

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank, 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 2025 Series One and Two Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), except that no opinion is expressed as to the status of interest on any 2025 Series Two Bonds for any period that such 2025 Series Two Bond is held by a "substantial user" of the facilities financed by the 2025 Series Two Bonds or by a "related person" within the meaning of Section 147(a) of the Code. In the further opinion of Bond Counsel, interest on the 2025 Series One Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 2025 Series Two Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and interest on the 2025 Series One and Two Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel also is of the opinion based upon existing laws of the State of Alaska that interest on the 2025 Series One and Two 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 2025 Series One and Two Bonds. See "TAX MATTERS."



ALASKA MUNICIPAL BOND BANK

\$41,900,000

**GENERAL OBLIGATION AND
REFUNDING BONDS,
2025 SERIES ONE (NON-AMT)**

\$13,670,000

**GENERAL OBLIGATION AND
REFUNDING BONDS,
2025 SERIES TWO (AMT)**

Dated: Date of Delivery

Due: December 1, as shown on inside cover pages

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$41,900,000 aggregate principal amount of its General Obligation and Refunding Bonds, 2025 Series One (Non-AMT) (the "2025 Series One Bonds"), and \$13,670,000 aggregate principal amount of its General Obligation Refunding Bonds, 2025 Series Two (AMT) (the "2025 Series Two Bonds," and together with the 2025 Series One Bonds, the "2025 Series One and Two Bonds"). The 2025 Series One and Two Bonds initially will be issued as fully registered bonds, in book-entry form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2025 Series One and Two Bonds. Individual purchases of the 2025 Series One and Two Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a series and maturity. Purchasers of the 2025 Series One and Two Bonds will not receive certificates representing their beneficial ownership interests in the 2025 Series One and Two Bonds. Interest on the 2025 Series One and Two Bonds will accrue from the date of delivery of the 2025 Series One and Two Bonds, or from the most recent interest payment date to which interest has been paid or provided for, and is payable on each June 1 and December 1, commencing December 1, 2025.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2025 Series One and Two Bonds, will make principal and interest payments to DTC as the registered owner of the 2025 Series One and Two Bonds. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See "DESCRIPTION OF THE 2025 SERIES ONE AND TWO BONDS" and Appendix H – "DTC AND ITS BOOK-ENTRY SYSTEM."

The 2025 Series One and Two Bonds are subject to optional redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2025 SERIES ONE AND TWO BONDS."

The 2025 Series One and Two Bonds will be issued under the General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank on July 13, 2005 (as amended on August 19, 2009, the "2005 General Bond Resolution"), as supplemented by Series Resolution No. 2024-02, adopted on December 10, 2024 (the "Bond Resolution," and together with the 2005 General Bond Resolution, the "Resolutions"). The 2025 Series One and Two Bonds are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the 2025 Series One and Two Bonds, subject to any agreements made with the holders of any other notes or bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. The 2025 Series One and Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank issued under the 2005 General Bond Resolution. The 2025 Series One and Two Bonds are the 55th and 56th Series, respectively, of Bonds issued under the 2005 General Bond Resolution.

The 2025 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Bond Resolution described herein. The 2025 Series One and Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2025 Series One and Two Bonds do not directly, indirectly, or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2025 Series One and Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2025 Series One and Two Bonds. The Bond Bank has no taxing power.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2025 Series One and Two Bonds are offered when, as, and if issued, subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank. Certain legal matters will be passed upon for the Governmental Unit by its bond counsel. Certain legal matters will be passed upon for the Underwriter by its special counsel, Hawkins Delafield & Wood LLP. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the Bond Bank. It is expected that the 2025 Series One and Two Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about April 8, 2025.



