

STATE OF ALASKA

STATE BOND COMMITTEE

TO BE HELD AT:
TELEPHONIC MEETING
For Participation: 1-907-202-7104
Code: 389 718 029#
Anchorage, AK 99501
December 9, 2024
3:00 PM Alaska Time



STATE BOND COMMITTEE AGENDA FOR MEETING

Meeting Place:
TELEPHONIC MEETING
State of Alaska – Department of Revenue
550 W 7th Ave, Suite 670
Anchorage, AK 99501

Call-in: (907) 202-7104,
Conference ID: 389 718 029#

December 9, 2024, at 3:00 P.M. Alaska Time

- I. Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Minutes of the July 9, 2024, State Bond Committee Meeting
- VI. Public Participation and Comment
- VII. New Business
 - A. Supplemental Resolution No. 2024-04 – Providing for the issuance of State of Alaska International Airports System Revenue Refunding Bonds, Series 2025A and Series 2025B (Forward Delivery)
 - B. Resolution 2024-05 –Providing for Clean Water Revenue BANs 2024 Series A, and Drinking Water Revenue BANs 2024 Series B
 - C. Resolution 2024-06 – Providing for the December 31, 2024, allocation of Private Activity Bond Volume Limit for Calendar Year 2024
- VIII. Debt Manager’s Report
- IX. Committee Member Comments
- X. Schedule Next Meeting
- XI. Adjournment

STATUS: **Active**

**NOTICE OF PUBLIC MEETING: STATE OF ALASKA -
STATE BOND COMMITTEE - December 9, 2024**

Notice is hereby given that the State of Alaska - State Bond Committee ("SBC") will hold a meeting on December 9, 2024, at 3:00 p.m. AK. This will be a telephonic meeting, with participation at (907) 202-7104, with code 389 718 029#.

The public is invited to attend and will be given the opportunity for public comment and participation. The SBC complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973. Individuals who may need special modifications to participate should call (907) 465-2893 prior to the meeting.

AGENDA FOR SBC MEETING:

- I. Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Minutes of the July 9, 2024, SBC Meeting
- VI. Public Participation and Comment
- VII. New Business:
 - A. Supplemental Resolution No. 2024-04 – Providing for the issuance of State of Alaska International Airports System Revenue Refunding Bonds, Series 2025A and Series 2025B (Forward Delivery);
 - B. Resolution 2024-05 –Providing for Clean Water Revenue BANs 2024 Series A, and Drinking Water Revenue BANs 2024 Series B;
 - C. Resolution 2024-06 – Providing for the December 31, 2024, allocation of Private Activity Bond Volume Limit for Calendar Year 2024;
- VIII. Debt Manager's Report
- IX. Committee Member Comments
- X. Schedule Next Meeting
- XI. Adjournment

Dated November 29, 2024
(907) 465-2893

Attachments, History, Details

Attachments

[SBC Agenda 12-9-2024.pdf](#)

Revision History

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Events/Deadlines:

**MINUTES of the
STATE BOND COMMITTEE
July 9, 2024**

A meeting of the State Bond Committee (SBC) was held at 2:30 p.m. Alaska Time on July 9, 2024. The meeting was held telephonically at 1-907-202-7104, with code 180 628 802#.

SBC Members present were:

Fadil Limani, Deputy Commissioner, Delegate for the Department of Revenue ("DOR")
Micaela Fowler, Deputy Commissioner, Delegate for the Department of Commerce, Community and Economic Development ("DCCED")
Eric DeMoulin, Administrative Services Director, Delegate for the Department of Administration ("DOA")

Also present were:

Ryan Williams, Debt Manager, Department of Revenue
Les Krusen, Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the SBC
Greg Blonde, Orrick, Herrington & Sutcliffe, LLP, Bond Counsel to the SBC
Alan Jaffe, Managing Director, Jefferies, LLC, Underwriter
Amanda Lee, Managing Director, Jefferies, LLC, Underwriter

I. Call to Order

Committee members Eric DeMoulin, Fadil Limani, and Micaela Fowler were present. Ms. Fowler called the meeting to order at 2:30 p.m. Alaska Time on July 9, 2024.

II. Roll Call

Mr. Williams took roll call. Mr. DeMoulin, Mr. Limani, and Ms. Fowler were present. There was a quorum.

III. Public Meeting Notice

A copy of the Affidavit of Publication concerning the date, location, and purpose of the meeting was reviewed and made a part of the minutes of the meeting. Mr. Williams stated the meeting was properly noticed, advertised on the State's Online Public Notice site. The notice was officially published on July 1, 2024, for the July 9, 2024, meeting date.

IV. Approval of Agenda

The Agenda was reviewed by the committee. Mr. Limani moved approval of the Agenda before the committee, with an amendment to include "Executive Session" under General Business, Item A, and Mr. DeMoulin seconded approval with the amendment for an Executive Session. Ms. Fowler asked Mr. Williams to take a roll call vote. Mr. Williams conducted a roll call vote and there were three 'yes' votes and the Agenda was unanimously approved, as amended, and adopted by SBC members.

V. Minutes of the March 26, 2024, SBC Meeting

The Minutes of the March 26, 2024, SBC Meeting were reviewed by the committee. The Minutes needed no modifications. Mr. Limani moved adoption of those minutes as written, and approval was seconded by Mr. DeMoulin. Mr. Williams conducted a roll call vote and there were three 'yes' votes and the March 26, 2024, SBC meeting minutes were unanimously approved and adopted by the committee as written with no modifications and no objections.

VI. Public Comment

Ms. Fowler asked for public participation and comment. There was none. The Public Comment period was closed.

VII. New Business

Executive Session to discuss the State's General Obligation Bonds, Series 2015B, 2016A, 2016B and the potential refunding and potential target bonds and discussing financial matters related to financing team structure within the potential transaction for the same issue in accordance with AS 44.62.310(c)(1)

Ms. Fowler stated that in accordance with the Open Meetings Act, I move that the State Bond Committee convene in executive session for the purpose of discussing the State's Series 2015B, 2016A, and 2016B general obligation bonds and the potential refunding and potential target bonds and discussing financial matters related to financing team structure within the potential transaction for the same issue. This motion is made pursuant to Alaska Statute 44.62.310(c)(1) as the matter to be discussed involves matters that the immediate knowledge of which would clearly have an adverse effect upon the finances of the State. Mr. Limani seconded approval of convening in executive session for the purposes Ms. Fowler had stated. Mr. Williams conducted a roll call vote, and there were three 'yes' votes, giving unanimous approval by committee members to convene in executive session.

The SBC convened in executive session with only committee members, and committee staff (Debt Manager Williams)

Upon coming out of executive session, Ms. Fowler stated that during the executive session, the SBC only discussed the items identified in the motion to move into executive session. The SBC did not take any action while in executive session.

Resolution 2024-03 – Authorizing the General Obligation Refunding Bonds of the State of Alaska, Series 2024B and 2025A (Forward Delivery)

Mr. Williams introduced Resolution 2024-03 relating to the issuance and sale of general obligation refunding bonds of the State in one or more series, including a forward delivery series, in the aggregate principal amount of not to exceed \$225,000,000. Mr. Williams stated that Resolution 2024-03 would approve the sale of such bonds to effectuate a refunding and/or a tender and authorize the Designated Representative to approve the number of series, interest rates, maturity dates, redemption provisions and principal amounts for the bonds under the terms and conditions set forth therein. Mr. Williams noted that Resolution 2024-03 expires 120-days after adoption. The refunding bonds, the Series 2024B and 2025A (Forward Delivery) would be issued to refund the State's general obligation bonds, 2015B, 2016A, and 2016B, which are callable on August 1, 2025, for those maturities August 1, 2026, and thereafter. Mr. Williams noted that there is current par outstanding, when including the maturities on and after August 1, 2026, of approximately \$203,885,000. Mr. Williams asked Mr. Krusen, Orrick, to cover other important parameters in the resolution not already highlighted. Mr. Krusen clarified that Resolution 2024-03 sets forth the Designated Representative to effectuate the issuance, with those representatives defined as the Debt Manager, and Department of Revenue delegate to the State Bond Committee, Deputy Commissioner Limani. Mr. Krusen noted that the 120-day authorization is to price and/or enter into a bond purchase agreement. Mr. Williams then noted that the committee packet contains a page on the tender offer timeline, distribution list, preliminary schedule, and form of preliminary official statement. Mr. Williams noted that the form of preliminary official statement is in reasonable shape, as it is drawing from the recent disclosures that were updated for the recent State of Alaska Series 2024A General Obligation Refunding Bonds and needs certain updates for the approved budget and other items. Mr. Limani moved to approve Resolution 2024-03, and there was a second by Mr. DeMoulin for purposes of discussion. Mr. Limani noted that the Commissioner's Office has made strides in working on the State's credit rating profile and anticipates advantageous net present values savings from this refunding transaction and has been viewing the potential of the transaction for some time. The co-dealer managers of the transaction would be Jefferies and Goldman Sachs. Mr. Jaffe, Jefferies, noted that the transaction is like other transactions that have come to the market over the last year, where an issuer will give the investor an opportunity to tender their position and potentially lock in savings on the transaction a bit early compared to the call date. Ms. Fowler asked for any additional comments from the committee. There were no additional comments. Mr. Fowler asked for a roll call vote. Mr. Williams took a roll call vote, and the State Bond Committee then unanimously approved Resolution 2024-03 with three yes votes.

VIII. Debt Manager's Report

Mr. Williams presented on the following items not already covered during the meeting:

The State of Alaska anticipates an update to the rating agencies on current events in July 2024, in conjunction with the approval of Resolution 2024-03 for the State of Alaska General Obligation Refunding Bonds, Series 2024B and 2025A (Forward Delivery).

Certain rating actions resulted from the meetings and State credit review associated with the State's issuance of the Series 2024A Refunding Bonds. On April 30, 2024, S&P Global upgraded the state's long-term general obligation debt rating to 'AA' from 'AA-' with stable outlook. At approximately the same time, Moody's Investors Service revised the state's outlook to positive from stable and retained their 'Aa3' rating on the state's long-term general obligation debt.

The State's issuance of the Series 2024A bonds priced on May 15th and closed on June 4th, with \$110.08 million in par that refunded all of the State's Series 2010A general obligation bonds (Build America Bonds) for gross savings of approximately \$4.5 million, and net present value savings of nearly \$4 million. The Series 2024A Bonds achieved a True Interest Cost of approximately 3.032% with final maturity in 8/1/2033 (there was no extension to the final maturity date compared to the refunded Series 2010A Bonds).

The AHFC posted a notice of sale, and electronic bids are anticipated to be received on the morning of July 9, 2024, for their \$75 million* par amount (*subject to change) Collateralized Bonds (Veterans Mortgage Bonds) 2024 First Series (Non-AMT).

IX. Committee Member Comments

Mr. Limani thanked Jefferies, Goldman Sachs, and Orrick on their assistance with the prior general obligation refunding transaction as well as the work on the currently proposed transaction. Mr. Limani welcomed Mr. DeMoulin to the State Bond Committee. Mr. DeMoulin thanked the committee and noted that he is happy to assist through a diverse work background, including finance positions, in prior roles.

X. Schedule Next Meeting

Ms. Fowler stated that the next meeting shall occur at the call of the Chair with input from the State Debt Manager. Mr. Williams stated that he would notify the chair of need and anticipates the need for a meeting once DEC submits a request for the Clean Water and Drinking Water revenue bond anticipation notes.

XI. Adjournment

Adjournment of the meeting was moved by Ms. Fowler and seconded by Mr. Limani. The meeting was adjourned at 3:17 p.m. Alaska Time.

Micaela Fowler, Deputy Commissioner, Department of Commerce,
Community, and Economic Development

ATTEST:

Fadil Limani, Deputy Commissioner, Department of Revenue

**STATE BOND COMMITTEE
OF THE STATE OF ALASKA**

SUPPLEMENTAL RESOLUTION NO. 2024-04

Providing for the Issuance of
State of Alaska International Airports System
Revenue Refunding Bonds
(Tender and Forward Delivery)

Adopted December 9, 2024

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STATE BOND COMMITTEE

SUPPLEMENTAL RESOLUTION NO. 2024-04

A Resolution of the State Bond Committee of the State of Alaska; authorizing the issuance and sale of one or more series of revenue bonds, including a forward delivery series, of the Alaska International Airports System for the purpose of effecting a refunding and/or tender of certain outstanding revenue bonds of the State; approving certain protective covenants; and authorizing an agreement for ongoing disclosure (supplemental to Resolution No. 99-01, adopted January 28, 1999, Resolution No. 99-07, adopted October 15, 1999, Resolution No. 2002-01, adopted March 7, 2002, Resolution No. 2003-10, adopted December 3, 2003, Resolution No. 2006-01, adopted February 23, 2006, as amended by Resolution No. 2006-03, adopted March 9, 2006, Resolution No. 2008-08, adopted on December 22, 2008, as amended by Resolution No. 2009-02, adopted March 13, 2009, Resolution No. 2010-05, adopted August 30, 2010, Resolution No. 2015-07, adopted on October 27, 2015, as amended by Resolution No. 2016-01, adopted on January 5, 2016, and Resolution No. 2021-02, adopted on July 1, 2021).

WHEREAS, Chapter 88, SLA 1961, as amended (herein called the “1961 Act”), authorized the issuance and sale of revenue bonds of the State of Alaska (the “State”) to acquire, equip, construct and install additions, improvements, extensions and facilities, all as more fully described in the Act (hereinafter defined) and in this Ninth Supplemental Resolution, at the international airports owned and operated by the State and located at or near the cities of Anchorage and Fairbanks (defined more particularly hereinafter as the “AIAS”); and

WHEREAS, the 1961 Act has been amended from time to time, most recently by Chapter 28, SLA 2005 (the “2005 Authorization”) and is codified as AS 37.15.410 to 37.15.550 (collectively, the “Act”); and

WHEREAS, the 2005 Authorization increased the aggregate principal amount of airport revenue bonds authorized to be issued under the Act to \$812,500,000; and

WHEREAS, the State Bond Committee adopted Resolution No. 99-01 (the “Resolution”) authorizing the issuance of two series of airport revenue bonds, Resolution No. 99-07 authorizing one series of airport revenue bonds (the “First Supplemental Resolution”), Resolution No. 2002-01 authorizing two series of airport revenue bonds (the “Second Supplemental Resolution”), Resolution No. 2003-10 authorizing two series of airport revenue bonds (the “Third Supplemental Resolution”), Resolution No. 2006-01, as amended by Resolution No. 2006-03, authorizing four series of airport revenue bonds (the “Fourth Supplemental Resolution”), Resolution No. 2008-08, as amended by Resolution No. 2009-02, authorizing one series of airport revenue bonds (the “Fifth Supplemental Resolution”), Resolution No. 2010-05 authorizing four series of airport revenue bonds (the “Sixth Supplemental Resolution”), Resolution No. 2015-07, as amended by Resolution No. 2016-01, authorizing four series of airport revenue bonds (the “Seventh Supplemental

Resolution”), and Resolution No. 2021-02 authorizing three series of airport revenue refunding bonds (the Eighth Supplemental Resolution”); and

WHEREAS, the State has issued and has outstanding the following described airport revenue bonds:

Original Authorizing Resolution No.	Designation	Dated Date of Issue	Original Principal Amount	Current Outstanding Principal Amount (as of 10/15/24)
2015-07	International Airports System Revenue Refunding Bonds, Series 2016A (Governmental – Non-AMT)	02/10/16	\$ 73,635,000	\$ 53,375,000
2015-07	International Airports System Revenue Refunding Bonds, Series 2016B (Governmental – Non-AMT) (Delayed Delivery Bonds)	07/06/16	\$ 82,495,000	\$ 82,495,000
2021-02	International Airports System Revenue Refunding Bonds, Series 2021A (Governmental – Non-AMT)	08/26/21	\$ 11,710,000	\$ 11,710,000
2021-02	International Airports System Revenue Refunding Bonds, Series 2021B (Private Activity – Non-Amt)	08/26/21	\$ 7,460,000	\$ 7,460,000
2021-02	International Airports System Revenue Refunding Bonds, Series 2021C (Private Activity – AMT)	08/26/21	\$ 66,340,000	\$ 55,970,000

(collectively, the “Outstanding Parity Bonds”); and

WHEREAS, the Resolution provides that the State Bond Committee may, by supplemental resolution, establish one or more other series of Bonds, and the State may issue, and the Registrar may authenticate and deliver, including by forward delivery, Bonds of any series so established, in such principal amount as shall be determined by the State Bond Committee, subject to the conditions and limitations contained in Sections 2.02, 2.03 and 2.04 of the Resolution; and

WHEREAS, Section 2.04(a) of the Resolution provides that the State may issue Future Parity Bonds at any time for the purpose of refunding (including by purchase) parity Bonds; and

WHEREAS, a series of Outstanding Parity Bonds, designated as International Airports System Revenue Refunding Bonds, Series 2016A (Governmental – Non-Amt), was issued on

February 10, 2016 (the “2016A Bonds”), pursuant to the Seventh Supplemental Resolution and matures as follows:

Year (October 1)	Principal Amount	Interest Rate
2025	\$ 670,000	5.000 %
2026	5,690,000	5.000
2027	6,290,000	5.000
2028	12,815,000	5.000
2029	5,800,000	5.000
2030	6,140,000	5.000
2031	15,970,000	5.000

; and

WHEREAS, the Seventh Supplemental Resolution and the bond purchase contract pertaining to the 2016A Bonds provide that the 2016A Bonds, maturing on or after October 1, 2026, are subject to redemption prior to maturity, in whole or in part (and if in part with maturities selected by the State) at the option of the State, on and after October 1, 2025, at a price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date of redemption; and

WHEREAS, a series of Outstanding Parity Bonds, designated as International Airports System Revenue Refunding Bonds, Series 2016B (Governmental – Non-AMT) (Delayed Delivery Bonds), was issued on July 6, 2016 (the “2016B Bonds”), pursuant to the Seventh Supplemental Resolution and matures as follows:

Year (October 1)	Principal Amount	Interest Rate
2031	\$ 1,685,000	5.000 %
2032	18,560,000	5.000
2033	19,580,000	5.000
2034	20,725,000	5.000
2035	21,945,000	5.000

; and

WHEREAS, the Seventh Supplemental Resolution and the bond purchase contract pertaining to the 2016B Bonds provide that the 2016B Bonds, maturing on or after October 1, 2026, are subject to redemption prior to maturity, in whole or in part (and if in part with maturities selected by the State) at the option of the State, on and after October 1, 2025, at a price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date of redemption; and

WHEREAS, the State may redeem all or a portion of the Prior Bonds (the “Refunding Candidates”) or purchase through a tender offer (the “Tender Transaction”) all or a portion of the Prior Bonds (the “Target Bonds”); and

WHEREAS, it appears to the State Bond Committee that it is in the best interest of the State that airport revenue refunding bonds be issued, including by forward delivery, as permitted under the Resolution and subject to the further conditions set forth in this Ninth Supplemental Resolution (hereinafter defined as the “Bonds;” and

WHEREAS, in its determination of all of the matters and questions relating to the issuance, including by forward delivery, and sale of the Bonds and the fixing of the terms, conditions and covenants thereof as provided in the Act, the decisions of the State Bond Committee, as expressed in this supplemental resolution, were and are those found to be reasonably necessary for the best interests of the State and its inhabitants and those which will accomplish the most advantageous sale of the Bonds with due regard, however, for necessary or normal costs of maintenance and operation, renewals and replacements of and repairs to said airports and to all improvements thereto and facilities thereof owned, used, operated or leased in connection therewith, the future growth and expansion of the airports and all of such facilities, and the possibility of additional revenue bond financing for airports purposes; and

WHEREAS, the terms, conditions and covenants providing for the payment of the principal of the Bonds and interest thereon, the terms of delivery, and the other terms, conditions, covenants and protective features safeguarding such payment and relating to the maintenance, operation and improvement of said airports set forth in the Resolution and this Ninth Supplemental Resolution have been found to be necessary by the State Bond Committee; and

WHEREAS, the conditions and limitations contained in Sections 2.03 and 2.04 of the Resolution have been satisfied or will be satisfied at the time of issuance of the Bonds; and

WHEREAS, the signatory airlines under the AIAS operating agreements have been given the opportunity to review and comment on a draft of this Ninth Supplemental Resolution and a draft of the official statement for the sale of the bonds authorized herein; and

WHEREAS, Section 147 of the Internal Revenue Code of 1986, as amended, may require the holding of a public hearing prior to the issuance of the Bonds; and

WHEREAS, the State Bond Committee may delegate authority to the State Debt Manager, the Secretary of the Committee or their respective designees (the “Designated Representative”) to approve and accept an offer pursuant to a Tender Transaction, and to approve the method of delivery of the Bonds, the number of series, the final principal amounts, interest rates, maturity dates, redemption rights, interest payment dates and principal maturities under such terms and conditions as are specified in the purchase contract of the Underwriters;

NOW THEREFORE, BE IT RESOLVED by the State Bond Committee of the State of Alaska, as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions.

(a) *Ninth Supplemental Resolution.* For purposes of this Ninth Supplemental Resolution, and of any certificate, opinion or other document mentioned herein, the following capitalized terms shall have the meanings specified in this Section 1.01. Unless otherwise defined in this Ninth Supplemental Resolution, all capitalized terms used herein shall have the meanings assigned to such terms in the Resolution. Capitalized terms defined in the recitals hereto shall have the meanings set forth in the recitals hereto.

“Acquired Obligations” means the Government Obligations acquired by the State under the terms of this Ninth Supplemental Resolution and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.

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

“Bond Counsel” means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the State for any purpose under this Ninth Supplemental Resolution applicable to the use of that term.

“Bond Insurance Policy” means the municipal bond insurance policy, if any, issued by the Insurer insuring the payment when due of the principal of and interest on one or more series of the Bonds as provided therein.

“Bond Purchase Contract” means one or more bond purchase agreements or forward bond purchase agreements between the State and the Underwriters with respect to the purchase of one or more series of Bonds, as approved by the Designated Representative pursuant to Section 2.13.

“Bonds” means the 2025A Bonds and the 2025B Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations or revenue rulings issued or amended with respect thereto by the U.S. Treasury Department or the Internal Revenue Service.

“Construction Fund” means the account or accounts designated by the Debt Manager to hold and disburse a portion of the 2025A Bond proceeds to pay costs of issuance related to the 2025A Bonds.

“Dealer Managers” mean one or more dealers selected from time to time by the Designated Representative to serve as dealer for the Target Bonds pursuant to a Dealer Manager Agreement.

“Dealer Manager Agreement” means an agreement with the Dealer Managers related to Target Bonds in connection with an Offer to tender the Target Bonds between the State and any

Dealer, or any similar agreement, as it may be amended or supplemented from time to time in accordance with its terms.

“Designated Representative” has the meaning assigned thereto in the recitals hereto.

“DTC” means The Depository Trust Company, New York, New York as depository for the Bonds, or any successor or substitute depository for the Bonds.

“Escrow Agent” means the financial institution selected by the Designated Representative as provided in Section 2.16.

“Escrow Agreement” means one or more Escrow Deposit Agreements pursuant to which the proceeds of a portion of the Bonds will be held by the Escrow Agent to defease one or more series of Refunded Bonds.

“Fitch” means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be deemed to refer to any other nationally recognized securities rating agency (other than Kroll, Moody’s or S&P) designated by the Designated Representative.

“Forward Delivery Series” means one or more series of Bonds issued on a forward delivery basis to refund or purchase any of the Refunded Bonds, as determined by the Designated Representative pursuant to Section 2.13 of this Ninth Supplemental Resolution.

“Forward Delivery Supplement” has the meaning assigned thereto in Section 2.13 of this Ninth Supplemental Resolution.

“Insurer” means the issuer of a Bond Insurance Policy, if any, for the Bonds of a Series.

“Kroll” means Kroll Bond Rating Agency, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Kroll shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch, Moody’s or S&P) selected by the Designated Representative.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody’s shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch, Kroll or S&P) selected by the Designated Representative.

“Ninth Supplemental Resolution” means this Resolution No. 2024-04, as the same may be amended in accordance with its terms.

“Offer” means any offer to tender any Target Bonds.

“Outstanding,” when used as of a particular time with reference to Bonds, means all Bonds delivered hereunder except:

(a) Bonds cancelled by the Registrar or surrendered to the Registrar for cancellation; and

(b) Bonds paid or deemed to have been paid within the meaning of this Ninth Supplemental Resolution.

“Outstanding Parity Bonds” has the meaning assigned thereto in the recitals hereto.

“Person” means an individual, a corporation, a partnership, limited liability company, an association, a joint stock company, a trust, an unincorporated organization, a governmental body or a political subdivision, a municipal corporation, a public corporation or any other group or organization of individuals.

“Prior Bonds” means, collectively, the 2016A Bonds and the 2016B Bonds.

“Rating Agency” means Fitch, Kroll, Moody’s or S&P.

“Rating Category” means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

“Record Date” means the 15th day of the month next preceding each interest payment date.

“Refunded Bonds” means all or a portion of the Prior Bonds designated by the Designated Representative pursuant to Section 2.13 of this Ninth Supplemental Resolution to be refunded or acquired with proceeds of the Bonds.

“Refunding Candidates” means, collectively, the 2016A Refunding Candidates and the 2016B Refunding Candidates.

“Registered Owner” means the person named as the registered owner of a Bond on the Bond Register. For so long as the Bonds are held by a Securities Depository or its nominee, such Securities Depository shall be deemed to be the Registered Owner.

“Registrar of the Prior Bonds” means the entity designated as paying agent and registrar of the 2016A Bonds and the 2016B Bonds in the Seventh Supplemental Resolution.

“Resolution” means Resolution No. 99-01 adopted by the Committee on January 28, 1999.

“SEC” means the United States Securities and Exchange Commission.

“Securities Depository” means any clearing agency registered under Section 17A of the Securities Exchange Act of 1934, as amended.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or

shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch, Kroll or Moody's) selected by the Designated Representative.

"Surety Bond" means the surety bond(s), if any, issued by the Surety Bond Issuer on the date(s) of issuance of the Bonds for the purpose of satisfying all or a portion of the Reserve Account Requirement.

"Surety Bond Agreement" means any Agreement(s) between the State and the Surety Bond Issuer with respect to the Surety Bond(s).

"Surety Bond Issuer" means any issuer(s) of the Surety Bond(s).

"Target Bonds" means, collectively, the 2016A Target Bonds and the 2016B Target Bonds.

"Tender Transaction" means the purchase of any or all of the Target Bonds pursuant to this resolution.

"Underwriters" means, Goldman Sachs & Co. LLC and Jefferies LLC.

"2016A Bonds" means the State of Alaska International Airports System Revenue Refunding Bonds, Series 2016A (Governmental – Non-AMT), issued pursuant to the Seventh Supplemental Resolution.

"2016A Refunding Candidates" means the Series 2016A Bonds that are designated as such for optional redemption by the Designated Representative pursuant to Section 2.13 of this Ninth Supplemental Resolution.

"2016A Target Bonds" means the Series 2016A Bonds that are designated for purchase through a Tender Transaction by the Designated Representative pursuant to Section 2.13 of this Ninth Supplemental Resolution.

"2016B Bonds" means the State of Alaska International Airports System Revenue Refunding Bonds, Series 2016B (Governmental – Non-AMT) (Delayed Delivery Bonds), issued pursuant to the Seventh Supplemental Resolution.

"2016B Refunding Candidates" means the Series 2016B Bonds that are designated as such for optional redemption by the Designated Representative pursuant to Section 2.13 of this Ninth Supplemental Resolution.

"2016B Target Bonds" means the Series 2016B Bonds that are designated for purchase through a Tender Transaction by the Designated Representative pursuant to Section 2.13 of this Ninth Supplemental Resolution.

"2025A Bonds" means the State of Alaska International Airports System Revenue Refunding Bonds, Series 2025A, to be issued in one or more, pursuant to this Ninth Supplemental Resolution.

“2025B Bonds” means the State of Alaska International Airports System Revenue Refunding Bonds, Series 2025B (Forward Delivery), to be issued in one or more series as a Forward Delivery Series, pursuant to this Ninth Supplemental Resolution.

Section 1.02. Rules of Construction. The following rules of construction shall be applied to this Ninth Supplemental Resolution.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Ninth Supplemental Resolution, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Ninth Supplemental Resolution as a whole and not to any particular Article, Section or subdivision hereof.

(d) In this Ninth Supplemental Resolution, the words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of Parity Bond) refer to this entire Ninth Supplemental Resolution.

(e) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “direction” or similar action hereunder by the AIAS shall, unless the form thereof is specifically provided, be in writing signed by the Authorized AIAS Representative.

Section 1.03. Effect of Resolution. Except as expressly provided herein, every term and condition contained in the Resolution shall apply to this Ninth Supplemental Resolution and to the Bonds with the same force and effect as if the same were set forth herein at length.

ARTICLE II THE BONDS

Section 2.01. Authorization of the Bonds. As authorized by the Act, the State shall issue one or more series of bonds to refund all or a portion of the Refunded Bonds and/or to purchase all or a portion of the Target Bonds, to fund a portion of the Reserve Account Requirement, if required, or purchase a Surety Bond therefore and to pay costs of issuance. The bonds may be designated Series 2025A and 2025B, as necessary, with additional designations as approved by the Designated Representative (the “Bonds”). The Designated Representative shall determine the number of series and the series names and designations, including whether any series shall be a Forward Delivery Series, and the aggregate principal amount of each series of the Bonds; provided that, the aggregate principal amount of all Bonds issued pursuant to this Ninth Supplemental Resolution does not exceed \$130,000,000.

Section 2.02. Bond Details.

(a) *Description of the Bonds.* The Bonds shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated as of the date of their original delivery, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 (provided that no Bond of a series shall represent more than one maturity), and shall bear interest from their date, with the first interest payment occurring on the date set forth in the related Bond Purchase Contract, and semiannually thereafter on the first days of each April and October and shall mature on October 1 in the years and principal amounts and shall bear interest at the rates set forth in the related Bond Purchase Contract and as approved by the Designated Representative pursuant to Section 2.13 of this Ninth Supplemental Resolution. The Designated Representative is hereby authorized to change the designations of the Bonds or any series thereof, and/or to establish additional series of Bonds, including whether any series shall be a Forward Delivery Series, and/or to consolidate the Bonds into fewer series, and to determine the designations thereof.

(b) *Bonds a Special Fund Obligation.* The Bonds are not general obligations of the State, and no tax revenues of the State may be used to pay the principal of, premium, if any, and interest on the Bonds.

The Bonds shall be obligations only of the Bond Fund and shall be payable and secured as provided herein. The Bonds do not constitute an indebtedness of the State within the meaning of the constitutional provisions and limitations of the State of Alaska.

Section 2.03. Redemption and Purchase.

(a) *Terms of Redemption for Bonds.* The Bonds of a series may be subject to redemption as set forth in the related Bond Purchase Contract and the manner of selection of Bonds for redemption shall be as set forth in such Bond Purchase Contract.

(b) *Selection of the Bonds for Redemption.* The series and maturities to be redeemed shall be selected by the State and, within a maturity, as long as the Bonds are held in book-entry only form, the selection of the Bonds of a series to be redeemed shall be made in accordance with the operational arrangements in effect at DTC. If the Bonds of a series are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made as provided in this subsection (b). If the State redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of maturity within a series to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the State and Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated corporate trust office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof or, at the option of the Registered Owner, a Bond of like series, maturity and interest rate in any of the denominations herein authorized.

(c) *Notice of Redemption.*

(1) *Official Notice.* Unless waived by any owner of the Bonds of a series to be redeemed, official notice of any such redemption (which notice, in the case of an optional redemption, may be a conditional notice and shall state that redemption is conditioned by the Registrar on the receipt of sufficient funds for redemption) shall be given by the Registrar on behalf of the State by mailing a copy of an official redemption notice by first class mail at least 20 days prior to the date fixed for redemption to the Registered Owner of the Bonds of a series to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Funds received by the Registrar pursuant to a conditional notice of redemption described above shall be held uninvested until the date fixed for redemption.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all Outstanding Bonds of a series are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds of a series to be redeemed,
- (D) that on the date fixed for redemption, provided that in the case of optional redemption the full amount of the redemption price is on deposit therefor, the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar.

Unless the State has revoked the notice of redemption in the case of an optional redemption, on or prior to any redemption date, the State shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds of a series or portions of the Bonds of a series which are to be redeemed on that date.

Failure to give notice as to redemption of any Bond or any defect in such notice shall not invalidate redemption of any other Bond.

Notwithstanding the foregoing, if the Bonds of a series are then held in book-entry only form, notice of redemption shall be given only in accordance with the operational arrangements then in effect at DTC; *provided, however*, that the Insurer, if any, shall be given prior written notice of any proposed redemption of Bonds of a series. In any event, notice of redemption shall be given by the State to the Registrar who shall give notice to DTC at least 20 days prior to the proposed date of redemption of the Bonds.

(2) *Effect of Notice; Bonds Due.* If notice of redemption has been duly given and, in the case of an optional redemption, money for the payment of the redemption price or portions thereof to be redeemed is held by the Registrar, then on the redemption date the Bonds of a series or portions thereof so called for redemption shall become payable at the redemption price specified in such notice; and from and after the redemption date, interest thereon or on portions thereof so called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be Outstanding and to be entitled to any benefit, protection or security hereunder and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price upon delivery of such Bonds to the Registrar. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond of the same maturity and Series in the aggregate amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

(3) *Additional Notice.* In addition to the foregoing notice, further notice shall be given by the State as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds of a series being redeemed. Each further notice of redemption may be sent at least 25 days before the redemption date to each party entitled to receive a notice of redemption pursuant to Section 2.14, and to the Underwriters or to their business successors, if any, and to such persons (including the MSRB) and with such additional information as the Registrar deems appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) *Use of CUSIP Numbers.* Upon the payment of the redemption price of the Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(5) *Amendment of Notice Provisions.* The foregoing notice provisions of this Section 2.03, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended without the consent of any owners of the Bonds of a series by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

(d) *Purchase of the Bonds for Retirement.* The State reserves the right to use at any time any Revenue on deposit in the Revenue Fund available after providing for the payments authorized by Section 3.02(b)(1) through (3) of the Resolution to purchase for retirement any of the Bonds of a series offered to the State at any price deemed reasonable to the State's Designated Representative.

(e) *Effect of Optional Redemption/Purchase.* To the extent that the State shall have optionally redeemed or purchased any Term Bonds since the last scheduled mandatory redemption

of such Term Bonds, the State may reduce the principal amount of the Term Bonds of the same Series and maturity to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by the Designated Representative.

Section 2.04. Place and Medium of Payment.

(a) *Payment.* The payments of principal, interest, redemption price and purchase price of the Bonds shall be payable in lawful money of the United States of America. For so long as all Bonds are in fully immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations to the Registered Owners appearing on the Bond Register on the 15th day of the month preceding such interest payment date. In the event that the Bonds are no longer in fully immobilized form, interest on such Bonds shall be paid by check or draft mailed (or by wire transfer, without transfer fee, to a Registered Owner of such Bonds in aggregate principal amount of \$1,000,000 or more who so requests) to the Registered Owners of the Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal and premium, if any, of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Registrar.

(b) *Accrual of Interest.* Interest on the Bonds shall be calculated on the basis of a 360-day year (twelve 30-day months).

Section 2.05. Registration.

(a) *Registrar/Bond Register.* So long as any Bonds of a series remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of the Bonds at its designated corporate trust office. The Registrar may be removed at any time as provided in Section 5.01 of the Resolution upon prior notice to the applicable Insurer, as the case may be, DTC and a successor Registrar appointed by the Designated Representative. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. If a new Registrar has not been appointed within 30 days of such resignation or removal, the retiring Registrar may petition a court of competent jurisdiction for the appointment of a successor. Upon its resignation or removal, the Registrar shall transfer any Credit Facility or Liquidity Facility to the successor Registrar. The Registrar is authorized, on behalf of the State, to authenticate and deliver the Bonds transferred or exchanged in accordance with the provisions of such Bonds and this Ninth Supplemental Resolution and to carry out all of the Registrar's powers and duties under this Ninth Supplemental Resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* Payment of any such Bond shall be made only as described in Section 2.04 hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 2.04 shall be valid and shall satisfy and discharge the liability of the State upon such Bond to the extent of the amount or amounts so paid.

Except as provided in Sections 2.04, the Registrar and the State may treat the Registered Owner of a Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and the Registrar and the State shall not be affected by any knowledge or notice to the contrary; and payment of the principal of and premium, if any, and interest on such Bond shall be made only to such Registered Owner, which payments shall satisfy and discharge the liability of the State with respect to such Bond to the extent of the sum or sums so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Bonds as eligible for deposit at DTC, the State has executed and delivered to DTC the Letter of Representations.

Neither the State nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds in respect of the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Bonds, any notice which is permitted or required to be given to Registered Owners under this Ninth Supplemental Resolution (except such notices as shall be required to be given by the State to the Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as the Registered Owner.

(d) *Use of DTC/Book-Entry System.*

(1) *Bonds Registered in the Name Designated by DTC.* The Bonds of a series shall be registered initially in the name of "CEDE & Co.," as nominee of DTC, (or such other name as may be requested by an authorized representative of DTC) with one Bond maturing on the Maturity Date in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, *provided that* any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute Securities Depository appointed by the Designated Representative pursuant to subsection (2) below or such substitute Securities Depository's successor; or (C) to any person as provided in paragraph (4) below.

(2) *Substitute Depository.* Upon the resignation of DTC or its successor (or any substitute Securities Depository or its successor) from its functions as Securities Depository or a determination by the Designated Representative that it is no longer in the best interest of Beneficial Owners to continue the system of book entry transfers through DTC or its successor (or any substitute Securities Depository or its successor), the Designated Representative may hereafter appoint a substitute Securities Depository. Any such substitute Securities Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) *Issuance of New Bonds to Successor/Substitute Depository.* In the case of any transfer pursuant to clause (A) or (B) of paragraph (d)(1) above, the Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request on behalf of the Designated Representative, issue a single new Bond for each maturity of such Bonds of a series then Outstanding, registered in the name of such successor or such substitute Securities

Depository, or their nominees, as the case may be, all as specified in such written request of the Designated Representative.

(4) *Termination of Book-Entry System.* In the event that (A) DTC or its successor (or substitute Securities Depository or its successor) resigns from its functions as Securities Depository, and no substitute Securities Depository can be obtained, or (B) the Designated Representative determines that it is in the best interest of the Beneficial Owners of the Bonds of a series that they be able to obtain Bond certificates, the ownership of Bonds may then be transferred to any person or entity as herein provided, and the Bonds of such series shall no longer be held in fully immobilized form. The Designated Representative shall deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any Authorized Denomination. Upon receipt of all then Outstanding Bonds of a series by the Registrar together with a written request on behalf of the Designated Representative to the Registrar, new Bonds shall be issued in such authorized denominations and registered in the names of such persons as are requested in such written request.

(e) *Transfer or Exchange of Registered Ownership; Change in Denominations.* If the Bonds of a series are no longer held in immobilized, book-entry form, the transfer of ownership of any Bond of such series may be registered and such Bonds may be exchanged, but no transfer of any Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, designation, if any, maturity date and interest rate and for the same aggregate principal amount in any Authorized Denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, series, maturity date and interest rate. Other than in connection with an optional or mandatory tender for purchase, the Registrar shall not be obligated to transfer or exchange any Bond during the five-day period prior to the selection of Bonds for redemption or the Maturity Date or following any mailing of notice of redemption. No charge shall be imposed upon Registered Owners in connection with any transfer or exchange, except for taxes or governmental charges related thereto.

(f) *Registrar's Ownership of the Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The State covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

Section 2.06. Application of Proceeds of the Bonds. Upon receipt of payment for any of the Bonds when the same shall have been sold by the State, including by forward delivery, the

State shall forthwith deposit the proceeds received from such sale in the following respective funds, in each case as specified in the closing memorandum prepared and delivered in connection with the delivery of each Series:

(a) *Interest Account.* The State shall deposit with the Registrar in the Interest Account established pursuant to Section 3.02 of the Resolution the accrued interest to the date of payment, if any, of the purchase price of the Bonds received upon the sale thereof.

(b) *Insurance Premium; Surety Bond.* The State shall transfer or the Underwriters shall transfer directly the necessary amount of proceeds to pay the insurance premium for the Bond Insurance Policy, if any, and one or more Surety Bonds to the Insurer.

(c) *Tender.* The State shall pay the purchase price of the Target Bonds, if any.

(d) *Escrow.* The State shall transfer the necessary amount of proceeds of a portion of the 2025B Bonds to the Escrow Agent to refund the Refunded Bonds under the terms of the Escrow Agreement and to pay the costs of issuance of the 2025B Bonds.

(e) *Construction Fund.* The State shall deposit the remainder of the proceeds of the 2025A Bonds in the Construction Fund to pay the costs of issuance of the 2025A Bonds.

Section 2.07. Construction Fund and Reserve Account.

(a) *Construction Fund.* A portion of the 2025A Bonds allocated to pay costs of issuance of the 2025A Bonds shall be deposited in the Construction Fund maintained in the State Treasury. However, such amount shall be segregated for purposes of accounting for expenditures. Separate accounts are authorized to be maintained in the State Treasury's Construction Fund, for each series of the Bond proceeds. Disbursements shall be made from the proceeds of the respective series of Bonds to pay allocable costs of issuance of the Bonds.

(b) *Reserve Account.* There is hereby authorized to be created in the Reserve Account a subaccount for the Bonds. The State hereby covenants and agrees that on the date of issuance of each Series of the Bonds, it will deposit funds into the Reserve Account in the amount necessary to satisfy the Reserve Account Requirement attributable to the Bonds (then being issued), or purchase one or more Surety Bonds therefor, which with the remaining balance on hand in the Reserve Account (currently in the form of a surety bond and cash reserve) to be equal to the Reserve Account Requirement.

The Designated Representative may decide to utilize one or more Surety Bonds to satisfy the Reserve Account Requirement. Upon such election, the Designated Representative is hereby authorized to execute and deliver one or more Surety Bond Agreements with one or more Surety Bond Issuers to effect the delivery of the Surety Bond(s).

Section 2.08. Defeasance. If money and/or noncallable Government Obligations maturing at such time(s) and bearing such interest to be earned thereon (without any reinvestment thereof) as will provide a series of payments which shall be sufficient together with any money initially deposited, to provide for the payment of the principal of, premium, if any, and interest on all or a designated portion of the Bonds of a series when due (whether at maturity or upon earlier

redemption in accordance with their respective terms) to effect such payment and are pledged irrevocably in accordance with a refunding or defeasance plan adopted by the State for the purpose of effecting such payment, then no further payments need be made in the Bond Fund for the payment of the principal of, interest or redemption premium on such Bonds, the Registered Owners thereof shall cease to be entitled to any lien, benefit or security of this resolution, except the right to receive payment of the principal of, premium, if any, and interest on such Bonds when due in accordance with their respective terms from the money and the principal and interest proceeds on the Government Obligations set aside in the trust account, and such Bonds shall no longer be deemed to be Outstanding hereunder, or under any resolution authorizing the issuance of bonds or other indebtedness of the State.

