils for both pet and human consumption. The business interest can generate the basic materials for building Alaska capacity for manufacturing value added products from our seasonal fish processing waste.

Denali Daniels, Denali Commission:

Ms. Daniels, Manager of the Denali Commission's Energy Program, testified in support of moving forward with the due diligence on a potential hydroelectric project located outside of Haines, AK. \$400,000 is reserved in the Commission's FY10 federal energy budget, contingent upon the due diligence, and will be granted to AEA in the near future in order to meet federal fiscal year requirements. Upon board approval, the Commission will work with staff in identifying appropriate evaluation criteria and on necessary due diligence and sustainability. There are a number of potential financing alternatives available to utilize the funds, with no known negative issues. Should the project not proceed, the funds will remain with AEA to be reallocated to another energy project.

6. PRIOR MINUTES – May 4, 2010 and June 14, 2010.

The minutes of May 4, 2010 and June 14, 2010 were approved as presented.

7. NEW BUSINESS

7A. Hotel Diversification Study – Michael Moen, Kennedy & Moen

AIDEA has a substantial portion of their loan participation portfolio in hotels. On a yearly basis we work with Kennedy & Moen for updates on the lodging trends in the state. AIDEA performed a hotel study in 2006, updated in 2008. We recently performed a current update of market conditions from 2008 to the present, which was completed at the end of April.

The tourism market in Anchorage started to feel the impacts of the economic downturn in the second quarter of 2009. Although we were impacted, it was evenly distributed and the Anchorage market still out performs the United States' 2009 average occupancy by nine points.

In 2009, we dropped eight percentage points in occupancy. We dropped six points in ADR (rate) and eight dollars on the overall market and we gave it away rapidly.

A vast majority of the decline was logged in the second and third quarters. There was no measurable negativity at the end of the third quarter in Anchorage in 2009, but it occurred very soon thereafter, similar to that following 9/11. In a market like Anchorage where 70% of the annual revenue comes from summer business, the timing and severity of the recession was very challenging to it. Besides impacts caused by the economic recession, we also had self-inflicted impact as a result of three new hotels opening in 2009. If we were to allocate how much of the eight percent downward pressure and occupancy came from the recession versus new supply, in round numbers, five of those eight points are attributable to recessionary influences, with three points attributable to supply change factors.

The future Anchorage market performance outlook is constantly changing. There are three primary factors that will affect it: 1) how quickly we bounce out of the recession; 2) the effects of the cruise line redeployments where the tax rollback bill implemented by the Legislature helps; and 3) future supply changes. 64% occupancy is the target expectation for 2010, consistent with 2009. It could take us years to capture the (four years of) rate growth that we gave away in 2009. We may see brand changes in the market in 2010-11, and we do not anticipate new supply. Anchorage is not immune to economic woes, but has been in a much better position than many US markets. The study is only of the Anchorage hotel trends and does not deal with AIDEA's portfolio loan analysis.

Mr. Felix asked for an explanation as to what was driving the 4% occupancy rate growth. Mr. Moen stated he did not have a specific answer at the moment but would provide specific backup and assumption data. It was pointed out by Commissioner Bell that when this report was written the Alaska Visitor Statistics program data was not available for 2009 and estimated that last year there was a drop of about 125,000 visitors to Anchorage and that the state's tourism marketing budget should be around \$20 million next year.

7B. Loan Portfolio Discussion – Mark Gardiner, Western Financial Group (WFG)

AIDEA has been moving forward in implementing our Strategic Plan and trying to give the Board more information on how we analyze our loan participations. The management team has been working with WFG on AIDEA's asset portfolio and this is the first step to update the Board on our loan participation allocations. Mr. Gardiner's PowerPoint presentation entitled "AIDEA Portfolio Analysis – Loan Portfolio Allocations" is attached to these minutes.

Mr. Winther stated hotels count as 25% of our portfolio, and wanted clarification as to why tourism and hotels were placed together now at the same percent. It was stated that in our last report the hotel percent was reported at 23.29%.

Mr. Felix asked for a definition of "businesses owned by Alaskans," and it's relation to economic development. The broadest definition is investments that bring additional wealth into Alaska, such as construction jobs, proprietorships, etc. One major example is the Red Dog Mine. By statute, it's described as projects located in the state for the loan participation, which can be changed if board desired to do so. The State has a large loan portfolio in fisheries. A short discussion followed regarding risk vs. return and AIDEA's credit rating.

8A. Loan Resolution No. L10-06 B&L Motels, Inc.