ALASKA MUNICIPAL BOND BANK

**\$41,900,000 GENERAL OBLIGATION AND REFUNDING BONDS,
2025 SERIES ONE (NON-AMT)**

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND PRICES

(Base CUSIP No.† 01179R)

Due (December 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.†
2025	\$4,830,000	5.00%	2.820%	101.384	01179R5H2
2026	5,485,000	5.00	2.840	103.448	01179R5J8
2027	5,760,000	5.00	2.860	105.415	01179R5K5
2028	6,055,000	5.00	3.000	106.857	01179R5L3
2029	2,770,000	5.00	3.050	108.385	01179R5M1
2030	2,905,000	5.00	3.140	109.552	01179R5N9
2031	3,050,000	5.00	3.200	110.697	01179R5P4
2032	3,200,000	5.00	3.330	111.188	01179R5Q2
2033	2,710,000	5.00	3.420	111.737	01179R5R0
2034	1,175,000	5.00	3.540	111.839	01179R5S8
2035	1,095,000	5.00	3.590	111.406*	01179R5T6
2036	475,000	5.00	3.730	110.206*	01179R5U3
2037	505,000	5.00	3.800	109.611*	01179R5V1
2038	530,000	5.00	3.820	109.442*	01179R5W9
2039	200,000	5.00	3.890	108.852*	01179R5X7
2040	210,000	5.00	3.990	108.017*	01179R5Y5
2041	220,000	5.00	4.090	107.188*	01179R5Z2
2042	230,000	5.00	4.200	106.286*	01179R6A6
2043	240,000	5.00	4.320	105.313*	01179R6B4
2044	255,000	5.00	4.410	104.589*	01179R6C2

* Priced to first optional redemption date of December 1, 2034.

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ALASKA MUNICIPAL BOND BANK

**\$13,670,000 GENERAL OBLIGATION AND REFUNDING BONDS,
2025 SERIES TWO (AMT)**

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND PRICES

(Base CUSIP No.† 01179R)

<u>Due (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.†</u>
2025	\$1,035,000	5.000%	3.450%	100.979	01179R6D0
2026	1,190,000	5.000	3.460	102.440	01179R6E8
2027	1,250,000	5.000	3.460	103.859	01179R6F5
2028	1,320,000	5.000	3.550	104.915	01179R6G3
2029	205,000	5.000	3.630	105.805	01179R6H1
2030	210,000	5.000	3.720	106.461	01179R6J7
2031	220,000	5.000	3.770	107.167	01179R6K4
2032	230,000	5.000	3.880	107.345	01179R6L2
2033	245,000	5.000	3.930	107.775	01179R6M0
2034	260,000	5.000	4.080	107.271	01179R6N8
2035	270,000	5.000	4.130	106.859*	01179R6P3
2036	285,000	5.000	4.230	106.042*	01179R6Q1
2037	300,000	5.000	4.310	105.393*	01179R6R9
2038	315,000	5.000	4.330	105.232*	01179R6S7
2039	335,000	5.000	4.410	104.589*	01179R6T5
2040	350,000	5.000	4.520	103.713*	01179R6U2

\$2,050,000 5.250% Term Bonds due December 1, 2045 Yield 4.810% Price 103.357*
CUSIP No.†: 01179R6V0

\$2,350,000 5.500% Term Bonds due December 1, 2050 Yield 4.860% Price 104.875*
CUSIP No.†: 01179R6W8

\$1,250,000 5.000% Term Bonds due December 1, 2054 Yield 5.010% Price 99.839
CUSIP No.†: 01179R6X6

* Priced to first optional redemption date of December 1, 2034 at par.

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No dealer, broker, salesperson, or other person has been authorized by the Bond Bank or the Underwriter to give any information or to make any representations with respect to the 2025 Series One and Two 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 the Bond Bank or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, the 2025 Series One and Two Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

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 by use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Bond Bank since the date hereof.

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 should any such information be relied upon in making investment decisions regarding the 2025 Series One and Two Bonds.

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

The 2025 Series One and Two Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolutions have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The 2025 Series One and Two Bonds have not been recommended by any federal or state securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

Certain statements contained in this Official Statement reflect not historical facts but forecasts and “forward-looking statements.” The words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” “plan,” “budget,” “forecast,” “assume,” and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based upon underlying assumptions, many of which in turn are based upon further assumptions. No assurance can be given that the future results or plans discussed herein will be achieved, and actual results may differ, perhaps materially, from the plans, budgets, assumptions, forecasts, and projections described herein. Except for the historical information described in the continuing disclosure undertaking of the Bond Bank, the Bond Bank does not plan to issue any updates or revisions to any forward-looking statements contained herein. See “CONTINUING DISCLOSURE UNDERTAKINGS.”