Within 30 days of any defeasance of the Bonds of a series, the State shall provide notice of defeasance of the Bonds of such series to Registered Owners of the Bonds being defeased, to the Insurer, as applicable, and to each party entitled to receive notice in accordance with Section 2.14. If any defeasance is effected with, in whole or in part, Government Obligations, a verification report by a verification agent or independent accounting firm to the effect that such deposit is sufficient to pay the principal, interest and premium (if any) on the Bonds of such series as they become due, must be delivered to the Registrar prior to such defeasance.

Section 2.09. Tax Covenants. The State covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion of interest on the Bonds issued as tax-exempt obligations from gross income for purposes of federal income taxation and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. The Designated Representative is hereby authorized to execute a Tax Certificate as well as any other certificates, agreements or other documents necessary or desirable to evidence compliance with such covenants.

(a) *Arbitrage Covenant.* Without limiting the generality of the foregoing, the State covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Bonds or any other funds of the State which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code and the regulations promulgated thereunder which, if such use had been reasonably expected on the dates of delivery of the Bonds to the initial purchasers thereof, would have caused the Bonds to be “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code. The State will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Bonds, including the requirements of Section 148(f) of the Code to make any required rebate payments to the United States and the State will maintain sufficient records regarding the investments of “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code),

(b) *Use of Proceeds and Refinanced Projects.* Proceeds of the Bonds will refinance the facilities financed directly or indirectly by the 2016A Bonds and the 2016B Bonds. The State covenants to comply with the restrictions on uses of such facilities to be described in the Tax Certificate for the Bonds, including, to the extent applicable.

(c) *Modification of Tax Covenants.* The covenants of this section are specified solely to assure the continued exclusion of interest on the Bonds from gross income for purposes of

federal income taxation. To that end, the provisions of this section may be modified or eliminated without any requirement for formal amendment thereof (and without the consent of the Insurer, the Registrar or any Registered Owner) upon receipt of an opinion of the State's Bond Counsel that such modification or elimination will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Section 2.10. Lost, Stolen, Mutilated or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Bond or Bonds of like series, date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the State in connection therewith and upon his filing with the State evidence satisfactory to the State that such Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Bond) and of his ownership thereof, and upon furnishing the State and the Registrar with indemnity satisfactory to the State and the Registrar.

Section 2.11. Form of the Bonds and Registration Certificate.

(a) *Required Recital.* Each Bond shall include a recital to the effect that it is issued under AS 37.15.410 - 37.15.550.

(b) *Bonds.* The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF ALASKA

INTERNATIONAL AIRPORTS SYSTEM REVENUE REFUNDING BOND,
SERIES 2025A/2025B [(FORWARD DELIVERY)]

MATURITY DATE:

CUSIP NO. _____

INTEREST RATE:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE STATE OF ALASKA (the "State"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the State known as the "International Airports Revenue Bond Redemption Fund" (the "Bond Fund") the Principal Amount indicated above and to pay interest thereon from the Bond Fund from _____, 20____, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each April and October, beginning on _____ 1, 20____. The

principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid as provided in the Blanket Issuer Letter of Representations (the “Letter of Representations”) by the State to The Depository Trust Company (“DTC”). Principal shall be paid as provided in the Letter of Representations to the Registered Owner or assigns upon presentation and surrender of this bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., acting through its agency office (the “Registrar”). Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution.

This bond is one of a series of bonds of the State in the aggregate principal amount of \$ _____ of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued under AS 37.15.410 – 37.15.550 and pursuant to Resolution No. 99-01, as supplemented and amended, including as supplemented by Supplemental Resolution No. 2024-04 of the State Bond Committee (collectively, the “Bond Resolution”) to pay part of the costs of refunding (including through purchase and cancellation) certain outstanding bonds.

The bonds of this issue are subject to redemption as stated in the related Bond Purchase Contract.

So long as this bond is held by DTC or its nominee, the manner of selection of bonds of this issue within a maturity for redemption and transfer of bonds and the provision of notice of redemption shall be governed by the Letter of Representations and DTC’s operational arrangements. The State and Registrar shall deem the person in whose name this bond is registered to be the absolute owner hereof for the purpose of receiving payment of the principal of, premium, if any, and interest on the bond and for any and all other purposes whatsoever.

The State hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

The State does hereby pledge and bind itself to set aside from Revenues and to pay into the Bond Fund the various amounts required by the Bond Resolution to be paid into and maintained in said Fund, all within the times provided by said Bond Resolution.

Said amounts so pledged to be paid out of Revenues into the Bond Fund are hereby declared to be a first and prior lien and charge upon the Revenues, if any, equal in rank to the lien and charge upon such Revenues of the amounts required to pay and secure the payment of the Outstanding Parity Bonds and any revenue bonds of the State hereafter issued on a parity with the bonds of this issue.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and resolutions of the State and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the State of Alaska has caused this bond to be executed by the manual or facsimile signatures of the Governor and attested by the Lieutenant Governor, and the seal of the State to be impressed or a facsimile thereof imprinted hereon as of the _____ day of _____, 20__.

STATE OF ALASKA

By _____/s/_____
Governor

ATTEST:

_____/s/_____
Lieutenant Governor

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the State of Alaska International Airports System Revenue Refunding Bonds, Series 2025A/2025B [(FORWARD DELIVERY)] of the State of Alaska, dated _____, 20__.

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

By _____
Authorized Signer

In the event any Bonds are no longer in fully immobilized form, the form of such Bonds may be modified to conform to printing requirements and the terms of this Ninth Supplemental Resolution.

Section 2.12. Execution. The Bonds shall be executed on behalf of the State with the manual or facsimile signature of the Governor, shall be attested by the manual or facsimile signature of the Lieutenant Governor and shall have the seal of the State impressed or a facsimile thereof imprinted thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Ninth Supplemental Resolution. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly

executed, authenticated and delivered hereunder and are entitled to the benefits of this Ninth Supplemental Resolution.

In case either of the officers of the State who shall have executed the Bonds shall cease to be such officer or officers of the State before the Bonds so signed shall have been authenticated or delivered by the Registrar, or issued by the State, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the State as though those who signed the same had continued to be such officers of the State. Any Bond may also be signed and attested on behalf of the State by such persons as at the actual date of execution of such Bond shall be the proper officers of the State although at the original date of such Bond any such person shall not have been such officer.

Section 2.13. Designation of Refunded Bonds, Refunding Candidates and Target Bonds; Sale of the Bonds and Tender.

(a) *Designation of Refunded Bonds, Refunding Candidates and Target Bonds.* The Designated Representative is authorized to (i) designate the Refunded Bonds by selection from the Prior Bonds; (ii) designate Refunded Bonds as Refunding Candidates for redemption; (iii) designate Refunded Bonds as Target Bonds for purchase; (iv) approve the solicitation of offers for a Tender Transaction; and (v) negotiate terms for the purchase of the Bonds and execute the related Purchase Contract, with such terms as are approved by the Designated Representative pursuant to this section and consistent with this Ninth Supplemental Resolution.

(b) *Sale of the Bonds.* The Bonds of a series shall be sold at negotiated sale to the Underwriters in one or more series (including as a Forward Delivery Series) pursuant to the terms of one or more Bond Purchase Contracts. The Designated Representative is authorized and directed to publicize and conduct a public hearing or hearings on the issuance of the Bonds as may be required by Section 147 of the Internal Revenue Code of 1986, as amended. Following a public hearing or hearings, the Designated Representative is authorized to negotiate terms for the purchase of the Bonds in one or more series (including as a Forward Delivery Series) and execute one or more Bond Purchase Contracts, with such terms as are approved by the Designated Representative pursuant to this section and consistent with this resolution. The Committee has determined that it would be in the best interest of the State to delegate to the Designated Representative, for a limited time, the authority to designate the Refunded Bonds, the Refunding Candidates and the Target Bonds and to determine the number of series of Bonds (including whether any series of Bonds shall be a Forward Delivery Series), the final series designations, final interest rates, maturity dates, aggregate principal amounts, terms of redemption and redemption rights and principal amounts of each maturity of the Bonds, provided that any financing and/or refinancing hereunder is advantageous to and in the best interest of the State and its inhabitants. The Designated Representative is hereby authorized to approve the final interest rates, maturity dates, aggregate principal amounts, principal maturities, terms of redemption and redemption rights for the Bonds in the manner provided hereafter so long as the aggregate principal amount of the Bonds does not exceed \$130,000,000.

In designating the Refunded Bonds, the Refunding Candidates and the Target Bonds, determining the final number of series (including whether any series of Bonds shall be a Forward Delivery Series), the series designations, final interest rates, maturity dates, aggregate principal

amounts, principal maturities, terms of redemption and redemption rights, the Designated Representative, in consultation with State staff, shall take into account those factors that, in his judgment, will result in the overall lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds. Subject to the terms and conditions set forth in this Section 2.13, the Designated Representative is hereby authorized to negotiate and execute, at the Designated Representatives discretion, one or more Offers for a Tender Transaction, Bond Purchase Contracts, Dealer Manager Agreements, Escrow Agreements and other documents in connection with the redemption of the Refunding Candidates or acquisition of the Target Bonds. The Designated Representative is hereby authorized to acquire tendered Target Bonds and to negotiate and approve terms for the purchase of Target Bonds tendered pursuant to any Offer.

Following the execution of a Bond Purchase Contract, the Designated Representative shall provide a report to the Committee, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representative by this Section 2.13 shall expire 120 days after the date of approval of this resolution. If a Bond Purchase Contract for a series of the Bonds has not been executed within 120 days after the date of final approval of this resolution, the authorization for the issuance such Bonds shall be rescinded, and such Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by resolution of the Committee. The resolution reauthorizing the issuance and sale of such Bonds may be in the form of a new resolution repealing this resolution in whole or in part (only with respect to the Bonds not issued) or may be in the form of an amendatory resolution approving a purchase contract or establishing terms and conditions for the authority delegated under this Section 2.13.

Upon the passage and approval of this Ninth Supplemental Resolution, the proper officials of the State including the Designated Representative, are authorized and directed to undertake all action necessary or desirable for holding of a public hearing or hearings, for the prompt execution and delivery of the Bonds to the Underwriters thereof to purchase the Bond Insurance Policy and further to execute Bond Purchase Contracts and all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the respective Bond Purchase Contract. In furtherance of the foregoing, the Designated Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including underwriters' discount, the fees and expenses specified in the respective Bond Purchase Contract, including fees and expenses of underwriter(s) and other retained services, including Bond Counsel, financial advisor, Consultant, rating agencies, fiscal agency, escrow agent, verification agent, escrow bidding agent and other expenses customarily incurred in connection with issuance and sale of bonds.

The Designated Representative is authorized to ratify and to approve for purposes of the Rule, on behalf of the State, the Official Statement(s) (and any Preliminary Official Statement) (both as defined in the respective Bond Purchase Contract) relating to the issuance and sale of the Bonds and the distribution of the Official Statement(s) pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

The Designated Representative is hereby authorized to (i) approve and deem final the preliminary Official Statement(s) relating to each Series of Bonds for the purposes of the Rule; (ii) approve and execute one or more supplements to the final official statement for the Bonds required in connection with the issuance and delivery of any Forward Delivery Series (the “Forward Delivery Supplement”) in the form that the Designated Representative deems advisable, and to approve and authorize the distribution of the Forward Delivery Supplement in electronic and printed form; and (iii) approve the preparation and distribution of one or more Offers and to execute and deliver, on behalf of the State, any certificates, receipts, instruments or other documents with respect to the Tender Transaction.

As a condition precedent to the issuance of the Bonds, the State shall comply with the provisions of Sections 2.02, 2.03 and 2.04 of the Resolution, so that the Bonds may be issued as Parity Bonds.

Section 2.14. Undertaking to Provide Ongoing Disclosure. The Committee hereby authorizes the Designated Representative to enter into agreements for ongoing disclosure, substantially in the form attached to the Preliminary Official Statement for each Series of the Bonds for the benefit of the Beneficial Owners of the Bonds in order to assist the Underwriters in complying with Section (b)(5) of the Rule.

Section 2.15. Bond Insurance Policy; Provisions Relating to the Insurer. The payments of the principal of and interest on one or more series, or principal maturities within one or more series, of the Bonds may be insured by the issuance of the Bond Insurance Policy. The Designated Representative, with the assistance of the Underwriters, is authorized to solicit proposals from municipal bond insurance companies, and the Designated Representative, in consultation with the State’s financial advisor, is hereby authorized to select the proposal, if any, that is deemed to be the most cost effective and further to execute the bond insurance commitment and other agreements with the Insurer, which may include such covenants and conditions as shall be approved by the Designated Representative.

Section 2.16. Refunding. A portion of the proceeds of the sale of the Bonds shall be applied for the purpose of paying the purchase price of the Target Bonds.

The Committee hereby authorizes the Designated Representative to solicit proposals for and select a financial institution to act as the escrow agent for the Refunding Candidates (the “Escrow Agent”). A portion of the proceeds of the 2025B Bonds designated by the Designated Representative together with a cash contribution from the State shall be transferred irrevocably to the Escrow Agent for the purpose of defeasing the Refunding Candidates.

Money received by the Escrow Agent from proceeds of the 2025B Bonds and other money provided by the State (if any), shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the applicable Escrow Agreement to defease the Refunding Candidates as authorized by the Resolution and the Seventh Supplemental Resolution. The State shall defease the Refunding Candidates and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain Government Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of interest on the

Refunding Candidates through their redemption dates and the redemption price of the Refunding Candidates being redeemed on their earliest redemption dates as provided in the applicable Escrow Agreement.

A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunding Candidates, as evidenced by a report of a verification agent or independent accounting firm, delivered hereunder. The proceeds of the 2025B Bonds remaining with the Escrow Agent after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the 2025B Bonds.

The State hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the 2025B Bonds to make the payments described in Section 2.16 of this Ninth Supplemental Resolution.

The State hereby irrevocably calls the Refunding Candidates for redemption, as provided in one or more Escrow Agreements, or purchase, as provided in Offers for a Tender Transaction, in accordance with the provisions of the Seventh Supplemental Resolution authorizing the redemption of the 2016A Bonds and the 2016B Bonds, respectively, prior to their fixed maturity.

Said defeasance and call for redemption of the Refunding Candidates shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the timely giving of notice of the redemption of the Refunding Candidates in accordance with the applicable provisions of the Resolution and the Seventh Supplemental Resolution. The Designated Representative is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and/or purchase and the giving of notice therefor. The costs of publication of such notice shall be an expense of the State.

The Escrow Agent is hereby authorized and directed to pay to the Designated Representative, or, at the direction of the Designated Representative, to the paying agent for the Refunding Candidates, sums sufficient to pay, when due, the payments specified in of Section 2.16 of this Ninth Supplemental Resolution. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent pursuant to Section 2.16 of this Ninth Supplemental Resolution and the income therefrom and proceeds thereof. All such sums so paid to or at the direction of said Designated Representative shall be credited to a refunding account. All moneys and Acquired Obligations deposited with said Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Designated Representative) and applied in accordance with the provisions of the applicable Escrow Agreement.

The State will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunding Candidates shall be paid when due.

In order to carry out the purposes of Section 2.16 of this Ninth Supplemental Resolution and of this section, the Designated Representative is authorized and directed to execute and deliver the Escrow Agreement(s).

ARTICLE III COMPLIANCE WITH PARITY CONDITIONS

Section 3.01. Requirements of Supplemental Resolution. In connection with of the Resolution the State hereby finds that this Ninth Supplemental Resolution specifies and provides for the following:

- (a) the authorized principal amount and designation of the Bonds;
- (b) the general purpose or purposes for which the Bonds are being issued, and the deposit, disbursement and application of the proceeds of the sale of the Parity Bonds;
- (c) the date or dates, and the maturity date or dates, of the Bonds, and the principal amount maturing on each maturity date;
- (d) the interest rate or rates on the Bonds (which may be a rate of zero) and the interest payment date or dates therefor, and whether such interest rate or rates shall be fixed, variable or a combination of both and, if necessary, the manner of determining such rate or rates;
- (e) the circumstances, if any, under which the Bonds will be deemed to be no longer Outstanding;
- (f) the currency or currencies in which the Bonds are payable;
- (g) the denominations of, and the manner of dating, numbering, and, if necessary, authenticating, the Bonds;
- (h) the place or places of payment of the principal, redemption price, if any, or purchase price, if any, of and interest on, the Bonds;
- (i) the tender agent or tender agents, if any, for the Bonds and the duties and obligations thereof;
- (j) the registrar or trustee, if any, for the Bonds and the duties and obligations thereof;
- (k) the form or forms of the Bonds and any coupons attached thereto, which may include but shall not be limited to, registered form, bearer form with or without coupons, and book-entry form, and the methods, if necessary, for the registration, transfer and exchange of the Bonds;
- (l) the terms and conditions, if any, for the redemption of the Bonds prior to maturity, including the redemption date or dates, the redemption price or prices and other applicable redemption terms;

(m) the terms and conditions, if any, for the purchase of the Bonds upon any optional or mandatory tender for purchase prior to maturity, including the tender date or dates, the purchase date or dates, the purchase price or prices and other applicable terms;

(n) the manner of sale of the Bonds, with or without a premium or a discount;

(o) if so determined by the State, the authorization of and any terms and conditions with respect to credit or liquidity support for the Bonds and the pledge or provision of moneys, assets or security other than Revenues to or for the payment of the Bonds or any portion thereof;

(p) a subaccount within the Reserve Account for the Bonds and the application of moneys or securities therein; and

(q) any other provisions which the State deems necessary or desirable in connection with the Bonds.

Section 3.02. General Compliance with Parity Conditions.

The State hereby finds and determines, as required by Section 2.03 of the Resolution, as follows:

First: The issuance of the Bonds is authorized by the Act.

Second: The Bonds are being issued to refund outstanding airport revenue bonds of the State.

Third: The State is currently and upon issuance of the Bonds will be in compliance with all covenants set forth in the Resolution.

Fourth: If the refunding of the Prior Bonds by the issuance of the Bonds does not meet the requirements of Section 2.04(a), there shall have been filed prior to the issuance of the Bonds a certificate of the State (prepared as described in subsection (c) of Section 2.03) demonstrating fulfillment of the Coverage Requirement.

The conditions set forth in Sections 2.03 and Section 2.04 of the Resolution having been complied with prior to the issuance of the Bonds, the payments into the Bond Fund for the payment of the principal of and interest on the Bonds and the payments required by this Ninth Supplemental Resolution to be made into the Reserve Account shall constitute a lien and charge upon the money in the Revenue Fund equal in rank with the lien and charge on the money in such fund for the payments required to be made into the Bond Fund and into the Reserve Account to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds.

Said certificates having been obtained, the Bonds shall be Parity Bonds, having an equal lien and charge upon Revenue of the System required to be paid into the Bond Fund and the Reserve Account therein to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds.

ARTICLE IV MISCELLANEOUS

Section 4.01. Liability of State Limited to Revenues. Notwithstanding anything contained in this Ninth Supplemental Resolution, the State shall not be required to advance any moneys derived from the proceeds of any taxes, or from any source of income other than the Revenues, for the payment of the principal of or interest on the Parity Bonds, for the maintenance and operation of the airports or for the performance of any covenants herein contained. Nevertheless, the State may, but shall not be required to, advance for any of the purposes hereof any moneys which the Legislature may hereafter authorize.

The Parity Bonds shall be revenue bonds, secured exclusively by the Revenues as in the Resolution provided. The Parity Bonds are not a general obligation of the State, and the general fund of the State is not liable, and the credit or taxing power of the State is not pledged, for the payment of the Parity Bonds or their interest. The owners of the Parity Bonds, or the coupons thereto appertaining, shall never have the right to compel the exercise of the taxing power by the State or the forfeiture of any property of the State.

Section 4.02. Benefits of Resolution Limited to Parties. Nothing in this Ninth Supplemental Resolution, expressed or implied, is intended to give to any person other than the State, the Registrar, the Paying Agents, and the owners of the Parity Bonds and coupons, any right, remedy or claim under or by reason of the Resolution or this Ninth Supplemental Resolution. Any covenants, stipulations, promises or agreements in the Resolution or this Ninth Supplemental Resolution contained by and on behalf of the State shall be for the sole and exclusive benefit of the owners of the Parity Bonds and coupons, the Registrar.

Section 4.03. Successor Is Deemed Included in All References to Predecessor. Whenever, in this Ninth Supplemental Resolution, the Committee, any officer of the State or the Registrar is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements contained in the Resolution by or on behalf of the Committee, any officer of the State or the Registrar shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 4.04. Discharge of Resolution; Supplement to Resolution No. 99-01.

If:

(i) all of the outstanding Parity Bonds shall have matured, or if notice of redemption of all of the outstanding Parity Bonds prior to maturity shall have been given, or provision satisfactory to the Registrar shall have been irrevocably made for the giving of such notice, and if the State shall have deposited with the Registrar, in trust, funds pursuant to the Resolution sufficient to pay and available for the payment of all amounts then due and thereafter to become due on all Parity Bonds, including all principal, interest and redemption premiums, or

(ii) all of the outstanding Parity Bonds are to be refunded, and the conditions set forth in Section 2.04 of the Resolution have been satisfied with respect to such Parity Bonds, then, at the election of the State, and notwithstanding that any Parity Bonds or interest coupons shall not have been surrendered for payment, the pledge of the Revenues provided for in the

Resolution and all other obligations of the State under the Resolution shall cease and terminate, except only the obligation of the State to pay or cause to be paid to the owners of the Parity Bonds and interest coupons not so surrendered and paid all sums due thereon. Notice of such election shall be filed with the Registrar.

Any funds held by any Registrar, at the time of receipt by the Registrar of such notice from the State, which are not required for the purpose above mentioned, shall be paid over to the Registrar. Any funds thereafter held by the Registrar, which are not required for said purpose, shall be paid over to the State.

This Ninth Supplemental Resolution is intended to supplement Resolution No. 99-01 of the Committee.

Section 4.05. Execution of Documents by Parity Bondowners. Any request, consent or other instrument which the Resolution may require or permit to be executed by Parity Bondowners may be in one or more instruments of substantially similar tenor, and shall be executed by Parity Bondowners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Parity Bondowner or his attorney of any such request, consent or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgements of deeds to be recorded in the state in which he purports to act, that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the amount of Parity Bonds transferable by delivery held by any person executing any such request, consent or other instrument or writing as a Parity Bondowner, the numbers of the Parity Bonds held by such person, and the date of his holding such Parity Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Registrar, executed by a trust company, bank, banker or other depositary wherever situated, showing that at the date therein mentioned such person had on deposit with such depositary, or exhibited to it, the Parity Bonds described in such certificate. The Registrar and the State may conclusively assume that such ownership continues until written notice to the contrary is served upon the Registrar. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of Parity Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Registrar may deem sufficient. The Registrar may nevertheless, in its discretion, require further or other proof in cases where it deems the same desirable. The ownership of registered Parity Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, consent or other instrument or writing of the owner of any Parity Bond shall bind all future owners of such Parity Bond in respect of anything done or suffered to be done by the Registrar or the State in good faith and in accordance therewith.

Section 4.06. Waiver of Personal Liability. No member of the Committee and no officer, agent or employee of the State, or of any department or agency thereof, shall be individually or personally liable for the payment of the principal of or interest on the Parity Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 4.07. Publication for Successive Weeks. Any publication to be made under the provisions of the Resolution in successive weeks may be made in each instance upon any business day of the week and need not be made on the same day of any succeeding week or in the same publication for any or all of the successive publications, but may be made in different publications.

Section 4.08. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Ninth Supplemental Resolution on the part of the State (or of the Registrar) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Ninth Supplemental Resolution or of the Parity Bonds; but the Parity Bondowners shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 4.09. Payments Due on Holidays. Subject to Article II of the Resolution, if an Interest Payment Date is not a business day then payment shall be made on the next business day and no interest shall accrue for the intervening period.

Section 4.10. Notices to Rating Agencies. The State shall give immediate notice to each Rating Agency then maintaining a rating on the Bonds in the event:

- (a) The Registrar resigns or is replaced;
- (b) This Ninth Supplemental Resolution is amended or supplemented; or
- (c) There has been a redemption or defeasance of the Bonds.

Section 4.11. Effective Date. This Ninth Supplemental Resolution shall become effective immediately upon its adoption.

[Signature page follows]

ADOPTED AND APPROVED by the State Bond Committee of the State of Alaska, the
9th day of December 2024.

STATE OF ALASKA
STATE BOND COMMITTEE

MICAELA FOWLER
Deputy Commissioner, Department of
Commerce
Community and Economic Development
Chair and Member
Alaska State Bond Committee

ERIC DEMOULIN
Division Director, Department of
Administration
Member
Alaska State Bond Committee

FADIL LIMANI
Deputy Commissioner, Department of
Revenue
Secretary and Member
Alaska State Bond Committee

Approved as to form:

Alaska Department of Law
State of Alaska

I, the undersigned, Secretary of the State Bond Committee of the State of Alaska (the “Committee”) DO HEREBY CERTIFY:

1. That the attached Supplemental Resolution numbered 2024-04 (the “Resolution”) is a true and correct copy of a resolution of the Committee as adopted at a meeting held on December 9, 2024, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Committee voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of December 2024.

FADIL LIMANI
Deputy Commissioner, Department of
Revenue
Secretary and Member
Alaska State Bond Committee

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY [], 2025

**NEW ISSUE
BOOK-ENTRY ONLY**

RATINGS: See “RATINGS” herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes, that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion based upon existing laws of the State of Alaska that interest on the Bonds is exempt from taxation by the State of Alaska except for transfer, inheritance, and estate taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. See “TAX MATTERS” herein. Delivery of the Series 2025B Bonds, and delivery of Bond Counsel’s opinion with respect to the Series 2025B Bonds, is subject to the satisfaction of certain terms and conditions provided in the Forward Delivery Bond Purchase Agreement as described under the heading “CERTAIN FORWARD DELIVERY CONSIDERATIONS.”

**\$(TOTAL PAR)*
STATE OF ALASKA
INTERNATIONAL AIRPORTS SYSTEM**

**\$()*
Revenue Refunding Bonds
Series 2025A
(Governmental – Non-AMT)**

**\$()*
Revenue Refunding Bonds
Series 2025B
(Governmental – Non-AMT)
(Forward Delivery)**

The State of Alaska is issuing \$()* principal amount of its International Airports System Revenue Refunding Bonds, Series 2025A (Governmental – Non-AMT) (the “2025A Bonds”) and \$()* principal amount of its International Airports System Revenue Refunding Bonds, Series 2025B (Governmental – Non-AMT) (Forward Delivery) (the “2025B Bonds”) and together with the 2025A Bonds, the “Bonds”).

The Bonds are being issued in the form of fully registered bonds in book-entry form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds under a book-entry only system as described herein. Individual purchasers of beneficial ownership interests in the Bonds may be made in the principal amount of \$5,000 or any integral multiple thereof. Beneficial Owners of the Bonds will not receive physical delivery of certificates representing their interests in the Bonds purchased. Principal of and interest on the Bonds are payable directly to DTC by The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as registrar (the “Registrar”), disbursement of payments to DTC participants is the responsibility of DTC, and subsequent disbursement of payments to beneficial owners of the Bonds is the responsibility of DTC participants, all as further described herein. Interest on the 2025A Bonds will accrue from the date of delivery of the 2025A Bonds, or from the most recent interest payment date to which interest has been paid or provided for, and is payable on each April 1 and October 1, commencing April 1, 2025. Interest on the 2025B Bonds will accrue from the date of delivery of the 2025B Bonds, or from the most recent interest payment date to which interest has been paid or provided for, and is payable on each April 1 and October 1, commencing October 1, 2025. [The Bonds will not be subject to redemption prior to their stated maturity dates.]

There 2025B Bonds are scheduled to be delivered on July 2, 2025.* For a discussion regarding the forward delivery of the 2025B Bonds, see “CERTAIN FORWARD DELIVERY CONSIDERATIONS.”

The Bonds are special, limited obligations of the State of Alaska and are payable as to interest on, principal of and premium, if any (except to the extent paid from bond proceeds or the income from investments), solely from, and are secured by a pledge of, the Revenues derived by the State of Alaska from the operation of the Alaska International Airports System (the “System”) consisting of the Ted Stevens Anchorage International Airport and the Fairbanks International Airport. The Bonds

* Preliminary, subject to change.

are not general obligations of the State of Alaska, and neither the full faith and credit nor the taxing power of the State of Alaska are pledged for the payment of the Bonds.

The purchase and ownership of beneficial ownership interests in the Bonds involve investment risks. Prospective purchasers should read this Official Statement in its entirety, giving particular attention to the matters addressed under “CERTAIN INVESTMENT CONSIDERATIONS.”

The Bonds are being issued to (i) purchase and/or refund certain Outstanding Parity Bonds (as described herein) tendered to the State, and (ii) finance costs of issuance of the Bonds. See “SOURCES AND USES OF BOND PROCEEDS.”

THIS COVER PAGE CONTAINS INFORMATION FOR QUICK REFERENCE ONLY AND IS NOT A SUMMARY OF THE TERMS OF OR SECURITY FOR THE BONDS. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING APPENDICES, TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. THERE ARE RISKS ASSOCIATED WITH PURCHASE OF THE BONDS, AS FURTHER DESCRIBED HEREIN.

The Bonds are offered when, as and if issued, subject to the approval of their validity and enforceability by Orrick, Herrington & Sutcliffe LLP, Seattle, Washington, Bond Counsel. Certain legal matters will be passed upon for the State of Alaska by the Attorney General for the State of Alaska, and for the Underwriters by Underwriters’ Counsel, Nixon Peabody LLP, Los Angeles, California. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the State. Masterson Advisors LLC serves as municipal advisor to the State of Alaska. It is expected that the Bonds in definitive form will be available for delivery through the facilities of DTC, on or about January __, 2025, with respect to the 2025A Bonds, and July 2, 2025*, with respect to the 2025B Bonds. Potential investors in the 2025B Bonds should carefully review the information under the caption “CERTAIN FORWARD DELIVERY CONSIDERATIONS” and in APPENDIX G—FORM OF DELAYED DELIVERY CONTRACT.

Goldman Sachs & Co. LLC

Jefferies

Dated: ____, 2025

STATE OF ALASKA

\$[_____] *
International Airports System
Revenue Refunding Bonds, Series 2025A
(Governmental – Non-AMT)

Dated: January __, 2025*

Due: October 1, as shown below

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS, AND CUSIP†

<u>Maturity*</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP†</u> <u>011842</u>
	\$				

STATE OF ALASKA

\$[_____] *
International Airports System
Revenue Refunding Bonds, Series 2025B
(Governmental – Non-AMT)
(Forward Delivery)

Dated: July 2, 2025*

Due: October 1, as shown below

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICE OR YIELDS, AND CUSIP†

<u>Maturity*</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Price</u>	<u>CUSIP†</u> <u>011842</u>
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* Preliminary, subject to change.

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STATE OF ALASKA
Mike Dunleavy, Governor
Nancy Dahlstrom, Lt. Governor
P.O. Box 110001
Juneau, Alaska 99811
<http://www.alaska.gov>*

STATE BOND COMMITTEE

Julie Sande, Chair
Commissioner
Department of Commerce, Community
and Economic Development

Adam Crum, Secretary
Commissioner
Department of Revenue

Paula Vrana, Member
Commissioner
Department of Administration

**Micaela Fowler, Designee for
Department of Commerce,
Community and Economic
Development**
Deputy Commissioner of the
Department of Commerce, Community
and Economic Development

**Fadil Limani, Designee for
Department of Revenue**
Deputy Commissioner of the
Department of Revenue

**Eric DeMoulin, Designee for
Department of Administration**
Division Director – Department of
Administration

Ryan S. Williams
Debt Manager, State of Alaska
Department of Revenue
P.O. Box 110405
Juneau, Alaska 99811-0400

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Ryan Anderson, P.E., Commissioner

ALASKA INTERNATIONAL AIRPORTS SYSTEM

Angie Spear, Interim AIAS Director

[Angie Spear], Interim Airport Manager
Ted Stevens Anchorage International Airport

Angie Spear, Airport Manager
Fairbanks International Airport

Susan Ault, Controller
Alaska International Airports System

MUNICIPAL ADVISOR TO THE STATE

Masterson Advisors LLC
Naples, Florida

BOND COUNSEL & DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP
Seattle, Washington

* The reference to the State's website is not a hyperlink and the State's website, by this reference, is not incorporated herein.

REGISTRAR

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

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PRELIMINARY NOTICES

Each entity listed below has provided the information under the caption or captions following its name. Each such entity is responsible only for the information provided under the captions following its name, unless otherwise stated herein, and no representation is made by the State as to the completeness or accuracy of such information.

Underwriters

“UNDERWRITING”

DTC

APPENDIX D—DTC AND ITS BOOK-ENTRY ONLY
SYSTEM

All other information contained herein has been obtained from the State of Alaska and other sources that the State of Alaska believes to reliable, but such other information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the State of Alaska or the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties listed above since the date of this Official Statement.

No dealer, broker, salesperson, or other person has been authorized by the State of Alaska or the Underwriters to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation, or sale of the Bonds, by any person in any jurisdiction in which such offer, solicitation, or sale is not authorized or in which the person making such offer, solicitation, or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation, or sale.

Certain statements contained in this Official Statement do not reflect historical facts, but rather are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “forecast,” “project,” “anticipate,” “expect,” “intend,” “believe,” and other similar expressions are intended to identify forward-looking statements. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. All estimates, projections, forecasts, assumptions, and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. The State of Alaska specifically disclaim any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information set forth in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy and completeness of such information.

Information on website addresses set forth in this Official Statement is not incorporated into this Official Statement and cannot be relied upon to be accurate as of the date of this Official Statement, nor can any such information be relied upon in making investment decisions regarding the Bonds.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE GENERAL BOND RESOLUTION, AS SUPPLEMENTED, BEEN QUALIFIED

UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This official statement is being provided to prospective purchasers in bound printed form (“original bound format”) or in electronic format on the following website: www.munios.com. This official statement may be relied upon only if it is in its original bound format or if printed in full directly from such website.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the State of Alaska that has been deemed final by the State of Alaska as of its date, except for the omission of no more than the information permitted by Rule 15c2-12.

OFFICIAL STATEMENT

Relating to

STATE OF ALASKA INTERNATIONAL AIRPORTS SYSTEM

\$[_____] *
Revenue Refunding Bonds
Series 2025A
(Governmental – Non-AMT)

\$[_____] *
Revenue Refunding Bonds
Series 2025B
(Governmental – Non-AMT)
(Forward Delivery)

INTRODUCTION

The following introduction is subject in all respects to the more complete information set forth in this Official Statement. The descriptions and summaries of various documents set forth in this Official Statement do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the General Bond Resolution. See APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE NINTH SUPPLEMENTAL RESOLUTION.

This Official Statement, including the cover page and the appendices hereto, sets forth certain information concerning the State of Alaska (the “State”), the State of Alaska International Airports System (“AIAS” or “System” or “Airports”), the Ted Stevens Anchorage International Airport (“ANC”), the Fairbanks International Airport (“FAI”) and certain other matters in connection with the initial offering of \$[_____] * principal amount of State of Alaska International Airports System Revenue Refunding Bonds, Series 2025A (Governmental – Non-AMT) (the “2025A Bonds”), and \$[_____] * principal amount of State of Alaska International Airports System Revenue Refunding Bonds, Series 2025B (Governmental – Non-AMT) (Forward Delivery) (the “2025B Bonds” and together with the 2025A Bonds, the “Bonds”).

The Bonds are issued under Alaska Statutes 37.15.410 – 37.15.550, inclusive (the “Act”). The Bonds are issued pursuant to, and are secured by the State Bond Committee’s Resolution No. 99-01 adopted January 28, 1999, as amended and supplemented (the “General Bond Resolution”), as most recently supplemented by the State Bond Committee’s Supplemental Bond Resolution No. 2024-04, adopted December 9, 2024, (together, the “Ninth Supplemental Resolution”).

The Bonds are being issued as part of a plan of finance to refund a portion of the State’s Alaska International Airports System Revenue Refunding Bonds, Series 2016A (Governmental – Non-AMT) (the “2016A Bonds”) and Alaska International Airports System Revenue Refunding Bonds, Series 2016B (Governmental – Non-AMT) (the “2016B Bonds” and together with the 2016A Bonds, the “Prior Bonds”). Certain of the Prior Bonds (the “Purchased Bonds”) will be purchased with a portion of the net proceeds of the 2025A Bonds and subsequently cancelled pursuant to a tender offer (the “Tender Offer”), which includes the Invitation to Tender Bonds dated January [], 2025, as amended (the “Invitation”). Prior Bonds that are not Purchased Bonds will be defeased to the first optional redemption date (the “Refunded Bonds”) with a portion of the proceeds of the 2025B Bonds.

The 2025A Bonds are being issued to (a) purchase the Purchased Bonds, and (b) pay costs of issuing the 2025A Bonds. The 2025B Bonds are being issued to (a) refund the Refunded Bonds, and (b) pay costs of issuing the 2025B Bonds. See “SOURCES AND USES OF BOND PROCEEDS—Application of Bond Proceeds” and “—Summary of the Prior Bonds” herein.

The 2025B Bonds will not be delivered until on or about July 2, 2025*. The delay in the issuance and delivery of the 2025B Bonds may have significant consequences to the purchasers of beneficial ownership interests therein. The market value of the 2025B Bonds on the date of issuance and delivery thereof is unlikely to be the same as, and

* Preliminary, subject to change.

likely will be greater or less than, the respective initial offering prices thereof, and any such difference may be substantial. Several factors may adversely affect the market prices of the 2025B Bonds, including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, changes to the economic environment, any proposed or adopted change in federal tax laws affecting the relative benefits of owning tax-exempt securities instead of other types of investments, such as fully taxable obligations, or any adverse development with respect to the State. See “CERTAIN FORWARD DELIVERY CONSIDERATIONS” herein.

BY PLACING AN ORDER WITH THE UNDERWRITERS (AS DEFINED HEREIN) FOR THE PURCHASE OF THE 2025B BONDS, EACH INVESTOR ACKNOWLEDGES AND AGREES THAT THE 2025B BONDS ARE BEING SOLD ON A “DELAYED DELIVERY” BASIS AND THAT THE INVESTOR IS OBLIGATED TO ACCEPT DELIVERY AND PAY FOR THE 2025B BONDS ON THE DELAYED DELIVERY DATE SUBJECT ONLY TO THE CONDITIONS IN THE FORWARD DELIVERY BOND PURCHASE AGREEMENT. See “CERTAIN FORWARD DELIVERY CONSIDERATIONS.”

The Bonds are secured by and are payable from (on a parity basis with all other bonds which have been issued (the “Outstanding Parity Bonds”) and may be issued (the “Future Parity Bonds”) under the General Bond Resolution) the Revenues derived by the State from the ownership, lease, use and operation of the System. Other than Revenues derived by the State from the System, funds held in the State’s International Airports Construction Fund, and certain Passenger Facility Charges (“PFC’s”) collected by the System which have been used, at the State’s option, to pay debt service, no money has been, or is expected to be, provided from any other source for the payment of the Bonds or of any other bonds issued under the General Bond Resolution. See, “SECURITY FOR THE BONDS – Limited Liability.”

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE STATE, AND THE STATE DOES NOT PLEDGE ITS FULL FAITH AND CREDIT TO THE PAYMENT OF THE BONDS. THE ISSUANCE OF THE BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO APPLY MONEY FROM, OR LEVY OR PLEDGE, ANY FORM OF TAXATION WHATSOEVER TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE STATE PAYABLE OUT OF AND SECURED ONLY BY THE REVENUES DESCRIBED HEREIN.

The General Bond Resolution does not limit the amount of Future Parity Bonds that may be issued; however, the Act currently limits the cumulative principal amount of bonds authorized to not more than \$812,500,000 (excluding refunding bonds). The State has issued a total of \$789,285,000 principal amount of revenue bonds pursuant to the authority granted by the Act (excluding refunding bonds). As of January 1, 2025, there are \$[] of Outstanding Parity Bonds.

This Official Statement contains financial information taken or derived from the audited financial statements and unaudited records of the System. All financial information taken or derived from the financial statements of the State and all summaries of resolutions, statutes, agreements and other documents contained in this Official Statement are made subject to, and are qualified in their entirety by reference to, such financial statements, resolutions, statutes, agreements and documents. A copy of the audited financial statements of the System as of and for the year ended June 30, 2023, with an Independent Auditors Report, appears as APPENDIX A hereto. BDO USA, LLP, the System’s independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. BDO USA, LLP has not performed any procedures relating to this Official Statement.

In addition to historical information, this Official Statement includes information about the System’s long-term plans and proposed budgets and forecast information about the State’s revenues and expenditures. Forecast information is derived from a number of sources and is based upon a variety of assumptions, many of which themselves are based upon other forecasts and assumptions and most of which are not within the System’s control. Actual budgets, plans and results may differ materially from the plans, budgets and results described herein.

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. Certain capitalized terms used

herein and not defined herein shall have the meaning given such terms in APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE NINTH SUPPLEMENTAL RESOLUTION.

The information within this Official Statement has been compiled from official and other sources considered reliable by the State and, while not guaranteed as to accuracy, is believed by the State to be correct. Any statements herein involving estimates, forecasts or projections are to be construed as such rather than as commitments, assurances or statements of fact.

DESCRIPTION OF THE BONDS

General Description of the Bonds

This Official Statement summarizes certain terms of the Bonds only while the Bonds are registered in the name of DTC or its nominee. Reference is made to the General Bond Resolution and Ninth Supplemental Resolution for more detailed descriptions of such provisions. A summary of certain additional provisions of the General Bond Resolution and the Ninth Supplemental Resolution is set forth in APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE NINTH SUPPLEMENTAL RESOLUTION.

The Bonds shall be issued on the dates and in the principal amounts set forth on the front cover hereof and shall mature in the amounts and on the dates set forth on the inside front cover hereof. The Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds shall commence to accrue on their date of delivery and shall be payable semiannually on the dates set forth on the front cover hereof and at the interest rates set forth on the inside cover hereof, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of Principal and Interest

Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2025, with respect to the 2025A Bonds, and commencing on October 1, 2025, with respect to the 2025B Bonds. So long as the Bonds of a series are in fully immobilized form, payments of principal and interest will be made as provided in the operational arrangements of DTC referred to in the Letter of Representations. See, APPENDIX D—DTC AND ITS BOOK-ENTRY ONLY SYSTEM. The principal of and redemption premium, if any, on any Bond will be payable to the Registered Owner thereof as shown on the registration records kept by the Registrar, upon maturity or prior redemption thereof and upon presentation and surrender at the designated office of the Registrar. If any Bond is not paid upon presentation and surrender at or after maturity, it will continue to bear interest at the interest rate borne by the Bond until the principal thereof is paid in full. Except as described in APPENDIX D—DTC AND ITS BOOK-ENTRY ONLY SYSTEM, payment of interest on any Bond will be made to the Registered Owner thereof by check or draft mailed by the Registrar, by first class mail on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the Registered Owner thereof at the Registered Owner's address as shown on the registration records kept by the Registrar on the 15th day of the calendar month, whether or not a business day, next preceding such interest payment date (the "Record Date"). If the Bonds are no longer in book-entry form, payment of principal of and interest on the Bonds may, at the option of any Registered Owner of the Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to such owner.