A first hearing on this matter was held at the last Board meeting. FNBA requests AIDEA's participation of \$5,400,000 (90%) in a \$6,000,000 loan for a newly constructed Anchorage Comfort Suites hotel providing 35 employment positions. The owners are Gregory B. Weilert and Linda B. Weilert. FNBA's commitment is 15 years @ lender rate and AIDEA's commitment is 25 years @ Authority fixed rate with accelerated amortization provision. The facility has been appraised at \$10,150,000, within AIDEA guidelines. Staff recommends approval of this loan resolution. Mr. Winther reiterated his concern about AIDEA's continual investment of a large part of the portfolio in hotels, and to what limit; and that B&L is an ongoing profitable non-resident business. It was pointed out that this was construction financing and not permanent. Commissioner von Scheben also expressed a similar concern. Mr. Felix commented that with the downturn in occupancy, investing in hotels didn't seem prudent. Mr. Weilert stated the hotel opened last March and this year business is up and they are beating their projections and are at 98% occupancy this summer. He stated he has been working to put the hotels together in Alaska for 19 years.

MOTION: Mr. Felix moved to approve Resolution No. L10-06. Seconded by Mr. Winther. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Galvin, Felix, von Scheben and Winther voting yea.

**7C. Loan Resolution No. L10-04 Wasilla Center Development
611 So. Knik Goose-Bay Rd**

FNBA requests AIDEA's participation of \$928,125 (90%) in a \$1,031,250 construction loan for a commercial condominium unit with a planned unit development in Wasilla. Two units have come before the board recently. The guarantors are Western Holdings, LLC, Williwaw Alaska, Ouzinkie Native Corporation, Gold Street, LLC, Carl D. Kuhn, Western Enterprises, Inc., Joel Fuller, Chad & Ginger Howard-Powelson, whom are also management. Employment is unaffected by AIDEA's participation. The facility has been appraised at \$1,375,000, within AIDEA's guidelines. The combined AIDEA balance is \$2,058,750 as of 6/30/2010. Also, Ouzinkie Native Corporation, one of the guarantors, is the guarantor on two AIDEA loans that are also participated with FNBA. They are O'Malley Gardens, LLC and O'Malley Ice Arena, LLC; the combined AIDEA balance on these two loans is \$6,329,562 as of 6/30/2010.

MOTION: Commissioner von Scheben moved to enter an Executive Session for the purpose of discussing confidential information regarding Resolution No. L10-04. Seconded by Mr. Felix. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, Galvin, von Scheben, and Winther voting yea.

EXECUTIVE SESSION – 12:08 p.m.

The Board reconvened its meeting at 12:32 p.m. Chairman Galvin advised that the Board had not taken any formal action on the matters discussed while in Executive Session.

Agenda item 7C will be taken up later during the meeting.

12:34pm Chairman Galvin turned the gavel over to Vice Chair Winther.

7D. Loan Resolution No. L10-05 LINA, LLC – 4708 Seward Highway

Northrim Bank requests AIDEA participation of \$2,699,0000 (90%) in a \$3,000,000 construction loan for new six bay Alaska Laser Wash located at 4708 Old Seward Highway. The guarantors are Scott L. and Lisa J. Laudon and John E. and Nancy A. Emmi. 30 construction jobs and five full time jobs will be created. A Phase I Environmental Site Assessment was performed. As of 3/31/2010, AIDEA's existing exposure to car washes is \$9,577,642 in seven loans. An addendum by AIDEA's economic development officer regarding the saturation in the Anchorage market was attached to this presentation. Staff recommends approval of this resolution.

MOTION: Mr. Felix moved to approve Resolution No. L10-05. Seconded by Commissioner Bell. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, von Scheben and Winther voting yea. Commissioner Galvin absent.

7E. Resolution No. G10-08 Adoption of proposed changes in the Regulations of the Alaska Industrial Development and Export Authority

AIDEA has been working with allocation of tax facility bonds and passed Resolution 10-07 at the last meeting regarding emergency regulations mainly dealing with the Borough and their allocations. Since then public hearings were held on June 23 and June 28 on regulations regarding AIDEA managing the allocation of tax exempt bonds. The comments received were taken into consideration for the final regulations.