For a discussion of certain risks associated with an investment in the 2025 Series One and Two Bonds, see “CERTAIN BONDOWNERS’ RISKS.”

ALASKA MUNICIPAL BOND BANK

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Board of Directors

Luke Welles	Chair
Bruce Tangeman	Vice Chair, Member [†]
Kendell Koelsch	Member
Adam Crum (Fadil Limani)	Member First Delegate)
Julie Sande (Anna Latham)	Member First Delegate)

Executive Director & Treasurer

Ryan S. Williams

Bond Counsel & Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
Seattle, Washington

Trustee

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

Municipal Advisor

PFM Financial Advisors LLC
Seattle, Washington

* The Bond Bank’s website is not part of this Official Statement, and investors should not rely on information presented in the Bond Bank’s website in determining whether to purchase the 2025 Series One and Two Bonds. This inactive textual reference to the Bond Bank’s website is not a hyperlink and does not incorporate the Bond Bank’s website by reference.

[†] On March 17, 2025 Bruce Tangeman tendered his resignation from his appointment as a member of the Board of Directors of the Bond Bank.

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OFFICIAL STATEMENT

Relating to

ALASKA MUNICIPAL BOND BANK

**\$41,900,000 GENERAL OBLIGATION AND REFUNDING BONDS,
2025 SERIES ONE (NON-AMT)**

**\$13,670,000 GENERAL OBLIGATION AND REFUNDING BONDS,
2025 SERIES TWO (AMT)**

INTRODUCTION

General

This Official Statement is furnished by the Alaska Municipal Bond Bank (the “Bond Bank”) in connection with the sale of \$41,900,000 aggregate principal amount of its General Obligation and Refunding Bonds, 2025 Series One (Non-AMT) (the “2025 Series One Bonds”), and \$13,670,000 aggregate principal amount of its General Obligation and Refunding Bonds, 2025 Series Two (AMT) (the “2025 Series Two Bonds,” and together with the 2025 Series One Bonds, the “2025 Series One and Two Bonds”). See “PURPOSE OF THE 2025 SERIES ONE AND TWO BONDS.”

The 2025 Series One and Two Bonds will be issued under the General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank (the “Board”) on July 13, 2005 (as amended on August 19, 2009, the “2005 General Bond Resolution”), and as supplemented by Series Resolution No. 2024-02, adopted by the Board on December 10, 2025 (the “Bond Resolution,” and together with the 2005 General Bond Resolution, the “Resolutions”). On February 19, 2013, the Board adopted a First Supplemental Resolution (the “2013 First Supplemental Resolution”) that amends certain provisions of the 2005 General Bond Resolution, effective as of the first date on which all Bonds issued prior to February 19, 2013, are no longer Outstanding. Holders and Beneficial Owners of the 2025 Series One and Two Bonds are deemed to have consented to all of the amendments authorized in the 2013 First Supplemental Resolution. Copies of the 2005 General Bond Resolution and the 2013 First Supplemental Resolution are included as Appendix E. See “SUMMARY OF THE 2005 GENERAL BOND RESOLUTION—Modifications to the 2005 General Bond Resolution” and Appendix E—“2005 GENERAL BOND RESOLUTION AND 2013 FIRST SUPPLEMENTAL RESOLUTION.”

The Bond Bank was created pursuant to Alaska Statutes 44.85.005 – 44.85.420, as amended (the “Act”), for the primary purpose of lending money to eligible borrowers in the State of Alaska (the “State”), including the purchase of bonds and promissory notes issued by such borrowers. Certain capitalized terms used in this Official Statement, and not otherwise defined herein, are defined in the 2005 General Bond Resolution. See “DEFINITIONS.”

The Bank of New York Mellon Trust Company, N.A., of Los Angeles, California, as Trustee under the 2005 General Bond Resolution (the “Trustee”), serves as the Trustee and Paying Agent for the 2025 Series One and Two Bonds.

The 2025 Series One and Two Bonds are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the 2025 Series One and Two Bonds, subject to any agreements made with the holders of any other notes or

bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. The 2025 Series One and Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2025 Series One and Two Bonds are the 55th and 56th Series, respectively, of Bonds issued under the 2005 General Bond Resolution. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “BONDS OUTSTANDING.”