Book-Entry Transfer System

Book-Entry Bonds. DTC will serve as initial the Securities Depository for the Bonds. The ownership of one fully-registered Bond, each in the aggregate principal amount of such Bond, will be registered in the name of Cede & Co., as nominee for DTC. Neither the State nor the Registrar has any responsibility or obligation to DTC participants or Beneficial Owners in respect of the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal or Redemption Price of or interest on the Bonds, any notice which is permitted or required to be given to Registered Owners under the Ninth Supplemental Resolution for the Bonds (except such notices as are required to be given by the State to the Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in event of a partial

redemption of the Bonds, or any consent given or other action taken by DTC as the Registered Owner. See, APPENDIX D—DTC AND ITS BOOK-ENTRY ONLY SYSTEM for additional information.

The State makes no representation as to the accuracy or completeness of information in APPENDIX D, provided by DTC. Purchasers of the Bonds should confirm its contents with DTC or its participants.

Termination of Book-Entry Transfer System. In the event that DTC or its successor (or substitute Securities Depository or its successor) resigns and no substitute Securities Depository can be obtained, or the State determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, new Bonds are required to be issued and registered.

Redemption *

[The Bonds are not subject to redemption prior to maturity.]

SOURCES AND USES OF BOND PROCEEDS

Application of Bond Proceeds

The proceeds from the sale of the Bonds will be used to (a) purchase the Purchased Bonds, (b) refund the Refunded Bonds, and (c) pay costs of issuing the Bonds. The table sets forth details of the Prior Bonds, the Purchased Bonds and the Refunded Bonds.

Series 2025A Bonds: Purchase of the Purchased Bonds

Pursuant to the Invitation, the State invited the holders of the Prior Bonds to tender such Prior Bonds for purchase by the State. On January __, 2025,* the State issued a Final Notice of Acceptance that indicated which of the Prior Bonds it will purchase. The offer to purchase Purchased Bonds was made solely through the Invitation and is subject to the terms and conditions set forth therein. The purchase of the Purchased Bonds is contingent upon the issuance of the 2025A Bonds and certain other conditions to the acceptance of the Purchased Bonds as set forth in the Invitation.

The Purchased Bonds will be purchased with a portion of the net proceeds of the 2025A Bonds and cancelled upon delivery of the 2025A Bonds. Upon purchase and cancellation, the Purchased Bonds shall no longer be outstanding.

This section is not intended to summarize all of the terms of the Tender Offer and reference is made to the Invitation for the discussion of the terms and conditions for settlement of the Purchased Bonds.

Series 2025B Bonds: Refunding of the Refunded Bonds

The Refunded Bonds will be defeased with a portion of the net proceeds of the 2025B Bonds and will be redeemed on their first optional redemption date. Upon the 2025B Settlement Date (defined herein), the Refunded Bonds will no longer be outstanding,

The State will deposit a portion of the net proceeds of the 2025B Bonds on the 2025B Settlement Date, to be held in escrow to the first optional redemption date for such Refunded Bonds, at which time the Refunded Bonds will be redeemed at a price of par, plus accrued interest to the date of redemption. Prior to the 2025B Settlement Date, the State intends to purchase certain direct noncallable Government Obligations with a portion of the net proceeds of the 2025B Bonds which will be deposited, along with a portion of the net proceeds of the 2025B Bonds to be held uninvested (if any), in the custody of The Bank of New York Mellon Trust Company, N.A. (the “Escrow Agent”). The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, if any, will provide payment of the redemption price of the Refunded Bonds. The Government Obligations, interest earned thereon

* Preliminary, subject to change.

and any cash balance, if any, will irrevocably be pledged to and held in trust for the benefit of the Holders of the Refunded Bonds by the Escrow Agent, pursuant to an escrow deposit agreement to be executed by the State and the Escrow Agent. See “VERIFICATION OF SUFFICIENCY.”

Summary of the Prior Bonds

The Refunded Bonds will be defeased with a portion of the net proceeds of the 2025B Bonds and will be redeemed on their first optional redemption date. Upon the 2025B Settlement Date (defined herein), the Refunded Bonds will no longer be outstanding.

PRIOR BONDS, PURCHASED BONDS AND REFUNDED BONDS*

Series	Maturity (10/1)	Coupon	Prior Bonds	Purchased Bonds	Refunded Bonds	CUSIP No. (011842)[†]
2016A	2025	5.000%	\$ 670,000			SW2
2016A	2026	5.000%	5,690,000			SX0
2016A	2027	5.000%	6,290,000			SY8
2016A	2028	5.000%	12,815,000			SZ5
2016A	2039	5.000%	5,800,000			TA9
2016A	2030	5.000%	6,140,000			TB7
2016A	2031	5.000%	15,970,000			TC5
		<u>Subtotal</u>	<u>\$53,375,000</u>			
2016B	2031	5.000%	\$ 1,685,000			SP7
2016B	2032	5.000%	18,560,000			SQ5
2016B	2033	5.000%	19,580,000			SR3
2016B	2034	5.000%	20,725,000			SS1
2016B	2035	5.000%	21,945,000			ST9
		<u>Subtotal</u>	<u>\$82,495,000</u>			
		<u>Total</u>	<u>\$135,870,000</u>			

[†] CUSIP® numbers are provided in this Official Statement for convenience of reference only. CUSIP numbers are subject to change. None of the State, AIAS or either of the Underwriters nor any of their agents or advisors takes any responsibility for the accuracy of such CUSIP® numbers.

* Preliminary, subject to change.

Sources and Uses of Funds

The State expects to apply the proceeds of the Bonds as shown below.

	2025A Bonds	2025B Bonds
Sources of Funds:		
Principal Amount		
[Net] Original Issue Premium		
AIAS Reserve Account Contribution		
Total		
Uses of Funds:		
Purchase of the Purchased Bonds		
[Gross Defeasance Cost of the Refunded Bonds]		
Costs of Issuance		
Total		

Note: Costs of issuance include legal fees, printing costs, underwriting discount, information and tender agent fees, rating agency fees, additional proceeds and other costs related to the issuance of the Bonds.

CERTAIN FORWARD DELIVERY CONSIDERATIONS

General

The State expects to enter into a Forward Delivery Bond Purchase Agreement (the “Forward Delivery Bond Purchase Agreement”) for the 2025B Bonds with Goldman Sachs & Co. LLC, as representative (the “Representative”), on behalf of itself and on behalf of Jefferies LLC (collectively, the “Underwriters”). Subject to the terms of the Forward Delivery Bond Purchase Agreement, the State expects to issue and deliver the 2025B Bonds on July 2, 2025* or on such later date as is mutually agreed upon by the State and the Representative (the “2025B Settlement Date”).

Pursuant to the Forward Delivery Bond Purchase Agreement, the Underwriters will agree to purchase the 2025B Bonds on the 2025B Settlement Date. An initial closing (the “Initial Closing”) will be held with respect to the 2025B Bonds on or about January __, 2025.* At such time, the conditions for issuance and delayed delivery of the 2025B Bonds and payment therefor by the Underwriters are expected to be met, except for the confirmation of certain facts, and the documents, certificates and opinions specified in the Forward Delivery Bond Purchase Agreement, the receipt of which is a condition to the delivery of the 2025B Bonds, which will be delivered to be held in escrow (to the extent possible), including the opinion of Bond Counsel with respect to the 2025B Bonds substantially in the form and to the effect as set forth in APPENDIX C-2 hereto.

Upon satisfaction of the conditions of the Initial Closing, and subject to compliance with the conditions described below and in the Forward Delivery Bond Purchase Agreement, the Underwriters will be obligated to take delivery of and pay for the 2025B Bonds on the 2025B Settlement Date. There will be no delivery of the 2025B Bonds or any payment therefor on the date of the Initial Closing.

2025B Bond Settlement

The issuance of the 2025B Bonds and the obligation of the Underwriters under the Forward Delivery Bond Purchase Agreement to purchase, accept delivery of and pay for the 2025B Bonds on the 2025B Settlement Date are conditioned upon the performance by the State of their respective obligations thereunder, including, without limitation, the delivery of an opinion, dated the 2025B Settlement Date, of Bond Counsel, substantially in the form set forth in APPENDIX C-2. The purchase and delivery of the 2025B Bonds is further contingent upon (i) the delivery and/or release from escrow of certain certificates and legal opinions and (ii) the satisfaction of other conditions set forth in

* Preliminary, subject to change.

the Forward Delivery Bond Purchase Agreement as of the 2025B Settlement Date. Changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the 2025B Settlement Date or the failure by the State to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt bonds could prevent those conditions from being satisfied. None of the 2025B Bonds will be issued unless all of the 2025B Bonds are issued and delivered on the 2025B Settlement Date.

The Underwriters have the right to terminate its obligations under the Forward Delivery Bond Purchase Agreement to purchase, to accept delivery of and to pay for the 2025B Bonds by the Representative notifying the State of its election to do so under the circumstances described herein and set forth in the Forward Delivery Bond Purchase Agreement.

During the period of time between the date of this Official Statement and the 2025B Settlement Date (the “Forward Delivery Period”), certain information contained in this Official Statement could change in a material respect. Except as described above, the Representative may not refuse to purchase the 2025B Bonds by reason of “general market or credit changes,” including, but not limited to, (a) changes in the ratings assigned to the 2025B Bonds, so long as all of the rating agencies that rated the 2025B Bonds as described herein as of the Initial Closing continue to maintain a rating on the 2025B Bonds, or (b) changes in the financial condition, operations, performance, properties or prospects of the State prior to the 2025B Settlement Date.

Agreement of Purchasers

The obligations of the Underwriters to accept delivery of and pay for the 2025B Bonds on the 2025B Settlement Date shall be subject to the accuracy in all material respects of the representations and warranties on the part of the State contained in the Forward Delivery Bond Purchase Agreement as of its date and as of the 2025B Settlement Date, to the accuracy in all material respects of the statements of the officers and other officials of the State, as well as of the other individuals referred to therein, made in any certificates or other documents furnished pursuant to the provisions thereof, to the performance by the State of its obligations to be performed thereunder at or prior to the 2025B Settlement Date and to the following additional conditions:

(a) On the 2025B Settlement Date, the 2025B Bonds and the Forward Delivery Bond Purchase Agreement, the Resolution and the Continuing Disclosure Agreement for the 2025B Bonds in the form attached as APPENDIX E to the Official Statement (collectively, the “Financing Documents”) shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriters, and there shall have been taken in connection with the issuance of the 2025B Bonds and with the transactions contemplated by the 2025B Bonds and the Financing Documents, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate; and

(b) At any time after the Initial Closing and prior to the 2025B Settlement Date, the following events shall not have occurred:

(1) any Change in Law shall have occurred. For purposes of the preceding sentence, “Change in Law” means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriters, prohibit the Underwriters from completing the underwriting of the 2025B Bonds or selling the 2025B Bonds or beneficial ownership interests therein to the public, or (B) as to the State, make the completion of the issuance, sale or delivery of the 2025B Bonds illegal. If the Change in Law involves the enactment of legislation which only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes of interest payable on “state or local bonds,” the State may, nonetheless, be able to satisfy the requirements for the delivery of the 2025B Bonds. In such event, the

Underwriters would be obligated to purchase the 2025B Bonds from the State and the purchaser of the 2025B Bonds would be required to accept delivery of the purchased 2025B Bonds from the Underwriters.

(2) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, or adopted, Bond Counsel cannot issue an opinion on the date of Settlement (in substantially the form set forth in APPENDIX C-2 to this Official Statement) to the effect that: (a) the interest on the 2025B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code (or comparable provisions of any successor federal tax laws); and (b) the interest on the 2025B Bonds is exempt from the State income taxation;

(3) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities Exchange Commission which has the effect of requiring the 2025B Bonds to be registered under the Securities Act of 1939, as amended, or requires the qualification of the Resolution under the Trust Indenture Act of 1939, as amended;

(4) this Official Statement, as of the Initial Closing through twenty-five (25) days after the Initial Closing, or the Official Statement updated through a date not more than twenty-five (25) days nor fewer than ten (10) days prior to the 2025B Settlement Date, as of its date and through the 2025B Settlement Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(5) a general banking moratorium shall have been declared by federal, New York or State authorities having jurisdiction and shall remain in force as of the 2025B Settlement, or material disruption in commercial banking or securities settlement or clearances services shall have occurred and is continuing on the date of the 2025B Settlement;

(6) a material failure of the State to comply with the provisions of the Resolution shall have occurred and be continuing as of the 2025B Settlement Date; or

(7) as of the 2025B Settlement Date, any of the rating agencies that rated the 2025B Bonds as disclosed in this Official Statement as of the Initial Closing no longer maintains a rating on the 2025B Bonds;

All purchasers of the 2025B Bonds are required to execute and deliver to the Representative a Delayed Delivery Contract (the "Delayed Delivery Contract") substantially in the form attached hereto as APPENDIX G. The Underwriters have advised the State that the 2025B Bonds will be sold only to investors who execute a Delayed Delivery Contract. The proposed form of the Delayed Delivery Contract is attached hereto as APPENDIX G at the request and for the convenience of the Underwriters. The State will not be a party to the Delayed Delivery Contracts, and the State is not in any way responsible for the performance thereof or for any representations or warranties contained therein. However, the State is a third-party beneficiary of the Delayed Delivery Contracts. The rights and obligations under the Forward Delivery Bond Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Additional Risks Related to the Forward Delivery Period

During the Forward Delivery Period, certain information contained in this Official Statement could change in a material respect. Except for the specific events described above, any changes in such information will not permit the Representative on behalf of the Underwriters to terminate the Forward Delivery Bond Purchase Agreement or release the purchasers from their obligation to purchase the 2025B Bonds under the Delayed Delivery Contract. Purchasers of the 2025B Bonds will be subject to the risks (including changes in the financial condition and business operations of the State prior to the 2025B Settlement Date), some of which are described below, and none of which will constitute grounds for purchasers to refuse to accept delivery of and pay for the 2025B Bonds under the terms of the Delayed Delivery Contract.

In addition to the risks set forth above, purchasers of the 2025B Bonds are subject to certain additional risks, some of which are described below:

Ratings Risk. No assurances can be given that the ratings assigned to the 2025B Bonds on the 2025B Settlement Date will not be different from those currently assigned to the 2025B Bonds. Issuance of the 2025B Bonds and the obligations of the Underwriters under the Forward Delivery Bond Purchase Agreement are not conditioned upon the assignment of any particular ratings to the 2025B Bonds or the maintenance of the initial ratings assigned to the 2025B Bonds. So long as all of the rating agencies that rated the 2025B Bonds as described herein as of the Initial Closing continue to maintain a rating on the 2025B Bonds, the condition precedent concerning the rating of the 2025B Bonds under the Forward Delivery Bond Purchase Agreement will have been satisfied.

Secondary Market Risk. The Underwriters are not obligated to make a secondary market in the 2025B Bonds, and no assurances can be given that a secondary market will exist for the 2025B Bonds during the Forward Delivery Period. The 2025B Bonds may be illiquid throughout the Forward Delivery Period. Should events occur before the 2025B Bonds are issued and delivered by the State on the 2025B Settlement Date that affect the market value of the 2025B Bonds and if a secondary market in the 2025B Bonds does not exist, a beneficial owner of 2025B Bonds may be unable to re-sell all or a portion of the 2025B Bonds held by or on behalf of that beneficial owner.

Market Value Risk. The market value of the 2025B Bonds as of the 2025B Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the ratings then assigned to the 2025B Bonds, the financial condition of the State and federal income tax and other laws. The market value of the 2025B Bonds as of the 2025B Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the 2025B Bonds and that difference could be substantial. Neither the State nor any of the Underwriters make any representation as to the expected market prices of the 2025B Bonds as of the 2025B Settlement Date, and the State and the Underwriters may not refuse to deliver and purchase, respectively, the 2025B Bonds by reason of general market or credit changes, except as set forth in the Forward Delivery Bond Purchase Agreement. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market prices for the 2025B Bonds as of the 2025B Settlement Date or thereafter or not have a materially adverse effect on any secondary market for the 2025B Bonds.

Tax Treatment Risk. Subject to the additional conditions of settlement described under “CERTAIN FORWARD DELIVERY CONSIDERATIONS—2025B Bond Settlement” above, a condition to the obligation of the Underwriters to purchase the 2025B Bonds under the Forward Delivery Bond Purchase Agreement is the delivery of an opinion of Bond Counsel with respect to the 2025B Bonds substantially in the form set forth as APPENDIX C-2 to this Official Statement. During the Forward Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered or promulgated, or existing law, including regulations adopted pursuant thereto, may be interpreted in a manner that might prevent Bond Counsel from rendering its opinion in the form set forth as APPENDIX C-2 to this Official Statement, in which case the Underwriters would not be obligated to pay for and take delivery of the 2025B Bonds. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the 2025B Bonds for purposes of federal income taxation, Bond Counsel may still be able to satisfy the opinion requirements for the delivery of the 2025B Bonds. In such event, the purchasers would be required to accept delivery of the 2025B Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

PARITY BOND DEBT SERVICE TABLE

The following table sets forth the debt service requirements for all Outstanding Parity Bonds as of January 1, 2025.

Fiscal Year (Ending June 30)	Outstanding Parity Bonds⁽¹⁾⁽²⁾	2025A Bonds	2025B Bonds	Total Debt Service
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
TOTALS:		\$	\$	\$

(1) Includes debt service for the Prior Bonds.

(2) Preliminary, subject to change.

Note: Totals may not add due to rounding.

SECURITY FOR THE BONDS

General

This Official Statement summarizes certain terms of the General Bond Resolution. Reference is made to the General Bond Resolution and Ninth Supplemental Resolution for more detailed descriptions of such provisions. A summary of certain provisions of the General Bond Resolution is set forth in APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE NINTH SUPPLEMENTAL RESOLUTION.

The Bonds are secured under the General Bond Resolution, which contains provisions for the equal security of the Bonds, the Outstanding Parity Bonds and any Future Parity Bonds. The Bonds are limited obligations of the State and are payable as to principal, interest and premium, if any (except to the extent paid from bond proceeds or the income from investments), solely from, and are secured by a pledge of, the Revenues derived by the State from the operation of the System. The Bonds are secured by a statutory lien on Revenues, and no further action is required or filing made to perfect or maintain the lien on Revenues for the benefit on Bondholders. The Bonds are not general obligations of the State, and neither the full faith and credit nor the taxing power of the State are pledged for the payment of the Bonds.

The Act, codified within the Alaska Statutes, establishes the International Airports Revenue Fund (AS 37.15.430) (the “Revenue Fund”) and mandates that “all revenue, fees, charges, and rentals derived by the [S]tate from the ownership, lease, use and operation of the [A]irports and all of the facilities and improvements of them and facilities and improvements used in connection with them, excepting only proceeds of any customer facility charge, and unless otherwise contractually required customer facility maintenance charge” be deposited into the Revenue Fund. The Act provides that these revenues, fees and charges may be used only for the payment of debt service on revenue bonds authorized by the legislature and other enumerated purposes. Under the General Bond Resolution, the following defined “Revenues” have been pledged by the State first for the benefit of the owners of Parity Bonds:

All revenues, fees, charges and rentals derived by the State or State corporations from the ownership, lease, use and operation of the AIAS and all of the facilities and improvements thereof and facilities and improvements used in connection therewith. The term “Revenues” includes all income and profit derived from the investment of moneys in any funds or accounts created by the Act (except the Construction Fund) or established pursuant to the General Bond Resolution; it does not include the proceeds of any State tax or license. If and to the extent permitted by the Act, the term Revenues shall exclude:

- (1) the proceeds of any borrowing by the State and the earnings thereon (other than earnings on proceeds deposited in the Reserve Account);
- (2) income and revenue which may not legally be pledged for revenue bond debt service;
- (3) passenger facility charges, head taxes, federal grants or substitutes therefor allocated to capital projects;
- (4) payments made under Credit Facilities issued to pay or secure the payment of a particular Series of Parity Bonds;
- (5) proceeds of insurance or condemnation proceeds other than business interruption insurance;
- (6) income and revenue of the State separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the State issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, provided that nothing in this subparagraph (6) shall permit the withdrawal from Revenue of any income or revenue derived or to be derived by the State from any income producing facility which shall have been contributing to Revenue prior to the issuance of such Special Revenue Bonds; and
- (7) income from investments irrevocably pledged to the payment of bonds issued or to be refunded under any refunding bond plan of the State.

Notwithstanding the foregoing, the State may elect to include other receipts (e.g., passenger facility charges) at any time as additional security or additional Revenue for any one or more series of obligations. The System intends to apply certain passenger facility charge receipts toward payment of debt service, although the State has not elected to include passenger facility charges as Revenue or as additional security for payment of the Bonds. See “SYSTEM OPERATING AGREEMENT, REVENUES AND EXPENSES — System Operating Expenses”

The pledge of Revenues under the General Bond Resolution is for the equal and proportionate benefit and protection of the owners of Parity Bonds. The General Bond Resolution provides for the issuance of Future Parity Bonds on a parity with the Bonds and the Outstanding Parity Bonds. See, APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE NINTH SUPPLEMENTAL RESOLUTION.

Rate Covenant

The General Bond Resolution provides that maintenance and operating expenses shall be paid from Revenues prior to payment of debt service to the extent permitted under the Act. Pursuant to the terms of the General Bond Resolution, the Commissioner of the Alaska Department of Transportation and Public Facilities (also referred to herein as the “Commissioner”) is required to fix and collect such fees, charges and rentals to be derived by the State from the ownership, lease, use and operation of the AIAS, as will provide Net Revenues (i.e., all Revenues less the maintenance and operating costs of the System) in each Fiscal Year at least equal to 1.25 times the sum of the Aggregate Annual Debt Service during such year plus any deposits required to be made during such year to the Reserve Account and the Repair and Replacement Reserve Account (the “Rate Covenant”). Unless declined by a written election by the Designated Representative, the term “Revenues” shall not include any federal subsidy legally available to pay the principal of or interest on Parity Bonds.

Reserve Account

Under the General Bond Resolution, a Reserve Account is maintained, along with the Bond Fund, to provide additional security for the repayment of all Parity Bonds. The General Bond Resolution provides that the Reserve Account will be maintained in an amount equal to the lowest of (i) Maximum Annual Debt Service with respect to all Parity Bonds; (ii) 125% of Average Annual Debt Service with respect to all Parity Bonds, and (iii) 10% of the initial amount of each series of Parity Bonds then Outstanding (the "Reserve Account Requirement"). Absent a written election by the Designated Representative to the contrary) Debt Service shall be calculated net of any federal subsidy legally available to pay the principal of or interest on the Bonds in the year of calculation. Thereafter, such federal subsidy shall no longer be included in the definition of Revenues.

Under the General Bond Resolution, all or any portion of the Reserve Account Requirement may be satisfied by the deposit of Qualified Insurance.

As used herein, the term Qualified Insurance means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which insurance company or companies, as of the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by any Rating Agency.

As of the date hereof, the current Reserve Account Requirement is \$[_____]. [As of the date hereof the Reserve Account had an asset balance of approximately \$27.8 million], an amount sufficient to satisfy the Reserve Account Requirement. Upon the issuance of the 2025A Bonds, the Reserve Account Requirement will be \$_____, and upon the issuance of the 2025B Bonds on the 2025B Settlement Date, the Reserve Account Requirement will be \$_____.^{*} There is currently no Qualified Insurance held in the Reserve Account.

The Registrar shall draw upon or otherwise collect amounts payable under any surety bonds held in the Reserve Account under the terms specified in each surety bond whenever moneys are otherwise required for purposes for which Reserve Account moneys may be applied under the General Bond Resolution. Any draw on a surety bond shall be made only after all funds in the Reserve Account have been expended.

In connection with the issuance of the Bonds, the System will satisfy the Reserve Account Requirement with available cash.

^{*} Preliminary, subject to change.

Outstanding Parity Bonds

The State has issued a total of \$1,050,628,000 principal amount of Parity Bonds under the General Bond Resolution (including refunding bonds). The Outstanding Parity Bonds (including refunding bonds), as of January 1, 2025, are as follows:

Designation	Issue Date	Final Maturity Date	Original Principal Amount	Current Outstanding Principal Amount
International Airports System Revenue Bonds, Series 2016A (Governmental - Non-AMT) **	02/10/16	10/01/31	\$73,635,000	\$53,375,000
International Airports System Revenue Refunding Bonds, Series 2016B (Governmental - Non-AMT) **	07/06/16	10/01/35	82,495,000	82,495,000
International Airports System Revenue Refunding Bonds, Series 2021A (Governmental – Non-AMT)	08/26/21	10/01/35	11,710,000	11,710,000
International Airports System Revenue Refunding Bonds, Series 2021B (Private Activity – Non-AMT)	08/26/21	10/01/32	7,460,000	7,460,000
International Airports System Revenue Refunding Bonds, Series 2021C (Private Activity - AMT)	08/26/21	10/01/30	66,340,000	55,970,000
Total			<u>\$241,640,000</u>	<u>\$211,010,000</u>

** Subject to market conditions, Prior Bonds subject to Invitation to Tender or refunding with a portion of the proceeds of the 2025B Bonds. See “REFUNDING PLAN.”

Future Parity Bonds

The State may issue Future Parity Bonds from time to time for any purpose of the State permitted by law, to include refunding or defeasance of any bonds then outstanding. All Future Parity Bonds will have an equal lien and charge upon Revenues. Any such issuance for other than a refunding or defeasance of Outstanding Parity Bonds will require: (i) authorizing legislation permitting the Future Parity Bonds to be issued; (ii) a finding by the Commissioner that the proceeds of the Future Parity Bonds will be expended on necessary projects, authorized by the Act; (iii) that the State is in compliance with all covenants of the General Bond Resolution; and (iv) a certification either from a consultant or the State that the Net Revenues during each of the three Fiscal Years following the earlier of (a) completion of the projects being financed with the proceeds of the Future Parity Bonds or (b) the date the capitalized interest of the Future Parity Bonds is expended, are projected to be equal to at least 1.25 times Aggregate Annual Debt Service for all Parity Bonds then Outstanding, including Future Parity Bonds then to be issued. The certification referred to above in (iv) shall not be required if the Future Parity Bonds are being issued to pay costs of facilities for which Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of a Designated Representative, and there is delivered a Consultant’s certificate stating that the nature and purpose of such facilities has not materially changed. For refunding bonds, the certificate referenced in (iv) above is required if the issuance increases Maximum Annual Debt Service (except for Future Parity Bonds issued to refund Parity Bonds within one year of maturity or for the payment of which sufficient Net Revenues or other moneys are not available). See, APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE NINTH SUPPLEMENTAL RESOLUTION.

Limited Liability

THE BONDS ARE NOT A GENERAL OBLIGATION OF THE STATE AND THE STATE DOES NOT PLEDGE ITS FULL FAITH AND CREDIT TO THE PAYMENT OF THE BONDS. THE ISSUANCE OF THE BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE

OR ANY POLITICAL SUBDIVISION THEREOF TO APPLY MONEY FROM, OR LEVY OR PLEDGE, ANY FORM OF TAXATION WHATSOEVER TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE STATE PAID OUT OF AND SECURED ONLY BY THE REVENUES DERIVED BY THE STATE FROM THE OWNERSHIP, LEASE, USE AND OPERATION OF THE SYSTEM.

THE STATE

State Government

Alaska is a sovereign state of the United States of America and is located in the far northwest corner of North America, to the west of Canada and approximately 500 miles north of the state of Washington. Alaska became the 49th state in 1959 pursuant to the Alaska Statehood Act, which was enacted by the United States Congress in 1958 (the “Statehood Act”). The Alaska Constitution was adopted by the Constitutional Convention on February 5, 1956, ratified by the people of Alaska on April 24, 1956, and became operative with the formal proclamation of statehood on January 3, 1959.

There are three branches of government: legislative, executive and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40 (the “Legislature”). The executive power of the State is vested in the Governor. The judicial power of the State is vested in a supreme court, a superior court and the courts established by the Legislature. The jurisdiction of courts and judicial districts are prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements and general administrative services through a variety of departments, State authorities and corporations.

State Bond Committee

The Legislature, by AS 37.15.110, created the Committee. The Committee is comprised of the Commissioner of the Department of Commerce, Community & Economic Development (Chairperson), the Commissioner of the Department of Revenue (Secretary), and the Commissioner of the Department of Administration (Member), or their respective designees. The Committee adopts resolutions and generally oversees the proceedings relating to the issuance of bonds by the State.

THE ALASKA INTERNATIONAL AIRPORTS SYSTEM

Introduction

AIAS is comprised of two international airports, ANC, located approximately three miles from downtown Anchorage, and FAI, located approximately five miles from central Fairbanks. Both airports provide passenger and cargo facilities and services, including seaplane bases for general and light aviation adjacent to and operated as part of both airports. Lake Hood Seaplane Base (“LHD”) is adjacent to and operated by ANC, and FAI’s East Ramp serves FAI’s general aviation community. Both airports have been owned by the State since Statehood in 1959, operated by the State since 1960 (after a brief transition period during which the Federal Aviation Administration (“FAA”) operated ANC and FAI); AIAS was formed in 1961 pursuant to AS 37.15.410-550.

AIAS is the State’s largest enterprise fund. AIAS is self-contained and revenues generated by the System are devoted to funding operations and capital projects of AIAS, including payment of debt service on bonds issued under the General Bond Resolution.

The System is managed by the Alaska Department of Transportation and Public Facilities (the “Department”). The Director of AIAS oversees the System, while a General Manager for each of ANC and FAI directs day to day operations at each airport. An Aviation Advisory Board (the “Board”) was established by Executive Order in

January 2003 and made permanent within the Department. The 11 member Board, appointed by the Governor, meets at least annually to provide recommendations on aviation policy issues to the Department.

Governance and Management

Following is biographical information of officials at the Department, AIAS, ANC and FAI.

Ryan Anderson, P.E., *Commissioner, Department of Transportation and Public Facilities*

[_____].

Angie Spear, *Interim Director, AIAS; Interim Manager, ANC; Airport Manager, FAI*

Ms. Spear was appointed the Interim AIAS Director and Interim ANC Manager on May 7, 2024. She also continues to serve as the FAI Airport Manager, a position to which she was appointed on November 1, 2018. She previously served as FAI's Deputy Director and Business Development Specialist, starting her airport career in 2005. Ms. Spear previously served as the Marketing Director at the John A. Carlson Center in Fairbanks. Prior to moving to Fairbanks, Ms. Spear resided in her hometown of Ketchikan, Alaska and worked for one of the largest Alaska based seafood companies where she was responsible for human resource, payroll, and accounting functions. She has a diverse private sector background in multiple industries including transportation, hospitality, lumber, and the seafood/fishing. Ms. Spear earned the Certified Member accreditation from the American Association of Airport Executives and has a broad array of airport specific accreditations. She is active in her local community and serves on the Board of Directors for the Fairbanks Economic Development Corporation.

Susan Ault, *Controller, AIAS*

Ms. Ault was appointed the AIAS Controller in February 2022. She previously served as FAI's Business Manager starting her airport career in 2013 and Ms. Ault has lived in Alaska for almost 41 years. Since 1998, Ms. Ault has had a long and diverse career with the Alaska Department of Transportation and Public Facilities, holding positions as Statewide Equipment Fleet Administrative Officer, Northern Region Maintenance and Operations Administrative Manager and Accounting Tech 2. She earned her Bachelor of Arts in Economics from the University of Alaska Fairbanks and the Certified Member accreditation from the American Association of Airport Executives. She is a member of the Government Financial Officers Association. In her community, Ms. Ault served as Honorary Commander of the 354th Operations Group, Eielson Air Force Base and currently serves as Secretary/Treasurer of the Alaska Machine Gun Association, Fairbanks.

OVERVIEW OF OPERATIONS

AIAS plays a significant role in State, national and international aviation systems functioning as an international gateway and hub for commercial aviation. As an airport system, AIAS is a reliable and profitable stop for trans-Pacific air cargo carriers to refuel and change crews before continuing to destinations in Europe, North America and Central America. The System currently serves over 40 European, Asian and North American cities with passenger and/or cargo flights, including non-stop, scheduled and charter service. The System also provides 24/7/365 access to emergency medical facilities, nearby airfields for U.S. military and facilities that support intra- and inter-State passenger and cargo flights. For air passengers, the System provides essential air service to Alaska residents, Alaska business and industry, U.S. military personnel and Alaska tourists. In FY 2023 and FY 2024, respectively, the System served approximately 6.5 million and 6.8 million passengers in total.

AIAS is the heart of Alaska's airport network, providing the foundation for general aviation activity across the State. The State owns 237 airports, most of which are rural airports and provide the only reasonable means of access to the many communities not connected to the Alaska road system. Given the geography and weather of Alaska, as well as the distances between rural, off-road communities, aviation and the network of State-owned airports provide a practical, and in many cases the only, transportation substitute for a road network.

See, “AVIATION ACTIVITIES AND ACTIVITY LEVELS” and “SYSTEM FINANCIAL OPERATIONS AND RESULTS – Management Discussion of System Operating Results.”

SYSTEM FACILITIES

Anchorage International Airport

ANC includes both domestic and international passenger terminals and a general aviation, air taxi base and seaplane base adjacent to ANC. Total airport property encompasses approximately 4,837 acres of land. The airport is a strategically located equidistant between Tokyo and New York and within 9.5 hours of approximately 90% of the industrialized world. This position along with advantageous airline rate structure supports ANC’s primary business model of an air cargo refueling and transloading hub along the Great Circle Route (see, “AVIATION ACTIVITIES AND ACTIVITY LEVELS — Airline Service – Geographical Map”). [ANC is ranked as the Number 2 cargo airport in the United States in Calendar Year (“CY”), based on air cargo tonnage, according to the FAA. In CY 2019, ANC was ranked Number 58 based on passenger enplanements and Number 2 based on air cargo landed weight, according to the FAA database. and is an important cargo airport globally.]

ANC also serves as the primary passenger airport in the State. The FAA classifies ANC as a medium-hub airport and ranked number 59 in the nation based on passenger enplanements which were 2,604,308 and 2,681,818 in CY 2022 and CY 2023, respectively, according to the FAA.

LHD is generally regarded as the largest seaplane base in the world, attracting aviation enthusiasts and pilots from around the globe. LHD, established in 1940, connects tourists and residents with remote fishing, hunting, and camping adventures throughout Alaska and is home to the Alaska Aviation Museum.

ANC Airfield

ANC airfield facilities include three runways capable of serving the world’s largest aircraft. All runways are greater than 10,600 feet one of which is 12,400 feet. The runways and associated taxiways are Design Group VI compliant. Two of the three runways are oriented east-west, and one is oriented north-south providing carriers the ability to land in crosswinds. Runway 7R, the primary arrival runway, is equipped with precise instrument landing systems (ILS). Additional airside facilities include 24 taxiways, aircraft parking aprons with hydrant-fueling positions for 81 wide-body and narrow-body aircraft, a number of additional non-hydrant aircraft parking positions for Design Group III and IV aircraft, and various runway lighting and air navigational systems. Forty-seven of the 81 aircraft parking positions are State-owned and 34 are on private leaseholds. Of these 81 parking positions, 47 are either dedicated to, or primarily used by, cargo aircraft, with eight more North Terminal aprons for overflow cargo aircraft parking. LHD, which is adjacent to ANC and managed as part of ANC, has a gravel runway for general aviation and seaplane facilities with three waterlanes.

ANC Passenger Terminals

ANC’s passenger terminal facilities include the approximately 834,000 square-foot domestic South Terminal and an approximately 312,000 square-foot North Terminal used primarily for international flights, which is connected to the South Terminal by an enclosed above-ground walkway.

The South Terminal consists of three concourses. Concourse A provides six ground-loading gates for regional carriers, all of which are preferentially leased. Between Concourse A and Concourse B are two L gates for ground loading regional carriers. These are preferentially leased with the exception of one quarter of the space remaining as administered by ANC. Concourse B has nine jet bridge-equipped gates, four of which are leased to airlines on a preferential basis, and five of which are administered by ANC on a per-turn basis. All the jet bridges on Concourse B are owned by ANC except for two, which are expected to be transferred to ANC in 2025. Concourse C has nine jet bridge-equipped gates that are preferentially leased, and all jet bridges are owned by ANC. The leasing status of all gates, as well as the number that have jet bridges, remains subject to change in accordance with the AIAS Operating Agreement and Passenger Terminal Lease. The Operating Agreement is discussed in “SYSTEM OPERATING AGREEMENT, REVENUES AND EXPENSES — Operating Agreement.”

The North Terminal facility has seven gates administered by ANC and one preferentially leased gate. The seven ANC-administered gates are jet bridge-equipped and used by both passenger and cargo aircraft. The North Terminal is also the location of several international and domestic cargo airline administrative offices, federal inspection service agencies and ANC's operations, security and badging offices.

ANC Cargo Facilities

ANC's air cargo facilities support the significant international air commerce between Asia and the United States by providing an air cargo hub for aircraft refueling, crew changes, and cargo transfers. The three largest airline air cargo integrators UPS, FedEx, and DHL, routinely utilize ANC facilities, and current interest of private investors indicates the sector's continued support of ANC as a major international air cargo hub.

Today, more than [] acres of land are leased and in various stages of development for construction of new cargo facilities at ANC. [UPS submitted an application for a 300,000 square foot air cargo warehouse located at the north end of ANC.] FedEx has begun construction of a new \$57 million, 98,000 square foot domestic operations facility located in the North Airpark. Also in the North Airpark, Alaska Cargo and Cold Storage has recently completed its environmental documentation and will begin construction of a 700,000 square foot climate-controlled cargo warehouse and parking apron to be located just north of the ANC passenger terminals along the east side of the north-south runway, with an estimated cost of \$200 million. In the South Airpark, NorthLink Aviation has begun construction of an air cargo campus including several widebody aircraft hardstands and supporting facilities estimated at \$125 million. In the West Airpark, [Atlas] has submitted a lease application to build its own hub and spoke facility including hardstands and supporting office and warehouse space. A sister company to Atlas Air, Inc., Polar Air Cargo Worldwide is 49% percent owned by DHL and in 2008, established DHL's trans-Pacific express business hub at ANC.

The private sector has invested over \$350 million in cargo facilities at ANC since 1996.

Alaska Airlines and Northern Air Cargo have invested more than \$70 million in cargo facility improvements. Alaska Airlines opened its new \$50 million Maintenance and Training Facility at ANC in []. The new facility is twice the size of the hangar it replaced and can simultaneously house two Boeing 737 Max 9 aircraft, which were individually too large to fit in the hangar replaced by the new facility. In addition to facility investments, Alaska Airlines has made equipment investments, replacing its fleet of propeller driven Q400 passenger aircraft, used primarily for certain intrastate routes, with Embraer 175 jet aircraft and replacing its fleet of Boeing 737-400 and 737-700 "Combi" aircraft (variably configurable to carry a combination of both passengers and cargo containers on main deck) with dedicated "all-cargo" Boeing 737-700 aircraft thereby upgrading its cargo aircraft capacity.

In 2006, UPS added a ground equipment maintenance and local distribution hub facility, and in 2005-2007, UPS added five wide-body parking aprons to increase its aircraft parking capacity to a total of eleven aprons. In 2021, UPS acquired Alaska Cargo Port LLC ANC land leases, including approximately \$22 million of associated cargo apron, warehouse, and local distribution hub facility improvements made between 1999 and 2005. In 2008, UPS opened a centralized wide-body pilot training facility at ANC.

FedEx has invested more than \$150 million in its ANC facilities and uses ANC as its hub for clearing incoming packages from Asia through U.S. Customs and Border Protection. In 2007, FedEx completed a multi-phased expansion of its international package sorting facility, a ground service equipment maintenance facility, and two aircraft parking aprons to bring its total to 12 wide-body parking aprons.

Lake Hood Seaplane Base

An historic general aviation airport, LHD is managed by ANC and located northeast of, and adjacent to the jet airport facilities of ANC. LHD, known as one of the most active and largest seaplane bases in the world, has two waterlanes connecting Lake Hood and Lake Spenard, a gravel airstrip and numerous facilities that support private and commercial general aviation. Approximately 1,000 aircraft are based on LHD which operates on a year-round basis – as a float plane facility in the summer and a ski-plane facility in the winter, while the gravel strip remains open year round. Taxiway V connects LHD to ANC.

Several investments and developments totaling \$[] are underway at LHD, including a t-hangar development by TLC Properties, a facility upgrade by Reeve Air Alaska with LHD-based operations and a parking development on the southeast side of the gravel strip.

ANC Other Leased Facilities

Additional facilities located at ANC include a Terminal Radar Approach Control (“TRACON”) facility and Air Traffic Control Tower (“ATCT”) owned by the FAA, privately-owned maintenance hangars, vehicle and aircraft fueling facilities and catering facilities. There are several State-owned parking facilities, including a 1,172 space parking garage (1,372 spaces for paid long-term and short-term parking), a 335-space “Park, Ride & Fly” lot and 1,258 employee parking spaces, that together accommodate a total of more than 4,100 vehicles. ANC’s consolidated rental car facility adds approximately 1,200 spaces. Anchorage’s primary United States Post Office facility is located on ANC’s premises as are two fixed based operators and other airline and ground handling businesses with land leases on the site of the former and repurposed Kulis Air National Guard base. The FAA has finalized design and in the fall of 2025 is expected to begin the anticipated 36-month construction of new and relocated TRACON and ATCT facilities at ANC.

ANC Rental Car Facility

A rental car facility (the “ANC Rental Car Facility”) is located on an approximately six-acre site at ANC, directly across from, and attached to, ANC’s South Terminal. The ANC Rental Car Facility consolidates all rental car customer operations at ANC into a single consolidated facility to which the State holds title, but leases the facility to the developer/operator, who in turn manages the facility and sub-leases operating space to rent-a-car companies. The rent-a-car companies also have entered into concession agreements with ANC obligating such companies to pay ANC a percentage of gross sales as rent. The facility consists of a four-level parking garage for the rental car operators and an underground passenger tunnel connecting the garage with ANC’s South Terminal.

Project development, design and construction of the ANC Rental Car Facility were paid for with proceeds of approximately \$63 million dollars of conduit revenue bonds issued by the Alaska Industrial Development and Export Authority (the “AIDEA Bonds”). The AIDEA Bonds are payable from the proceeds of Customer Facility Charges collected by the rental car companies as required by the Department; collection of Customer Facility Charges began in June 2005 from rental car customers, and the proceeds are remitted by the rental car companies directly to the trustee for the AIDEA Bonds. The System is not responsible for payment of debt service on the AIDEA Bonds. The operation and maintenance costs of the ANC Rental Car Facility are paid from Facility Maintenance Charge proceeds similarly collected by the rental car companies from their customers and remitted directly to the AIDEA Bonds trustee. The System is not financially obligated for the maintenance and operational expenses of the ANC Rental Car Facility.