Bond attorney, Ken Vassar of Birch Horton Bittner & Cherot, presented the proposed regulations needed to manage the allocation of tax exempt bonds:

The American Recovery & Reinvestment Act of 2009 created new kinds of tax exempt bonds – one of them being Recovery Zone Facility Bonds which are a form of tax exempt bond that can be used to finance projects that otherwise would not be eligible for tax exempt bond financing. This particular type of bond expands the kind of projects that can be financed with tax exempt bond financing. This Board adopted emergency regulations on June 14 addressed issues before the end of the June deadline. Having addressed those issues, the purpose of these draft set of regulations before the Board is to make permanent regulations that will apply to how Recovery Zone Facility Bonds are handled in Alaska for the remainder of this year. The approach this draft takes is by way of amending 3 AAC 99.907. That was the one regulation section, per se, that the board adopted in June. That regulation section incorporated by reference the Authority's manual addressing the Recover Zone Facility Bonds. An amendment to 3 ACC 99.907 and the amendments that are being offered are shown in standard Legislative and regulatory amendment format – the words that are underlined are being added to what has already been adopted; the words that are capitalized and in brackets are being deleted. If the Board chooses to adopt this draft, then 3 AAC 99.907 will be amended, and it like its predecessor, will incorporate by reference the manual for the Recovery Zone Facility Bonds of AIDEA. That manual was expanded to include procedures and provisions applicable after June 30, as well as the procedures applied before June 30.

At the last Legislative session, the Legislature passed a bill signed by the Governor on June 11. That bill is now law and it's that bill that we are operating under that puts Recovery Zone Bonds and Recovery Zone Facility Bond Volume cap under AIDEA's control. What happened on June 30 was an initial lapsing of the volume cap that's available in Alaska to AIDEA. That volume cap was created for how many bonds could be issued in each state. In Alaska the cap is at \$135

million dollars, which means that no more than \$135 million dollars of Recover Zone Facility Bonds can be issued in Alaska. Under current federal law, the ability to issue Recovery Zone Facility Bonds disappears at the end of this year. All of these issued bonds must be issued on or before December 31 of this year. On June 30 – and this is a function of the State law now – a portion of that \$135 million lapsed to AIDEA and AIDEA now has control of that volume cap amount. Some of the volume cap did not lapse because the original recipients of it had the ability to do other things with it and they did. A great majority of it lapsed on June 30. These regulations will provide procedures for how AIDEA can either use that volume cap in connection with bonds that AIDEA issues or how AIDEA can reallocate that volume cap to other potential issuers of bonds so they can issue Recovery Zone Facility Bonds.

The kinds of projects that these bonds can be used for are virtually anything, provided they meet two criteria. One is that the project has to be located within a recovery zone and the other one is that the project needs to be in essence a new project – the costs of the project need to have been incurred after the recovery zone was designated. These regulations set up the procedural frame work for AIDEA dealing with how AIDEA will either use the volume cap itself for projects, how AIDEA will pick the projects that it considers to be worthy of that use and how and under what circumstances AIDEA may reallocate the volume cap to other issuers.

At the public hearings, comments were received resulting in three changes to the draft regulations recommended to the Board for your consideration. The first one is only a clean-up matter. Section 70 in the draft regulations, Subsection B, Paragraph 2, that indicates that this section applied to how original recipients of the volume cap could have preserved the volume cap if they chose to, but they had to do this before June 30, and in this subsection we have provided that Paragraph 2 of Section 70, Subsection B indicates that their notice stating they want to preserve their volume cap has to be accompanied by a resolution. That was an oversight on my part; that should not have been in there. The draft regulations included forms for the original recipients to use to provide this notice, and the form was correct and clear that although we would like to see the resolution, it was not required. I propose that this paragraph be deleted from the manual.

The second proposed change will occur in two places; the first place is in the regulation itself, per se – at the start of the packet. In Section 3 AAC 99.907, Subsection B indicates that AIDEA will charge a quarter of a percent fee for reallocating Recovery Zone Facility Bond volume cap. We felt that it was appropriate to leave some leeway for the Executive Director to either reduce or waive that fee under circumstances based on hardship and circumstances that the Executive Director considers appropriate. In that Subsection 3 AAC.99.907 B, at the very end, add a new sentence that would read: "the Executive Director of the Authority may reduce or waive a fee described in this Subsection if the Executive Director determines that circumstances justify the reduction or waiver."

The second place it would occur is in Section 160, Subsection A of the manual attached to the regulation, and a new sentence at the end of that Subsection with exactly the same words. The third change would be to add a new Section 105, and is a result of comments that we received during the public hearing, primarily from the bankers who were present.