The 2025 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Bond Resolution. The 2025 Series One and Two Bonds do not constitute a debt or other liability of the State of Alaska, and the 2025 Series One and Two Bonds do not directly, indirectly, or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2025 Series One and Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2025 Series One and Two Bonds. The Bond Bank has no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

All references herein to agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the 2025 Series One and Two Bonds are further qualified by reference to the provisions with respect thereto contained in the Bond Resolution. All bonds issued under and pursuant to the terms of the 2005 General Bond Resolution are referred to as the “Bonds.”

Alaska Municipal Bond Bank

The Bond Bank is a public corporation of the State and an instrumentality of the State established and organized by the Act in 1975 within the State of Alaska Department of Revenue (the “Department of Revenue”), initially to assist municipalities in the State in accessing the financial markets by lending money through the purchase of municipal general obligation bonds. The Bond Bank is currently administered by staff that is shared with the Department of Revenue. A board of five directors authorizes the Bond Bank’s actions including issuing bonds and approving loans. See “ALASKA MUNICIPAL BOND BANK.”

The Act has been modified from time to time, including changes to allow the Bond Bank to finance loans to port authorities, joint action agencies, the Alaska Municipal League Joint Insurance Association, the University of Alaska, and regional health organizations and for purposes including revenue bond issues, other debt obligations, and electrical generation projects including hydroelectric projects. The bonds issued by the Bond Bank for the purpose of making loans to governmental borrowers are issued pursuant to the 2005 General Bond Resolution. The bonds issued by the Bond Bank for the purpose of making loans to regional health organizations are issued pursuant to the 2016 Master Resolution, adopted by the Board on May 5, 2016 (the “2016 Master Bond Resolution”).

Effective July 3, 2022, House Bill 127 (“HB 127”) amended the Act to grant broader authority to the Bond Bank to issue bonds on behalf of the University of Alaska (the “University”) and regional health organizations. HB 127 permits the Bond Bank to issue bonds on behalf of the University for any University purpose, and the maximum authorized amount increased from \$87.5 million to \$500 million. HB 127 increased the maximum amount that a regional health organization is permitted to borrow for a given project from 49% of the project costs to 100% of the project costs, and from a maximum authorized amount of \$102.5 million to \$250 million of the cost of a project, and the total lending authority of the Bond Bank for regional health organization bond issuances increased from \$205 million to \$500 million.

The Bond Bank provides capital funds for the majority of eligible borrowers through loans to such entities funded by issuing its bonds and notes in the national market to finance such loans under conditions

set forth in the Act and the administrative regulations thereunder (Chapter 144 of the Alaska Administrative Code). Loan payments by Governmental Units to the Bond Bank provide the primary source of funds for payment of principal of and interest on the Bonds, including the 2025 Series One and Two Bonds.

Although payments made by the Governmental Units on their Municipal Bonds are the primary security for the payment of principal of and interest on the Bonds, including the 2025 Series One and Two Bonds, the Bond Bank also maintains a reserve account within the reserve fund created under the Act as additional security for the payment of the Bonds and a separate reserve account as security for bonds issued under the 2016 Master Bond Resolution. The Bond Bank is required under the Act to report the sufficiency of the reserve fund and to seek appropriations from the Legislature to replenish the reserve fund if needed. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—2005 General Bond Resolution Reserve Fund.” For information regarding the State of Alaska and its appropriation process, see Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA.”

PURPOSE OF THE 2025 SERIES ONE AND TWO BONDS

Purpose of the 2025 Series One Bonds

The 2025 Series One Bond proceeds are being used for the following purposes: (1) to make a new loan to Petersburg Borough, Alaska (the “Petersburg Borough”), to finance costs of certain capital improvements to the Petersburg Borough high/middle school; (2) to refund certain outstanding bonds previously issued by the Bond Bank, the proceeds of which were used to make loans to the City of Cordova, Alaska (the “City of Cordova”), the City and Borough of Juneau, Alaska (the “City and Borough of Juneau”), the Kenai Peninsula Borough, Alaska (the “Kenai Peninsula Borough”), the Kodiak Island Borough, Alaska (the “Kodiak Island Borough”) and the City of Unalaska, Alaska (the “City of Unalaska”); and (3) to pay a portion of the costs of issuance of the 2025 Series One Bonds.