Bill Sheffield Alaska Railroad Corporation Depot

The Alaska Railroad Corporation (“ARRC”) completed construction of the Bill Sheffield Alaska Railroad Corporation Depot in 2002, which is located adjacent to the ANC parking structure and connected to the South Terminal core area via pedestrian tunnel. The depot, which is both owned and operated by ARRC, totals 17,300 square feet and provides rail modal conveyance connection for ARRC passengers utilizing ANC.

Fairbanks International Airport

FAI, as a key airport within the System, plays a critical role in supporting the trans-Pacific air cargo network, providing an essential operational backup for cargo and passenger carriers. Should weather or other unforeseen conditions impact ANC, FAI can seamlessly accommodate air traffic, providing continued reliability. Due to its location on the north side of the Alaska Range, away from the ocean, FAI experiences different weather patterns from ANC, which can offer more flexibility in certain operational conditions.

As a small hub airport with less traffic than ANC, FAI also serves as a testing ground for aviation innovation. In 2023, FAI received a federal grant to lead a pilot project for PFAS (per- and polyfluoroalkyl substances) remediation in soil and water. Additionally, FAI has collaborated with the University of Alaska Fairbanks (“UAF”) to explore drone

operations, with UAF successfully launching and landing a drone on FAI's East Ramp in 2022. In 2024, FAI also launched Aurora, a robotic dog, for wildlife mitigation activities. Located approximately five miles southwest of downtown Fairbanks in the Fairbanks North Star Borough, FAI is a vital hub for interior and northern Alaska, featuring extensive civil and commercial general aviation facilities. In 2022 and 2023, FAI recorded 513,160 and 548,679 enplanements, respectively, making it the 129th busiest airport in the U.S. for passenger traffic and the 113th busiest for cargo, according to FAA statistics.

FAI Airfield and Cargo Facilities

FAI is equipped to handle all types and sizes of commercial aircraft, including the Boeing 747-8 and Airbus A380F, and even hosted the Antonov 225, the world's largest aircraft. The airport's 11,800-foot north-south runway is fully instrumented with precision approach systems, providing year-round operational reliability. The runway is particularly well-suited for cargo operations, as crosswind conditions exceeding 15 miles per hour occur less than 2% of the time. Four widebody hardstands further enhance FAI's capacity to support large aircraft, providing both an alternative to ANC for diversions and the ability to offer mid-route fueling for all aircraft currently in service. Other airfield infrastructure includes parallel and crossing taxiways, extensive aircraft parking, de-icing pads, and advanced lighting and navigation systems, all designed to meet the demands of commercial aviation.

FAI also supports a thriving general aviation community, with the East Ramp serving as a hub for over 120,000 annual aircraft operations. The East Ramp is equipped with two runways (4,500 feet paved and 2,900 feet gravel) and a floatplane base, supporting more than 500 based aircraft. In addition to serving as a base for general aviation, it provides scheduled air services from gravel, paved, and water surfaces.

FAI Passenger Facilities

FAI's 146,000-square-foot passenger terminal accommodates regional, domestic, and international flights. The terminal features six gates with jetways for major carriers, along with two ground-loading gates for regional carriers and a third ground-loading gate for international general aviation flights. Two of the six gates are designated as "swing" gates, capable of serving both domestic and international flights, providing flexibility in handling passenger traffic.

FAI Leased Facilities

FAI is actively expanding its leased facilities to meet growing demand. A new rental car facility is under development, which will add over 80 covered parking spaces to the FAI's existing 850 parking spaces. FAI also benefits from services provided by two fixed-base operators, along with other dedicated ground handling and fueling companies.

One of the largest upcoming projects at FAI involves relocating the State of Alaska Department of Natural Resources/U.S. Bureau of Land Management Firefighting Service complex to FAI. The new facility will support both aircraft tankers and helicopters, with the design and environmental review phases already underway. This development will be the single largest private development ever within the System in terms of size and investment.

Additionally, numerous lease lots on the East Ramp cater to general aviation, offering hangar space, maintenance facilities, and tiedown spots, as well as dining options. On the West Ramp, the newly constructed LifeMed facility and Omni Logistics' ground handling campus, including the largest on airport hangar at FAI, support commercial operations.

The FAA plans to construct a new ATCT at FAI. The design and permitting phases are currently in progress, with construction expected to begin in 2026.

ANC and FAI Master Plans

ANC's Master Plan Update ("MPU") is expected to be complete by the end of first quarter 2025. The MPU was based on a new forecast recently approved by the FAA. The forecast predicts, as before, modest, positive growth

for passenger activity at ANC: approximately 2.3% annually for total enplaned passenger activity over the 20-year forecast period. For intra-State and Asia/North Pacific and other U.S. all-cargo carrier tonnage, the MPU forecast predicts average annual growth of 1% and 2.8%, respectively, over the 20-year forecast period. Evidenced by rising activity levels and current planned airside development, ANC anticipates some needed investments to increase both passenger and cargo capacity. In the near term, four widebody hardstands are planned for construction in 2028 using federal and AIAS funding sources, and a TSA expansion project for which funding has yet to be determined, is anticipated within the 10-year horizon.

FAI's most recent update to its Master Plan was completed in 2014 and based on System forecast aviation demand developed in the 2013 AIAS Forecast Technical Report. The comprehensive study generally indicated modest, positive average annual growth in both passenger traffic (approximately 1.1% to 1.3% baseline) and cargo tonnage (approximately 1.3% for FAI) through 2030, and FAI activity is meeting that forecast. FAI intends to initiate its Master Plan Update in 2025, however, it anticipates near and mid-term facility requirements to be generally modest and for the most part, met using current funding sources and levels.

ECONOMIC DEMAND FOR AIR SERVICE

ANC and FAI serve both the local traffic generated in the Anchorage and Fairbanks air trade areas, and the broader State-wide market where AIAS provides in-State origin and destination and global connections.

Anchorage Air Trade Area

The greater air trade area for ANC (the "ANC Air Trade Area") includes the areas immediately surrounding Anchorage as well as the entire State north of the far southeast "Panhandle" (which is served primarily by jet airports at Ketchikan, Juneau and Sitka, and overlapped by the air trade area of the Seattle-Tacoma International Airport). The primary region within the ANC Air Trade Area consists of the Municipality of Anchorage, Alaska ("Anchorage") and the Matanuska-Susitna Borough, Alaska ("Mat-Su Borough," and together with Anchorage, the "Anchorage Region"). ANC is the only airport in the Anchorage Region with scheduled air carrier service. Data from the ANC Air Trade Area is used to represent ANC's entire service area (both immediate and greater).

Fairbanks Air Trade Area

The air trade area for FAI (the "FAI Air Trade Area") is the interior economic region of the State, primarily the Fairbanks Borough, the Denali Borough, Alaska (the "Denali Borough"), the Southeast Fairbanks Census Area and the Yukon-Koyukuk Census Area (collectively, the "Fairbanks Region"). FAI also serves as the major commercial airport for many of the smaller communities located in interior and northern parts of the State. The Fairbanks Borough lies in the Tanana Valley in the interior of the State at the northern terminus of the Alaska Highway and the Alaska Railroad. It is about 230 nautical miles by air (about 360 highway miles) northeast of Anchorage and 80 miles south of the Arctic Circle. Data from FAI Air Trade Area is used to represent FAI's entire service area.

AIR-TRADE AREA EMPLOYMENT

TABLE 1
EMPLOYMENT IN THE ANCHORAGE REGION BY SECTOR
CY 2023
(Percent)

INDUSTRY		
Services & Miscellaneous		44.5%
<i>Educational & Health Services</i>	18.4	
<i>Leisure & Hospitality</i>	11.6	
<i>Professional & Business Services</i>	10.8	
<i>Other Services</i>	3.7	
Government		18.2
<i>Local</i>	6.4	
<i>State</i>	6.8	
<i>Federal</i>	5.0	
Trade/Transportation/Utilities		22.2
<i>Wholesale Trade</i>	2.8	
<i>Retail Trade</i>	11.4	
<i>Transportation/Warehouse/Public Utilities</i>	8.1	
Construction		6.1
Finance/Information		6.4
Natural Resources & Mining		1.3
Manufacturing		1.3
TOTAL EMPLOYMENT		100.0%

Totals may not add due to rounding.

Source: Alaska Department of Labor and Workforce Development.

TABLE 2
EMPLOYMENT IN THE FAIRBANKS REGION BY SECTOR
CY 2023
(Percent)

INDUSTRY		
Services & Miscellaneous		38.2%
<i>Educational & Health Services</i>	17.9	
<i>Leisure & Hospitality</i>	5.3	
<i>Professional & Business Services</i>	12.5	
<i>Other Services</i>	2.5	
Government		20.3
<i>Local</i>	6.7	
<i>State</i>	6.5	
<i>Federal</i>	7.1	
Trade/Transportation/Utilities		21.3
<i>Wholesale Trade</i>	2.9	
<i>Retail Trade</i>	7.0	
<i>Transportation/Warehouse/Public Utilities</i>	11.4	
Construction		8.4
Finance/Information		7.2
Natural Resources & Mining		3.6
Manufacturing		1.1
TOTAL EMPLOYMENT		100.0%

Totals may not add due to rounding.

Source: Alaska Department of Labor and Workforce Development.

Population Trends

According to the 2020 Census, the population of the Anchorage Region was 398,328, which accounted for approximately 54.3% of the State's 733,391 residents. The Anchorage Region is the leading trade, supply, banking and communications center of the State. Oil and gas extraction and oilfield services are a significant contributor to the Anchorage Region and Statewide payroll due to the relatively high wages per employee. Federal (including Joint Base Elmendorf-Richardson), State and local government are also significant employers in the Anchorage Region.

According to the 2020 Census, the total Fairbanks Region population was 109,425, which accounted for approximately 14.9 percent of the State population. In 1968, oil and gas reserves were discovered on Alaska's North Slope, and the Fairbanks Borough became the staging, service and supply center for the construction of the \$7 billion, 809-mile Alaska Pipeline completed in 1977. The discovery of oil and the construction of the transmission pipeline accelerated growth in nearly all sectors of the Fairbanks Borough's economy. No single project on a comparable scale has affected the Fairbanks Borough since the pipeline; however, since 1980, the Fairbanks Borough has experienced moderate growth in population, income and employment throughout the economy, specifically the construction, finance, services and trade industries. Military and defense establishments also constitute an important segment of the Fairbanks Borough's economy, as does UAF. Both Fort Wainwright and Eielson Air Force Base are located within the Fairbanks Borough.

Table 3 illustrates the historical population for the Anchorage Air Trade Area, the Fairbanks Air Trade Region, the State and the United States.

TABLE 3
SUMMARY OF HISTORICAL POPULATION
THE AIR TRADE AREA, THE STATE AND THE UNITED STATES⁽¹⁾
CY 2019-2023

Year	Anchorage Air Trade Area⁽²⁾	Fairbanks Air Trade Area⁽³⁾	Total Area	State of Alaska	United States (millions)
2019	399,269	110,067	509,336	732,734	328.2
2020	398,328	109,421	507,753	733,391	331.1
2021	399,539	111,561	511,100	736,110	332.6
2022	401,767	110,665	512,432	736,508	334.0
2023	403,573	109,801	513,374	736,812	335.8

⁽¹⁾ Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "Population of Alaska by Economic Region, Borough and Census Area, 2020 to 2023" report, and U.S. Census Bureau "Monthly Population Estimates for the United States: April 1, 2020 to December 1, 2024" report for 2021 through 2023 estimates. 2020 is actual.

⁽²⁾ Anchorage Region population includes Anchorage and the Mat-Su Borough.

⁽³⁾ Fairbanks Region includes the Fairbanks Borough, Southeast Fairbanks Census Area, Denali Borough, and Yukon-Koyukuk Census Area.

Economic Overview of Alaska

The economic and demographic information provided below has been derived from State publications and services which the State considers to be reliable. Such information is accurate as of its date. However, no assurance can be given that such information has not changed since its date.

Income. In 2023 and 2022, Alaska had a median household income of \$86,631 (ranking 13th) and \$91,757 (ranking 12th) in the United States respectively.

Employment. Alaska Department of Labor and Workforce Development data shows the September 2024 unemployment rate for the State was 4.6 percent, as compared to a national unemployment rate for the same period of approximately 4.1 percent. Historically, the State’s unemployment rate has exceeded the national rate. The unemployment rate for the Anchorage Region and Fairbanks Region for September 2024 was 3.6 percent and 3.7 percent, respectively.

Tourism. An estimated 2,648,600 out-of-State visitors traveled to Alaska between May and September 2023, a 20 percent increase from pre-COVID total of 2,213,000 in summer 2019. Transportation market data for the summer of 2023 indicates the following modes of transportation by visitors: 65 percent traveled by cruise ship; 32 percent were air visitors (entered and exited the State by air); and 3 percent were highway/ferry visitors (entered or exited the State by highway or ferry). The increase is largely attributable to a 29 percent growth in cruise visitors, although air visitors increased by 8 percent for the summer and 13 percent for the year (May 2023 – April 2024). In Alaska, the two primary types of cruises are: 1) round-trip through the Alaska Inside Passage route and 2) across the Gulf of Alaska. The majority of cruise visitors crossing the Gulf of Alaska travel one way on the cruise ship and one way on an airplane. In 2024 and 2023 there were 461,000 and 415,000 cross gulf cruise visitors, respectively, compared to 432,000 cross-gulf cruise visitors in 2019. Cross-gulf cruise visitors account for roughly 24% of the overall Alaska cruise market. Based on this data, approximately 17% of ANC’s 2024 enplanements (2,648,000) resulted from cross-gulf cruise visitors.

See, APPENDIX F—SUMMARY INFORMATION REGARDING THE ECONOMY OF THE STATE” FOR ADDITIONAL INFORMATION REGARDING THE STATE OF ALASKA ECONOMY.

AVIATION ACTIVITIES AND ACTIVITY LEVELS

Anchorage Passenger Activity

Enplaned passenger activity at ANC has increased from approximately 2.7 million in FY 2015 to approximately 2.8 million in FY 2024, an average compound annual growth rate of approximately []%.

Set forth on the following page are tables showing passenger activity levels for the fiscal years ended June 30, 2015, through 2024 for ANC. Total passengers include passenger enplanements, passenger deplanements and in-transit passengers.

TABLE 4
Ted Stevens Anchorage International Airport
ANNUAL PASSENGER ACTIVITY
(Thousands)

Fiscal Year	Passenger Enplanements	Passenger Deplanements	In-Transit	Total*
2015	2,668	2,654	42	5,364
2016	2,775	2,764	19	5,558
2017	2,726	2,725	27	5,479
2018	2,742	2,732	25	5,499
2019	2,824	2,820	49	5,693
2020	2,198	2,177	37	4,412
2021	1,452	1,501	43	2,996
2022	2,564	2,554	46	5,164
2023	2,712	2,675	64	5,451
2024	2,812	2,799	52	5,663

*Totals may not add due to rounding.

Source: Ted Stevens Anchorage International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

TABLE 5
Ted Stevens Anchorage International Airport
ANNUAL PASSENGER ENPLANEMENTS
(Thousands)

Fiscal Year	Domestic Enplanements	International Enplanements	Total*
2015	2,633	35	2,668
2016	2,742	33	2,775
2017	2,691	35	2,726
2018	2,705	37	2,742
2019	2,785	40	2,825
2020	2,169	29	2,198
2021	1,452	0	1,452
2022	2,558	6	2,564
2023	2,682	30	2,712
2024	2,782	30	2,812

* Totals may not add due to rounding.

Source: Ted Stevens Anchorage International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

Passenger Enplanements and Origin and Destination Traffic. A large percentage of domestic passengers using ANC are either beginning or ending their trips at ANC, and nearly all of them are necessarily beginning and/or ending their journey within the ANC Air Trade Area. This type of passenger activity is commonly referred to as origin and destination (“O&D”) passenger traffic. As of the most recent forecast of aviation demand completed by an outside consultant (August 2023), approximately 78% of total enplanements at ANC were O&D. Virtually all AIAS deplanements are essentially O&D, as no alternative hubs exist to reach the majority of other Alaskan regions, excluding southeast Alaska.

Connecting traffic in the System has a different character from the connecting traffic at typical hub airports in the “Lower 48 States.” Connecting traffic at a typical hub airport uses the hub to connect multiple communities that are mostly, if not all, beyond the hub airport’s air trade area. Such flights could, in theory, be shifted to use some other airport as a hub by rerouting traffic. ANC, on the other hand, is the only airport in the State available to connect flights both between the many much smaller communities within the majority of the State and with flights to the Lower 48 states and international destinations. These communities are highly reliant on air travel due to the State’s vast expanse and limited road system, but far too small to support direct service to anywhere but Anchorage.

ANC serves as the primary in-State air center. Domestic traffic connecting through ANC originates in, or is destined for, the ANC Air Trade Area, within which there is no other airport currently capable of serving as that connecting point. ANC’s connecting passengers are for all practical purposes, O&D-equivalents. Additionally, ANC’s status as the hub for the ANC Air Trade Area is based entirely on geography as ANC is the only large commercial and population center within a radius of over 1,300 miles.

Most ANC passenger enplanements are domestic and most seasonal scheduled international passenger service is provided by airlines such as Air Canada, Condor Flugdienst GmbH, EW Discover GmbH and seasonal charter service provided by carriers including Korean Airlines and Air North Partnership.

[ANC Top Five Non-Stop Destinations. According to USDOT T100 Segment Data, in CY 2019, the top five direct service passenger destinations for ANC were: (1) Seattle, Washington, (2) Fairbanks, Alaska, (3) Minneapolis, Minnesota, (4) Juneau, Alaska, and (5) Portland, Oregon.]

ANC Top Ten Passenger Airlines. The list below sets forth the top ten ANC passenger airlines by number of their ANC passenger enplanements for CY 2023 and CY 2022.

TABLE 6
Ted Stevens Anchorage International Airport
TOP TEN PASSENGER AIRLINES
(CY 2023 with CY 2022 Comparative Enplanements)

	CY 2023	CY 2022
Alaska Airlines Inc. (Includes Horizon)	1,969,412	1,831,665
Delta Air Lines Inc.	345,023	365,085
United Air Lines Inc.	164,540	155,447
Northern Pacific Airways	88,815	118,504
American Airlines, Inc.	79,676	64,355
Conoco Phillips Alaska, Inc. (Includes Non-Scheduled)	35,742	33,671
Grant Aviation (Includes Non-scheduled)	34,818	27,540
Sun Country Airlines Inc.	20,192	17,445
Air Canada	16,837	14,054
Aleutian Airways	11,903	605
	<u>2,766,958</u>	<u>2,628,371</u>

Source: Ted Stevens Anchorage International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

Fairbanks Passenger Activity

According to System data, the number of enplaned passengers at FAI in FY 2024 and FY 2023 were 576,750 and 544,235, respectively. From FY 2015 to FY 2024, total enplanements grew from approximately 510,000 to 576,750, at an average annual compound growth rate of approximately []%.

Set forth below are tables showing passenger activity levels for FY 2015 through FY 2024 at FAI. Total passengers include passenger enplanements, passenger deplanements and in-transit passengers.

TABLE 7
Fairbanks International Airport
ANNUAL PASSENGER ACTIVITY
(Thousands)

Fiscal Year	Enplanements	Deplanements	In-Transit	Total*
2015	510	513	49	1,072
2016	547	548	24	1,119
2017	573	576	23	1,172
2018	576	580	24	1,180
2019	580	588	24	1,192
2020	451	449	1	901
2021	288	292	1	581
2022	520	514	6	1,040
2023	544	538	0	1,082
2024	577	581	0	1,158

* Totals may not add due to rounding.

Source: Fairbanks International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

TABLE 8
Fairbanks International Airport
ANNUAL PASSENGER ENPLANEMENTS
(Thousands)

Fiscal Year	Domestic	International	Total*
2015	498	12	510
2016	540	7	547
2017	563	10	573
2018	566	10	576
2019	572	8	580
2020	446	5	451
2021	288	0	288
2022	519	1	520
2023	540	4	544
2024	570	7	577

* Totals may not add due to rounding.

Source: Fairbanks International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

FAI Top Five Non-Stop Destinations. According to USDOT T100 Segment Data, in CY 2023, the top five direct (non-stop) passenger destinations for FAI were (1) Seattle, Washington, (2) Anchorage, Alaska, (3) Chicago, Illinois, (4) Minneapolis, Minnesota, and (5) Galena, Alaska.

FAI Top Ten Passenger Airlines. Table 9 below sets forth the top ten FAI passenger airlines, respective passenger enplanements, for CY 2023, with comparative CY 2022 data.

TABLE 9
Fairbanks International Airport
TOP TEN PASSENGER AIRLINES
(CY 2023 with CY 2022 Comparative Enplanements)

	CY 2023	CY 2022
Alaska Airlines Inc. (Includes Horizon)	428,967	391,925
Delta Air Lines Inc.	70,146	71,956
Wright Air Service (Includes Non-Scheduled)	27,097	27,540
United Air Lines Inc.	15,074	14,678
Tatonduk Outfitters Limited	8,753	5,580
Warbelow's Air Ventures Inc.	8,448	8,613
Air North Partnership Ltd.	4,394	3,033
Northern Pacific Airways	549	544
Condor Flugdienst GmbH 530	530	2,038
Alascom Inc.	254	55
Total	564,212	525,962

Source: Fairbanks International Airport Certified Activity Reports Fiscal Years – July 1 – June 30.

System Passenger Service.

The map below shows CY 2023 direct (non-stop) scheduled domestic passenger service from and to ANC and FAI.

ANC-FAI Top 10 Top 5 Passenger Routes CY2023 Including Intra-Alaska

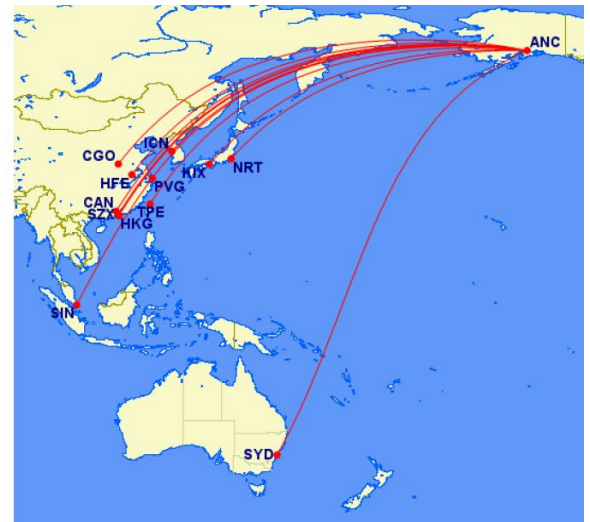
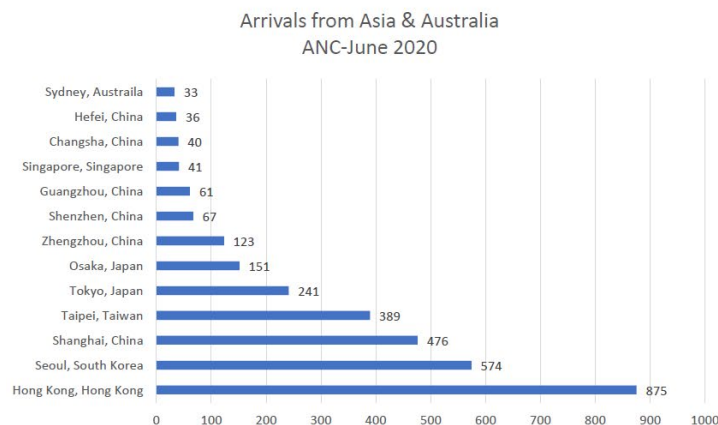
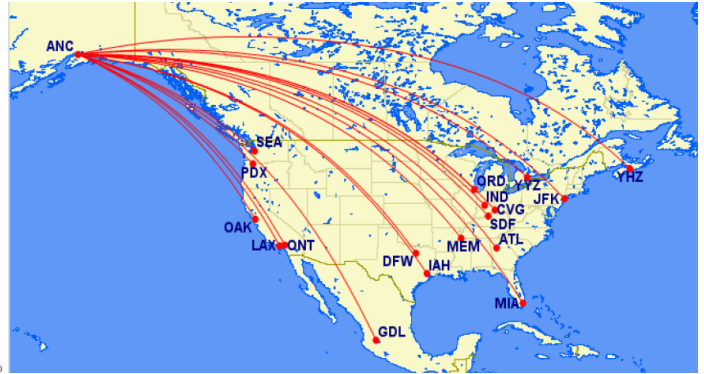
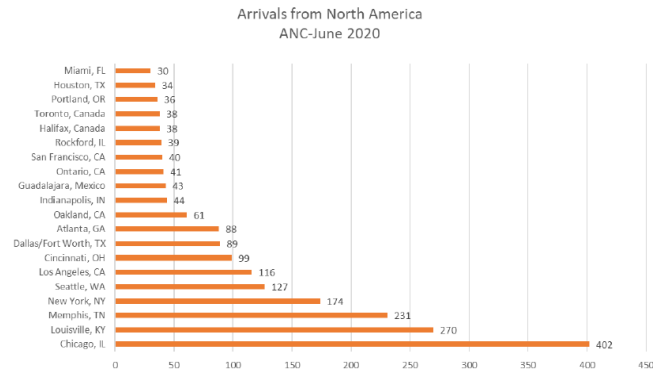


The source for this information is 2023 US DOT BTS T100 Domestic Market (US Carriers)
<https://www.transtats.bts.gov/airports.asp?20=E>

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Map data © OpenStreetMap contributors, Microsoft, Facebook, Inc. and its affiliates, Esri Community Maps contributors, Map layer by Esri

Anchorage Cargo Activity

ANCHORAGE INTERNATIONAL CARGO AIRLINE FREIGHTER MARKETS: [IMAGES TO BE UPDATED]



Air cargo and express package services defined as international cargo, intrastate cargo and other domestic cargo continue to be the most significant portion of the overall activity at ANC with international cargo accounting for 68% of total cargo volume at ANC in 2022. ANC is the major air gateway to the State for both passengers and air cargo, and its strategic global location has also made it an important international cargo gateway used for express package sorting, refueling and as a cargo transfer and cargo technical stop center for air cargo freighters flying between Asia and North America. ANC enjoys a broad base of cargo business, as evidenced by the large number and global diversity of its cargo carriers (as detailed in Table 14) [and the fact that the largest cargo operators by landed weight, Cathay Pacific at 11.87% and UPS at 12.72%, represented approximately 7.0% and 7.24%, respectively, of total AIAS operating revenues (including PFCs) in FY 2020.] See, “SYSTEM FINANCIAL OPERATIONS AND RESULTS — Management Discussion of System Operating Results.”

The primary advantage ANC offers international air cargo carriers remains the increased revenue yield per flight available from the added payload that trans-Pacific flights via ANC can carry. Midpoint refueling at ANC minimizes what is commonly referred to in the industry as a “payload penalty,” or the reduction of cargo capacity due to the greater weight of fuel needed to overfly a midpoint refueling stop such as ANC. A second advantage is the low cost to the carrier to use ANC as compared with many other airports, due in part to airlines’ ability to break cargo flights into shorter segments so that one crew alone can fly each segment. A third advantage is the opportunity to increase aircraft utilization and route efficiency by balancing payloads between aircraft arriving from and departing to multiple points. A fourth advantage is that carriers are able to use transfers to combine loads and reach more markets without adding aircraft.

The average number of all-cargo aircraft landings at ANC increased from approximately 973 per week in FY 2023 to approximately 1,018 in FY 2024. During that same period, annual all-cargo certificated maximum gross takeoff weight at ANC (measured in 1,000 lb. units) increased from 30,956,097 to 32,819,827, an increase of 6.0%. [This increase has been driven by both increased global e-commerce as well as cargo traffic levels that are closely

correlated with global economic conditions, including increases in COVID-19 pandemic supplies such as PPE in the last three months of FY 2020.]

International Cargo Traffic. The list of international cargo operators at ANC in Table 14 reflects ANC's proximity to Asia and other parts of North America. For 2023, ANC is listed as the fourth busiest air cargo airport in the world and the second busiest in North America as measured by landed weight in metric tonnes. Over 40 Asian and North American cities are now linked by direct cargo flights to and from ANC.

Federal Legislation. Beginning in 1996, the U.S. Department of Transportation provided foreign air carriers expanded air cargo transfer authority, including change of gauge operations (e.g., change of plane size), when transiting System airports. Federal law was amended more significantly as part of the FAA Reauthorization Bill enacted on December 12, 2003, to grant foreign air cargo carriers operating via the State liberalized authority to transfer cargo to other foreign carriers to complete the international journey to or from the United States. The law allows the carriage of international origin and destination cargo on a foreign air carrier between Alaska and other points in the United States, even before or after a transfer in Alaska from a different foreign carrier, in the course of continuing international transportation involving a qualifying arrangement with a U.S. domestic air carrier. This legislation represents a large expansion of air service rights via ANC and FAI for foreign air carriers, which operate much of the trans-Pacific wide-body air freighter fleet, over rights available at any other U.S. airport.

In August of 2020, the U.S. Department of Transportation extended the existing liberalized cargo transfer rights to also apply to passenger service using AIAS airports. Foreign air carriers will now have the ability to transfer passengers among their own aircraft, change of gauge, co-terminalize foreign and domestic passengers, and transfer passenger between international destinations.

Air Cargo Facilities. There are approximately 265 acres dedicated to air cargo facilities at ANC. These areas include 1,210,000 square feet of buildings, 1,052,000 square yards of apron and 135,000 square yards of auto parking and landside support. These facilities are located in each of the three principal development areas of the airport, the North Airpark, East Airpark and South Airpark. ANC also has several million square feet of vacant land well-located for future cargo development.

TABLE 10
Ted Stevens Anchorage International Airport
ANNUAL ALL-CARGO AIRCRAFT LANDINGS

Fiscal Year	Domestic	International	Total
2015	19,894	17,373	37,267
2016	19,608	17,896	37,504
2017	24,590	14,223	38,813
2018	26,950	14,317	41,267
2019	28,154	13,745	41,899
2020	31,264	13,988	45,252
2021	37,360	15,219	52,579
2022	39,399	15,939	55,338
2023	35,036	15,326	50,362
2024	37,436	14,660	52,096

Source: Ted Stevens Anchorage International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

TABLE 11
Ted Stevens Anchorage International Airport
ANNUAL ALL-CARGO AIRCRAFT CERTIFICATED
MAXIMUM GROSS TAKEOFF WEIGHT
(Millions of pounds)

Fiscal Year	Domestic	International	Total
2015	6,235	15,736	21,971
2016	5,517	16,246	21,763
2017	9,390	12,888	22,278
2018	11,012	12,897	23,909
2019	12,599	11,603	24,202
2020	14,056	12,501	26,557
2021	17,907	13,548	31,455
2022	19,400	13,981	33,381
2023	17,410	13,437	30,847
2024	19,687	12,786	32,473

Source: Ted Stevens Anchorage International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

Fairbanks Cargo and Infrastructure

Although FAI is not currently used as a refueling stop for regularly scheduled intercontinental air cargo freighters, it is an important and essential alternate for the AIAS. FAI provides surety for any necessary diversion from ANC, and FAI is a critical diversionary hub for ANC and provides the operational reliability carriers need when transiting the Pacific. See, “ECONOMIC DEMAND FOR AIR SERVICE — Anchorage Cargo Activity – Federal Legislation” herein.

Fairbanks Infrastructure. FAI is equipped with a primary air carrier runway (Runway 2L/20R) spanning 11,800 feet that is supported by a full instrument landing system (ILS) and precision approach facilities. In 2013, the runway underwent a complete reconstruction, ensuring its capability to accommodate wide-body freighter fleets operating trans-Pacific and trans-Atlantic cargo flights year-round. The runway's lighting system is expected to be replaced in 2025, further enhancing operational safety and efficiency while minimizing payload penalties for cargo carriers.

In 2023, FAI also upgraded its smaller general aviation runway on the East Ramp. The runway was expanded from 3,200 feet by 60 feet to 4,500 feet by 100 feet, enabling operations by Design Group II aircraft (wingspans between 49–79 feet), such as the Beechcraft 1900. These aircraft predominantly serve rural Alaska and previously required taxiing across the airfield to access the main air carrier runway. This expansion has significantly reduced taxi times and associated costs, minimized hazardous runway crossings, and freed capacity on the primary runway for larger aircraft.

Domestic Cargo Activity. Domestic cargo activity encompassing inter- and intra-state services are vital to Alaska’s economy and quality of life. FAI serves as the cargo hub for interior Alaska and the North Slope, connecting communities where surface transportation infrastructure is limited or nonexistent. The lack of surface transportation alternatives and vast distances between in-State destinations continue to drive air cargo demand and activity. Amazon Air provides daily cargo service to FAI on the 737 aircraft, bringing ecommerce to the Fairbanks community.

International Cargo Traffic. Although FAI is not currently served by regular non-stop international cargo flights, it holds exemption authority under the federal legislation allowing foreign carriers to perform expanded cargo transfer operations. These authorities permit interline transfers of cargo en route between the lower 48 states and international origins or destinations under specific conditions. . This exemption positions FAI as a potential hub for international cargo traffic, creating opportunities for future growth and connectivity within global logistics networks.

TABLE 12
Fairbanks International Airport
ANNUAL ALL-CARGO AIRCRAFT LANDINGS

Fiscal Year	Domestic	International	Total
2015	2,564	4	2,568
2016	2,320	2	2,322
2017	2,473	4	2,477
2018	2,644	15	2,659
2019	2,547	2	2,549
2020	2,313	2	2,315
2021	2,410	0	2,410
2022	2,610	45	2,655
2023	2,336	7	2,343
2024	2,227	15	2,242

Source: Fairbanks International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

TABLE 13
Fairbanks International Airport
ANNUAL ALL-CARGO AIRCRAFT CERTIFICATED
MAXIMUM GROSS TAKEOFF WEIGHT
(Thousands of pounds)

Fiscal Year	Domestic	International	Total
2015	137	3	140
2016	116	2	118
2017	126	4	130
2018	120	12	132
2019	107	3	110
2020	85	2	87
2021	75	0	75
2022	163	24	187
2023	117	6	123
2024	124	13	137

Source: Fairbanks International Airport Certified Activity Reports Fiscal Years - July 1 - June 30.

Airline Service

The following tables list the air carriers reporting passengers and/or cargo movements at the Airports through FY 2024.

TABLE 14
Ted Stevens Anchorage International Airport
COMMERCIAL AIR CARRIERS^(*)
FY 2024 (Some service is seasonal)

Scheduled Domestic Passenger Service

Alaska Airlines, Inc.
Alaska Central Express, Inc.
Aleutian Airways LLC
American Airlines, Inc. (Seasonal)
Delta Air Lines, Inc.
Grant Aviation Inc.

New Pacific Airlines, Inc.
Sun Country Airlines (Seasonal)
TransNorthern LLC
United Airlines, Inc. (Seasonal)
Warbelow's Air Ventures, Inc.
Wrights Air Service, Inc.

Scheduled International Passenger Service

Air Canada (Seasonal)
Air North Partnership Ltd (Seasonal)
Condor Flugdienst, GmbH (Seasonal)

EW Discover GmbH (Seasonal)
Korean Air Lines Co Ltd (Charter)

Non-Scheduled Passenger Service

40-Mile Air Ltd
Alascom
Atlas Air, Inc.
ConocoPhillips Alaska, Inc.
Dena'ina Air Tax, LLC
Guardian Flight, Inc.

National Air Cargo Group, Inc.
Nippon Cargo Airlines Co Ltd
Omni Air International
Tatonduk Outfitters Limited
Warbelow's Air Ventures, Inc.

All-Cargo Operators

Aerotransportes Mas De Carga SA de CV
Air China Cargo Company Ltd
Air Transport International
AirBridge Cargo Airlines, LLC
Alaska Aerofuel, Inc.
Alaska Air Fuel, Inc.
Alaska Airlines, Inc.
Alaska Central Express, Inc.
All Nippon Airways Co. Ltd
Asiana Airlines, Inc.
Atlas Air, Inc.
Cargolux Airlines International S.A.
Cathay Pacific Airways, Ltd.
China Airlines, Ltd.
China Cargo Airlines, Inc.
China Southern Airlines Co. Ltd.
Desert Air Transport, Inc.
Empire Airlines, Inc.
Etihad Airways
Eva Airways Corporation

Everts Air Fuel, Inc.
Federal Express Corporation
Kalitta Air, LLC
Korean Air Lines Co., Ltd.
Lynden Air Cargo, LLC
National Air Cargo Group, Inc.
Nippon Cargo Airlines Co Ltd
Northern Air Cargo LLC
Polar Air Cargo Worldwide, Inc.
Qantas Airways, Ltd.
Silk Way West Airlines Inc.
Singapore Airlines, Ltd.
Sky Lease I, Inc.
Sun Country Airlines, Inc.
Suparna Airlines Co., Ltd.
Tatonduk Outfitters, Ltd.
TransNorthern Aviation, LLC
United Parcel Service
Western Global Airlines

(*) Bold type indicates Airline is signatory to the current Operating Agreement, see discussion of Operating Agreement below.
Source: Alaska International Airports System Management Records and the Official Airline Guide.

TABLE 15
Fairbanks International Airport
COMMERCIAL AIR CARRIERS^(*)
As of June 30, 2024 (Some service is seasonal)

<u>Scheduled Domestic Passenger Service</u>	
Alaska Airlines, Inc. Delta Air Lines, Inc.	Tatonduk Outfitters, Ltd. United Airlines, Inc. (Seasonal) Warbelow's Air Ventures, Inc. Wright Air Service, Inc.
<u>Scheduled International Passenger Service</u>	
Air North Partnership Ltd	
<u>Non-Scheduled Passenger Service</u>	
Alascom Inc. ConocoPhillips Alaska, Inc.	New Pacific Airlines, Inc. Security Aviation Inc.
<u>All-Cargo Operators</u>	
Alaska Central Express, Inc. Empire Airlines, Inc. Everts Air Fuel, Inc.	Lynden Air Cargo, LLC Amazon Air Tatonduk Outfitters, Ltd. TransNorthern Aviation, LLC

(*) Bold type indicates Airline is signatory to the current Operating Agreement, see discussion of Operating Agreement below.
Source: Alaska International Airports System Management Records and the Official Airline Guide.

SYSTEM OPERATING AGREEMENT, REVENUES AND EXPENSES

General

The Department, owner and operator of the System and its Airports, ANC and FAI, is party to the AIAS Operating Agreement and Passenger Terminal Lease (the "Operating Agreement") with certain airlines (the "Signatory Airlines") serving the Airports. The Operating Agreement, at many airports is referred to as a "use and lease agreement," that covers facility rental and the setting of landing fees and other charges as well as establishing the capital improvement program process with the Signatory Airlines. A separate original of the Operating Agreement is executed between the Department and each of the Signatory Airlines. In nearly every case, the Operating Agreement executed with each of the passenger-carrying airlines, and in some cases, cargo airlines, also includes provisions for leasing space in the ANC domestic or international terminal and/or the FAI terminal. Otherwise, each Operating Agreement, covering both ANC and FAI, contains terms and conditions that are substantially identical. The term of the fully residual Operating Agreement is July 1, 2023 through June 30, 2033.

Airline Operating Agreement

The Operating Agreement contains provisions that govern the rights and obligations of the parties. The Operating Agreement spells out, for example, the methodology described in "SYSTEM FINANCIAL OPERATIONS — System Operating Revenue" for annually setting terminal rents and landing fees and adjusting fees mid-year and as needed to meet total annual revenue requirements. Expense and revenue factors in the landing fee calculation achieve the overall residual cost coverage plan established in the Operating Agreement.

Among other things, the Operating Agreement grants the Signatory Airlines certain operating rights at ANC and FAI. In the case of passenger-carrying Signatory Airlines, the lease portions of the Operating Agreement convey some exclusive leasehold interests for administrative offices and airline club facilities located in the terminal areas; however, ticket counters, boarding gate holdrooms and baggage make-up premises are either preferentially leased to

an airline or may be made available to airlines on a per-use basis at airport administered boarding gates and ticket counters. The Operating Agreement provides for a common leasehold interest to baggage claim areas.

Aircraft parking areas on the apron adjacent to preferentially leased holdrooms (gate area) are subject to a preferential use privilege. ANC and FAI may authorize the subordinate use of a Signatory Airline's terminal facilities and aircraft parking positions including, under certain circumstances, both exclusive and preferential space, by another air carrier when the Signatory Airline has no activity scheduled, provided that reasonable and appropriate arrangements for compensation have either been agreed to between the airlines involved or are imposed by the Airport. The Operating Agreement sets forth specific procedures under which the Airports can require Signatory Airlines to accommodate new entrants or expanding incumbent airlines.

The Operating Agreement also provides for application of System revenues consistent with the General Bond Resolution, regular certified activity reporting by the Signatory Airlines, and prohibition of relinquishment, assignment or sublease of Signatory Airline interests without the written consent of the Airport Director.

The Operating Agreement is a residual cost-based agreement and is subordinate to the General Bond Resolution. The minimum required number of annual landings for Signatory Airlines eligibility under the Operating Agreement is 156 landings per year except international passenger flights which is 50 landings per year. There is established under the Operating Agreement a 25% premium for Non-signatory Landing Fee and Airport Administered month-to-month rental of terminal space by any tenant and a four cent Non-signatory Fuel Flowage Surcharge Fee premium. The structure of Airport Administered Premises charges for use of gates, ticket counters and associated bag make-up is primarily on a per-turn or per-use basis.

A Vehicle Parking Position rent has been established for tenant airside vehicle parking adjacent to the System terminals. The Common Use Premises is a shared-use basis only. The Operating Agreement contains certain provisions to better correlate certain cost center revenues with the related cost center expenses. Federal Inspection Services Fees are established for the first year of the Operating Agreement with a specified schedule of annual increases through the term on the Operating Agreement. Airport Administered Fees increases are capped such that in no case will the annual percentage increase for those rates exceed an amount that is greater than the annual percentage change in the terminal rental rate plus 5%.

Environmental language is included in the Operating Agreement to protect the System and the Airlines in the event of an environmental issue.

The definition of a majority for capital project voting is a double barrel majority requiring both 50% of the count of Signatory Airlines and 50% of the revenue from Signatory Airlines in order to disapprove a ballot project (an absent vote is not considered a "yes" vote). A Mega Project (total cost of over \$500,000,000 or rate based funds of over \$100,000,000) approval process is included in the Operating Agreement whereby voting is limited to only those airlines that would be impacted by the project. In the case of a Terminal Cost Center Mega Project, the airlines paying terminal rents could approve the project with either 50% of the terminal revenues or 50% of the count of terminal revenue paying airlines. The Operating Agreement provides information sharing and communication protocols to promote a better understanding of the justifications and provide an informal mechanism for input to shape approaches prior to the formal capital project approval process.