One of the criteria for eligibility for a project is that the costs of the project have to be incurred after the recovery zone is designated. The issuer of the bond has to declare the area that the project is in to be a recovery zone. A recovery zone is defined as an area that has suffered from economic distress; either judged through employment rates, home mortgage foreclosures or other factors. The issuer of the bonds, AIDEA, has to declare the recovery zone. It's only after

that declaration that a project can begin to expend money that can be reimbursed through the issuance of a recovery zone bond. Therefore, timing becomes critical because if the projects that are out there today are to be financed with recovery zone bonds, with the construction season in Alaska already underway, and in fact nearing the latter half, those project developers need to be able to go forward with their construction knowing that they can get reimbursed with the proceeds of these bonds if that's the financing tool that they choose to seek. Therefore, this new Section 105 would grant to the Executive Director the ability to make designations on behalf of AIDEA, taking into account the kinds of things that the federal law requires for the designation of a recovery zone. My suggestion here would be to add in your draft a new Section 105 to be titled "Designation of Recovery Zones by Executive Director," and the language would read: "the Executive Director of the Authority may act on behalf of the Authority and, for all purposes of this manual, to designate any area within the state as a recovery zone, taking into consideration the factors set forth in 26 USC, Section 1400, U-1B, and the information then available to the Executive Director." The Executive Director may make a designation as described in this sub-section at any time and regardless of whether the Authority has received an application for a project in the area that the Executive Director designates as a recovery zone. Assuming the Board approves these regulations, immediately afterwards Mr. Leonard can make designations based on the information available to him, and if there are projects in those areas that he designates then those projects can go forward and be eligible for financing.

Mr. Bjorkquist just pointed out that we need to update the dating of the manual. When the Board approved the emergency regulations in June, the manual at that time was dated June 18, now we have modified the manual and we need to update the date on the manual. In your Board packet, regulation 3 AAC 99.907, references in Subsection A the date of the manual as being June 18, and that should be July 13. The manual title indicates it's dated June 18, that should be dated July 13.

There were no further questions from the Board.

MOTION: Commissioner Bell moved to approve Resolution No. G10-08. Seconded by Mr. Felix. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, von Scheben and Winther voting yea. Commissioner Galvin absent.

7H. Skagway TIGER II Grant Application Discussion

AIDEA owns the Skagway Ore Terminal which consists of 100,000 sf of cement slab currently covering 40,000 sf of shed occupied by Capstone Minerals. One year ago, the City of Skagway, with Board approval applied for TIGER Grant federal stimulus funds for a significant development of the port, with AIDEA as a co-signer. They failed to obtain those funds, but there is a new TIGER II grant application currently out with a \$20 million grant maximum. The City and Municipality prepared a new proposal for a modified grant application predominantly relating to removal and replacement of the ore loader and other improvements. AIDEA has the opportunity to participate in grant matching funds which we see as a possibility of covering the uncovered portion of slab. At the August Board meeting we will have a better concept as to what that is and how we will proceed. Discussion has been ongoing with the Yukon Territory with several mining companies interested in the space.

Mr. Hemsath introduced Skagway Mayor Tom Cochran, Eugene Hrzety, President of White Pass Railroad and Tom Smith, Skagway City Manager. Mr. Cochran thanked AIDEA for attending the clinic dedication ceremony recently and attendance at a port commission meeting in Skagway. The TIGER II grant is a modification from last year with the main focus being a new

sheet pile cell with a new ship loader; the maximum grant is \$20 million with a local match of \$4 million. The goal is to make two ship berths available at the ore docks, one for a cruise ship and one for an ore ship. However, cruise ships have priority May-Sept. This project will alleviate that berth conflict, which we have been working on for a few years, and we will continue to pursue this project regardless of grant monies awarded. This will allow the cruise ships to berth two ships and allow industrial use of the port. We are requesting the same level of AIDEA support in TIGER II as in TIGER I; match funding would assist the TIGER II application score. White Pass will put \$2 million into the floating dock portion of the project and they have become an active and enthusiastic partner with the Municipality. We have an active port commission now with substantial funding from the Municipality who are also dedicated to local match. They are looking at extending the AIDEA lease which expires in 2023.

Mr. Hrzety commented on the railroad plans for this project. White Pass sold the ore handler to AIDEA in 1990. We are presently considering extending the railroad to Carmacs, YT at a cost of approximately \$300 million. White Pass would like to find out AIDEA's level of commitment is to upgrade the ore handler. The cost to load one ship by truck (600 truckloads) is \$1.2 million. The cost to load one ship by train (20 trains) is \$240,000, an approximate differential of \$1 million per ship not to mention the environmental concerns, benefits to AIDEA and to Skagway for running a year round railroad. The current ship loader is fixed and the ships have to be moved from hatch to hatch for loading. A radial arm loader not blocking the ships is beneficial and can load two or three hatches at a time. The grant application is due 8/15/2010. The Board will receive more information at the next Board meeting on August 11.