Purpose of the 2025 Series Two Bonds

The 2025 Series Two Bond proceeds are being used for the following purposes: (1) to make a new loan to the Ketchikan Gateway Borough, Alaska (the “Ketchikan Gateway Borough”), to finance costs of certain capital improvements to the Ketchikan Gateway Borough’s Ketchikan International Airport, and if necessary, to make a deposit to the Ketchikan Gateway Borough’s reserve account related to such loan; (2) to make a new loan to the City of Whittier, Alaska (the “City of Whittier”), to finance the costs of certain improvements to the City of Whittier’s small boat harbor; (3) to refund certain outstanding bonds previously issued by the Bond Bank, the proceeds of which were used to make a loan to the City and Borough of Juneau; and (4) to pay a portion of the costs of issuance of the 2025 Series Two Bonds.

Refunding Plan

A portion of the proceeds of the 2025 Series One and Two Bonds are to be used to refund certain outstanding Bonds of the Bond Bank described below (if and as refunded, the “Refunded Bonds”). The refunding of the Refunded Bonds is being undertaken to achieve net present value debt service savings for the Bond Bank and the Governmental Units.

Refunded Bonds

The outstanding bonds of the Bond Bank to be refunded with a portion of the proceeds of the 2025 Series One Bonds are set forth below.

Series	Maturity Date	Outstanding Principal Amount	Refunding Candidate	Interest Rate	Redemption Date	Redemption Price
2014A Series One	3/1/2026	\$2,650,000	\$2,650,000	5.00%	4/8/2025	100%
2014A Series One	3/1/2027	2,780,000	2,780,000	5.00	4/8/2025	100
2014A Series One	3/1/2028	2,925,000	2,925,000	5.00	4/8/2025	100
2014A Series One	3/1/2029	3,065,000	3,065,000	5.00	4/8/2025	100
2014A Series One	3/1/2030	265,000	265,000	5.00	4/8/2025	100
2014A Series One	3/1/2031	275,000	275,000	4.50	4/8/2025	100
2014A Series One	3/1/2033 ⁽¹⁾	590,000	590,000	5.00	4/8/2025	100
2014A Series One	3/1/2034	315,000	315,000	5.00	4/8/2025	100
2014A Series One	3/1/2035	335,000	335,000	4.00	4/8/2025	100
2014A Series One	3/1/2039 ⁽¹⁾	1,470,000	1,470,000	4.00	4/8/2025	100
2015 Series One	10/1/2025	3,260,000	2,475,000	5.00	4/8/2025	100
2015 Series One	10/1/2026	3,225,000	2,590,000	5.00	4/8/2025	100
2015 Series One	10/1/2027	3,385,000	2,710,000	5.00	4/8/2025	100
2015 Series One	10/1/2028	3,010,000	2,855,000	5.00	4/8/2025	100
2015 Series One	10/1/2029	1,745,000	1,635,000	5.00	4/8/2025	100
2015 Series One	10/1/2030	1,825,000	1,710,000	4.00	4/8/2025	100
2015 Series One	10/1/2031	1,895,000	1,775,000	4.00	4/8/2025	100
2015 Series One	10/1/2032	1,970,000	1,845,000	4.00	4/8/2025	100
2015 Series One	10/1/2033	2,045,000	1,915,000	4.00	4/8/2025	100
2015 Series One	10/1/2034	265,000	130,000	3.25	4/8/2025	100
2015A Series Two	3/1/2026	1,885,000	650,000	5.00	4/8/2025	100
2015A Series Two	3/1/2027	1,985,000	685,000	5.00	4/8/2025	100
2015A Series Two	3/1/2028	2,075,000	715,000	5.00	4/8/2025	100
2015A Series Two	3/1/2029	1,100,000	755,000	5.00	4/8/2025	100
2015A Series Two	3/1/2030	1,155,000	795,000	5.00	4/8/2025	100
2015A Series Two	3/1/2031	1,210,000	830,000	4.00	4/8/2025	100
2015A Series Two	3/1/2032	1,250,000	855,000	4.00	4/8/2025	100
2015A Series Two	3/1/2033	1,305,000	895,000	4.00	4/8/2025	100
2015A Series Two	3/1/2035 ⁽¹⁾	1,275,000	405,000	4.00	4/8/2025	100
2015 Series Three	10/1/2025	2,805,000	290,000	5.00	4/8/2025	100
2015 Series Three	10/1/2026	3,715,000	305,000	5.00	4/8/2025	100
2015 Series Three	10/1/2027	2,855,000	320,000	5.00	4/8/2025	100
2015 Series Three	10/1/2028	3,000,000	335,000	5.00	4/8/2025	100
2015 Series Three	10/1/2029	3,160,000	355,000	5.00	4/8/2025	100
2015 Series Three	10/1/2030	3,300,000	370,000	4.00	4/8/2025	100
2015 Series Three	10/1/2031	3,455,000	390,000	5.25	4/8/2025	100
2015 Series Three	10/1/2032	3,645,000	410,000	5.25	4/8/2025	100
2015 Series Three	10/1/2036 ⁽¹⁾	16,045,000	1,365,000	5.25	4/8/2025	100