System Operating Revenue

[TO BE UPDATED]

The following paragraphs describe the sources of revenue generated within the System as reported in the System's audited financial statements for the fiscal years ended on June 30, 2023, and 2022.

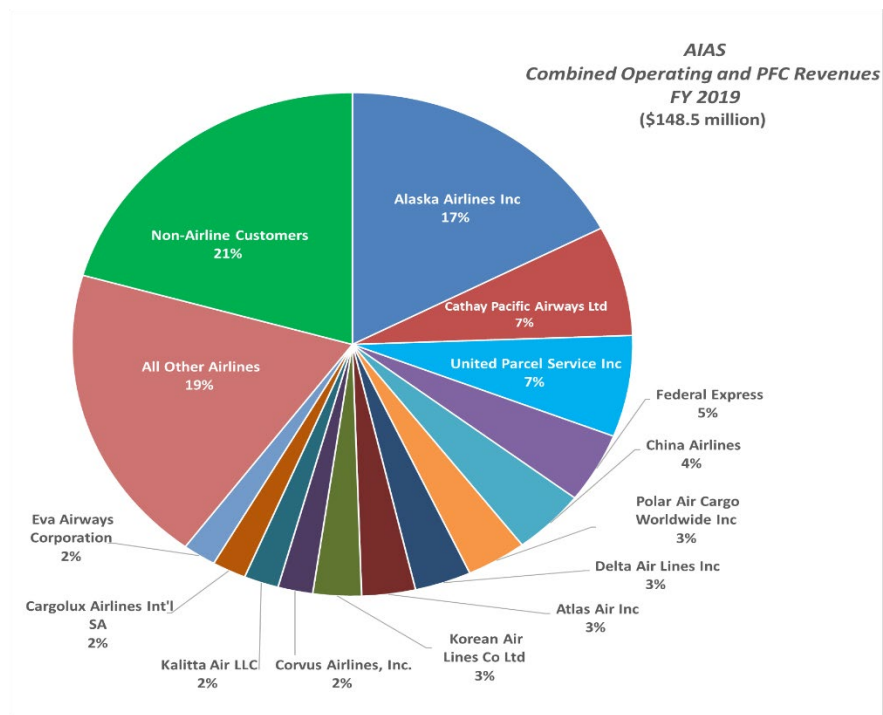
Airline Operations - Total revenue from airlines (operating revenue plus passenger facility charges) was approximately \$117.4 million in FY 2019 and \$115.7 million in FY 2020. [TO BE UPDATED FOR FY 2022 AND 2023]

AIAS
Passenger Facility Charges (PFC) and Operating Revenues
(in millions)

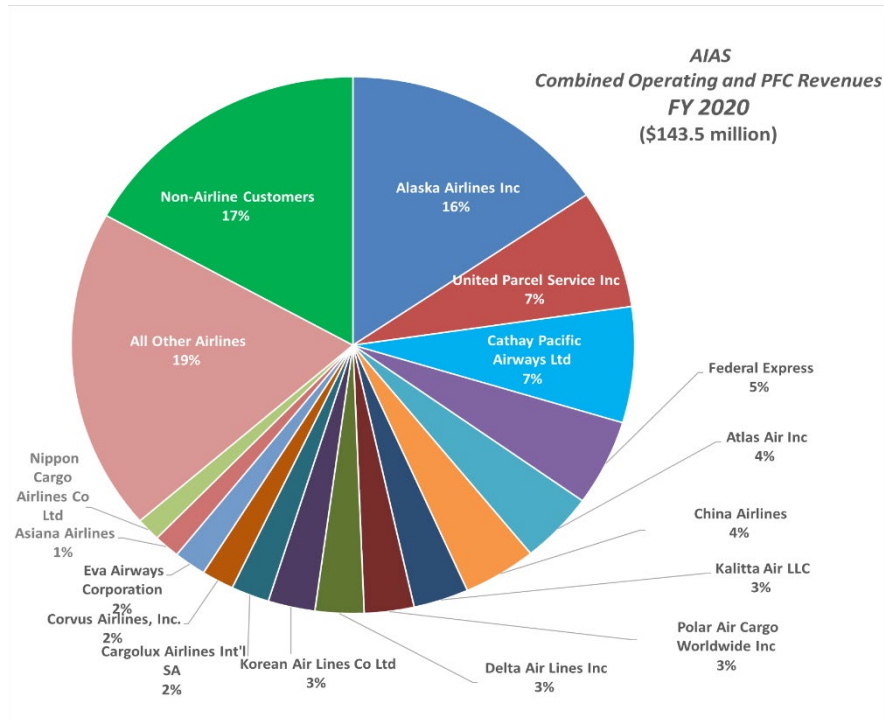
	FY2019	FY2020
Airline Operating Revenue	\$ 110.2	\$ 108.9
Non-Airline Operating Revenue	31.1	27.8
Total Operating Revenue	<u>\$ 141.3</u>	<u>\$ 136.7</u>
Airline and PFC Revenue	\$ 117.4	\$ 115.7
Less: PFC Revenue	(7.2)	(6.8)
Airline Operating Revenue	<u>\$ 110.2</u>	<u>\$ 108.9</u>
Total Operating Revenue	\$ 141.3	\$ 136.7
PFC Revenue	7.2	6.8
Combined Operating and PFC Revenue	<u>\$ 148.5</u>	<u>\$ 143.5</u>

Source: Alaska International Airports System.

The System generates a major part of its revenue from two principal fees paid by the airlines serving the Airports: landing fees and fuel flowage fees. These fees are established System-wide and are applied uniformly to the Airports with minor exceptions. Operating revenues in FY 2019 and FY 2020 totaled \$141.3 million and \$136.7 million respectively, of which approximately 22% (\$31.1 million) in FY 2019, and 20% (\$27.8 million) in FY 2020 were from non-airline sources. Of the FY 2019 and FY 2020 operating revenues from airlines, approximately 30% (\$33.0 million) and 28% (\$30.1 million) were from passenger airlines, while 70% (\$77.1 million) and 72% (\$78.8 million) were from international and domestic flagged cargo airlines, respectively.



Source: Alaska International Airports System.



Source: Alaska International Airports System.

Alaska International Airports System (Ted Stevens Anchorage & Fairbanks International Airports)
Passenger and Cargo Airline Revenue Summary
Fiscal Years 2016 - 2020

	Airline Rev (\$1,000's)*					Pax Airline Revenue (\$1,000's)					Cargo Airline Revenue (\$1,000's)				
Airline	FY16	FY17	FY18	FY19	FY20	FY16	FY17	FY18	FY19	FY20	FY16	FY17	FY18	FY19	FY20
Alaska Airlines Inc	23,163	24,323	25,622	25,700	22,302	22,768	23,850	24,325	23,967	20,549	395	473	1,296	1,813	1,753
United Parcel Service Inc	10,160	11,014	11,395	9,660	10,263	-	-	-	1	-	10,160	11,014	11,395	9,659	10,263
Cathay Pacific Airways Ltd	11,568	11,600	12,212	10,495	10,010	7	-	7	33	0	11,561	11,680	12,204	10,461	10,009
Federal Express	5,929	6,945	7,523	6,679	7,432	1	-	1	2	1	5,929	6,945	7,522	6,677	7,431
Atlas Air Inc.	2,443	3,841	4,793	4,594	6,164	123	150	143	177	175	2,320	3,691	4,650	4,416	5,990
China Airlines	6,828	6,853	7,279	6,267	6,033	17	23	15	0		6,812	6,830	7,265	6,267	6,033
Kalitta Air LLC	875	1,156	2,791	2,969	4,541	-	-	-	-	-	875	1,156	2,791	2,969	4,541
Polar Air Cargo Worldwide Inc	5,421	5,579	5,967	5,154	4,094	-	-	-	-	-	5,421	5,579	5,967	5,154	4,094
Delta Air Lines Inc	4,889	4,881	4,967	4,833	4,017	4,889	4,881	4,967	4,833	4,017	-	-	-	-	-
Korean Air Lines Co Ltd	6,731	5,761	4,893	4,143	3,869	27	10	21	24	1	6,704	5,752	4,872	4,119	3,869
Cargolux Airlines Int'l SA	2,311	2,594	3,103	2,905	3,139	-	-	-	-	-	2,311	2,594	3,103	2,905	3,139
Corvus Airlines, Inc.	2,717	3,039	2,836	2,988	2,664	2,717	3,039	2,822	2,869	2,591	-	-	14	120	73
Eva Airways Corporation	4,609	4,083	3,627	2,857	2,655	2	2	4	8	0	4,608	4,082	3,623	2,849	2,655
Asiana Airlines	3,010	2,888	2,587	2,297	2,140	7	0	5	0	0	3,003	2,888	2,583	2,297	2,140
Nippon Cargo Airlines Co Ltd	3,692	3,552	3,208	1,185	2,011	-	-	-	-	-	3,692	3,552	3,208	1,185	2,011
China Southern Airlines Company Ltd	1,109	1,266	1,567	1,652	1,732	5	-	11	-	-	1,104	1,266	1,556	1,652	1,732
United Airlines Inc	1,968	2,080	1,967	2,115	1,707	1,966	2,080	1,967	2,115	1,707	2	-	-	-	-
Northern Air Cargo LLC	1,532	1,735	1,820	1,779	1,694	-	-	-	-	140	1,532	1,735	1,820	1,779	1,554
Air China Cargo Company Ltd	1,078	1,106	1,488	1,303	1,561	9	3	-	-	-	1,069	1,103	1,488	1,309	1,561
Southern Air Inc	548	684	653	828	1,486	-	-	-	-	-	548	684	653	828	1,486
Western Global Airlines	18	224	752	1,205	1,239	-	-	-	-	-	18	224	752	1,205	1,239
World Fuel Services Inc	588	568	1,121	1,962	1,049	588	-	1,121	-	1,049	-	568	-	1,962	-
China Cargo Airlines	2,050	2,043	2,007	1,789	1,037	5	-	-	(4)	-	2,045	2,043	2,007	1,793	1,037
American Airlines	820	1,329	876	911	916	820	1,329	876	911	916	-	-	-	-	-
All Other Airlines	13,349	11,688	13,963	11,002	11,944	7,290	6,068	7,816	5,299	5,774	6,059	5,620	6,147	5,703	6,169
Total Airline Revenue	117,406	120,912	129,016	117,358	115,700	41,239	41,434	44,101	40,235	36,923	76,167	79,478	84,915	77,123	78,777

**Landing, parking, rents, allocated fuel flowage, and passenger facility fees (sorted by FY20 descending).*

Landing Fees. Under the provisions of the Operating Agreement, landing fees are calculated according to the “residual cost” methodology, taking into consideration all System costs (as defined in the Operating Agreement) and all revenues other than from landing fees. The landing fee rate is determined for each fiscal year as that rate which, applied to the expected volume of landed CMGTW for that year, is calculated to generate the total landing fee revenue necessary, after considering expected revenues from all other sources, to satisfy the total revenue requirements of the System, including the Rate Covenant.

These fees may also be adjusted at mid-fiscal year, as a matter of course, and any other time during the year under certain circumstances to ensure the collection of sufficient revenue. In any year that it appears the twelve months of System revenues billed for the full year would be less than necessary to meet Rate Covenant requirements, the Operating Agreement provides for the System to invoice and the Signatory Airlines to pay additional revenues for the year, prorated by airline CMGTW, in an amount sufficient to ensure the Rate Covenant is met.

Fuel Flowage Fees. Fuel flowage fees have traditionally accounted for a substantial portion of System revenue, and in FY 2023 represented approximately 19.6% of total operating revenue. As established under the Operating Agreement, the fuel flowage fee for the term of the Operating Agreement is \$0.027 per gallon for Signatory Airlines and \$0.067 per gallon for all other purchasers of aviation fuel for aircrafts over 12,500 lbs. The fee is levied on all commercial fueling without regard to type of aircraft. Consequently, the large volume of international cargo traffic refueling at the Airports contributes significantly to fuel flowage fees.

The System also collects aircraft parking charges for use of aircraft parking positions either adjacent to airport-owned passenger terminals or remote. These charges are set annually to cover approximately 10% of projected airfield expenses and, for the remote positions, are graduated based on size of aircraft and length of time parked.

Concession Fees. In FY 2023, concession revenues represented approximately 17.5% of total operating revenue. Primary concession revenues are from food and beverage, news and gifts, duty free, and rental car operations. See, “OVERVIEW OF OPERATIONS SYSTEM FACILITIES — ANC Rental Car Facility” herein. Concession revenues are earned primarily by charging a percentage of concession gross revenues.

Terminal Rents. Passenger terminal building space rentals for the Signatory Airlines are charged based on rates developed in accordance with various provisions of the Operating Agreement. Rentals to entities other than the Signatory Airlines are somewhat more variable, with concession rent, for example being based primarily on percentages of gross revenues, and with lower rates for certain support space necessary for generating higher revenues in the retail space. In FY 2023, terminal building space rentals represented approximately 15.3% of total operating revenue.

Vehicle Parking Fees. In FY 2023, vehicle parking revenues represented approximately 9.5% of total operating revenues. ANC receives all parking revenues and pays all related expenses, with a contractor managing all parking operations at ANC for a management fee that is reported as an operating expense. In contrast, FAI contracts parking as a concession and reports income, net of expenses, as vehicle parking revenues. ANC also provides a Park Ride & Fly lot for long-term parking. The System completed a Terminal Ground Access Study in late 2019, which recommended, among other things, that ANC and FAI implement new fees for Transportation Network Services (“TNC”) commercial vehicle access and TURO. The recommendations were temporarily deferred due to impact of COVID-19; however, a TURO agreement has recently been executed and other recommendations from the Terminal Ground Access Study are anticipated to be undertaken. To date, the System does not believe TNC operations have had a materially adverse impact on vehicle parking and rental car concession revenues.

Land Rental Fees. The System manages 263 land leases: 175 at ANC and 88 at FAI. Additionally, LHD has [] tiedown and/or float pond slips it manages and FAI has 438. In FY 23, land rental represented approximately 7.2% of total operating revenue for each year. In general, tenants lease land from the System at the Airports to construct and maintain their own facilities. The System has no investment in these facilities except for the taxiways, roadways, terminals and utilities. The System also provides land for certain governmental agencies that benefit the Airports (the FAA, the National Weather Service, the U.S. Post Office, and select federal, State, and local entities).

Other Operating Revenues. The other sources of operating revenue for the System include fees for various miscellaneous charges (such as airport charges, lease of state personal property, flight service station rental and electric

energy fees) derived at both Airports and Airport identification badge and fingerprint clearance fees. Other sources represented approximately 1% of total operating revenue in FY 2023.

Other Revenues of the System

Passenger Facility Charges. The Aviation Safety and Capacity Expansion Act of 1990 enabled airports to impose a passenger facility charge (“PFC”) of \$1.00, \$2.00 or \$3.00 on enplaning passengers. Beginning in 2000, the “Wendell H. Ford Aviation Investment and Reform Act for the 21st Century” (“AIR-21”) allows a public agency to apply to the FAA for authority to increase the PFC to \$4.00 or \$4.50. A PFC of \$3.00 requires a reduction in federal AIP passenger entitlement funds of 50% for a medium hub airport. Increasing the authority to \$4.00 or \$4.50 changes the reduction in passenger entitlements from 50% to 75%. Small hub airports are not subject to a reduction in passenger entitlements. ANC is a medium hub airport, and FAI is a small hub airport.

In January 2006, FAI submitted its current PFC application to the FAA at the \$4.50 level. FAI is using the current application receipts to pay debt service associated with its terminal area renovation through FY 2026. Prior to expiration of its current application, FAI will apply for a new PFC application to fund capital improvements. In FY 2012, ANC filed and received FAA approval of an amended PFC application, increasing the amount of PFC to be paid for eligible debt service associated with its Concourse A & B remodel from \$25 million to \$85 million through FY 2026. Increased passenger activity resulted in the PFC application expiring in FY 2024; however, ANC applied for and received FAA approval for a new PFC application at the \$3.00 level to fund a Passenger Boarding Bridge Replacement Program through February of 2029. In FY 2023, the System received \$6.7 (\$5.1 million ANC and \$1.7 million FAI) in PFC collections.

Since 2005, the State has applied approximately \$97.1 million of annual PFC receipts towards payment of debt service on Outstanding Parity Bonds.

System Operating Expenses

The following paragraphs describe the operating expenses incurred within the System as reported in the System’s audited financial statements for the fiscal years ended on June 30, 2023, and 2022. Recently, the System has reallocated its operating budgets to better reflect current and anticipated spending. Overall, AIAS expects budget increases to be modest and any significant increases to be fully vetted and endorsed by its Signatory Airlines.

Facility Maintenance. Facility Maintenance includes the maintenance of terminal buildings and other facilities at the Airports. The State provides custodial and maintenance services at the Airports through its own staff and contracted services. In FY 2023, Facility Maintenance expenses decreased to \$27.8 million from \$28.5 million in FY 2022. The decrease reflects a return to normal facility maintenance activities following the COVID-19 pandemic. Increases due to wage adjustments resulting from a State-wide salary study may be offset by replacing passenger boarding bridges and upgrading baggage handling equipment that will result in lower costs incurred to maintain those facilities.

Field and Equipment Maintenance. Field and equipment maintenance includes all costs associated with the maintenance of airport equipment, runways, taxiways, aircraft parking aprons and airport grounds. Maintenance expenses increased from \$25.7 million in FY 2022 to \$28.3 million in FY 2023. Higher snowfall experienced at both airports and significant wage increases for snow removal equipment operators have resulted in higher expenses for materials and labor, respectively. Once wages and staffing stabilize, AIAS expects modest increases in maintenance costs except as driven by weather variations.

Safety. Safety expenses include general security, law enforcement and crash-fire-rescue services and represented approximately 9% of total operating expenses in FY 2023 versus 10% in FY 2022. In FY 2023, safety expenses totaled \$15.6 million versus \$17.6 million in FY 2022. Recent TSA mandates to screen airport employees, increased and more rigorous cybersecurity and airport security training, and wage increases for airport police and fire personnel are expected to result in increased costs in future years for this category.

Administration. The administration expenses category includes the direct costs for staff of each of the Airports managerial, leasing, engineering, and accounting sections together with legal, audit, and insurance expenses and the costs of the Department allocable to the System. Administrative costs decreased in FY 2023 to \$14.4 million from \$15.7 million in FY 2022. Controls are used to account for and restrict costs allocated to the System for services provided by the Department. Administrative expenses include the costs of information and accounting systems, leasing and concession management, and engineering oversight of airport planning and construction activities. Additional contractual support to backfill staffing shortfalls and potential wage increases may increase costs in this category in the near term.

Operations. Operational expenses include all costs associated with the operation of the computerized security access control system, central airport communications, and oversight of daily airport terminal and airfield operations and service. Operation expenses have remained fairly steady at \$6.4 million for FY 2023 and \$6.6 million for FY 2022. Despite significant increases in activity levels, operations staffing numbers (e.g., badging, security, gate management, etc.) have only recently been augmented. A FY 2026 operations budget projection is approximately \$11.7 million. This number is expected to remain relatively stable barring any State-wide wage increases.

Environmental Expenses. Environmental expenses represent System environmental assessment and clean-up costs associated with capital projects as well as certain expenses relating to noise and general environmental issues. These costs have increased significantly to \$9.1 million in FY 2023 from \$4.3 million in FY 2022. The increase is due primarily to measuring and mitigating per- and polyfluoroalkyl substances (“PFAS”) concerns which continue to have evolving requirements at the federal and State levels. The System cannot accurately predict future environmental costs due to the nature of the expense.

Vehicle Parking. Vehicle parking represents costs at the Airports associated with maintaining and managing the parking facilities as well as operating the shuttle buses that serve the various parking lots and terminals. The ANC operations are operated under a management contract while the FAI parking facilities are operated under a concessions agreement, resulting in vehicle parking revenues reported in the System’s financial statements for FAI, net of expense, while ANC revenues and expense are broken out. Vehicle parking and curbside services, which is comprised primarily of the ANC vehicle parking garage operating and maintenance expense, increased to \$2.4 million in FY 2023 from \$1.9 million in FY 2022.

Risk Management Expenses. Risk management costs or insurance expenses have remained relatively stable since FY 2020 at \$1.2 million for both FY 2023 and FY 2022. Although not reliably predictable, it is expected that risk management expenses will increase due to increased premiums related to PFAS mitigation efforts.

SYSTEM FINANCIAL OPERATIONS AND RESULTS

Management Discussion of System Operating Results

System Operations. The System operates to provide a critical air transportation component of the State’s intermodal transportation system and contributes approximately \$2.3 billion to the State’s economy. Simultaneously, the System plays a significant role in supporting national and international trade and tourism. Activity, measured in combined passenger and cargo CMGTW, is meeting or exceeding pre-COVID-19 pandemic levels due to continued national and intra-State consumer reliance on e-commerce and travelers’ continued interest in Alaska. FY 2023 the System experienced a normalization of passenger and cargo levels after the COVID-19 pandemic, and in FY 2024 the System experienced strong activity, airline partnerships, and outside investments demonstrated the System’s significance in the international and national aviation industry. Significant and recent operational highlights include the most wide-body landings in one 24-hour period at ANC (140 landings), Atlas filing a lease application to develop its own cargo facility on ANC’s West Airpark, the initiation of a new, 10-year, fully residual Operating Agreement with 33 Signatory Airlines, and FAI’s partnership with the State of Alaska Department of Natural Resources in an on-airport, 35-acre development of a consolidated joint use firefighting base. Significant strides have also been made in upgrading information and technology infrastructure, financial and activity reporting capability and communication across businesses, airlines and airport operations at both airports during winter weather events.

System Financials. The FY 2023 audited financial statements reflect a stable debt profile, secured reserves, resilient activity and a flexible capital program. FY 2023 financial highlights include successful completion of

negotiations of a new, 10-year, fully residual Operating Agreement. Thirty-three air carriers executed the Operating Agreement that became effective July 1, 2023, further stabilizing the System's market position. The System's realization of \$43.723 million in capital contributions through federal grant programs and PFCs had a positive effect of \$22.030 million over FY 2022 on the System's net position at the end of FY 2023. FY 2023 showed continued flexibility in the System's capital program and highly predictable debt requirements due to the prior year's defeasance of all variable rate debt.

As set forth in the System's audited financial statements, System cash and investments totaled \$130.3 million and \$108.6 million at June 30, 2023 and 2022, respectively. Of these amounts, \$62.4 million and \$60.6 million were reserved and/or restricted for operations and maintenance reserve fund, repair and replacement reserve account, capital project fund, debt service reserve fund and revenue bond redemption fund. Based upon unaudited, internally prepared estimates, the System does not expect material changes to the balance on June 30, 2023.

ANC. ANC has committed to accommodate growing demand, particularly by cargo traffic. The majority of airfield projects have been and are anticipated to continue to be primarily funded through the FAA AIP. These projects include, but are not limited to, annual asphalt replacement; runway, taxiway, and terminal apron improvements; the expansion of Taxiway Z that parallels ANC's primary arrival runway, four additional hardstands in ANC's West Airpark, and general aviation facilities improvement and maintenance.

FAI. Over the last decade, FAI has improved and expanded facilities and infrastructure to better meet safety and capacity needs to serve the traveling public, airlines, tenants and the broad commercial and private general aviation community. In recent years, FAI is focusing on leveraging its significant land assets for private development, serving as an innovation hub for testing new technologies in PFAS and wildlife mitigation and drone integration into Alaska's airspace, and improving FAI's ability to serve cargo and passenger aircraft diverted from ANC due to weather.

The System has not yet released its audited financial statements for Fiscal Year 2024. The System anticipates that the audited financial statements may be released and that the annual reports may be filed after the date of the Official Statement.

Federal Aviation Administration COVID-19 Pandemic Relief for Airports

In response to the impact of the COVID-19 pandemic on airports in the United States, the United States government took several legislative and regulatory actions and implemented measures to mitigate the broad disruptive effects of the COVID-19 pandemic, including three grant programs for airports to apply for and receive funding assistance: the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA"), and the American Rescue Plan Act ("ARPA").

The CARES Act became law on March 27, 2020 and provided two types of funding for airports, consisting of direct aid for airports to reimburse amounts spent for any lawful airport purpose as well as an increase of the federal share of certain federal FY 2020 Airport Improvement Program ("AIP") grants to 100%. The amount of relief afforded by the increase in the federal share of AIP grants for AIAS was approximately \$9 million.

The CRRSAA and ARPA, which became law on December 27, 2020 and March 11, 2021, respectively, provided additional FAA COVID-19 pandemic relief to eligible airports, including federal funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments, as well as relief from rent and minimum annual guarantees to on-airport car rental, on-airport parking, and in-terminal airport concessions located at "primary" airports, including the Airports.

The System executed grants with the FAA totaling approximately \$103.7 million in available direct reimbursement for eligible expenses and has applied for, received, or anticipates applying for reimbursement of eligible expenditures as shown in the table below.

Estimated*
AIAS Pandemic Relief Sources/Use
As of November 2024

Available Relief Funds by Grant Program:		
	\$ 33,133,289	CARES Act
	18,271,271	CRRSAA
	(3,889)	CRRSSA – LHD
	52,401,092	ARPA
	(3,889)	ARPA – LHD
	<u>\$ 103,786,207</u>	Estimated Total Available Direct Expenditure Reimbursement*
Uses to date:		
FY 2020	\$ (9,942,200)	Eligible Expenditure Reimbursement
FY 2021	(3,100,000)	ANC RAC CFC Rate Increase Mitigation
FY 2021	(10,000,000)	Eligible Expenditure Reimbursement Including Debt Service
FY 2022	(22,783,944)	Eligible Expenditure Reimbursement Including Debt Service
FY 2023	(39,099,162)	Eligible Expenditure Reimbursement Including Debt Service
FY 2024	(15,352,450)	Eligible Expenditure Reimbursement Including Debt Service
FY 2024	(701,690)	Concession Rent Relief
	<u>\$ (100,979,446)</u>	Total uses as of 6/30/2023
Estimated additional anticipated uses:		
FY 2025	(2,806,761)	Concession Rent Relief
	<u>\$ (2,806,761)</u>	
	<u>\$ (103,786,207)</u>	Total Actual and Anticipated Uses

* This schedule assumes AIAS will have ability to accept approximately \$3.5 million of concessions relief available in total from CRRSAA and APRA program, however, the amount of eligible concession relief afforded may be less than full eligible amount.

Source: Alaska International Airports System

The System has received reimbursement for all of the eligible expenditures included in the table above, except for \$2.8 million in concession rent relief which will be processed in FY 2025 and distributed to eligible concessionaires.

Capital Improvement Program Planning

For the term of each Operating Agreement, AIAS negotiates a pre-approved Capital Improvement Program (“CIP”) with its Signatory Airlines. These pre-approved General Categories Projects (“GCP”) are established to allow for known capital investments, such as pavement rehabilitation, snow removal equipment purchases and advanced project planning and design work. Starting July 1, 2023, AIAS had a total pre-approved GCP Program through June 30, 2033, of \$917.8 million (\$859.6 million for ANC and \$58.2 million for FAI). Total amounts are established annually, and the Operating Agreement defines what types of projects qualify as GCP.

In addition to the GCP Program, Signatory Airlines approve additional capital projects from time to time as provided pursuant to the Operating Agreement. Through FY 2028, the Signatory Airlines have been presented required future CIP projects as shown in the table below. CIP investments by the System anticipated through FY 2028 are estimated to total approximately \$550 million, all of which are planned to be funded through a mix of both federal resources and rates and fees. The System’s comprehensive CIP Program is developed, reviewed, and approved

annually or as needed, in consultation with System management, the FAA, and the Signatory Airlines as a normal course of business. All System airport CIP expenditures are subject to annual State legislative appropriation authorization as part of the State's capital budget process.

Despite the System's best planning efforts, a number of factors can influence the actual capital expenditures in any one year or series of years. Examples include: (1) the level of emergency capital expenditures; (2) the prioritization of safety improvements; (3) management of capacity needs; (4) the level of past and future anticipated improvements; (5) the availability of private sector capital to assist in capital expenditure requirements were it be required; (6) funding levels for FAA programs and pilot initiatives; (7) the opportunity for the System to qualify for discretionary and pilot programs of the FAA; and (8) the general economic climate in the aviation community and the willingness of the airlines to support or defer new capital improvements in any given year.

[TABLE TO BE UPDATED]

**2014-2023 Operating Agreement Pre-Approved Capital Projects
(FY 2022 – FY 2023)**

Estimated as of June 10, 2021

ANC CIP		Fiscal Year	Fiscal Year	
Cost Center	Description	2022	2023	Total
AF	ANC Airfield Pavement Reconstruction and Maintenance	\$ 32,175,960	\$ 33,141,239	\$ 65,317,199
AF	ANC Equipment	5,827,142	6,001,957	11,829,099
EN	ANC Environmental Projects	126,677	130,477	257,154
TA	ANC Information Technology Improvements	1,216,099	1,252,582	2,468,682
TA	ANC Facility Improvements, Renovations and Upgrades	1,393,447	1,435,251	2,828,698
OT	ANC Annual Improvements	912,074	939,437	1,851,511
OT	ANC Advanced Project Design and Planning	722,059	743,721	1,465,780
TA	ANC North Terminal Lobby Automatic Doors and Entry Vestibule Upgrade	620,000	--	620,000
TA	ANC South Terminal Cooling Upgrades-Construction	9,000,000	--	9,000,000
AF	ANC LHD Runway 14/32 Rehabilitation	1,650,000	--	1,650,000
AF	ANC Runway 7R/25L Lighting Rehabilitation	2,300,000	--	2,300,000
TA	ANC Gate Lounge Seating	300,000	--	300,000
TA	ANC Terminal Access Road Improvements	11,394,700	--	11,394,700
OT	ANC Supply Warehouse Roof Replacement	900,000	--	900,000
ANC 2022-2023 CIP TOTALS		\$ 68,538,159	\$ 43,644,664	\$112,182,824

FAI CIP		Fiscal Year	Fiscal Year	
Cost Center	Description	2022	2023	Total
AF	FAI Equipment	\$1,610,000	\$1,525,001	\$3,135,001
EN	FAI Environmental Projects	218,846	225,197	444,043
TA	FAI Information Technology Improvements	109,303	112,743	222,046
TA	FAI Facility Improvements, Renovations and Upgrades	126,677	130,477	257,154
OT	FAI Annual Improvements	348,362	358,813	707,175
OT	FAI Advanced Project Design and Planning	31,669	32,619	64,288
EN	FAI Firing Range Closure	2,000,000	--	2,000,000
FAI CIP TOTALS		\$ 4,444,858	\$ 2,384,850	\$ 6,829,708

AIAS 2022– 2023 CIP TOTALS \$ 72,983,017 \$ 46,029,514 \$119,012,531

Cost Center Legend:

AF = Airfield
EN = Environmental
TA = Terminal Area
OT = Other

Budget Process for Debt Service and Expenses

According to the Alaska Aeronautics Act of 1949, the Department is responsible for the maintenance and operation of all State-owned airports. As an agency of the State, the System is guided by the Executive Budget Act that lays out directions for planning and approval of State programs and their financial management. Budget requests for appropriations to pay debt service on the Bonds are not discretionary with the Department but are automatically included in the proposed budget by the Department of Revenue in the same manner as appropriations for the payment of State general obligation debt, except payments may be taken only from the Revenue Fund or, in limited circumstances, from the International Airports Construction Fund. Under the Operating Agreement, the Signatory Airlines approved a capital improvement program for each year spanning the term of such agreement. For projects not included among those pre-approved under the terms of the Operating Agreement, or that are not required as a result of an emergency or regulatory requirement, the System may either proceed for discrete projects under \$750,000, with notice, or submit them to a vote by the Signatory Airlines for acceptance or one-year deferral. The Operating Agreement requires the System to submit to the Signatory Airlines annually the proposed operating budget for the following year. This proposed budget must contain estimated System expenses for such areas as maintenance, operation and administrative expenses, and estimated System revenues.

According to the statutes that establish the State budget process, each State agency must annually submit to the Governor's Office proposed operating and capital budget requests. These requests include goals and objectives, proposed modifications to existing program services, addition of new program services and resources needed to carry out the proposed plan. By December 15, the Governor's Office submits the proposed State budgets for the next FY to the Alaska Legislature. The Alaska Legislature is required to complete its public review and approval of expenditures through the appropriation process.

Debt Service. Under a section of the Act codified as 37.15.415, "[t]he amounts required annually to pay the principal, interest, and redemption premium on all issued and outstanding international airports revenue bonds of the state are appropriated each fiscal year from the International Airports Revenue Fund to the State Bond Committee to make all required payments of principal, interest, and redemption premium." The System is responsible for making available all necessary funds required by the General Bond Resolution in a timely manner.

Employees and Pension Benefits

Historically, substantially all employees of the System participated in the State Public Employees' Retirement System ("PERS"). PERS provides a defined benefit cost-sharing public employee retirement system, which includes varying retirement, health care and death and disability benefits for employees whose first qualifying employment with the State pre-dated July 1, 2006. These employees fall into either the "police/fire" category or the "other" category. Different contribution rates are assigned to each category.

With respect to the System's employees first hired before July 1, 2006, police/fire participants in PERS contribute 7.50% and other participants contribute 6.75% of their salaries to PERS on a pre-tax basis. In April 2008, the Alaska Legislature passed Chapter 13 SLA 2008, effectively converting the PERS defined benefit plan from an agent-multiple employer plan to a cost sharing plan. This bill established one uniform contribution rate of 22% for PERS employees, rather than separate contribution rates for each employer.

The System was required to implement the provisions of GASB 68, Accounting and Financial Reporting for Pensions. As a result of the implementation, the System recorded a net pension liability as of June 30, 2023 and 2022 in the amount of \$78.5 and \$53.9 million, respectively.

Current State law requires all newly eligible employees, hired on or after July 1, 2006, to be participants in a defined contribution retirement plan. Under that plan, public employees contribute 8.00% of compensation and employers contribute 5% of compensation plus additional amounts for certain medical, disability and death benefits. Employees hired prior to July 1, 2006 continue to accrue benefits under the existing defined benefit plans and, with respect to those plans, the employer pays the uniform contribution rate of 22%. Recently enacted legislation has increased the System's employer contribution rate from 22.00% to 30.11%, effective for FY 2022.

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System Financial Operations

The Department manages the System as a self-sufficient enterprise fund. The books and accounts of the Airports are consolidated for purposes of reporting System financial operations. Financial performance for the System is presented in the table below.[TABLES TO BE UPDATED]

ALASKA INTERNATIONAL AIRPORTS SYSTEM AUDITED FINANCIAL INFORMATION FOR THE SYSTEM

Historical Financial Results	2016	2017	2018	2019	2020
Operating Revenues					
Airfield operations					
Landing fees	\$ 69,261,527	\$ 70,584,392	\$ 74,884,735	\$ 62,963,705	\$ 61,927,355
Fuel flowage fees	18,179,860	18,971,511	19,968,511	19,644,331	20,968,254
Aircraft docking fees	1,349,791	1,544,779	1,493,296	1,851,140	591,461
Aircraft parking fees	3,479,832	3,627,070	3,887,661	3,884,350	4,057,027
Federal inspection services fees	862,472	968,545	1,040,541	1,125,312	1,175,221
Aircraft ramp fees	1,293,857	1,288,451	1,327,793	1,240,242	1,302,803
Concession fees	14,272,430	14,455,991	14,873,152	16,255,762	13,816,529
Terminal rents	16,568,164	16,347,994	16,494,033	17,814,996	18,210,922
Vehicle parking fees	9,244,114	9,082,460	9,233,610	9,303,109	7,503,258
Land rental fees	4,685,441	5,057,817	6,700,213	6,608,870	7,240,094
Airline bad debt	(2,500,000)	--	(2,339,726)	--	(477,324)
Other revenues	469,759	896,809	328,940	572,603	388,428
Total Operating Revenues	\$ 137,167,247	\$ 142,825,819	\$ 147,892,759	\$ 141,264,420	\$ 136,704,028
Operating Expenses					
Facilities (building maintenance)	\$ 22,638,934	\$ 31,036,664	\$ 27,799,706	\$ 25,228,193	\$ 28,665,868
Field and equipment maintenance	16,541,883	23,395,744	18,957,522	20,401,289	19,781,713
Safety	10,085,075	18,971,221	15,276,551	12,988,981	12,356,818
Administration	10,768,048	15,047,721	12,591,512	13,504,714	13,552,364
Operations	2,867,802	4,535,541	4,772,468	4,271,218	4,773,867
Environmental expenses	4,385,781	420,411	2,464,565	2,084,964	2,316,094
Vehicle parking and curbside services	3,099,300	3,449,834	2,270,412	2,299,918	2,063,825
Risk management	1,046,935	1,076,133	1,025,829	1,279,666	1,514,673
Depreciation and amortization	68,095,627	69,589,971	72,954,608	72,138,949	74,578,132
Total Operating Expenses	\$ 139,529,385	\$ 167,523,240	\$ 158,113,173	\$ 154,197,892	\$ 159,593,354
Operating Income (Loss)	(\$ 2,362,138)	(\$ 24,697,421)	(\$ 10,220,414)	(\$ 12,933,472)	(\$ 22,889,326)
Nonoperating Revenue (Expenses)					
Investment income	\$ 843,991	\$ 1,475,985	\$ 2,382,147	\$ 6,423,354	\$ 5,631,219
Interest expense	(21,034,305)	(20,474,662)	(15,562,889)	(13,225,747)	(12,922,954)
Sound insulation program	(241,314)	--	--	--	--
Grants	79,741	237,648	73,922	173,279	57,223
Gain/(loss) on disposal of capital assets	542,458	136,621	251,152	(1,114,876)	119,733
Reimbursable service income	6,365	215,771	90,760	236,602	1,017,335
Reimbursable service expense	(6,365)	(215,771)	(90,760)	(236,602)	(1,017,335)
Total Nonoperating Revenue (Expenses)	(\$ 19,809,429)	(\$ 18,624,408)	(\$ 18,624,408)	(\$ 7,743,990)	(\$ 7,114,779)
Income (Loss) before Capital Contributions	(\$ 22,171,567)	(\$ 43,321,829)	(\$ 12,855,668)	(\$ 20,677,990)	(\$ 30,004,105)
Capital Contributions:					
Transportation safety administration	\$ 6,134,911	\$ 4,989,339	\$ 956,709	\$ 5,323,080	\$ 46,623
Department of defense	--	--	--	--	--
Capital contributions other	386,159	18,450	--	173,513	3,444,873
CARES Act	--	--	--	--	9,942,200
Federal Aviation Administration	27,189,783	44,457,076	46,073,815	65,472,799	26,474,882
Passenger facility charges	6,318,930	6,798,387	6,869,290	7,215,785	6,802,979
Total Capital Contributions	\$ 50,353,971	\$ 56,260,252	\$ 53,899,814	\$ 78,185,177	\$ 46,711,557
Transfers in from other funds	\$ 945,056	--	--	--	--
Net Income (loss)	\$ 18,803,272	\$ 12,938,423	\$ 30,823,732	\$ 57,507,715	\$ 16,707,452

Source: Alaska International Airports System, Audited Financial Statements FY16, FY17, FY18, FY19 and FY20.

**ALASKA INTERNATIONAL AIRPORTS SYSTEM
REVENUES APPLIED TO PAYMENT OF OUTSTANDING PARITY BONDS**

	2016	2017	2018	2019	2020
Revenues:					
Operating revenues	\$ 137,167,247	\$ 142,825,819	\$ 147,892,759	\$ 141,264,420	\$ 136,704,028
PFCs applied to debt service	5,200,000	5,200,000	5,200,000	5,200,000	8,450,000
Investment income	843,991	1,475,985	2,382,147	6,423,354	5,631,219
CARES Act Grant	--	--	--	--	9,942,000
Total revenues	\$ 143,211,238	\$ 149,591,804	\$ 155,474,906	\$ 152,887,774	\$ 160,727,447
Maintenance and operation costs	\$ 139,529,385	\$ 167,523,240	\$ 158,113,173	\$ 154,197,892	\$ 159,593,354
Less noncash adjustments:					
Depreciation expense	(68,095,627)	(69,589,971)	(72,954,608)	(72,138,949)	(74,578,132)
Employer relief contribution transferred in and expensed	(525,621)	--	--	--	--
Net pension liability reallocation and adjustment	12,059,958	(14,315,012)	3,143,172	7,749,069	--
	\$ 82,968,095	\$ 83,618,257	\$ 88,301,737	\$ 89,808,012	\$ 85,015,222
Net revenues	\$ 60,243,143	\$ 65,883,547	\$ 67,173,169	\$ 63,079,762	\$ 75,712,225
Fiscal year debt service	\$ 40,378,017	\$ 40,396,657	\$ 31,129,019	\$ 30,546,269	\$ 29,709,119
Coverage requirement	1.25	1.25	1.25	1.25	1.25
Net Revenues Required	\$ 50,472,521	\$ 50,495,822	\$ 38,911,274	\$ 38,182,836	\$ 37,136,399
Net Revenues in Excess of Net Revenues Required	\$ 9,770,622	\$ 15,387,725	\$ 28,261,895	\$ 24,896,926	\$ 38,575,826

Source: Alaska International Airports System, Audited Financial Statements FY16, FY17, FY18, FY19 and FY20.

[Cost per Enplanement (“CPE”) has typically averaged \$10-11 from FY 2015 to FY 2019; CPE was \$12.40 in FY 2020.]

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds involve investment risk. Prospective purchasers of the Bonds should give careful consideration to the information set forth in this Official Statement, including in particular, the matters referred to in the following summary. In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations set forth throughout this Official Statement, and should specifically consider risks associated with the Bonds. There can be no assurance that other risks or considerations not discussed herein are not or will not become material in the future. The order in which the following information is presented is not intended to reflect the relative importance of any such considerations.

General

The following is a general discussion of certain factors affecting the air transportation industry and the revenues, expenses and operations of the System and does not purport to be an exhaustive listing of all such factors and other considerations. As a result of these and other factors, historical results presented in this Official Statement, including the System’s operation and financial figures contained in this Official Statement, may not be indicative of future operating results of the System.

The Revenues of the System are affected substantially by the economic health of the airline industry, the airlines serving the Airport and various other factors, which include but are not limited to:

- national and international economic conditions;
- the availability and cost of aviation fuel and other necessary supplies;
- the financial health and viability of the airline industry;
- airline service and route networks;
- population growth and the economic health of the region surrounding the System and the nation;
- changes in demand for air travel;
- service and cost competition;
- levels of air fares;
- fixed costs and capital requirements;
- the cost and availability of financing;
- the capacity of the national air traffic control system;
- the capacity of the System and the capacity of the competing airports;
- national and international disasters, health emergencies and hostilities;
- the cost and availability of employees;
- labor relations within the airline industry;
- regulation by the federal government;
- environmental risks and regulations, noise abatement concerns and regulations;
- bankruptcy and insolvency laws;
- safety concerns arising from international conflicts and the possibility of additional terrorist attacks and other risks; and
- legislative action which would affect federal funding of Airport projects.