**7C. Loan Resolution No. L10-04 Wasilla Center Development
– 611 So. Knik Goose-Bay Rd**

MOTION: Mr. Felix moved to enter an Executive Session for the purpose of discussing confidential information regarding Resolution No. L10-04. Seconded by Commissioner Bell. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, von Scheben, and Winther voting yea. Commissioner Galvin absent.

EXECUTIVE SESSION – 1:21 p.m.

The Board reconvened its meeting at 1:31 p.m. Chairman Winther advised that the Board had not taken any formal action on the matters discussed while in Executive Session.

MOTION: Mr. Felix moved to approve Resolution No. L10-04. Seconded by Commissioner Bell. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, von Scheben and Winther voting yea. Commissioner Galvin absent.

7F. Resolution No. G10-05 Sitka Meal Oil and Gelatin, LLC (SMOG)

This is a resolution relating to the approval of a cost reimbursement agreement for the analysis of a proposed fish waste production plant. The analysis will verify the technology to confirm costs and identify appropriate market analysis. Should the project not proceed, AIDEA will be reimbursed for the study. This project is a result of funding for research from Montlake Mining Corporation developers of the technology for stabilizing fish waste over a longer period of time resulting in lower marketable costs. Staff will find out if this is licensed technology. In conjunction with three processors, who will enter into an agreement, they will install their first

facility in Sitka. If necessary, SMOG could bond to repay the costs. Staff recommends approval of this resolution.

MOTION: Mr. Felix moved to approve Resolution No. G10-05. Seconded by Commissioner Bell. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, von Scheben and Winther voting yea. Commissioner Galvin absent.

7G. Resolution No. G10-06 Ten Mile Creek Hydroelectric Plant (TMCHP)

This resolution is for approval of a cost reimbursable agreement for the analysis of a proposed purchase of Ten Mile Creek Hydroelectric Plant (TMCHP) located outside of Haines, AK, producing approximately 1.5 million kwh/year of power and is now on the market. IPEC (Inside Passage Electric Cooperative) would like to purchase it at a cost of \$1.2 million of which \$700,000 is cash and \$500,000 of an existing AEA loan. Funding would be reduced \$400,000 by a Denali Commission grant through AEA. With a 15-year loan the cost of power would be less than 6 cents/kwh and with AIDEA participation the rates will remain the same. A third party engineering firm will perform an inspection to determine operating costs, finance and legal services. IPEC is willing to sign a reimbursement agreement. The RCA will be involved in rate case discussion and our preliminary meeting with the RCA was positive.

MOTION: Commissioner Bell moved to approve Resolution No. G10-06. Seconded by Mr. Felix. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, von Scheben and Winther voting yea. Commissioner Galvin absent.

8. OLD BUSINESS

8.B Management Guidelines for Pending Loan Applications

At the request of the Board, Mr. Leonard said that item 8B would be taken up at the next regular AIDEA Board meeting.

8C. Executive Session – Healy Clean Coal Project

MOTION: Commissioner Bell moved to enter an Executive Session for the purpose of discussing confidential information regarding the Healy Clean Coal Project. Seconded by Mr. Felix. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Mme. Bell and Messrs. Felix, von Scheben, and Winther voting yea. Commissioner Galvin absent.

EXECUTIVE SESSION – 1:48 p.m.

The Board reconvened its meeting at 2:24 p.m. Chairman Winther advised that the Board had not taken any formal action on the matters discussed while in Executive Session.

9. DIRECTOR COMMENTS

Mr. Leonard announced the retirement of AIDEA Loan Officer Bruce Chertkow after 23 years of service. We have been working on the Recovery Zone Facility Bonds and it will be advertised. We have been busy looking at several new loans and projects as shown in our status report.

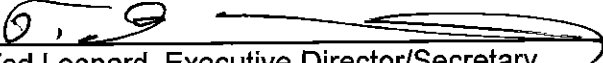
Next scheduled meeting Wednesday, August 11, 2010.

10. BOARD COMMENTS

There were no comments.

11. ADJOURNMENT

There being no further business of the Board, the meeting was adjourned at 2:30 p.m.



Ted Leonard, Executive Director/Secretary
Alaska Industrial Development and Export Authority