(1) Term Bonds.

The outstanding bonds of the Bond Bank to be refunded with a portion of the proceeds of the 2025 Series Two Bonds are set forth below.

<u>Series</u>	<u>Maturity Date</u>	<u>Outstanding Principal Amount</u>	<u>Refunding Candidate</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2015B Series Two	3/1/2026	\$1,330,000	\$1,100,000	5.00%	4/8/2025	100%
2015B Series Two	3/1/2027	1,400,000	1,155,000	5.00	4/8/2025	100
2015B Series Two	3/1/2028	1,465,000	1,210,000	5.00	4/8/2025	100
2015B Series Two	3/1/2029	1,545,000	1,275,000	5.00	4/8/2025	100

SOURCES AND USES OF FUNDS

The table below sets forth the sources and uses of funds related to the 2025 Series One and Two Bonds, rounded to the nearest dollar.

	2025 Series One Bonds	2025 Series Two Bonds
Sources:		
Principal Amount	\$41,900,000	\$13,670,000
Net Original Issue Premium	2,995,488	526,503
Other Sources ⁽¹⁾	4,289,061	909,428
Total Sources	\$49,184,549	\$15,105,931
Uses:		
Deposit to Redemption Account ⁽²⁾	\$45,160,862	\$4,764,358
Loan to Ketchikan Gateway Borough	--	5,000,000
Loan to Petersburg Borough	3,500,000	--
Loan to City of Whitter	--	4,500,000
Governmental Unit Reserves	--	663,511
Costs of Issuance and Rounding ⁽³⁾	523,686	178,062
Total Uses⁽⁴⁾	\$49,184,549	\$15,105,931

⁽¹⁾ Represents Bond Bank contribution to payment of costs of issuance, releases from Governmental Unit Reserves and Governmental Unit contributions to the Governmental Unit Reserves.

⁽²⁾ See "PURPOSE OF THE 2025 SERIES ONE AND TWO BONDS—Refunding Plan."

⁽³⁾ Includes Bond Bank and Governmental Unit costs of issuance such as Underwriter's discount, legal fees, municipal advisor fees, rating agency fees, Trustee fees, printing and other costs of issuance of the 2025 Series One and Two Bonds.

⁽⁴⁾ Totals may not foot due to rounding.

DESCRIPTION OF THE 2025 SERIES ONE AND TWO BONDS

General Description

The 2025 Series One and Two Bonds are issuable only as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), as securities depository for the 2025 Series One and Two Bonds. Principal of and interest on the 2025 Series One and Two Bonds are payable by the Trustee to DTC which, in turn, is obligated to disburse such

principal and interest payments to its participants (the “DTC Participants”) in accordance with DTC procedures. See Appendix H—“DTC AND ITS BOOK-ENTRY SYSTEM.”