Several of these factors reduced profits and caused significant losses for all but a few airlines. As a result of these and other factors, many airlines have operated at a loss in the past and many have filed for bankruptcy, ceased operations and/or merged with other airlines. In addition, many airlines have taken many actions to restructure and reduce costs including reducing their workforce, renegotiating labor agreements, consolidating connecting activity and replacing mainline jets with regional jets. Financial difficulties of individual airlines could, over time, materially alter the relative financial obligations of the individual airlines and lead to reductions of service at the System.

The System cannot predict regional, national and world economies, the likelihood of future terrorist attacks, the likelihood of future air transportation or supply chain disruptions, including contagious diseases, the costs of aviation fuel or the impact on the Airport or the airlines from such factors. No assurance can be given that each airline will continue operations at the Airports, that passenger activity at the Airports will not decrease or that revenues will not decrease:

2025 Bonds Special Obligations of the System

The Bonds are not general obligations of the State and the State has not pledged its full faith and credit to the payment of the Bonds. The issuance of the Bonds does not directly or indirectly or contingently obligate the State or any political subdivision thereof to apply money from, or levy or pledge, any form of taxation to the payment of the Bonds. The Bonds are special, limited obligations of the State paid out of and secured only by the Revenues derived by the State from the ownership, lease, use and operation of the System.

Uncertainties of Projections, Forecasts and Assumptions

This Official Statement contains statements relating to future results that are “forward-looking statements.” When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “projected,” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated include an inability to incur debt at assumed interest rates, construction delays, increases in construction costs, general

economic downturns, factors affecting the airline industry in general or specific airlines, federal legislation and/or regulations, and regulatory and other restrictions, including, but not limited to, those that may affect the ability to undertake, the timing or the costs of certain projects, and any other factor identified as an investment consideration in this Official Statement. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Certain Factors Affecting the Airline Industry

Uncertainties of the Airline Industry. The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year. The ability of the System to derive revenues from its operations depends largely upon the financial health of the airlines serving the System and the airline industry as a whole. The financial results of the airline industry are subject to substantial volatility, and at times, many carriers have had overlapping, extended periods of unprofitability. Certain events, such as global health events or terrorist activity have resulted in substantial financial challenges for airlines serving the System, including substantial financial losses and reductions in airline workforces. While the System has seen passenger traffic return after or grow through airline bankruptcies and consolidations and other events affecting the airline industry, the effects of any future events cannot be predicted with certainty. Due to the importance of international cargo shipments and domestic and international tourism to passenger and cargo activity at the Airports, the System is particularly sensitive to international disturbances, the health of the global economy, tariff levels and changing weather patterns.

Market conditions may limit an airline's access to additional financing if their existing sources of funds, including any funds provided by the U.S. Department of Transportation, are exhausted. Certain factors (such as business conditions within the airline industry, the effects of an economic downturn and high aviation fuel costs) can adversely affect the ability of the airlines that serve the System, including the Signatory Airlines, to meet their financial obligations to the System. These conditions could, in the future, result in additional airline bankruptcies, elimination or reduction of service at the System by certain airlines, in increased airline concentration at the System or other restructuring of the airline industry. Although the Operating Agreements permit the System to adjust rental rates and landing fees to take into account amounts that go unpaid by a defaulting airline, no assurance can be given that the non-defaulting airlines will continue to serve the System and to pay the higher rates and fees. The Operating Agreements permit the Signatory Airlines to terminate their respective agreements in accordance with certain conditions.

Labor Shortages. Nationwide, airlines, concessionaires, the FAA, other participants in the aviation industry and employers generally have been faced with labor shortages, including a shortage of pilots, flight attendants and other staff that have resulted in some cases have resulted in reduced flight schedules and cancelled flights, ability to manage airfields and terminals. The aviation industry, like other industries is addressing labor shortages as it is able to, however, the aviation industry may additional shortages in the future. The aviation industry is also impacted by shortages of air traffic controllers.

Airline Mergers; Consolidation. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the System could consolidate operations through acquisition, merger, alliances and code share sales strategies. For example, in September 2024, Alaska Airlines acquired Hawaiian Airlines. Historic mergers, as well as future mergers, could change airline service patterns at the System, including a possible reduction in service at the System. The System cannot predict what impact, if any, such consolidations will have on airline traffic at the System.

Cost of Aviation Fuel. Airline earnings are significantly affected by the price of aviation fuel, and fuel costs constitute one of the largest cost components of airline operations. Historically, aviation fuel prices have been particularly sensitive to worldwide political instability.

Fuel prices continue to be subject to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, volatility in demand for fuel caused by growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, reserve levels maintained by

governments, currency fluctuations, disruptions to production and refining facilities and the weather. Significant increases in the cost of aviation fuel have had an adverse impact on airline industry profitability and are expected to have a continued impact on the airline industry. Such adverse impacts could, or have already caused, certain airlines to reduce capacity, fleet and personnel as well as increase airfares and implement various surcharges upon its passengers, all of which may negatively affect the demand for air travel and passenger activity at the Airport.

Oil Prices

Oil is a volatile commodity, the price of which fluctuates based on many factors. The System's airline clients rely on oil products to operate their businesses, and the System is located in a State which relies on oil extraction as a major industry and source of revenue. The effects of volatility of the price of oil on the System are difficult to predict.

Economic Conditions of Air Trade Area

Generally, at origination and destination airports such as the System, air traffic is significantly dependent upon the economy of the airport trade area. Although the System's air trade areas are large and have relatively diversified socioeconomic bases, the economy in the air trade areas depends in significant part upon the financial strength and stability of the industries within the air trade areas and upon the success of major employers in the air trade areas. Reduced demand for air travel in and out of the air trade areas could result in fewer airlines serving the System and lower levels of passenger activity at the System.

Effect of Airline Industry Concentration

Alaska Air Group, which is comprised of Alaska Airlines and Horizon Air, was responsible for approximately 68% and 65% of ANC's total passenger enplanements and 73%, in both years, of FAI's total passenger enplanements in FY 2020 and FY 2019, respectively. Although the Airports are largely O&D airports and much less dependent on hubbing activity than many other airports, the Airports serve as a local hubbing airport for the Alaska Air Group. If the airlines with Alaska Air Group were to reduce or cease connecting service at the Airports, such flights would not necessarily be replaced by other airlines. It is possible that if Alaska Air Group airlines, in particular Alaska Airlines, or other airlines ceased or significantly cut back operations at the Airports, other airlines may not increase their operations at the Airports to fill that gap. The top three airlines at ANC (Alaska Air Group, Delta Airlines, and United Airlines) accounted for 84% and 81% of the total enplaned passengers in FY 2020 and FY 2019, respectively. The top three airlines at FAI (Alaska Air Group, Delta Airlines, and Wright Air Service) accounted for 89% of the total enplaned passengers in both FY 2020 and FY 2019.

In response to competitive pressures in the United States over the last several decades, airlines have tended towards consolidation, and further future industry consolidation by the airlines is possible and could result in changes in airline service patterns. The System cannot predict what effect, if any, such consolidation would have on airline traffic (passenger and cargo) at the Airports.

Airline Bankruptcy

A bankruptcy of an airline operating at the System could result in a decrease in Revenues, along with delays or reductions in payments on, or other losses with respect to, the Bonds, and an increase in the costs of operation to the other airlines operating at the System.

In the event of an airline bankruptcy, the automatic stay provisions of the United States Bankruptcy Code (the "Bankruptcy Code") could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by the airline to the System, any action to remove the airline from possession of any premises or other space, any action to terminate any agreement with the airline, or any action to enforce any obligation of the airline to the System. When a domestic airline that has an Operating Agreement with the System seeks bankruptcy protection or has bankruptcy proceedings initiated against it, the airline or bankruptcy trustee must decide within a time period determined by the Bankruptcy Code and the court whether to assume or reject the applicable operating agreement, lease or other contract. In the event of an assumption, the airline is legally required to cure any prior defaults and to provide adequate assurance of future performance under relevant agreements. With the authorization

of the bankruptcy court, the airline may be able to reject some or all of its agreements with the System, including the Operating Agreement, or other lease, operating, or other agreements, and stop performing its obligations (including payment obligations) under such agreements. Rejection of a lease or executory contract by such an airline would give rise to an unsecured claim of the System for damages, the amount of which in the case of a lease is limited by the Bankruptcy Code, and which may or may not result in any payment to the System. Such a rejection could also excuse the other parties to such agreements from performing any of their obligations. The airline may be able, without the consent and over the objection of the System and the holders of the Bonds, to alter the terms, including the payment terms, of its agreements with the System, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, the airline may be able to assign any of its agreements with the System to another entity, despite any contractual provisions prohibiting such an assignment. The holders of the Bonds may be required to return to the airline as preferential transfers any money that was used to make payments on the Bonds and that was received by the System from the airline during the 90 days (or in some cases one year) immediately preceding the filing of the bankruptcy petition. Claims by the System under any lease, or any agreement that is determined to be a lease, with the airline may be subject to limitations.

In December 2003, enactment of Section 124 of Vision 100-Century of Aviation Reauthorization Act (Vision 100) (49 U.S.C. § 40117 (m)(1-7)) imposed new requirements for air carrier management of PFC revenue collected by the carrier after it files for bankruptcy protection. Through this provision, Congress specifically protected post-bankruptcy filing PFC revenues from creditor claims by recognizing and protecting the trust fund status of PFC revenue and prohibiting air carriers from using PFCs as security for liabilities to third parties. Nevertheless, the System is uncertain whether it would be afforded the status of a secured creditor with regard to PFCs collected or accrued on behalf of the System by an airline before it filed for bankruptcy protection. Although the airlines serving the System have generally not gotten significantly behind on PFC payments and bankruptcy courts and the FAA have helped prevent loss of PFCs in past airline bankruptcies, the System cannot predict whether an airline in bankruptcy protection would have properly accounted for the PFCs owed to the System or whether the bankruptcy estate would have sufficient moneys to pay the System in full the PFCs owed by such airline.

There is even less certainty with respect to foreign reorganization or insolvency proceedings involving foreign air carriers as foreign bankruptcy laws may vary. The risk of foreign bankruptcy proceedings may be an appropriate investment consideration.

As explained above, the Operating Agreement is a residual cost agreement whereby any shortfalls in revenues, even those resulting from bankruptcies, would result in the remaining Signatory Airlines collectively being obligated to pay higher rates and charges, or a prorated special invoice, to make up for the deficit. There can be no assurance, however, that the remaining Signatory Airlines would be able, individually or collectively, to meet their obligations under the Operating Agreement.

There may be delays in payments on the Bonds while the court considers any of these issues. There may be other possible effects from a bankruptcy filing by an airline that could result in delays or reductions in payments on, or other losses with respect to, the Bonds. Regardless of any specific adverse determinations by a court in an airline bankruptcy proceeding, an airline bankruptcy proceeding itself could have an adverse effect on the liquidity and value of the Bonds.

Effects of Bankruptcy of Tenant, Concessionaire, or Other Contracting Party

A bankruptcy of any significant tenant, concessionaire, or other entity that has a contract with the System could also result in a decrease in Revenues, along with delays or reductions in payments on, or other losses with respect to, the Bonds, for reasons similar to those discussed above with respect to airline bankruptcies. Regardless of any specific adverse determinations by a court in a bankruptcy proceeding of a significant tenant, concessionaire, or other contract counterparty, a bankruptcy proceeding itself could have an adverse effect on the liquidity and value of the Bonds.

Investment Losses

While it is holding Revenues, the System may invest the Revenues in Permitted Investments. Should those investments suffer any losses, the System may have insufficient funds to make payments on the Bonds.

Risks Related to the System's Capital Projects

The System's current capital improvement plan includes spending on capital projects in the coming years. The System currently does not plan to incur any additional debt obligations for these other capital projects. However, current plans may change depending on passenger and cargo demand, the availability of other funding sources, the timing of capital expenditures and market conditions. It is also possible that the AIAS may undertake additional capital projects that are not presently included in its CIP, and the AIAS may in the future undertake other major capital projects following the completion of the current CIP. Other capital needs that are not presently known may arise, and the costs of now known and future capital needs could increase significantly between the times that they are identified and when they are addressed. The incurrence of a significant amount of additional Bonds for capital projects will result in higher debt service costs, which will increase landing fees and terminal rents at the System, thereby increasing the costs borne by the airlines serving the System, which in turn could make the System comparatively less competitive.

Although the System uses a variety of strategies to mitigate risk associated with the implementation of its capital projects, project development could be delayed, and the cost of completing capital projects could be higher than expected due to various factors that are outside of the control of the System, including but not limited to new environmental regulations; economic conditions; pandemics; natural or manmade disasters; events such as the September 11, 2001 terrorist attacks; new or ongoing military hostilities; unexpected issues with integration into existing facilities; the inability to obtain, or delays in obtaining, regulatory approvals; the inability to comply with the conditions of regulatory approvals; changes in laws or regulations; inability to obtain, or delays in obtaining, federal approvals or federal funding; labor, bidding and contracting requirements; delays caused by the airline review process; weather; litigation; tariffs; cost overruns; casualty; strikes; unanticipated engineering, environmental or geological problems; shortages or increased costs of materials or labor; and financial difficulties of contractors. In addition, it is possible that funding sources such as federal grants may not be available as expected. If costs are higher than projected or funds are not available to finance the projects or portions thereof, the AIAS may have to delay or cancel projects and/or incur additional debt.

Certain projects of the System are assumed to be funded from a variety of different sources. Certain projects of the System are assumed to be paid in part with federal grants, but the System cannot guarantee that such funds will be available or will be received in a timely manner. In some cases, moneys from grant awards are remitted to the System on a reimbursement basis, after the System has paid the costs of a project and the System's use of such money would generally be subject to audit. These projects are also assumed to be funded in part from PFCs, but PFCs may not be available in the amounts and at the times currently forecasted if additional FAA approvals are not obtained or if there are fewer enplaned passengers than projected. Additionally, market conditions, the status of operations at the System or other factors could adversely affect the ability of the System to issue Future Parity Bonds or other debt obligations to finance a portion of the costs of the capital projects of the System.

In the future, the System may be required to undertake additional capital projects to comply with regulatory requirements or to preserve the overall viability of the System. If, for any reason, the System is unable to undertake critical capital projects, then the condition of System's facilities may decline, which can affect customer experience, airline satisfaction, and operational efficiency and effectiveness.

Operations of the System

Airline Activity. The System derives a substantial portion of its operating revenues from landing fees, facility rent and concession fees. The financial strength and stability of the airlines using the System, together with numerous other factors, most notably demand for airline services by passengers, influence the level of aviation activity of the System. In addition, individual airline decisions regarding level of service, particularly flight activity and aircraft size, can be expected to affect passenger activity of the System, as well as be affected by passenger activity of the System. The level of passenger activity of the System is reasonably expected to impact the level of other sources of revenue for the System, such as parking revenues, concession fees, Passenger Facility Charges and Customer Facility Charges.

The System cannot predict the duration or extent of reductions and disruptions in air travel or the extent of any adverse impact on Revenues, Passenger Facility Charge collections, Customer Facility Charge collections, passenger activity, general System operations or the financial condition of the System which may result from the financial difficulties of airlines serving the System. No assurances can be given that any of the airlines currently

serving the System will continue operations at the System or maintain their current level of operations within the System. If one or more of these airlines discontinues operations with the System, its current level of activity may not be replaced by other carriers. The System, however, proactively seeks to retain and further develop air service to the System.

Parking Revenues. Parking fees are collected by the System and such revenues comprised approximately []% of total operating revenues for FY 2024. The level of passenger activity of the System is expected to impact the level of parking revenues. The System cannot give any assurance that parking fees will continue to produce the same level of revenue for the System in future Fiscal Years.

Other Activities. Although the Signatory Airlines are a significant part of the System's operations and an important source, whether directly or indirectly, of System revenues, the System also relies on other System operations for revenues, including concessionaires and rental car companies. While the Signatory Airlines, as mentioned above in "SYSTEM OPERATING AGREEMENT, REVENUES AND EXPENSES," are responsible for System expenses under the rental, common use fee and landing fee adjustment method, the System relies on other operations at the System, including parking, tenant payments from tenants other than Signatory Airlines, and concession income, to provide the majority of its revenues. The System cannot give any assurances that these operations will continue with the System at current levels or produce the same level of revenue for the System.

Passenger Facility Charges

The FAA has the power to terminate the authority to impose PFCs if the System's PFCs are not used for approved projects, if project implementation does not commence within the time period specified in the FAA's regulations or if the System otherwise violates FAA regulations. It is not possible to predict whether future restrictions or limitations on airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC revenue collections for capital projects for the Airports or whether such restrictions or legislation or regulations would adversely affect Revenues.

Regulations and Restrictions Affecting the System

The operations of the System are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Operating Agreement, the federal acts authorizing the imposition and collection of PFC revenues and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the September 11, 2001 events, the Airports also have been required to implement enhanced security measures mandated by the FAA, the TSA and Airport management. See, "INVESTMENT CONSIDERATIONS – Aviation Security Concerns and Related Costs." Any of these requirements could be more burdensome or costly to the System.

Federal Restrictions on Airport Revenue Transfers

From time-to-time the State transfers funds, generally through the legislative appropriation process, from one arm of State government to another using various methods such as budget increases and decreases, declaration of dividends from public corporations back to the State, and the reallocation of revenue or expense cash flows. While the System is an arm of State government and ANC and FAI are State-owned assets, State law and FAA grant restrictions prohibit System funds from being transferred for non-System purposes or otherwise used for general governmental purposes. Alaska Statute 37.15.430 does not permit the use of Revenue Fund monies other than for support of ANC and FAI and their bonded indebtedness. Federal funds must be used in accordance with federal grant limitations. Although there are major exceptions, since 1982 airports that have accepted federal AIP grants have been required to agree to use airport-generated revenues only for the capital and operating costs of the airport, the airport system, or other facilities owned and operated by the airport and directly related to air transportation. See, 49 U.S.C. § 47107(b). Both ANC and FAI are grant recipients bound by these requirements. The 1996 FAA Reauthorization Act created a direct statutory prohibition against revenue diversion by any federally assisted airport, required audit certification of compliance with revenue use restrictions, and added new provisions on civil penalties, expedited procedures for recovery of illegally diverted revenues, repayment of past contributions to an airport and interest on diverted funds. The System annually submits financial reports to the FAA that reflect the expenditures and revenues of ANC and FAI

and payments to and from other governmental agencies. The System has had no findings or reporting of instances of revenue diversions in violation of federal prohibitions.

FAA Rates and Charges Policy

The System's operations and the System's revenues are affected by a variety of federal and state legislative, legal, contractual, statutory, regulatory and practical restrictions, including restrictions in the 1994 Act, the federal acts authorizing the imposition, collection and use of Passenger Facility Charges, the federal acts relating to the FAA AIP and other federal grants, the statutes and regulations relating to Customer Facility Charges, and other extensive legislation and regulations applicable to all airports. It is not possible to predict whether future restrictions or limitations on the System's operation will be imposed, whether future legislation or regulation will affect anticipated federal funding or Passenger Facility Charge or Customer Facility Charge collections, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether such restrictions, legislations or regulations would adversely affect the revenues of the System.

The United States Code 49 U.S.C. § 47129, requires that airport fees be "reasonable" and provides a mechanism by which the Secretary of Transportation can review rates and charges complaints brought on by air carriers. Section 47129 specifically states that the section does not apply to a fee imposed pursuant to a written agreement with air carriers using airport facilities and also provides that nothing in the section shall adversely affect the ability of an airport to meet its obligations under a financing agreement or covenant that is in force as of August 23, 1994.

The FAA has formally interpreted Section 47129 to exclude from the rates and charges review process of Section 47129 those rates and charges established pursuant to written agreements, pursuant to a pre-enactment bond covenant, or in existence and undisputed as of August 23, 1994. Although certain aspects of the FAA's policy pronouncements relating to Section 47129 have been the subject of extensive litigation, the exclusion from review of rates and fees established under by written agreements has not been challenged or modified.

The State believes the Operating Agreement falls within the provisions mentioned above that preclude air carriers from contesting such rates under Section 47129. So long as the Signatory Airlines operate under the Operating Agreement, as it may be extended, amended, or replaced by another written agreement, the State believes the Signatory Airlines will not be able to invoke successfully the rates and fees dispute provisions of Section 47129 to challenge rates properly set as provided under the Operating Agreement. It is conceivable, however, that the Secretary would entertain a complaint by a non-signatory aeronautical user. Although the FAA policy expressly allows non-signatory rates that are higher than signatory rates and that provision has not been disturbed by any legal ruling, it is also conceivable that the Secretary's review might result in a reduction of fees paid by non-signatory airlines.

In establishing any new rates and charges methodology for the Airports, the System intends to comply with federal law and with the Rate Covenant contained in the General Bond Resolution. The System's ability to raise rates under the Operating Agreement or otherwise may be limited by federal law. The System, however, cannot predict any future restrictions or limitations imposed by federal or state legislation. There is currently no dispute between the System and any of the air carriers serving the Airports over any existing rates and charges. No assurances can be given that disputes will not arise in the future.

Future Legislation and Regulations

The operation of the Airports and the ability of the System to generate Revenues sufficient to pay the debt service on the Bonds may be adversely affected by future federal, State or local legislation or regulations that affect the Airports directly or affect activities at the Airports. Legislation or regulations that could adversely affect the Revenues includes legislation or regulations limiting the use of properties of the Airports, legislation or regulations imposing additional liabilities or restrictions on the operation of the Airports or the airlines and other persons using the Airports, changes in environmental laws or regulations, reductions in federal funding for the Airports and elimination or reduction of the ability of the System to impose PFCs or other fees and charges for use of products or services of the Airports. The United States Congress could enact legislation making interest on the Bonds includable in gross income.

Expiration and Possible Termination of Airport Use Agreements

Pursuant to its Operating Agreement, each Signatory Airline has agreed to pay rates and charges for its use of the Airport. The Operating Agreements expire on June 30, 2033, but may be terminated by the System or, under certain conditions, by a Signatory Airline before such expiration. The System cannot provide any assurances that the Operating Agreements will be renewed and, if renewed, what the terms of such agreements will be. If an airline elects not to execute an airport use agreement, such airline will be free to discontinue flights at AIAS airports. Any Non-Signatory Airlines that do elect to operate at the Airports will do so on a month-to-month basis pursuant to the rate schedules in the related AIAS Operating Permit or as provided in a Rate Resolution. In such circumstances, the ability of the System to continue to generate revenues required by the General Bond Resolution will depend on the System's ability to provide services at rates which continue to attract airlines to provide service at the System. "SYSTEM OPERATING AGREEMENT, REVENUES AND EXPENSES — AIRLINE OPERATING AGREEMENT."

Technological Innovations

New technologies and innovative business strategies in established markets are likely to be developed in the future. Increased adoption of videoconferencing technologies during the COVID-19 pandemic and increased acceptance of these methods of communicating could reduce the demand for business travel, though the impact of such technologies on the demand for business travel is not known. As another example, transportation network companies ("TNCs"), such as Uber Technologies Inc., Lyft, Inc. and Tickengo, Inc. d/b/a Wingz were increasingly popular in the years prior to the COVID-19 pandemic, resulting in shifts in the relative share of non-airline revenues from various ground transportation activities and operational issues such as increased curbside congestion. The popularity of different forms of ground transportation also has shifted during the pandemic and post-pandemic. While the Authority makes every effort to anticipate changes resulting from new technologies and innovative business strategies and to minimize negative impacts on revenues, if any, there may be times when the Authority's expectations differ from actual outcomes. In such event, revenues could be lower than expected and additional capital or operating expenses might be incurred.

In connection with the expansion of wireless broadband operations into the 3.7-3.98 GHz frequency band service ("5G service") on January 19, 2022, the FAA issued certain guidelines for aircraft manufacturers, aircraft operators and airports because 5G service uses frequencies in a radio spectrum that the FAA has determined may interfere with those used by radar altimeters, which are important equipment in certain aircraft. The FAA continues to work with aircraft equipment manufacturers and airlines to clear aircraft models, versions and airlines to operate at airports nationally, including the Airport, in low visibility conditions. Throughout this process, visual approaches, standard Category I instrument approaches, and other instrument procedures, including GPS-based approaches, are unaffected by 5G service. The deployment of 5G technology has not impacted the Airport's operations or the Authority's revenues.

Environmental Regulation

The System is required to comply with numerous federal, state and local laws and regulations designed to protect the environment, health and safety and to inform the public of environmental issues and potential impacts of the System's activities. The System is also directly or indirectly affected by certain laws, regulations and State orders, including, without limitation, air quality regulations and storm water regulations. The standards for required environmental impact review and for compliance under several state and federal laws and regulations are becoming more rigorous and complex. Permits issued to the System under such laws and regulations may be frequently amended, often resulting in more stringent and more costly requirements and uncertainty about the scope of the System's future obligations and associated costs.

These types of changes may result in increased compliance costs that, in turn, significantly delay or affect the System's efforts to maintain and repair existing infrastructure or to construct additional revenue-generating infrastructure. Additionally, the costs to mitigate environmental impacts, obtain regulatory approvals, and manage potential legal or procedural challenges for such projects may result in substantial increases to total project costs and delays in completing the projects. Air quality regulations that directly or indirectly impact the System may result in the System being required to, or desiring to, expend funds to assist the System's business partners in complying with various regulations.

Costs associated with these compliance and related activities may consume an increasingly significant portion of the System's capital and operating budgets, and the System may have unanticipated capital or operating expenditures. In addition, for projects with forecasted costs, the System cannot provide assurances that the actual cost of the required measures will not exceed the forecasted amount. The System also cannot provide assurances that the cost of compliance and related activities required of the System and/or its business partners will not negatively affect System operations and, therefore, System revenues and/or expenses.

Additional environmental laws and regulations may be enacted and adopted in the future that could apply to the System, its tenants or its concessionaires, which could result in an adverse impact on projected revenues or expenses. The System is not able to predict with certainty what those laws and regulations may be or the impacts to the System or its business partners of compliance with such laws and regulations.

Also, certain individuals, organizations and/or regulatory agencies may seek other legal remedies to compel the System to take further actions to mitigate perceived or identified environmental impacts and/or health hazards or to seek damages in connection with the potential environmental impacts of the System. The System has undertaken a number of initiatives over the years to address potential concerns. Nonetheless, there is a risk that, despite the System's adopted environmental plans, mitigation programs, and policies, legal action challenging the Authority could ensue. Such legal action could be costly to defend, could result in substantial damage awards against the System, and could curtail certain System developments or operations.

The FAA has jurisdiction over flying operations generally, including personnel, aircraft, ground facilities and other technical matters, as well as certain environmental matters. Under the FAA's airport noise regulations, most recently revised in the Airport Noise and Capacity Act of 1990 ("ANCA"), the industry is striving to reduce airport noise impacts on local communities while maintaining a safe and efficient national aviation system. Airport noise remains a significant federal and local issue, which may require substantial capital investments by the industry from time to time to meet applicable standards. ANC recently updated its Part 150 Noise Compatibility Program and believes that, by working with the FAA, it can continue to manage noise issues effectively, although it cannot guarantee that noise issues will remain a minor cost consideration.

ANC has identified on its land certain areas of soils contaminated by aviation fuel. Although the airline fueling service consortium and other responsible parties are engaged in cleanup and remediation planning at their own expense, it is possible that environmental response costs could increase in the future. The State Department of Environmental Conservation (the "ADEC") has approved an alternate clean-up level for to ANC due to its status as an airport and light industrial area. ANC continues to monitor, and remediate as necessary, ANC land area.

The Environmental Protection Agency ("EPA"), under the Clean Water Act ("CWA"), has jurisdiction for water quality protection regulations. EPA with assistance from the ADEC administers water pollution control regulations affecting operation of the System. Water quality is a significant federal, state, and local issue which may require significant capital investments by the industry to meet discharge standards. ANC in partnership with its tenants, federal, state, and local regulatory agencies has established an active watershed management program to comply with the objectives of the CWA. This group addresses waste water control, water quality protection, and prevention of pollution to waters of the United States. In addition, the System has an Aviation Industry National Pollutant Discharge Elimination System ("NPDES") permit program in place. The State recently entered into a settlement with the EPA arising primarily from issues relating to highway construction run-off, but which will also affect erosion prevention and other practices in airport construction projects, potentially increasing the cost of those projects. In addition tighter limitations on de-icing fluid run-off could pose substantial costs at ANC within the next five years. ANC management and the Signatory Airlines have agreed to work together to identify a cost-effective solution to this issue if a less expensive alternative that will meet requirements is not identified.

In FY 2020, ANC entered into a Compliance Order By Consent ("COBC") agreement with the State of Alaska's Department of Environmental Conservation regarding discharge of storm water effluent discharge related to airport operations at ANC storm water discharge Outfall D, located near Point Woronzof. The COBC resulted in suspended civil penalties of \$1.14 million dollars, with the suspension contingent upon ANC's compliance with the COBC, which ANC has indicated its intent to comply by signing the COBC and is currently working on addressing the matter through full conformance with the COBC.

Global warming concerns and calls for various industries to become carbon neutral have also attracted some attention to air transportation and may affect this sector in the future in ways that are not possible to predict.

PFAS Contamination

Over the past several years, there has been a surge in regulatory interest to address the public health and environmental risks from releases of per- and polyfluoroalkyl substances (PFAS), including use of aqueous film-forming foams (AFFF) for firefighting or training. This call to action has resulted in rapid development of regulations and guidance, at both the federal and state level, which have started to impact the airport community.

In 2017, FAI became aware of ground water PFAS contamination at its airport rescue and firefighting training site. Subsequent investigation and testing identified several more areas of detectable ground water PFAS contamination. FAI undertook and completed a program to measure the potential for groundwater contamination on adjacent residential and commercial properties using well water as a source of potable drinking water and for those sources identified as above certain thresholds, FAI paid to convert those well systems to municipal water main systems. ANC has also begun and is performing similar testing of adjacent residential and commercial sites that utilize well systems for potable water.

AIAS is taking steps to understand and respond to challenges how on-airport areas of PFAS or potential PFAS contamination will need to be addressed with respect to public health, regulatory, and commercial development projects.

The State has been named in a class action lawsuit involving PFAS contamination related to the FAI matter described above and coalitions of concerned residents in a number of communities throughout the State have become active in expressing their concerns regarding PFAS contamination. The State has undertaken a civil lawsuit against certain manufacturers of PFAS chemicals involving PFAS contamination throughout the State, as well as third-party complaints against those same PFAS manufacturers in the FAI class action matter.

Climate Change and Possible New Regulations

Projections of the impacts of global climate change on the System and its tenants, and on the System's operations are complex and depend on many factors that are outside the System's control. The various studies that forecast the amount and timing of the adverse impacts of global climate change are based on assumptions contained in such studies, but actual events are proving to be unpredictable and may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the System is unable to forecast when adverse impacts of climate change will occur. In particular, the System cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse impacts on the business operations or financial condition of the System and the local economy during the term of the Bonds. While the impacts of climate change may be mitigated by the System's past and future investment in adaptation strategies, the System can give no assurance about the net effects of those strategies and whether the System will be required to take additional measures.

Beyond the direct adverse material impact of global climate change itself, present, pending and possible regulations aimed at curbing the effects of climate change may directly or indirectly materially impact the operations or financial condition of the System. Of particular importance are regulations pertaining to GHG emissions.

The System is unable to predict what additional laws and regulations with respect to GHG emissions or other environmental issues (including but not limited to air, water, hazardous substances and waste regulations) will be adopted, or what effects such laws and regulations will have on the System, airlines operating at the System, other System tenants, or the local economy. The effects, however, could be material.

Aviation Security Concerns and Related Costs

Acts of terrorism or other major breaches of security, concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of the international hostilities and the threat of terrorist

attacks, may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally.

Intensified security precautions have been instituted by government agencies, airlines and airport operators, including the strengthening of aircraft cockpit doors, the federal program to allow and train domestic commercial airline pilots to carry firearms during flights, changes to prescribed flight crew responses to attempted hijackings, increased presence of armed air marshals, federalization of airport security functions under the Transportation Security Administration (“TSA”), revised procedures and techniques for the screening of baggage for weapons and explosives and technology for the screening of passengers, such as the United States Visitor and Immigration Status Indicator Technology. No assurance can be given that these precautions will be successful, and in spite of the increased security measures, additional acts of terrorism resulting in disruptions to air traffic systems, increased passenger and flight delays, damage to the System, reductions in System passenger traffic and/or reductions in Revenues, remain possible. [The System maintains an insurance program that includes airport owner’s and operator’s liability insurance with policy limits of \$[] million for each occurrence (no deductible), including war/terrorism liability also with a policy limit of \$[] million. The program also includes terrorism coverage under Terrorism Risk Insurance Program Reauthorization Act of 2019 up to the policy limit of \$[] million. See “THE AIRPORT – Insurance.” It is possible that liability could exceed coverage or otherwise not be covered.

The airlines and the federal government were primarily responsible for the capital costs associated with implementing new security measures. The System is currently in compliance with all federally mandated security requirements. But the System has taken on some financial burden in installing and in complying with the added security requirements. The System’s financial condition could be adversely affected if the System incurs substantial increases in security costs in the future. In addition, each time the Department of Homeland Security issues a specific threat warning, the System’s operating costs increase with these raised threat levels. There can be no assurance that the System will have sufficient resources to absorb the impact of such costs. In addition, if the airlines are required to pay substantial security costs, it would place an additional financial burden on many already financially troubled airlines which, in turn, could have a negative impact on the operations of the Airports and the System’s Revenues. The System cannot predict the likelihood or impact of any future government required security measures, or can the System predict how the government will staff security screening functions or the effect on passenger activity of government decisions regarding its staffing levels in the future.

Effect of COVID Pandemic and Other Worldwide Health Concerns

The COVID-19 pandemic and resulting restrictions on human activities severely disrupted the economies of the United States and other countries. There can be no assurances that any resurgence of COVID-19 or a separate public health emergency will not have a material adverse effect on the demand for passenger air travel.

In addition, the COVID-19 pandemic resulted in operational difficulties for certain airlines, TSA and FAA as they increased capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions. Airlines, the TSA and the FAA may experience such challenges in connection with a future public health emergency.

Future outbreaks, pandemics or events outside the System’s control may reduce demand for air travel, which in turn could cause a decrease in passenger activity at the System and declines in the System’s revenues.

Seismic, Volcanic and Other Natural Disasters and Emergencies

The airports in the System are located in a seismically active region. In March 1964, a magnitude 9.2 earthquake centered in Prince William Sound, some 70 miles southeast of Anchorage, caused major destruction in Anchorage, including the collapse of the air traffic control tower at ANC at the time, but did not render the airfield existing at that time physically unusable. That quake remains the second most powerful ever recorded. Although

subsequent construction has been subject to applicable seismic codes, the Anchorage region continues to be seismically active.

On November 30, 2018, a magnitude 7.1 earthquake centered near Point Mackenzie, about 10 miles north of Anchorage, also caused damage in Anchorage. Air travel was briefly halted at ANC to allow for necessary inspections. ANC experienced minimal damage.

The System's facilities could sustain damage in a future earthquake, ranging from total destruction to little or no damage at all. Damage could include pavement displacement (which could, in the worst case, necessitate the closing of one or more runways for extended periods of time), distortions of pavement grades, breaks in utilities, damage to drainage and sewage lines, displacement or collapse of buildings and rupture of gas and fuel lines. Furthermore, a major earthquake anywhere in the greater Anchorage or Fairbanks regions may cause significant temporary and possibly long-term harm to the economy of one or more region's cities or the entire region, which could in turn have a negative effect on passenger traffic and on Revenues, and such effect could be material.

The airports comprising the System are also located in a region with substantial volcanic activities. Mount Redoubt, located in the Kenai Peninsula Borough, about 110 miles southwest of Anchorage, erupted multiple times in March 2009. Ash clouds as high as 65,000 feet caused flight cancellations and delays at ANC. Certain flights intended for ANC were diverted to FAI and other places. Other volcanoes in south central Alaska may be capable of similar eruptions. The System cannot assess the probability of another or other volcanic eruptions at or near ANC.

Although the Airports have not historically been at immediate risk of damage from a wildfire, the territories around the Airports have experienced large, uncontained wildfires.

Furthermore, the System could sustain damage as a result of other events, such as terrorist attacks, extreme weather events and other natural occurrences, fires and explosions, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades, and riots.

While the System has attempted to address the risk of loss through the purchase of insurance, certain of these events may not be covered. Furthermore, even for events that are covered by insurance, the System cannot guarantee that coverage will be sufficient or that insurers will pay claims in a timely manner. From time to time, the System may change the types of and limits and deductibles on the insurance coverage that it carries.

Cybersecurity

The System relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats, including but not limited to hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). In the past several years, a number of entities have sought to gain unauthorized access to digital systems to large organization for the purposes of misappropriating assets or information or cause operation disruptions. Successful cybersecurity breaches could damage the System's technology environment, compromise safety and security at the System, or cause material disruption to the System's finances or operations. As a recipient and provider of personal, private, or sensitive information (collectively, "Data") and as a part of the country's critical infrastructure services, the System may be the target of cybersecurity incidents that could result in adverse consequences to the Systems Technology and Data of the System, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Systems Technology and Data of the System in order to misappropriate assets or information or cause operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the System maintains multiple forms of cybersecurity and operational safeguards. The System maintains a cybersecurity framework supported by policies, procedures, and controls in line with industry best practices and applicable regulations (collectively, the "Cyber Security Program") to support, maintain, and secure the Systems Technology and Data of the System. The objectives of the Cyber Security Program also include managing risk, improving cybersecurity event detection and remediation, and facilitating cyber awareness across all System departments.

While the System's cybersecurity and operational safeguards are periodically reviewed and tested, no assurances can be given by the System that such measures will ensure against all cybersecurity incidents. Cybersecurity breaches could damage the Systems Technology and Data of the System, and cause material disruption to the System's finances or operations. The costs of remedying any such damage or protecting against future incidents could be substantial. Further, cybersecurity incidents could expose the System to material litigation and other legal risks, which could cause the Authority to incur material costs related to such legal claims or proceedings.

The airlines serving the System and other System tenants also face cybersecurity threats that could affect their operations and finances. Notwithstanding security measures, information technology and infrastructure at the System, any of the airlines serving the System or any other tenants at the System may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored therein. Any such disruption or other loss of information could disrupt the operations of the System and/or the airlines serving the System and the services provided at the System, thereby adversely affecting the ability of the System to generate revenue.

Environmental Regulation

The FAA has jurisdiction over flying operations generally, including personnel, aircraft, ground facilities and other technical matters, as well as certain environmental matters. Under the FAA's airport noise regulations, most recently revised in the Airport Noise and Capacity Act of 1990 ("ANCA"), the industry is striving to reduce airport noise impacts on local communities while maintaining a safe and efficient national aviation system. Airport noise remains a significant federal and local issue, which may require substantial capital investments by the industry from time to time to meet applicable standards. ANC recently updated its Part 150 Noise Compatibility Program and believes that, by working with the FAA, it can continue to manage noise issues effectively, although it cannot guarantee that noise issues will remain a minor cost consideration.

ANC has identified on its land certain areas of soils contaminated by aviation fuel. Although the airline fueling service consortium and other responsible parties are engaged in cleanup and remediation planning at their own expense, it is possible that environmental response costs could increase in the future. The State Department of Environmental Conservation has approved an alternate clean-up level for to ANC due to its status as an airport and light industrial area. ANC continues to monitor, and remediate as necessary, ANC land area.

The Environmental Protection Agency ("EPA"), under the Clean Water Act ("CWA"), has jurisdiction for water quality protection regulations. EPA with assistance from the ADEC administers water pollution control regulations affecting operation of the System. Water quality is a significant federal, state, and local issue which may require significant capital investments by the industry to meet discharge standards. ANC in partnership with its tenants, federal, state, and local regulatory agencies has established an active watershed management program to comply with the objectives of the CWA. This group addresses waste water control, water quality protection, and prevention of pollution to waters of the United States. In addition, the System has an Aviation Industry National Pollutant Discharge Elimination System ("NPDES") permit program in place. The State recently entered into a settlement with the EPA arising primarily from issues relating to highway construction run-off, but which will also affect erosion prevention and other practices in airport construction projects, potentially increasing the cost of those projects. In addition tighter limitations on de-icing fluid run-off could pose substantial costs at ANC within the next five years. ANC management and the Signatory Airlines have agreed to work together to identify a cost-effective solution to this issue if a less expensive alternative that will meet requirements is not identified.

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In 2017, FAI became aware of ground water PFAS contamination at its airport rescue and firefighting training site. Subsequent investigation and testing identified several more areas of detectable ground water PFAS contamination. FAI undertook and completed a program to measure the potential for groundwater contamination on adjacent residential and commercial properties using well water as a source of potable drinking water and for those sources identified as above certain thresholds, FAI paid to convert those well systems to municipal water main systems. ANC has also begun and is performing similar testing of adjacent residential and commercial sites that utilize well systems for potable water.

AIAS is taking steps to understand and respond to challenges how on-airport areas of PFAS or potential PFAS contamination will need to be addressed with respect to public health, regulatory, and commercial development projects.

The State has been named in a class action lawsuit involving PFAS contamination related to the FAI matter described above and coalitions of concerned residents in a number of communities throughout the State have become active in expressing their concerns regarding PFAS contamination. The State has undertaken a civil lawsuit against certain manufacturers of PFAS chemicals involving PFAS contamination throughout the State, as well as third-party complaints against those same PFAS manufacturers in the FAI class action matter.

Changes in Financial Markets and Financial Condition of Surety Bond Providers

The System has historically satisfied a portion of the Reserve Account Requirement with surety bonds, and although the State currently intends to fund the Reserve Account Requirement entirely with cash after the issuance of the Bonds, the State may satisfy a portion of the Reserve Account Requirement with Qualified Insurance in the future. See, “SECURITY FOR THE BONDS – Reserve Account.” If the credit quality of the providers of those surety bonds deteriorates the System may not be able to draw on those surety bonds in the event Revenues are insufficient to pay debt service on the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds.

Initiative and Referenda

The ability of the System to comply with its covenants under the General Bond Resolution, including to generate revenues sufficient to pay the principal of and interest on the Bonds, may be adversely affected by actions taken (or not taken) by voters. Under the State Constitution, the voters of the State have the ability to initiate legislation or amendments to the State Constitution, and require a public vote on legislation passed by the State Legislature, through the powers of initiative and referendum, respectively. Interpretations of existing and future laws may change over time and such changes may impact the ability of the System to generate revenues. Furthermore, initiatives arise from time to time that could limit the ability of the System and other governmental entities to establish, amend, impose or extend fees and charges. The System is unable to predict whether any such initiatives might be submitted to or approved by the voters, the nature of such initiatives, interpretations of initiatives or existing law, or their potential impact on the System.

Limitation of Remedies

The General Bond Resolution provides limited remedies for Registered Owners if defaults occur. Enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the System, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in

certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against public entities such as the System in the State. Bankruptcy proceedings, or the exercise of powers by the Federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation or modification of their rights. The State cannot assure Registered Owners that the remedies provided in the General Bond Resolution will be available or effective to make Registered Owners whole if a default occurs.

Risk of Tax Audit of Municipal Issuers

The Internal Revenue Service (the “IRS”) has established an ongoing program to audit tax-exempt obligations (such as the Bonds) to assess compliance with IRS provisions governing municipal bonds. The State cannot predict whether the IRS will commence an audit of the Bonds. Registered Owners of the Bonds are advised that, if the IRS does audit the Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the State as the taxpayer, and the Registered Owners of the Bonds may have limited rights to participate in the audit. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Potential Limitations of Tax Exemption of Interest on the 2025 Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or could cause interest on the Bonds to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code, or court decisions may also cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or may cause interest on the Bonds to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See “TAX MATTERS.”

INFORMATION ABOUT CERTAIN AIRLINES SERVING THE AIRPORTS

General

The System derives a substantial portion of its operating revenues from landing and facility rental fees paid by airlines using the System. The financial strength and stability of these airlines, together with the underlying strength of the System’s passenger and cargo markets and numerous other factors, influence the level of aviation activity within the System and revenues, including PFCs, realized by the System.

Airline Information

Airlines, the shares of which are publicly held and traded, (or their respective parent corporations) are subject to the periodic reporting requirements of the Exchange Act and, in accordance therewith, file reports and other information with the SEC. Certain information, including financial information, as of particular dates concerning such airlines or their respective parent corporations is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected in the Public Reference Room of the SEC which can be located by calling the SEC at 1-800-SEC-0330. Additional information with respect to the filings of the airlines may be retrieved at the <http://www.sec.gov>. In addition, each airline is required to file periodic reports of financial and operating statistics with USDOT. Such reports can be inspected at the following location: Office of Airline Information, Bureau of Transportation Statistics, Department of Transportation, 100 F Street, NE, Room 1580, Washington, DC 20549 and at the SEC’s regional offices at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and 233 Broadway, New York, New York 10279.

The System or the Underwriters undertake no responsibility for and make no representations as to the accuracy or completeness of the content of information available from the SEC or the USDOT as discussed in the preceding paragraph, including, but not limited to, updates of such information or links to other internet sites accessed through the Commission's website. Additionally, reference to the SEC website is not a hyperlink and the SEC's website, by this reference, is not incorporated herein.

STATE OF ALASKA

Government Budgets and Appropriations

Budgets. The State's fiscal year begins on July 1 and ends on the following June 30. The Constitution requires the Governor to submit to the Legislature by December 15 a budget for the next fiscal year, setting forth all proposed expenditures and anticipated income of all departments, offices and agencies of the State, and to submit bills covering recommendations in the budget for new or additional revenues. The Constitution prohibits the withdrawal from the treasury of any funds, regardless of source, without an appropriation, and so the Governor's proposed budget and the Legislature's appropriations bills include federal and other funds as well as funds generated by the State.

General Appropriations. The Governor is required to submit three budgets – an operating budget, a mental health budget and a capital budget – by December 15 and to introduce the budgets and appropriation bills formally to the Legislature in January by the fourth day of the regular Legislative session. The appropriation bills, with any changes made by the House Finance Committee, are voted upon first by the House of Representatives, which can amend the bills. The bills approved by the House of Representatives are then voted upon and may be amended by the Senate. Often a conference committee of three members from each house is required to work out differences between the House-approved bills and the Senate-approved bills. The new versions are then submitted to both houses for final votes. Once enacted by both houses, the appropriations bills are delivered to the Governor for signature. The Governor may veto one or more of the appropriations made by the Legislature in an appropriations bill (a "line-item veto"). The Legislature may override a veto by the Governor, and either the Governor or the Legislature may initiate supplemental appropriations during the fiscal year to deal with new or changed revenue receipts, to correct errors or for any other reason.

The Governor has the ability to prioritize or restrict expenditures, redirect funds within an operating appropriation to fund core services, and expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized expenditures during years when actual revenues were less than forecasted and budgeted. Expenditure restrictions have included deferring capital expenditures, State employment hiring freezes, and restrictions on allowed non-core operating expenses.

System Appropriations. While AS 37.15.415 provides for a continuing System revenue bond debt service appropriation, the System additionally participates in the annual budget process of the State for both regular operational costs as well as annual debt service costs. Annual appropriations are made from System revenues to pay for estimated annual operational costs in the body of the State's annual operating budget as part of the Department of Transportation and Public Facilities section of the bill. The State's operating budget includes an additional appropriation for the System's debt service in the "Debt and Other Obligations" portion of bill, which also includes general obligation bonds, state guaranteed bonds, lease purchase obligations, and other obligations of the State. See, "SYSTEM FINANCIAL OPERATIONS AND RESULTS – Budget Process for Debt Service and Expenses."

Investment Policies

Revenue Fund. All revenues, fees, charges and rentals derived by the State from State ownership, lease, use and operation of the System, other than customer facility charges and customer facility maintenance charges, must be deposited in the Revenue Fund established under the Act and the General Bond Resolution. See, "SECURITY FOR THE BONDS." Money in the Revenue Fund may be invested in Permitted Investments. The State may invest the Revenue Fund assets through the State's investment pools as Permitted Investments. The State's investment pools include the State's Short-Term Fixed Income Investment Pool and Intermediate-Term Fixed Income Investment Pool.

The primary objectives of the investment policy for the Revenue Fund are to minimize exposure to principal loss that could affect the ability to meet obligations and to provide for the ongoing operation costs of the System. The Revenue Fund is invested to maximize current income within moderate risk tolerance with a short to intermediate time horizon. The Department of Revenue (“DOR”) has established two performance benchmarks (the three-month U.S. Treasury Bill and Bloomberg 1-3 Year Government / Credit) for the Revenue Fund.

As of June 30, 2024, all deposits of the Revenue Fund, Construction Fund, Reserve Account, and Repair and Replacement Reserve Account were collateralized by their participation in the State’s investment pools, which creates an interest in a share of ownership in the pools rather than ownership of specific securities.

Construction Fund. The International Airports Construction Fund (“Construction Fund”) has been established under the Act and the General Bond Resolution. Under the General Bond Resolution, proceeds from outstanding bond issues are segregated in subfunds within the Construction Fund.

The State has historically invested the Construction Fund through the State’s investment pools, which include the State’s Short-Term Fixed Income Investment Pool and the Intermediate-Term Fixed Income Investment Pool. Older bond issues’ subfunds may be withdrawn from the State’s investment pools if short-term interest rates rise to the restricted yield levels of the bond issues.

The primary objective of the investment policies for subfunds of the Construction Fund is to avoid material loss that could affect the ability to meet the construction obligations. Each subfund of the Construction Fund carries its own investment guidelines and asset allocation. All the subfunds are in the Short-Term Fixed Income Pool to minimize exposure to principal loss.

Reserve Account. Money in the Reserve Account is invested in the State’s Short-Term Fixed Income Investment Pool. The primary objectives of the investment policy for the Reserve Account are to avoid material loss and provide maximum liquidity. In addition, the State seeks moderate and steady investment returns. The Department of Revenue has established one performance benchmark (the three-month U.S. Treasury Bill) for the Reserve Account.

Repair and Replacement Reserve Account. Money in the Repair and Replacement Reserve Account is invested in the State’s Short-Term Fixed Income Investment Pool. The primary objectives of the investment policy for the Repair and Replacement Reserve Account are to avoid material loss and provide maximum liquidity. In addition, the State seeks moderate and steady investment returns. The Department of Revenue has established one performance benchmark (the three-month U.S. Treasury Bill) for the Repair and Replacement Reserve Account.

Credit Risk. GASB Statement No. 40 requires a disclosure regarding custodial credit risk to indicate the chance of loss in the event a financial institution or third party holding the deposits or securities fails. Treasury’s policy with regard to custodial credit risk is to collateralize State deposits to the extent possible. As of June 30, 2024, all deposits of the Revenue Fund, Construction Fund, Development Fund and Repair and Replacement Reserve Account were either collateralized or insured, to the extent possible.

Bond Fund. The Registrar holds the Bond Fund and the money in the Bond Fund may be invested in Permitted Investments. The State does not expect material investment earnings from the Bond Fund because of the relatively small amount of money held in the Bond Fund and the short amount of time the Registrar holds the money.

Insurance

The Division of Risk Management’s (the “Division”) self-insurance program protects the financial assets and operations of all State agencies (including the Department’s activities regarding the System) from accidental loss through a comprehensive program for normal and expected property and casualty claims of high frequency and low severity, combined with high limit broad form excess commercial insurance protection for catastrophic loss exposures for certain specialized risks, including the ownership and operation of AIAS.

The Division administers the self-insurance program for each State agency, covering all sudden and accidental property and casualty claims through a funded self-insurance risk pool up to a designated retention limit,

and thereafter, for the Airports, through commercial coverage under policies listed below. The annual premium assessments allocated by the Division to each agency under the annual cost of risk allocation are the maximum the agency is called upon to pay. This planning for unknown and catastrophic losses forestalls supplemental appropriation or disruption of vital state services after a major property loss, significant workers' compensation claim or adverse civil jury award for a covered claim. The Division does not cover pollution, employment or intellectual property claims

The following provides a brief overview of the current property/casualty insurance program for AIAS:

1. Airport & Aviation Liability comprehensive coverage; including airport premises liability and hangar-keepers liability. The limit of liability is \$500,000,000, for all State airports including the System, with \$250,000 self-insured retention.
2. Self-insured all-risk property coverage is provided on a stated value cost basis with a \$50,000,000 sublimit for earthquake and flood, per occurrence.
3. Workers' compensation coverage is provided through the fully self-insured program administered by the Division. The State is an authorized self-insured employer under AS 23.30.090.

Marketing, and brokering, of the State's Excess Insurance programs, are provided by Parker, Smith and Feek, one of the largest independent brokers in the world market.

FINANCIAL STATEMENTS OF THE SYSTEM

The audited financial statements for the year ended June 30, 2023, is set forth in APPENDIX A hereto, have been audited by BDO USA, LLP, independent auditors, as stated in their report thereon appearing in APPENDIX A. Neither the System's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information presented herein, nor have they expressed any opinion or given any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

AIAS has not requested the consent of BDO USA, LLP to include the financial statements, or their report, in this Official Statement.

The AIAS may complete the audited financial statements for the fiscal year ended June 30, 2024, after the posting of the Official Statement for the Bonds. The AIAS will not incorporate the audited financial statements as of June 30, 2024, into the Official Statement.

LITIGATION

As of the date of this Official Statement there is no controversy or litigation of any nature, to the knowledge of the State in its capacity as issuer of the Bonds, pending or threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the authority of the State or the validity of the Bonds or any actions or proceedings of the State taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Bonds or any other bonds issued under the General Bond Resolution, the Ninth Supplemental Resolution or the use of the Bond proceeds.

In the normal course of its activities, the System is or may become involved in the defense of various claims, administrative proceedings and litigation arising out of the ownership and operation of the System. Some of these claims may be covered by the State's self-insurance pool or by commercially purchased insurance, both as described above under the caption "STATE OF ALASKA — Insurance." Other matters, such as project-related condemnation or construction claims, may be fully funded with project funds. System management is not aware, as of the date of this statement, of any pending or threatened litigation, claims, assessments or governmental investigations, including environmental clean-up actions against the System, that, individually or in the aggregate in the opinion of System management, pose a reasonably probable risk of a material adverse effect on the financial position of the System.

RATINGS

[Moody's Ratings ("Moody's") and Kroll Bond Rating Agency ("KBRA") have assigned ratings of "[]" (with a "[]" Outlook assigned) and "[]" (with a "[]" Outlook assigned), respectively, based on their research and investigation of the State, the Department and the System. Such ratings and outlook reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same.

The foregoing ratings express only the views of the rating agencies and are not recommendations to buy, sell or hold the Bonds. An explanation of the significance of each of the ratings may be obtained from the rating agency furnishing the rating. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, or either of them, if, in their or its judgment, circumstances so warrant, including prior to the 2025B Settlement Date of the Series 2025B Bonds. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

So long as each of Moody's and Kroll continue to maintain a rating on the Series 2025B Bonds, a rating downgrade will not result in a termination of the Forward Delivery Bond Purchase Agreement.

UNDERWRITING

The 2025A Bonds are to be purchased from the State at an aggregate purchase price of \$_____ (the principal amount of the 2025A Bonds, plus [net] original issue premium of \$_____, less Underwriters' discount of \$_____); subject to the terms of a bond purchase agreement (the "2025A Purchase Agreement") between the State and the Representative, on behalf of itself and as representative of Jefferies LLC. The 2025A Purchase Agreement provides that the Underwriters will purchase all of the 2025A Bonds if any are purchased and that the obligation of the Underwriters to accept and pay for the 2025A Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters.

Goldman Sachs & Co. LLC and Jefferies LLC are also acting as Co-Dealer Managers in connection with the Tender Offer. The Purchased Bonds were tendered to the State under the terms of the Invitation with the assistance of the Co-Dealer Managers, in their capacity as Co-Dealer Managers for the Tender Offer and not as Underwriters of the Bonds. The State has agreed to pay the Co-Dealer Managers a customary fee for their services and to reimburse the Co-Dealer Managers for their reasonable expenses relating to such tender offer from proceeds of the 2025A Bonds.

The 2025B Bonds are to be purchased from the State at an aggregate purchase price of \$_____ (the principal amount of the 2025B Bonds, plus [net] original issue premium of \$_____, less Underwriters' discount of \$_____); subject to the terms of the Forward Bond Delivery Purchase Agreement. The Forward Bond Delivery Purchase Agreement provides that the Underwriters will purchase all of the 2025B Bonds if any are purchased and that the obligation of the Underwriters to accept and pay for the 2025B Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters. See "CERTAIN FORWARD DELIVERY CONSIDERATIONS."

The initial offering prices or prices corresponding to the yields set forth on the inside cover of this Official Statement may be changed from time to time by the Underwriters without prior notice to any person. The Underwriters may offer and sell the Bonds to certain dealers, unit investment trusts, or money market funds at prices lower than the initial offering prices or prices corresponding to the yields set forth on the inside cover of this Official Statement.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MUNICIPAL ADVISOR

Masterson Advisors LLC (“Masterson”) is employed as Municipal Advisor to the State in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Masterson, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the State has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Municipal and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Internal Revenue Code”). In the opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion, based on existing laws of the State of Alaska, that interest on the Bonds is exempt from taxation by the State of Alaska except for transfer, estate, and inheritance taxes. A complete copy of the proposed form of opinion of Bond Counsel related to the 2025A Bonds is included as APPENDIX C-1, and a complete copy of the proposed form of opinion of Bond Counsel related to the 2025B Bonds is included as APPENDIX C-2. Delivery of the 2025B Bonds, and delivery of Bond Counsel’s opinion with respect to the 2025B Bonds, is subject to the satisfaction of certain additional terms and conditions provided in the Forward Delivery Purchase Agreement as described under the heading “CERTAIN FORWARD DELIVERY CONSIDERATIONS.”

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The State has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the applicable date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the applicable date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Internal Revenue Code, or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Internal Revenue Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the State or about the effect of future changes in the Internal Revenue Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The State has covenanted, however, to comply with the requirements of the Internal Revenue Code.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the State or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the State legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the State or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-

corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

VERIFICATION OF SUFFICIENCY

On the 2025B Settlement Date, the arithmetical accuracy of certain computations included in the schedules provided by the Underwriters on behalf of the State relating to the sufficiency of the proceeds from the 2025B Bonds to be applied to the redemption of the Refunded Bonds will be verified by an independent accountant or verification agent.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Seattle, Washington, Bond Counsel. The proposed form of Bond Counsel’s opinion for the Series 2025A Bonds is attached as APPENDIX C-1 hereto. The proposed form of opinion of Bond Counsel for the Series 2025B Bonds is attached as APPENDIX C-2 hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the State by the Attorney General for the State, and for the Underwriters by their counsel, Nixon Peabody LLP, Los Angeles, California. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the State. The fees of Bond Counsel and Underwriters’ Counsel are contingent upon the issuance of the Bonds.

CONTINUING DISCLOSURE

[SUBJECT TO UPDATE]

Annual audited financial statements of the Alaska International Airports System will be available upon request from the State of Alaska Department of Transportation and Public Facilities, Alaska International Airports System.

The State has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data (the “Annual Disclosure Report”) within seven months after the end of each fiscal year (the “Report Date”), commencing February 1, 2025 for the Annual Disclosure Report for the fiscal year ending June 30, 2024, and to provide notices of the occurrence of certain enumerated events, if material. A form of document specifying the nature of the information to be contained in the Annual Disclosure Report or the notices of material events is set forth in APPENDIX F hereto. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”).

AIAS Filings. In addition, on December 18, 2020, notice was provided to MSRB of failure to file the System’s FY 2020 Audited Financial Statements before the deadline of December 21, 2020, for certain outstanding bonds of the AIAS. The notice provided an estimated date for the annual audited financial statements to be filed by January 31, 2021, and the annual audited financial statements were filed with the MSRB on January 21, 2021. The disclosure requirement for filing the FY 2020 Audited Financial Statements on all other outstanding AIAS bonds was timely satisfied. [The audited financial statements and certain operating information of the AIAS for FY 2017 and FY 2018 were not linked to certain CUSIP numbers of the System’s bonds. The State subsequently linked the notice to such AIAS bond CUSIP numbers.]

With respect to filing of listed events: the State did not file certain notices of listed events relating to the downgrades of insurers of its outstanding bonds and certificates of participation.

General. The State has adopted procedures to assure future compliance with its continuing disclosure undertakings.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, forecast or estimates, whether or not expressly so stated, they are set forth as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the purchasers of any of the Bonds and the System or the State.

This Official Statement contains forward-looking statements, including (a) statements containing projections of System revenues, expenditures and other financial items, (b) statements of the plans and objectives of the State for future operations of the System, (c) statements of future economic performance of the System, and (d) statements of the assumptions underlying or relating to statements described in (a), (b), and (c) above (collectively, “Forward-Looking Statements”). Other than statements of historical facts, all statements included in this Official Statement regarding the System’s financial position, business strategy, capital resources, and plans and objectives of the State for future operations of the System are Forward-Looking Statements. Although the expectations reflected in such Forward-Looking Statements are believed to be reasonable, there can be no assurance that such expectations will prove to have been correct. A reasonable effort has been made to disclose in this Official Statement important factors that could cause actual results to differ materially from expectations of the State (collectively, the “Cautionary Statements”). All subsequent written and oral Forward-Looking Statements attributable to the State or persons acting on behalf of the State are expressly qualified in their entirety by the Cautionary Statements.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

PRELIMINARY OFFICIAL STATEMENT

The State hereby deems this Preliminary Official Statement pursuant to SEC Rule 15c2-12 as final as of its date except for the omission of the information dependent upon the pricing of the issue, such as offering prices, interest rates, delivery date and other terms of the Bonds dependent on the foregoing matters.

OFFICIAL STATEMENT

The State has authorized the execution and distribution of this Official Statement.

STATE OF ALASKA,
State Bond Committee

By _____
RYAN S. WILLIAMS
Debt Manager
State of Alaska
For the State Bond Committee

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF
THE STATE OF ALASKA INTERNATIONAL AIRPORTS SYSTEM
(AN ENTERPRISE FUND OF THE STATE OF ALASKA)
FOR THE YEAR ENDED JUNE 30, 2023**

APPENDIX B

**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION
AND OF THE NINTH SUPPLEMENTAL RESOLUTION**

APPENDIX C-1

PROPOSED FORM OF OPINION OF BOND COUNSEL REGARDING THE 2025A BONDS

APPENDIX C-2

PROPOSED FORM OF OPINION OF BOND COUNSEL REGARDING THE 2025A BONDS

APPENDIX D

DTC AND ITS BOOK-ENTRY ONLY SYSTEM

APPENDIX D

(To Blanket Issuer Letter of Representations)

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC – bracketed material may apply only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be

governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX E

FORMS OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F

SUMMARY INFORMATION REGARDING THE ECONOMY OF THE STATE OF ALASKA

INFORMATION CONCERNING THE STATE OF ALASKA AND THE STATE'S ECONOMY

[SUBJECT TO UPDATES]

The information concerning the State of Alaska (“Alaska” or the “State”) set forth here is dated as of the date of the Official Statement. The information contained herein is subject in all respects to the complete text of the financial reports referenced. The information contained herein has been obtained from sources that the State believes to be reliable but is not guaranteed as to accuracy.

State of Alaska

The key drivers of the Alaska economy include natural resource development, government, seafood, and tourism. Approximately 24.0 percent of the State’s total nonfarm employment is derived from government (federal (including national defense), State, and local). Other major industries in Alaska include the educational (private) and health services industry, making up 15.7 percent, trade, transportation, and utilities, making up 20.0 percent, and the leisure and hospitality industry, making up 10.9 percent of total nonfarm employment (Alaska Department of Labor and Workforce Development, Research & Analysis, Preliminary and adjusted estimates; 2023 Annual Average). The State’s unemployment rate in October 2024 was 4.6 percent (seasonally adjusted, preliminary), according to the U.S. Department of Labor, Bureau of Labor Statistics. The State’s major exports are oil, seafood (primarily salmon, halibut, cod, pollock, and crab), coal, gold, silver, zinc, and other minerals.

Historically, petroleum-related revenue was the largest source of unrestricted revenue for the State’s General Fund. Approximately 80 percent of the FY 2018 unrestricted General Fund revenue was generated from petroleum. In 2018, the Legislature enacted Senate Bill 26 (“SB 26”), which directs the State to appropriate amounts from the earnings reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue, diminishing the percentage of unrestricted revenue that petroleum-related revenue represents to a projected 34.1 percent for FY 2025.

In FY 2019, pursuant to SB 26, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue. SB 26 adjusted the transfer from the Permanent Fund Earnings Reserve to an amount determined by taking 5.25 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. Effective July 1, 2021, the amount determined for transfer from the Permanent Fund Earnings Reserve is reduced to 5.00 percent of the average market value of the fund for the first five of the preceding six fiscal years, including the fiscal year just ended. As described below in “Government Funds – The Alaska Permanent Fund,” this calculation does not include the principal attributable to the settlement of *State v. Amerada Hess*. The Alaska Permanent Fund Corporation (“APFC”), which manages the Permanent Fund, projects this annual transfer of unrestricted General Fund revenue to the General Fund in their monthly history and projections report. The Permanent Fund Earnings Reserve transferred approximately \$3.5 billion to General Fund revenue in fiscal year 2024 and is expected to transfer approximately \$3.7 billion to General Fund revenue in fiscal year 2025. The Permanent Fund Dividend may be paid out of these transfers, and any residual revenue is available for other appropriation. The Permanent Fund Dividend amount, paid in calendar year 2023, was \$1,312 per qualified resident, and the Permanent Fund Dividend amount, paid in calendar year 2024, was \$1,702 per qualified resident.

Population

Alaska’s Statewide population of 736,812 (2023 estimate) has increased in each of the last four calendar years; however, the state’s population remains below the recent peak of an estimated 739,649 residents in July 2016.

The following table summarizes the State’s population since 2014, as well as the estimated population in each of the State’s regions.

Population Estimates of Alaska by Region, 2014-2023*

Area Name	Census Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	July 2010	July 2011	July 2012	July 2013	July 2014	April 2015	July 2016	July 2017	July 2018	July 2019	July 2020
Alaska	710,231	722,473	731,005	736,552	737,053	737,786	740,637	738,920	735,367	732,734	728,903
Anchorage / Mat-Su Region	380,821	387,425	391,970	397,171	398,520	399,077	402,169	402,783	400,658	399,269	396,275
Gulf Coast Region	78,631	80,184	80,546	80,548	80,855	81,025	81,171	80,882	80,946	81,048	80,995
Interior Region	112,021	112,879	115,417	114,617	113,098	112,978	113,351	112,166	111,066	110,067	110,946
Northern Region	26,445	26,932	27,269	27,559	27,508	27,811	27,815	27,750	27,666	27,484	27,123
Southeast Region	71,664	73,622	74,173	74,367	74,500	74,354	73,835	73,047	72,805	72,571	71,946
Southwest Region	40,649	41,431	41,630	42,290	42,572	42,541	42,296	42,292	42,226	42,295	41,618

Source: US Census Bureau for 2010 Census estimates, and Alaska Department of Labor and Workforce Development, Research and Analysis Section for July 2011 through 2020 estimates.

Income

In 2018 and 2019, Alaska had a median household income of \$75,545 (ranking 9th) and \$75,463 (ranking 13th) in the United States, respectively.¹

The State's single consumer price index registered inflation of 0.5 percent or less each year from 2015 through 2017, which was the lowest period for inflation in the Alaska's history. In 2018, consumer prices increased 3 percent, which was the highest inflation rate in five years and the first time in three years that Alaska's costs increased faster than the U.S. One of the largest contributors to the 2018 increase was medical care, which tends to run higher than the overall index. In 2019, the average inflation rate for Alaska (CPI Urban Alaska, formerly Municipality of Anchorage) was 1.4 percent. The average in the United States was 1.8 percent.

The cost of living in Alaska remains significantly higher than the national average. According to the first quarter 2019 index for professional households, comparing cities' costs to the U.S. average, Anchorage, Fairbanks, and Juneau, the cost of living in those cities in comparison to the total index is approximately 127, 128, and 134 percent, respectively, more expensive than the average index of the United States.²

Employment

The unemployment rate for Alaska for June 2021 was 6.6 percent, as compared to a national unemployment rate for the same period of approximately 6.1 percent. Historically, Alaska's unemployment rate has exceeded the national rate. The unemployment rate for the Anchorage Region and Fairbanks Region for June 2021 was 6.4 percent and 5.2 percent, respectively.³

The largest employment sector in Alaska is government comprised of Federal, State and local government employees. Government employment on average for CY 2020 was 76,800. The largest non-government sector of

¹ United States Census Bureau; Household Income: 2019 – American Community Survey Briefs, September 2020, ACSBR/20-03.

² Alaska Department of Labor and Workforce Development, Alaska Economic Trends, July 2019.

³ Alaska Department of Labor and Workforce Development, and the U.S. Bureau of Labor Statistics, not seasonally adjusted, preliminary.

employment was Trade, Transportation and Utilities with 58,900. The chart below provides a summary of the employment of the Alaska labor force by industry in CY 2020.

ALASKA LABOR FORCE SUMMARY CY 2020

	2010 ¹	2020 ¹	Change (2010-2020)
Total Nonfarm	325,000	302,700	-6.9%
Mining and Logging	15,000	11,300	-24.7%
Oil and Gas	12,700	7,800	-38.6%
Construction	16,600	15,800	-4.8%
Manufacturing	12,800	12,000	-6.3%
Trade, Transportation, Utilities	62,600	58,900	-5.9%
Wholesale Trade	6,200	6,200	0.0%
Retail Trade	35,400	33,400	-5.6%
Transportation, Warehousing and Utilities	21,000	19,300	-8.1%
Information	6,500	4,900	-24.6%
Financial Activities	12,200	10,800	-11.5%
Professional and Business Services	28,000	26,100	-6.8%
Educational and Health Services	43,100	49,400	14.6%
Health Care	30,200	38,200	26.5%
Leisure and Hospitality	31,500	26,600	-15.6%
Other Services	11,200	10,100	-9.8%
Government	85,400	76,800	-2.1%
Federal Government ²	17,500	15,400	-10.1%
State Government	25,900	22,400	-13.5%
Local Government ³	42,000	39,000	-7.1%

(1) Figures use an annual average.

(2) Federal government does not include military or armed personnel.

(3) Includes tribal government.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis.

Federal Spending⁴

Federal spending has a significant impact on Alaska's economy. Federal funds contribute to military and federal government employment, as well as provide support for specific in-state programs and projects. In many cases, State funds are also used to leverage federal funds in matching programs helping to improve Alaskan communities.

According to Pew Trusts, in federal FY 2019, federal spending in Alaska comprised 42.7% of total state revenue, with 20.5% from taxes, 8.3% from service charges, 0.1% from local sources, and 28.5% from miscellaneous sources.

Oil and Gas⁵

According to a study completed by McDowell Group, Inc. for the Alaska Oil and Gas Association (released January 2020), in 2018, the primary oil and gas companies employed 4,111 Alaska residents earning \$983 million in wages. Alaska residents represent 84 percent of primary company total hire in Alaska. Based on the report, including all direct, indirect, and induced employment and wages, oil and gas industry spending in Alaska accounted for

⁴ The Pew Charitable Trusts, How States Raise Their Tax Dollars, FY 2019.

⁵ McDowell Group, Inc. (January 2020). The Role of the Oil and Gas Industry in Alaska's Economy. Alaska Oil and Gas Association. Retrieved from <http://www.mcdowellgroup.net/wp-content/uploads/2020/01/mcdowell-group-aoga-report-final-1-24-2020.pdf>.

41,800 jobs and \$3.1 billion in total wages in Alaska in 2018, including 5,800 jobs in the oil and gas support services sector, and 31,900 indirect and induced jobs in other private and public sectors.

Government⁶

Government was responsible for 76,800 jobs on average in calendar year 2020, over a quarter of all nonfarm employment in the State. This sector encompasses occupations in all industries, including teachers, builders, deckhands, and scientists.

Local government administrations and school districts represent the largest employers of that sector and accounted for approximately 12.9 percent of total nonfarm employment, which includes tribal government. State government employment accounted for approximately 7.4 percent of total nonfarm employment.

Federal government was responsible for 15,400 jobs on average in CY 2020, representing approximately 5.1 percent of total nonfarm employment. Before September 11, 2001, the military was reducing its presence in Alaska; however, since then the United States .S. has funneled additional defense funds into the State. Though the Base Realignment and Closure Act of 2005 resulted in closures, the overall presence of armed forces in the State has increased. Other military growth includes civilian defense employment and federal spending on base and facility upgrades, salaries, and maintenance. Ten percent of all construction spending in Alaska in CY 2019 was tied to national defense, up 13 percent and \$80 million from the prior year. This increase was largely due to the military investment in reconstruction at Eielson Air Force Base to accommodate the two full squadrons of F-35s that will arrive during 2020.⁷

Health Care⁸

Health care has been the State's fastest-growing industry. It employed approximately 38,200 people on average in CY 2020, which accounted for approximately 12.6% of total nonfarm employment, and represented a 26.5 percent increase over a ten-year period. In 2017, health care practitioners and technicians made an average wage of \$98,020 in Alaska, making Alaska the highest paying state for these jobs overall, followed by Hawaii and California. The national health care wage average was \$80,760.

The growing population of elderly Alaskans increased demand for services. Although only 7.7 percent of Alaskans are over 65 compared to the nation's 13 percent, the 65-plus group grew by 54 percent between 2000 and 2010, compared to 13 percent nationally. As the industry expanded and more health care choices emerged, more of Alaska's health care spending remained in-State. In 1990, health care accounted for 4 percent of Alaska's wage and salary employment versus 7 percent for the nation. By 2010, that difference narrowed to 9.3 percent for Alaska and 10.6 percent nationwide.

Fishing

In Alaska, approximately 5.7 billion pounds of seafood, worth approximately \$2.0 billion, was harvested on average in CY 2017 and CY 2018 (2017/2018 annual averages). Alaska produces two-thirds of the nation's seafood harvest in a typical year and is home to nine of the top twenty United States fishing ports by value. The seafood industry contributed \$5.6 billion in economic output to Alaska's economy in 2017/2018. This measurement includes all the economic activity supported by harvesting, processing, and support sectors.

In 2017, Alaska's leading export was seafood, accounting for approximately 49 percent of Alaska's total exports of \$4.9 billion. Two countries, China and Japan, make up more than \$1.4 billion dollars of Alaska's total seafood exports. Japan, long the State's largest seafood export market, purchased approximately \$622.9 million. China

⁶ Alaska Department of Labor and Workforce Development, Research and Analysis Section.

⁷ Readiness and Environmental Protection Integration Program State Profile for Alaska 2018.

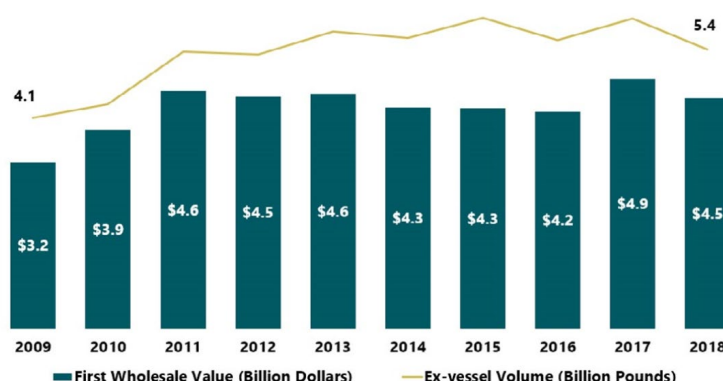
⁸ Alaska Economic Trends, September 2011, The Decade in Review: 2000 – 2010, and Alaska Economic Trends, December 2018.

exceeded Japan as the largest seafood export market in 2011 (also topping all markets in total exports) and accounted for approximately \$796 million.⁹

Commercial fishermen landed over 5.4 billion pounds of Alaska seafood worth approximately \$2.0 billion in ex-vessel value on average in CY 2017 and 2018 in Alaska (annual averages). Salmon is the most valuable commercial species, making up 37 percent of first wholesale value, with Alaskan Pollock second making up 31 percent of first wholesale value.¹⁰

Over five billion pounds of Alaska seafood was harvested, and processed by 166 shore-based processing facilities in 2018, employing 25,901 workers. Seafood processing is Alaska's largest manufacturing subsector, accounting for roughly 70 percent of all manufacturing employment in Alaska.¹¹

In 2017, the top ports ranked by value in Alaska were -- Dutch Harbor ranked first (\$173 million), Naknek-King Salmon ranked second (\$154 million), Kodiak ranked third (\$152 million), Alaska Peninsula ranked fourth (\$112 million), and Aleutian Islands ranked fifth (\$106 million).¹² The following chart shows Alaska commercial harvest and ex-vessel value from 2009 through 2018:



Source: McDowell Group, *The Economic Value of Alaska's Seafood Industry, January 2020 Report*

Mining

Alaska's mining industry includes exploration, mine development, and production. The industry produces zinc, lead, copper, gold, silver, coal, as well as construction minerals such as sand, gravel, and rock. Alaska's six largest operating mines are Fort Knox, Greens Creek, Red Dog, Usibelli Coal, Northern Star Pogo, and Kensington, and provided nearly 4,700 full-time jobs of the nearly 9,600 direct and indirect jobs attributed to the mining industry in Alaska in CY 2020. The export value of Alaska's primary produced metals was \$1.9 billion, or 38 percent of Alaska's total exports in 2019.

The growth in mining was supported by several large developments across Alaska. The Northern Star Pogo Mine was acquired by Northern Star Resources Limited in 2018 and was the eighth largest gold producer in the U.S. in 2020. The Fort Knox Mine is in its 24th year of production and is the largest single property taxpayer in the Fairbanks Borough. The Fort Knox Mine is Alaska's largest producing gold mine and poured its eighth millionth ounce in 2019. The Greens Creek Mine is the largest silver producer in the U.S. and in the top 10 producers worldwide. The Red Dog Mine is the largest lead concentrate and zinc concentrate producer in the U.S.¹³

⁹ 2017 State of Alaska Export Report.

¹⁰ Economic Value of the Alaska Seafood Industry, McDowell Group, Inc. January 2020 (for 2017/2018).

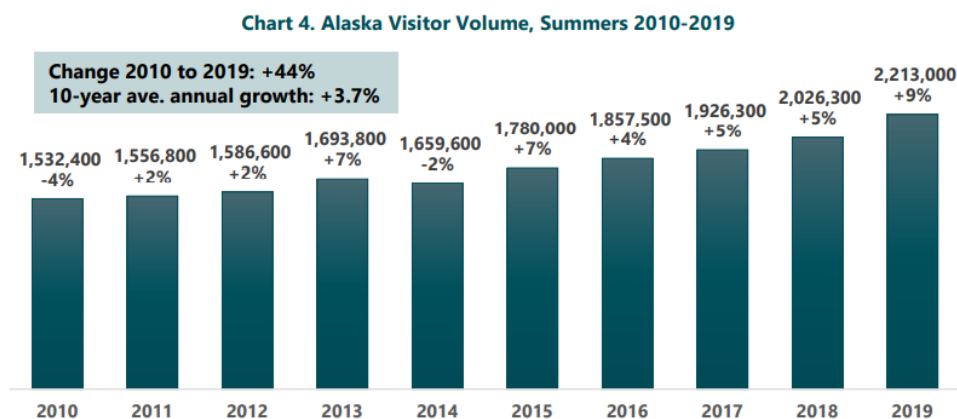
¹¹ Economic Value of the Alaska Seafood Industry, McDowell Group, Inc. January 2020 (for 2017/2018).

¹² Economic Value of the Alaska Seafood Industry, McDowell Group, Inc. January 2020 (for 2017/2018).

¹³ The Economic Benefits of Alaska's Mining Industry, McDowell Group, Inc. report for the Alaska Miners Association. February 2021.

Tourism¹⁴

The Alaska Summer 2019 visitor volume of 2,213,000 was the fifth consecutive summer of growth, and the largest single year growth in the last decade. By transportation market for Summer 2019, 60.2 percent traveled by cruise ship, 35.7 percent were air visitors, and 4.1 percent were highway / ferry visitors. The following chart shows Summer visitor volume since the 2010 season:



Source: McDowell Group, *Alaska Visitor Volume Winter 2018-19 & Summer 2019, June 2020 Report*

The effects of COVID-19 have impacted tourism activity within the State and have largely diminished, and in some cases prohibited, certain modes of travel (for example, large cruise ships) to and from the State during calendar year 2020, and the nature of the impact is likely to evolve over the next several years. The scope and severity of COVID-19 travel restrictions vary throughout the United States and the world, and governmental authorities continue to adjust and revise these restrictions from time to time.

Retail¹⁵

A number of new chain and homegrown retailers opened in Alaska during the past two decades. Since 2000, the following retailers opened stores in Alaska: Kohl's, Costco, Walmart, Best Buy, Target, Sportsman's Warehouse, Petco, Bed Bath and Beyond, and Walgreens. The retail sector provided 33,400 jobs on average in Alaska in 2020.

Transportation¹⁶

Given the geography of the State, Alaskans rely on aviation and marine transportation to move people and goods. Although Alaska is the largest state in terms of area, it has the fifth-lowest road mileage in the U. S. The primary reasons for the low road miles in Alaska are (i) the majority of people live in the urbanized areas and (ii) extreme weather, rugged terrain, vast distances, low population density and scattered islands make road construction difficult and costly compared to the number of users. Many remote communities are connected to the rest of Alaska and the rest of the world, through waterways or airports, rather than roads.

Most goods shipped to and from Alaska move by way of intermodal transportation systems. Most food, household items and consumer goods shipped from the lower 48 states of the U. S. to Alaska generally arrive by container ship, barge or roll-on, roll-off vessel. Upon arriving in Alaska, freight bound for destinations connected by the highway system are transported by truck or by rail on the Alaska Railroad. Freight bound for remote destinations

¹⁴ McDowell Group, Inc., June 2020 report for ATIA on Alaska Visitor Volume Winter 2018-19 & Summer 2019.

¹⁵ Alaska Economic Trends, September 2011 and January 2014, Decade in Review, 2000-2010.

¹⁶ Alaska State Transportation Plan, adopted February 29, 2008.

is flown from Anchorage or Fairbanks to the remote communities. Heavy or bulk commodities are most often moved by barge to remote communities where seasonal barge service is available.

Given the size, geography and population distribution in Alaska, air transportation is critical for Alaska's economy and the health, safety and welfare of all Alaskans. The State owns about 252 rural airports, in addition to Ted Stevens Anchorage International Airport ("ANC") and Fairbanks International Airport. ANC serves as the primary passenger airport in the State and is an important cargo airport globally.

Alaska's ports and harbors are an important element of the State's economy, providing for the import and export of goods. Port and harbor facilities provide an economic base for those communities dependent on marine resource utilization such as fishing and recreational use. They are an essential link to Alaska's resources, including fisheries, oil, natural gas, mineral resources and recreational activities.

The Alaska Marine Highway System ("AMHS") is a critical part of Alaska's transportation system and the service it provides is part of the National Highway System. AMHS serves Alaska ports by transporting passengers and vehicles between coastal communities. This service helps meet the social, educational, health and economic needs of Alaskans.

The Alaska Railroad operates a total of 656 miles of railway miles in Alaska, consisting of 467 miles of main line, 54 miles of branch line and 135 miles of yards and sidings. The Alaska Railroad plays an important economic role. In 2018, the Alaska Railroad carried 3.2 million tons of freight and 531,611 passengers. As of June 2018, the railroad employed 550 year-round employees, and approximately 130 to 140 additional employees are hired for additional summer activity.¹⁷

¹⁷ Alaska Railroad Corporation Annual Report 2018,
https://www.alaskarailroad.com/sites/default/files/Communications/AnnualReport2018_Apr2019_Secured_FINAL.pdf.

APPENDIX G

FORM OF DELAYED DELIVERY CONTRACT



STATE OF ALASKA INTERNATIONAL AIRPORTS SYSTEM
Revenue Refunding Bonds, Series 2025A
Revenue Refunding Bonds, Series 2025B (Forward Delivery)
Financing Schedule as of October 29, 2024
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November 2024							December 2024							January 2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30	31	

Date		Event	Responsibilities
Week of 10/28			
Friday, November 1 st	■	Schedule Rating Agency calls	FA
Week of 11/4			
Tuesday, November 5 th	■	Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Wednesday, November 6 th	■	Document Review Call at Time TBD	WG
Thursday, November 7 th	■	Distribute Rating Agency Presentation Outline	UW
Friday, November 8 th	■	Receive NOBO List	AK, UW
Week of 11/11			
Monday, November 11 th	■	Veteran's Day	N/A
Tuesday, November 12 th	■	Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Thursday, November 13 th	■	Distribute First Draft of Rating Agency Presentation	UW
Friday, November 14 th	■	Review Rating Agency Presentation (Call at Time TBD)	WG
Week of 11/18			
Tuesday, November 19 th	■	Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Thursday November 21 st	■	Distribute Second Draft of Rating Agency Presentation	UW
	■	State Bond Committee at Time TBD and Approval of Resolution	N/A
Week of 11/25			
Monday, November 25 th	■	Review Rating Agency Presentation (Call at Time TBD)	WG
Tuesday, November 26 th	■	Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Thursday, November 28 th	■	Thanksgiving Day	N/A
Week of 12/2			
Tuesday, December 3 rd	■	Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
	■	Distribute Third Draft of Rating Agency Presentation	UW
Friday, December 6 th	■	Post Voluntary Notice of Potential Financing and Tender Offer	AK
	■	Review Rating Agency Presentation & Finalize (Call at Time TBD)	WG
Week of 12/9			
Monday, December 9 th	■	Rating Agency Presentation Review and Prep Call at Time TBD	AK, FA, UW
Tuesday, December 10 th	■	Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Wed/Thurs, Dec. 11 th /12 th	■	Rating Agency Meetings Times TBD	AK, FA, UW
Week of 12/16			
Monday, December 16 th	■	Distribute First draft of Investor Presentation	UW
Tuesday, December 17 th	■	Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Week of 12/23			
Monday, December 23 rd	■	Finalize POS, Invitation, Dealer Manager Agreement and other bond documents	WG
	■	Finalize tender candidates	AK, FA, UW



STATE OF ALASKA INTERNATIONAL AIRPORTS SYSTEM
Revenue Refunding Bonds, Series 2025A
Revenue Refunding Bonds, Series 2025B (Forward Delivery)
Financing Schedule as of October 29, 2024
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November 2024							December 2024							January 2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30	31	

Date	Event	Responsibilities
Tuesday, December 24 th	■ Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Week of 12/30		
Monday, December 30 th	■ Receive Ratings ■ Post POS, Invitation to Tender (by 2pm ET to count as one business day)	N/A WG
Week of 1/6		
Week of 1/6	■ Investor outreach/marketing; Investor Conference Calls	AK, UW
Monday, January 6 th	■ Finalize and Post tender prices	AK, FA, UW, GLOB
Tuesday, January 7 th	■ Working Group Call (12pm AK / 1pm PT / 4pm ET)	WG
Week of 1/13		
Monday, January 13 th	■ Tender Expiration at Time TBD ■ Call to Discuss Tender Results at Time TBD ■ Finalize overall plan of finance based on tender results, including amounts to be purchased and bonds to be forward refunded ■ Post Preliminary Acceptance Notice	WG AK, FA, UW AK, FA, UW AK, UW, GLOB
Wednesday, January 15 th	■ Price Series 2025A & 2025B (Forward Delivery) Bonds and sign BPAs ■ Post Final Acceptance Notice	WG AK, UW, GLOB
Week of 1/20		
Tuesday, January 21 st	■ Working Group Call (12pm AK / 1pm PT / 4pm ET) ■ Post Series 2025A & 2025B (Forward Delivery) Bonds Final OS	WG AK, UC
Wednesday, January 22 nd	■ Current Delivery Pre-Closing	WG
Thursday, January 23 rd	■ Current Delivery Closing (included purchase and cancellation of tendered amounts)	WG



STATE OF ALASKA INTERNATIONAL AIRPORTS SYSTEM
Revenue Refunding Bonds, Series 2025A
Revenue Refunding Bonds, Series 2025B (Forward Delivery)
Financing Schedule as of October 29, 2024
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November 2024							December 2024							January 2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	1	2	3	4	5	6	7				1	2	3	4
3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
24	25	26	27	28	29	30	29	30	31					26	27	28	29	30	31	

Date	Event	Responsibilities
June 2025		
Week of 6/9	■ Circulate revised draft of OS	TBD
Week of 6/16	■ Circulate forward closing documents	BC, UC
Week of 6/23	■ Due Diligence Call Time TBD	WG
	■ Post Revised OS	WG
	■ Finalize forward closing documents	WG
May 2025		
Thursday, May 8 th	■ Series 2025B Forward Settlement Kick-Off	WG
July 2025		
Tuesday, July 1 st	■ Pre-Closing	WG
Wednesday, July 2 nd	■ Forward Delivery Closing	WG
	■ Purchase SLGS for forward refunding escrow	EA
August 2025		
Tuesday, August 5 th	■ Circulate Call Notice	AK
Tuesday, August 12 th	■ Publish redemption notice for bonds refunded via Series 2025B	AK
October 2025		
Wednesday, October 1 st	■ Redeem the Series 2016-A and 2016-B Bonds that were forward refunded	AK, BNY

Party	Role	Abbreviation
State of Alaska / Alaska International Airport Systems	Issuer	AK
Masterson Advisors	Financial Advisor	FA
Orrick, Herrington & Sutcliffe LLP	Bond Counsel	BC
Goldman Sachs & Co. LLC & Jefferies LLC	Co-Senior & Dealer Managers	UW
Nixon Peabody	Underwriter's Counsel	UC
Globic Advisors Inc.	Information/Tender Agent	GLOB
Bank of New York Mellon, Trust Company	Trustee/Escrow Agent	EA
Bank of New York Mellon, Trust Company	Trustee – Series 2016-A, 2016-B	BNY
AK, BC, FA, UC, and UW	Working Group	WG

STATE BOND COMMITTEE
OF THE STATE OF ALASKA

RESOLUTION NO. 2024-05

Providing for the Issuance of

Alaska Clean Water Fund Revenue Bond Anticipation Note, 2024 Series A
and of
Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2024 Series B

Approved on December 9, 2024

Prepared by:

ORRICK, HERRINGTON & SUTCLIFFE LLP

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* This Table of Contents is not a part of the following resolution.

STATE BOND COMMITTEE

RESOLUTION NO. 2024-05

A Resolution of the State Bond Committee of the State of Alaska relating to the issuance and sale of two series of notes to be designated as Alaska Clean Water Fund Revenue Bond Anticipation Note, 2024 Series A in the aggregate principal amount of up to \$1,007,000 and Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2024 Series B in the aggregate principal amount of up to \$962,000; fixing the place of payment and other covenants with respect to said notes; authorizing the Debt Manager to solicit proposals from banks for the purchase of the notes, to approve the final interest costs and maturity dates for the notes; and authorizing the Designated Representative to execute a purchase contract, under the terms and conditions set forth herein.

WHEREAS, the Federal Water Quality Act of 1987 (the “Clean Water Act”) established a state revolving fund program in order to replace the United States Environmental Protection Agency (“EPA”) construction grants program with revolving loan programs operated by the individual states; and

WHEREAS, the Safe Drinking Water Act Amendments of 1996, amending the Safe Drinking Water Act (the “Drinking Water Act”) also established a state revolving fund program in order to permit states to establish revolving fund loan programs; and

WHEREAS, in order to capitalize state revolving funds, the EPA may make annual capitalization grants to the states, on the condition that each state provide a state match for such state’s revolving funds; and

WHEREAS, Chapter 141 of the Session Laws of Alaska of 1996, as amended in 2000 by the Alaska Legislature in House Bill 304(FIN) and as codified at AS 37.15.560-.605 and AS 46.03.032-.039 (the “Act”), authorized the issuance and sale of Alaska Clean Water Fund revenue bonds of the State of Alaska (the “State”) in the principal amount of up to \$15,000,000 per Fiscal Year or up to \$150,000,000 total to provide financial assistance to municipalities and other qualified entities through the Alaska Clean Water Fund Loan Program (the “Authorized Clean Water Bonds”); and

WHEREAS, the Act authorized the issuance and sale of Alaska Drinking Water Fund revenue bonds of the State in the principal amount of up to \$15,000,000 per Fiscal Year or up to \$150,000,000 total to provide financial assistance to municipalities and other qualified entities through the Alaska Drinking Water Fund Loan Program (the “Authorized Drinking Water Bonds”); and

WHEREAS, AS 37.15.300-.390 authorizes the State Bond Committee (the “Committee”), when the Committee considers it in the best interests of the State, to borrow money in anticipation of the sale of revenue bonds if money to be derived from the sale of the bonds has been appropriated and if the revenue bonds have been authorized by law; and

WHEREAS, the Committee wishes to delegate authority to the Debt Manager of the State to solicit proposals from banks for the purchase of the notes authorized herein, approve the interest costs and maturity dates for the Notes within the parameters described in this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOND COMMITTEE OF THE STATE OF ALASKA, as follows:

Section 1. Defined Terms. In this resolution, the following terms shall have the following meanings.

“Act” means Chapter 141 of the Session Laws of Alaska of 1996, as amended by House Bill No. 304 (FIN), codified at AS 37.15.560-.605 and AS 46.03.032-.039.

“Alaska Clean Water Fund” or **“Clean Water Fund”** means the fund established pursuant to AS 46.03.032(a).

“Alaska Drinking Water Fund” or **“Drinking Water Fund”** means the fund of that name established pursuant to AS 46.03.036.

“Bank” means the bank selected and identified by the Debt Manager in accordance with the authority granted to him pursuant to Section 5 hereof.

“Bond Fund – Clean Water” means the Alaska Clean Water Fund Revenue Bond Redemption Fund, established pursuant to AS 37.15.565.

“Bond Fund – Drinking Water” means the Alaska Drinking Water Fund Revenue Bond Redemption Fund, established pursuant to AS 37.15.565.

“Bonds” mean Clean Water Bonds or the Drinking Water Bonds.

“Clean Water Act” means the Federal Clean Water Act, as amended by the Federal Water Quality Act of 1987, 33 U.S.C. 1251-1387.

“Clean Water Bonds” means the bonds payable from Clean Water Revenues which include interest on loan repayments and investment interest and issued under authority of AS 37.15.560-.605 pursuant to authorization of the Committee.

“Clean Water Maturity Date” means the date of maturity of the Clean Water Note, which date of maturity shall be specified in the Purchase Contract and shall be no later than December 31, 2024.

“Clean Water Note” as further defined in Section 4(a), means the Alaska Clean Water Fund Revenue Bond Anticipation Note, 2024 Series A in the aggregate principal amount of up to \$1,007,000.

“Clean Water Project” means any one of the following categories of projects:

(a) planning, designing, building, constructing and rehabilitating a public wastewater collection, treatment or discharge system;

(b) implementing a management program for controlling water pollution from nonpoint sources under 33 U.S.C. 1329, including planning, designing, building, constructing and rehabilitating a solid waste management system; and

(c) developing and implementing an estuary conservation and management program under 33 U.S.C. 1330.

“Clean Water Rate” means the per annum interest rate payable on the Clean Water Note, which interest rate shall be specified in the Purchase Contract.

“Clean Water Revenues” means the money on hand in the Clean Water Fund, including money appropriated by the State Legislature to meet federal matching requirements, federal capitalization grants, loan repayments, interest received from loan repayments and interest received from investment of money in the Clean Water Fund and the proceeds and accrued interest received from the sale of Clean Water Bonds issued under AS 37.15.560-.605 and secured by the Clean Water Fund.

“Committee” means the state bond committee, created pursuant to AS 37.15.110, whose members include the commissioner of commerce, community and economic development, the commissioner of administration and the commissioner of revenue.

“DEC” means the State of Alaska Department of Environmental Conservation, or a successor.

“DEC Representative” means the Commissioner of DEC or such other official of DEC as shall be designated by the Commissioner in writing to the Designated Representative.

“Designated Representative” means the Debt Manager of DOR and the Secretary of the Committee or such other person as may be designated from time to time by resolution of the Committee.

“DOR” means the State of Alaska Department of Revenue, or a successor.

“Drinking Water Act” means the Federal Safe Drinking Water Act, as amended by the Safe Drinking Water Act Amendments of 1996, 42 U.S.C. 300j *et. seq.*

“Drinking Water Bonds” means the bonds payable from Drinking Water Revenues which include interest on loan repayments and investment interest and issued under authority of AS 37.15.560-.605 pursuant to authorization of the Committee.

“Drinking Water Fund” means the separate fund established by AS 46.03.036(a).

“Drinking Water Maturity Date” means the date of maturity of the Drinking Water Note, which date of maturity shall be specified in the Purchase Contract and shall be no later than December 31, 2024.

“Drinking Water Note” as further defined in Section 4(b), means the Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2024 Series B in the aggregate principal amount of up to \$962,000.

“Drinking Water Rate” means the per annum interest rate payable on the Drinking Water Note, which interest rate shall be specified in the Purchase Contract.

“Drinking Water Project” means drinking water system projects, including projects to plan, design, build, construct, or rehabilitate a public drinking water collection, storage, treatment or distribution system.

“Drinking Water Revenues” means the money on hand in the Drinking Water Fund, including money appropriated by the State Legislature to meet federal matching requirements, federal capitalization grants, loan repayments, interest received from loan repayments and interest received from investment of money in the Drinking Water Fund and the proceeds and accrued interest received from the sale of Drinking Water Bonds issued under AS 37.15.560-.605 and secured by the Drinking Water Fund.

“Fiscal Year” means the fiscal year of the State, which currently is July through June of each year.

“Note Account – Clean Water” means the Alaska Clean Water Fund Revenue Bond Anticipation Note Account, created within the Bond Fund – Clean Water for the payment of principal and interest on the Clean Water Note.

“Note Account – Drinking Water” means the Alaska Drinking Water Fund Revenue Bond Anticipation Note Account, created within the Bond Fund – Drinking Water for the payment of principal and interest on the Drinking Water Note.

“Note Register” means the books or records maintained by the State containing the name and mailing address of the owner of each Note or nominee of such owner and the principal amount and number of Notes held by each owner or nominee.

“Notes” means either or both of the Clean Water Note and the Drinking Water Note.

“Pledged Clean Water Revenue” means Clean Water Revenues consisting of interest received from investment of money in the Clean Water Fund and the interest portion of loan repayments.

“Pledged Drinking Water Revenue” means Drinking Water Revenues consisting of interest received from investment of money in the Drinking Water Fund and the interest portion of loan repayments.

“Purchase Contract” means a purchase contract or agreement executed by the Designated Representative and the Bank in connection with the sale and purchase of the Notes as authorized to be executed pursuant to Section 5 hereof.

“Regulations” means the regulations promulgated by DEC with respect to the Alaska Clean Water and Drinking Water Revolving Loan Funds, under 18 AAC 76, as the same may be hereafter amended or modified and supplemented from time to time.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified as being a part of a separate series.

“State” means the State of Alaska.

Section 2. Authorization of Series of Clean Water Bonds. The State shall issue Clean Water Bonds in Series from time to time to implement the Act. The proceeds of the Clean Water Bonds shall be used for the purposes described in AS 46.03.032(d). The Clean Water Bonds shall be authorized by resolution of the Committee which shall fix the principal amount, denomination, date, maturities, manner of sale, place or places of payment, rights of redemption, if any, terms, form, conditions and covenants of said Clean Water Bonds.

Section 3. Authorization of Series of Drinking Water Bonds. The State shall issue Drinking Water Bonds in Series from time to time to implement the Act. The proceeds of the Drinking Water Bonds shall be used for the purposes described in AS 46.03.036. The Drinking Water Bonds shall be authorized by resolution of the Committee which shall fix the principal amount, denomination, date, maturities, manner of sale, place or places of payment, rights of redemption, if any, terms, form, conditions and covenants of said Drinking Water Bonds.

Section 4. Authorization of Notes.

(a) *Clean Water Note.* In anticipation of the issuance of the Clean Water Bonds authorized by Section 2 hereof, the Committee hereby authorizes the issuance of a revenue bond anticipation note to finance certain Clean Water Projects (the “Clean Water Note”). The Clean Water Note shall be issued in the aggregate principal amount of up to \$1,007,000 and shall be designated as the Alaska Clean Water Fund Revenue Bond Anticipation Note, 2024 Series A. The Clean Water Note shall be dated as of the date of its issuance and delivery; shall be fully registered as to both principal and interest, shall be in the denomination of up to \$1,007,000, shall be numbered N-1, and shall bear interest on unpaid principal from its date at a rate equal to the Clean Water Rate and shall mature on the Clean Water Maturity Date.

(b) *Drinking Water Note.* In anticipation of the issuance of the Drinking Water Bonds authorized by Section 3 hereof, the Committee hereby authorizes the issuance of a revenue bond anticipation note to finance certain Drinking Water Projects (the “Drinking Water Note”). The Drinking Water Note shall be issued in the aggregate principal amount of up to \$962,000 and shall be designated as the Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2024 Series B. The Drinking Water Note shall be dated as of the date of its issuance and delivery; shall be fully registered as to both principal and interest, shall be in the denomination of up to \$962,000, shall be numbered N-1, and shall bear interest on unpaid principal from its date at a rate equal to the Drinking Water Rate, payable at maturity and shall mature on the Drinking Water Maturity Date.

(c) *Place and Medium of Payment.* The principal of and interest on the Notes shall be payable in lawful money of the United States of America. Interest on the Notes shall be

calculated on the basis of a 365-day year and actual days elapsed. Upon presentation and surrender of the Clean Water Note, principal and interest shall be transferred from the Note Account – Clean Water to the Bank on the date when due. Upon presentation and surrender of the Drinking Water Note, principal and interest shall be transferred from the Note Account – Drinking Water to the Bank on the date when due. Interest and principal of the Notes shall, upon request of the Bank, be payable by wire transfer to the account of the Bank on the date due (upon confirmation that the Notes shall have been presented to the Designated Representative for payment).

Section 5. Designated Representative. The Committee hereby designates the Debt Manager of the Department of Revenue and the Secretary of the Committee to act on its behalf as the “Designated Representative” and to exercise the authority granted to the Designated Representative hereunder.

The Committee has determined that it may be inconvenient to meet before the proposed time on which money may be required from the sale of the Notes. Accordingly, the Debt Manager is hereby authorized to prepare a solicitation for proposals to be circulated to local, Alaska banks for the purchase of the Notes and to review and negotiate terms for the purchase of the Notes consistent with the terms of this section. The Committee has determined that it would be in the best interest of the Committee to delegate to the Debt Manager for a limited time the authority to approve the final interest costs and maturity dates for the Notes and other terms and conditions of the Notes. The Debt Manager is hereby authorized to approve the final interest costs (to be expressed as an interest rate for each Note) and maturity dates of Notes and the total of all other costs to be incurred in connection with the financing in the manner provided hereafter.

If the Debt Manager elects to prepare a solicitation and in preparing the solicitation for proposals, evaluating the responses, negotiating a Purchase Contract and determining the final interest rates, maturity dates and total costs of issuance for the Notes, the Debt Manager, in consultation with the Commissioner of the Department of Revenue and the State’s financial advisor, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the Notes to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Notes. The date of issuance and final maturity date shall occur no later than December 31, 2024, and the total costs of the Notes, including total interest payable on the Notes, shall not exceed \$15,000. Subject to the terms and conditions set forth in this Section 5, the Debt Manager is authorized to reject any proposal received (including all proposals) and to re-advertise and accept the proposal deemed most responsive and cost effective. The Designated Representative is hereby authorized to execute the final form of the Purchase Contract. Following the execution of the Purchase Contract, the Debt Manager shall provide a report to the Committee, describing the final terms of the Notes approved pursuant to the authority delegated in this section. The authority granted to the Designated Representative by this Section 5 shall expire 75 days after the date of adoption and approval of this resolution. If the Purchase Contract for the Notes has not been executed within 75 days after the date of adoption and final approval of this resolution, the authorization for the issuance of the Notes shall be rescinded, and such Notes shall not be issued nor their sale approved unless such Notes shall have been re-authorized by resolution of the Committee. The resolution re-authorizing the issuance and sale of such Notes may be in the form of a new resolution repealing this resolution in whole or in part (only with respect to the Notes not issued) or may be in the form

of an amendatory resolution approving a purchase contract or establishing terms and conditions for the authority delegated under this Section 5.

The Debt Manager and the State's financial advisor are hereby authorized to review and approve on behalf of the Committee a request for qualifications/proposal to be distributed to eligible banking institutions relative to the Notes with such additions and changes as may be deemed necessary or advisable to them. The proper State officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Notes to the Bank and for the proper application and use of the proceeds of sale thereof.

The Designated Representative is hereby designated as the registrar and authenticating agent for the Notes. The Designated Representative is hereby further authorized to contract with and arrange for the printing and delivery of the Notes.

Section 6. Sale of Notes. The Notes shall be sold to the Bank in accordance with its proposal for the purchase of the Notes and the Purchase Contract, as authorized to be delivered under Section 5 of this resolution. The Designated Representative is hereby authorized and directed to do all things necessary for the prompt delivery of the Notes to the Bank.

Section 7. Form of Notes.

(a) *Clean Water Note.* The Clean Water Note shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1 \$ _____

STATE OF ALASKA
ALASKA CLEAN WATER REVENUE BOND ANTICIPATION NOTE,
2024 SERIES A

INTEREST RATE: _____% MATURITY DATE: _____, 2024

DATED DATE: _____, 2024

REGISTERED OWNER: _____

TAX ID NUMBER: _____

PRINCIPAL AMOUNT: _____

The State of Alaska (the "State") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, but solely from the Note Account – Clean Water (hereinafter defined) on the Maturity Date identified above, the Principal Amount indicated above together with interest thereon from the Dated Date payable on the Maturity Date. Such Principal Amount, together with accrued interest, shall be paid only upon presentation and surrender of this note at the office of the Debt Manager of the State of Alaska, as registrar and authenticating agent (the "Registrar"). Both principal of and interest on this note are payable in lawful money of the United States of America solely out of the Note Account – Clean Water (the "Note Account – Clean Water") created within the special fund of the State known as the "Alaska Clean Water Fund Revenue Bond Redemption Fund" (the "Bond Fund –Clean

Water”) established pursuant to AS 37.15.565 and in accordance with the terms of Resolution No. 2024-05 (the “Resolution”) of the State Bond Committee (the “Committee”). The definitions contained in the Resolution shall apply to capitalized terms contained herein.

This note is issued pursuant to the Constitution and statutes of the State of Alaska and duly adopted resolutions of the Committee in anticipation of the issuance of clean water fund revenue bonds for the purpose of implementing the Alaska Clean Water Fund Loan Program for the State and its municipalities. This note is payable solely from the Note Account – Clean Water, into which shall be deposited Clean Water Revenues consisting of interest earnings on Clean Water Revenues in the Clean Water Fund and the interest portion of loan repayments (collectively, “Pledged Clean Water Revenue”) deposited in the Clean Water Fund and/or the proceeds of Clean Water Bonds or of refunding bond anticipation notes on or prior to the maturity of this note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE STATE OF ALASKA OR ANY OF ITS DEPARTMENTS, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF ALASKA OR OF ANY SUCH DEPARTMENT, BUT SHALL BE PAYABLE SOLELY FROM THE NOTE ACCOUNT – CLEAN WATER WITHIN THE BOND FUND – CLEAN WATER AND FROM THE CLEAN WATER REVENUES. THE STATE OF ALASKA SHALL NOT BE OBLIGATED TO PAY THE SAME NOR INTEREST THEREON EXCEPT FROM SUCH PAYMENTS AND PROCEEDS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF ALASKA OR OF ANY DEPARTMENT THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS NOTE.

The interest on this note is not exempt from federal income taxation. The interest on this note is includible in federal gross income.

This note shall not be validly issued until duly authenticated by the manual signature of the Registrar in the Certificate of Authentication below.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Alaska, and resolutions of the State to be done precedent to and in the issuance of this note have happened, been done and performed.

IN WITNESS WHEREOF, the State of Alaska has caused this note to be executed with the facsimile signature of the Governor of the State of Alaska and to be countersigned by the Lieutenant Governor, this ____ day of _____, 2024.

STATE OF ALASKA

By _____
Governor

Countersigned:

Lieutenant Governor

The Certificate of Authentication on the Clean Water Note shall be in substantially the following form:

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This note is the note described in the within-mentioned Resolution and is the Alaska Clean Water Fund Revenue Bond Anticipation Note, 2024 Series A of the State of Alaska, dated _____, 2024.

STATE OF ALASKA

DEPARTMENT OF REVENUE

By _____
Debt Manager

(b) *Drinking Water Note.* The Drinking Water Note shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1

\$ _____

STATE OF ALASKA
ALASKA DRINKING WATER REVENUE BOND ANTICIPATION NOTE,
2024 SERIES B

INTEREST RATE: _____% MATURITY DATE: _____, 2024

DATED DATE: _____, 2024

REGISTERED OWNER: _____

TAX ID NUMBER: _____

PRINCIPAL AMOUNT: _____

The State of Alaska (the “State”) hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, but solely from the Note Account – Drinking Water (hereinafter defined) on the Maturity Date identified above, the Principal Amount indicated above together with interest thereon from the Dated Date payable on the Maturity Date. Such Principal Amount, together with accrued interest, shall be paid only upon presentation and surrender of this note at the office of the Debt Manager of the State of Alaska, as registrar and authenticating agent (the “Registrar”). Both principal of and interest on this note are payable in lawful money of the United States of America solely out of the Note Account – Drinking Water (the “Note Account – Drinking Water”) created within the special fund of the State known as the “Alaska Drinking Water Fund Revenue Bond Redemption Fund” (the “Bond Fund – Drinking Water”) established pursuant to AS 37.15.565” and in accordance with the terms of Resolution No. 2024-05 (the “Resolution”) of the State Bond Committee (the “Committee”). The definitions contained in the Resolution shall apply to capitalized terms contained herein.

This note is issued pursuant to the Constitution and statutes of the State of Alaska and duly adopted resolutions of the Committee in anticipation of the issuance of drinking water fund revenue bonds for the purpose of implementing the Alaska Drinking Water Fund Loan Program for the State and its municipalities. This note is payable solely from the Note Account – Drinking Water, into which shall be deposited Drinking Water Revenues constituting interest received from investment of money in the Drinking Water Fund and the interest portion of loan repayments (collectively, “Pledged Drinking Water Revenue”) and/or the proceeds of Drinking Water Bonds or of refunding bond anticipation notes on or prior to the maturity of this note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE STATE OF ALASKA OR ANY OF ITS DEPARTMENTS, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF ALASKA OR OF ANY SUCH DEPARTMENT, BUT SHALL BE PAYABLE SOLELY FROM THE NOTE ACCOUNT – DRINKING WATER WITHIN THE BOND FUND – DRINKING WATER AND FROM THE DRINKING WATER REVENUES. THE STATE OF ALASKA SHALL NOT BE OBLIGATED TO PAY THE SAME NOR INTEREST THEREON EXCEPT FROM SUCH PAYMENTS AND PROCEEDS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF ALASKA OR OF ANY DEPARTMENT THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS NOTE.

The interest on this note is not exempt from federal income taxation. The interest on this note is includible in federal gross income.

This note shall not be validly issued until duly authenticated by the manual signature of the Registrar in the Certificate of Authentication below.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Alaska, and resolutions of the State to be done precedent to and in the issuance of this note have happened, been done and performed.

IN WITNESS WHEREOF, the State of Alaska has caused this note to be executed with the facsimile signature of the Governor of the State of Alaska and to be countersigned by the Lieutenant Governor, this ____ day of _____, 2024.

STATE OF ALASKA

By _____
Governor

Countersigned:

Lieutenant Governor

The Certificate of Authentication on the Drinking Water Note shall be in substantially the following form:

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This note is the note described in the within-mentioned Resolution and is the Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2024 Series B of the State of Alaska, dated _____, 2024.

STATE OF ALASKA

DEPARTMENT OF REVENUE

By _____
Debt Manager

Section 8. Execution and Delivery of Notes. The Notes shall be executed with the facsimile signature of the Governor and countersigned by facsimile signature of the Lieutenant Governor. The Designated Representative is hereby authorized and directed to authenticate and thereafter to deliver the Notes to the Bank.

Section 9. Disbursement of Note Proceeds.

(a) Alaska Clean Water Fund. The Alaska Clean Water Fund has been established as a State fund by AS 46.03.032. The net proceeds of the Clean Water Note shall be deposited in the Clean Water Fund and shall be disbursed as directed by legislative appropriation to pay costs of Clean Water Projects and for such additional purposes as provided in AS 46.03.032, including but not limited to the provision of state matching funds. Costs of issuance for the Clean Water Note shall be paid from gross proceeds of the Clean Water Note and shall be paid on the date of issuance of the Clean Water Note.

(b) Alaska Drinking Water Fund. The Alaska Drinking Water Fund has been established as a State fund by AS 46.03.036. The net proceeds of the Drinking Water Note shall be deposited in the Drinking Water Fund and shall be disbursed as directed by legislative appropriation to pay costs of Drinking Water Projects and for such additional purposes as provided in AS 46.03.036, including but not limited to the provision of state matching funds. Costs of issuance for the Drinking Water Note shall be paid from gross proceeds of the Drinking Water Note and shall be paid on the date of issuance of the Drinking Water Note.

Section 10. Repayment of Notes.

(a) Note Account – Clean Water. The Bond Fund – Clean Water has been established as a State fund within the State by AS 37.15.565. There is authorized to be created within the Bond Fund – Clean Water an account to be named the “Note Account – Clean Water.” The Note Account – Clean Water shall be a trust fund used for paying and securing the payment of principal of and interest on the Clean Water Note.

On or prior to the date the Clean Water Note becomes due and payable, and in the event that money is not otherwise on hand in the Note Account – Clean Water, the State shall cause to

be deposited in the Revenue Account – Clean Water, sufficient Pledged Clean Water Revenue to pay and redeem the Clean Water Note.

On or before the date on which the Clean Water Note matures, the Designated Representative shall cause to be deposited Pledged Clean Water Revenue in the Note Account – Clean Water or the Committee shall cause Clean Water Bonds to be issued or issue a refunding bond anticipation note to provide amounts sufficient to pay and redeem the Clean Water Note. The Designated Representative is hereby authorized to transfer Pledged Clean Water Revenue from the Revenue Account – Clean Water to the Note Account – Clean Water amounts sufficient to pay and redeem the Clean Water Note when due.

The Clean Water Note shall be an obligation only of the Note Account – Clean Water created and maintained within the Bond Fund – Clean Water and shall not constitute a general obligation of the State. When principal of and interest of the Clean Water Note has been paid in full, any remaining amount in the Note Account – Clean Water shall become part of the entire Bond Fund – Clean Water, and the Note Account – Clean Water shall be closed.

(b) Note Account – Drinking Water. The Bond Fund – Drinking Water has been established as a State fund within the State by AS 37.15.565. There is authorized to be created within the Bond Fund – Drinking Water an account to be named the “Note Account – Drinking Water.” The Note Account – Drinking Water shall be a trust fund used for paying and securing the payment of principal of and interest on the Drinking Water Note.

On or prior to the date the Drinking Water Note becomes due and payable, and in the event that money is not otherwise on hand in the Note Account – Drinking Water, the State shall cause to be deposited in the Revenue Account – Drinking Water, sufficient Pledged Drinking Water Revenue to pay and redeem the Drinking Water Note.

On or before the date on which the Drinking Water Note matures, the Designated Representative shall cause to be deposited Pledged Drinking Water Revenue in the Note Account – Drinking Water or the Committee shall cause Drinking Water Bonds to be issued or issue a refunding bond anticipation note to provide amounts sufficient to pay and redeem the Drinking Water Note. The Designated Representative is hereby authorized to transfer Pledged Drinking Water Revenue from the Revenue Account – Drinking Water to the Note Account – Drinking Water amounts sufficient to pay and redeem the Drinking Water Note when due.

The Drinking Water Note shall be an obligation only of the Note Account – Drinking Water created and maintained within the Bond Fund – Drinking Water and shall not constitute a general obligation of the State.

When principal of and interest of the Drinking Water Note has been paid in full, any remaining amount in the Note Account – Drinking Water shall become part of the entire Bond Fund – Drinking Water, and the Note Account – Drinking Water shall be closed.

Section 11. Further Documents and Certificates. The Chair of the Committee and the Designated Representative, as may be appropriate, are authorized and directed to execute any and all documents and do any and all things determined necessary to effect the accomplishment of the issuance, placement and delivery of the Notes and to deliver the necessary documents to the proper parties as requested to carry out the intended purposes of this resolution.

Section 12. Limitations on Liability. Nothing contained in this resolution nor in the Notes, nor any other instrument, shall be construed with respect to the State as incurring a charge upon the general credit of the State or against the taxing power of the State, nor shall the breach of any agreement contained in this resolution, the Notes or any other instrument or document executed in connection therewith impose any charge upon the general credit of the State or the taxing power of the State.

ADOPTED AND APPROVED by the State Bond Committee of the State of Alaska, the 9th day of December 2024.

STATE OF ALASKA
STATE BOND COMMITTEE

MICAELA FOWLER

Deputy Commissioner, Department of Commerce
Community and Economic Development
Chair and Member
Alaska State Bond Committee

ERIC DEMOULIN

Division Director, Department of Administration
Member
Alaska State Bond Committee

FADIL LIMANI

Deputy Commissioner, Department of Revenue
Secretary and Member
Alaska State Bond Committee

Approved as to form:

Alaska Department of Law
State of Alaska

CERTIFICATE

I, the undersigned, Secretary of the State Bond Committee of the State of Alaska (herein called the “Committee”) DO HEREBY CERTIFY:

1. That the attached Resolution No. 2024-05 (herein called the “Resolution”) is a true and correct copy of a resolution of the Committee as adopted at a meeting held on December 9, 2024, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Committee voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of December 2024.

Secretary

MEMORANDUM OF UNDERSTANDING

Between: Department of Environmental Conservation **Date:** November 25, 2024
Department of Revenue

From: Ryan Williams **Telephone:** 465-2893
Debt Manager
Treasury Division

Subject: Clean Water Fund and Drinking Water Fund 2024 Bonding

OVERVIEW –

The Clean Water and Drinking Water Funds are revolving loan funds administered by the Department of Environmental Conservation (DEC) with federal oversight provided by the Environmental Protection Agency (EPA). Both Funds are authorized to issue debt through the State Bond Committee (SBC). Both Funds hold interest earnings from loans that have been made out of the Funds and interest earnings within the Funds. Federal regulation allows interest earnings within the Funds to be used for the retirement of debts of the Funds.

In an effort to reduce general fund match exposure in obtaining federal match funding DEC (at the suggestion of the EPA) proposed borrowing the state match requirement secured by interest earnings of the Funds and repaying the borrowing immediately. The state has used this exercise to eliminate the need for general fund money to secure federal dollars for approximately 17 years.

TRANSACTION

CLOSING –

On December 18, 2024, \$1,918,374.00 in Revenue Bond Anticipation Notes will be issued. \$981,793.00 will be issued as the Alaska Clean Water Revenue Bond Anticipation Note, 2024 Series A. \$936,581.00 will be issued as the Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2024 Series B. The bonds will be purchased by KeyBank, National Association, A KeyCorp Company (“KeyBank”). Proceeds of the sale will be distributed by KeyBank as follows:

1. On December 18, 2024, \$977,200.75 will be wired to the State of Alaska for deposit to the Alaska Clean Water Fund held in AY01. DEC will ensure interest is credited to the Fund. Wire Instructions are:

State Street Bank and Trust Company
State Street Financial Center
1776 Heritage Dr.
North Quincy, MA 02171

ABA #011000028
State of Alaska – AY01
General Investment Fund
Account #00657189
Attn: Cash Management, 907-465-2360

2. On December 18, 2024, \$932,200.23 will be wired to the State of Alaska for deposit to the Alaska Drinking Water Fund held in AY01. DEC will ensure interest is credited to the Fund. Wire Instructions are:

State Street Bank and Trust Company
State Street Financial Center
1776 Heritage Dr.
North Quincy, MA 02171

ABA #011000028
State of Alaska – AY01
General Investment Fund
Account #00657189
Attn: Cash Management, 907-465-2360

3. On December 18, 2024, KeyBank will retain \$4,473.02, \$4,000.00 for payment of the origination fee, and \$473.02 for overnight interest expense. A total of \$2,289.22 is allocable to the Series 2024A (\$2,047.14 for origination fee, and \$242.08 for interest expense) and a total of \$2,183.80 is allocable to the Series 2024B (\$1,952.86 for origination fee, and \$230.94 for interest expense).
4. On December 18, 2024, KeyBank will wire \$4,500.00 to Orrick Herrington & Sutcliffe LLP for payment of services related to the issuance of the BANs. (\$2,303.03 is allocated to the Series 2024A and \$2,196.97 to the Series 2024B). Wire Instructions are:

Send to: ABA No. 121000248
SWIFT Code: WFBIUS6S
Wells Fargo
420 Montgomery Street
San Francisco, CA 94104
Account of: Orrick, Herrington & Sutcliffe LLP
Account No. 4123701088

Reference Required: client No. 40003-17

REDEMPTION –

On December 19, 2024, \$981,793.00 will be transferred from the interest earnings in the Clean Water Fund to the Bond Redemption Fund. The funds will then immediately be wired to KeyBank (see wire instructions below) for redemption of the Alaska Clean Water Revenue Bond Anticipation Note, 2024 Series A.

WIRE INSTRUCTIONS SERIES A

BANK:	KeyBank National Association
ABA ROUTING #:	041001039
ATTN:	Key Agency Services
ACCOUNT #:	1140228209035
Ref:	State of Alaska

On December 19, 2024, \$936,581.00 will be transferred from the interest earnings in the Drinking Water Fund to the Bond Redemption Fund. The funds will then immediately be wired to KeyBank (see wire instructions below) for redemption of the Alaska Drinking Water Revenue Bond Anticipation Note, 2024 Series B.

WIRE INSTRUCTIONS SERIES B

BANK:	KeyBank National Association
ABA ROUTING #:	041001039
ATTN:	Key Agency Services
ACCOUNT #:	1140228209035
Ref:	State of Alaska



STATE BOND COMMITTEE - STATE OF ALASKA
Clean Water & Drinking Water Bond Anticipation Notes, Series 2024 A/B

Distribution List as of December 2, 2024

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	Telephone	Mobile	E-Mail
Issuer			
STATE OF ALASKA			
State Office Building 333 Willoughby Juneau, AK 99811-0400			
DEPARTMENT OF REVENUE			
Ryan Williams, Debt Manager, Treasury	907-465-2893		ryan.williams@alaska.gov
Gabe Ellenbecker, Cash Management, Treasury	907-465-3718		gabe.ellenbecker@alaska.gov
DEPARTMENT OF ENVIRONMENTAL CONSERVATION			
Brook Larson, Division Operations Manager	907-465-5256		brook.larson@alaska.gov
Cathy Dallaire, Administrative Operations Manager	907-451-5197		cathy.dallaire@alaska.gov
Christina Mccoskey, Finance Officer	907-269-7566		christina.mccoskey@alaska.gov
Lucetra Kilpatrick, Accountant IV	907-465-4016		lucetra.kilpatrick@alaska.gov
Carrie Bohan, Environmental Program Manager	907-465-5143		carrie.bohan@alaska.gov
DEPARTMENT OF ADMINISTRATION			
Jesse Cox, Accountant IV	907-465-5612		jesse.cox@alaska.gov
Bond Counsel			
ORRICK, HERRINGTON & SUTCLIFFE LLP			
701 5 th Avenue, Suite 5600 Seattle, WA 98104-7097 & West Coast			
Leslie Conrad Krusen, Esq.	(Seattle)	206-839-4334	lkrusen@orrick.com
Greg Blonde, Esq.	(Portland)	503-943-4823	gblonde@orrick.com
Angie Gardner, Esq.	(Portland)	503-943-4826	agardner@orrick.com
Underwriter			
KeyBanc Capital Markets			
Public Sector / Public Finance 1301 5 th Ave., 24 th Floor Seattle, WA 98101			
Tony Pass, Senior Vice President	206-849-4839		anthony.pass@key.com
Ralph Juan, Senior Vice President			ralph.juan@key.com

Working Group Email List:

ryan.williams@alaska.gov; gabe.ellenbecker@alaska.gov; brook.larson@alaska.gov; cathy.dallaire@alaska.gov; lucetra.kilpatrick@alaska.gov; carrie.bohan@alaska.gov; jesse.cox@alaska.gov; lkrusen@orrick.com; christina.mccoskey@alaska.gov; gblonde@orrick.com; agardner@orrick.com; anthony.pass@key.com; ralph.juan@key.com;

STATE BOND COMMITTEE

RESOLUTION NO. 2024-06

A Resolution of the State Bond Committee of the State of Alaska Allocating the Private Activity Bond Volume Limit of the State of Alaska for Calendar Year 2024

WHEREAS, Alaska Statute 37.15.800 directs the State Bond Committee (the "Committee") to allocate the private activity bond volume limit for the State of Alaska (the "volume cap") as authorized under 26 U.S.C. 146(e); and

WHEREAS, the volume cap for calendar year 2024 is \$378,230,000; and

WHEREAS, for over ten years, there have been limited requests for volume cap, with annual calendar year allocations to the Alaska Housing Finance Corporation ("AHFC") of all or a majority of each calendar year's cap for potential use in future years; and

WHEREAS, AHFC intends to issue bonds in calendar year 2025; and

WHEREAS, AHFC routinely issues bonds to finance residential and multi-family housing projects; and

WHEREAS, private activity bond calendar year volume cap is available for use through the end of the calendar year in which it arises and then may be carried forward for an additional period of three years if carryforward forms are filed with the Internal Revenue Service no later than February 15 of the following calendar year identifying the particular purposes for which the volume cap is being carried forward; and

WHEREAS, there have been no requests by other state agencies or municipalities and no other requests for volume cap allocation for calendar year 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOND COMMITTEE:

Section 1. The Committee hereby allocates \$378,230,000 of the 2024 private activity bond volume limit for the State of Alaska to AHFC.

Section 2. This Resolution becomes effective on December 31, 2024.

State Bond Committee
Resolution 2024-06

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ADOPTED AND APPROVED by the State Bond Committee of the State of
Alaska, the 9th day of December 2024.

STATE OF ALASKA
STATE BOND COMMITTEE

MICAELA FOWLER
Deputy Commissioner, Department of
Commerce Community and Economic
Development
Chair and Member
Alaska State Bond Committee

ERIC DEMOULIN
Division Director, Department of
Administration
Member
Alaska State Bond Committee

FADIL LIMANI
Deputy Commissioner, Department of
Revenue
Secretary and Member
Alaska State Bond Committee

Approved as to form:

Alaska Department of Law
State of Alaska

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: State Bond Committee

FROM: Ryan Williams
State Debt Manager
DOR - Treasury Division

DATE: December 2, 2024

TELEPHONE: 907-465-2893

SUBJECT: Report

The State's issuance of the Series 2024B and 2025A (forward delivery) bonds priced on August 6th. The post-pricing book from the State's financial advisor Masterson Advisors was distributed to the committee. Some of the highlights include the issuance of \$190.43 million in par to refund the State's General Obligation Bonds - Series 2015B, 2016A, and 2016B with total principal for redemption of approximately \$203.9 million. The Series 2024B bonds closed on August 15, 2024, and the Series 2025A (forward delivery) bonds will close on May 6, 2025. Upon closing of the 2025A, with recent closing of the 2024B, total gross savings of the current and forward transaction results in approximately \$19.5 million in gross savings, and net present value savings of \$16.5 million. The Series 2024B Bonds achieved a True Interest Cost of approximately 2.816% with final maturity on 8/1/2035, and the Series 2025A Bonds achieved a True Interest Cost of 3.205% with final maturity on 8/1/2035 (the final maturity of the refunded bonds did not change, with general uniformity of savings on a fiscal year basis).

Budget process – I have been providing information to OMB to identify the FY 2026 debt service needs of the State.

The State's continuing disclosures for outstanding debt are required. Documents, once publicly available, include the Fall 2024 RSB, FY 2024 ACFR, State Debt Book 2024-2025, Debt Affordability Analysis, and other specific reporting for the state as well as certain state agencies.

AHFC closed on an issuance with respect to the \$75,000,000 Alaska Housing Finance Corporation Collateralized Bonds (Veterans Mortgage Program) 2024 First Series (Non-AMT), on July 30, 2024.