2025 Series One and Two Bonds

The 2025 Series One and Two Bonds mature, subject to prior redemption, on the dates and bear interest at the rates set forth on the inside cover pages of this Official Statement. The 2025 Series One and Two Bonds are issuable in denominations of \$5,000 or any integral multiple thereof within a series and maturity. Interest on the 2025 Series One and Two Bonds will accrue from the date of delivery of the 2025 Series One and Two Bonds, or from the most recent interest payment date to which interest has been paid or provided for, and is payable on each June 1 and December 1, commencing December 1, 2025.

Optional Redemption

The 2025 Series One and Two Bonds maturing on or after December 1, 2035, are subject to redemption in whole or in part at the option of the Bond Bank on any date on or after December 1, 2034, at a price of 100 percent of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption. The Loans to the Governmental Units have corresponding optional prepayment provisions.

Mandatory Sinking Fund Redemption

The 2025 Series Two Bonds maturing on December 1, 2045, are subject to mandatory sinking fund redemption on December 1 of the years and in the principal amounts set forth in the following table. Any such redemption will be at a price of 100 percent of the principal amount to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption, but without premium.

Term Bonds Due December 1, 2045

Year	Principal Amount
2041	\$365,000
2042	390,000
2043	410,000
2044	430,000
2045**	455,000

**Maturity.

The 2025 Series Two Bonds maturing on December 1, 2050, are subject to mandatory sinking fund redemption on December 1 of the years and in the principal amounts set forth in the following table. Any such redemption will be at a price of 100 percent of the principal amount to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption, but without premium.

Term Bonds Due December 1, 2050

Year	Principal Amount
2046	\$475,000
2047	505,000
2048	530,000
2049	565,000
2050**	275,000

**Maturity.

The 2025 Series Two Bonds maturing on December 1, 2054, are subject to mandatory sinking fund redemption on December 1 of the years and in the principal amounts set forth in the following table. Any such redemption will be at a price of 100 percent of the principal amount to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption, but without premium.

Term Bonds Due December 1, 2054

Year	Principal Amount
2051	\$290,000
2052	305,000
2053	320,000
2054**	335,000

**Maturity.

The Bond Resolution provides that if the Bond Bank redeems a portion of the 2025 Series Two Term Bonds pursuant to the optional redemption provisions described above or purchases for cancellation or defeases 2025 Series Two Term Bonds, the 2025 Series Two Term Bonds so redeemed, purchased or defeased may be credited against one or more of the scheduled mandatory sinking fund redemption amounts of the same maturity in the order directed by the Bond Bank (or if no direction is given, then in a random manner as determined by the Trustee).

Notice and Effect of Redemption

The Bond Resolution provides that at least 20 days, but not more than 60 days, prior to the date upon which any 2025 Series One and Two Bonds are to be redeemed, the Trustee will mail a notice of redemption to the registered owner (DTC so long as all of the 2025 Series One and Two Bonds are held under the DTC book-entry system) of any 2025 Series One and Two Bond all or a portion of which is to be redeemed, at the owner's last address appearing on the registration books of the Bond Bank kept by the Trustee. So long as all of the 2025 Series One and Two Bonds are held under the DTC book-entry system, such notice will be sent only to DTC, and any notice to the Beneficial Owners of the 2025 Series One and Two Bonds will be the responsibility of DTC Participants. Neither the Bond Bank nor the Trustee will provide redemption notices to the Beneficial Owners.

The Bond Resolution provides that a notice of redemption is required to state that on the date fixed for redemption the redemption price will become due and payable on each 2025 Series One and Two Bond called for redemption, unless, in the case of optional redemption, money sufficient to redeem the 2025 Series One and Two Bonds is not on deposit with the Trustee, and that if sufficient money is on deposit with the Trustee interest thereon will cease to accrue from and after such date. In the case of optional redemptions, the Bond Resolution requires that the notice state that it is a conditional notice and that on the date fixed for redemption, provided that money sufficient to redeem the 2025 Series One and Two Bonds specified in the notice is on deposit with the Trustee, the redemption price will become due and payable and interest thereon will cease to accrue.

The 2005 General Bond Resolution provides that if at the time of mailing any notice of optional redemption, money sufficient to redeem the 2025 Series One and Two Bonds to be redeemed is not on deposit with the Trustee, the notice is required to state that the redemption is subject to the deposit of the redemption money with the Trustee and that the notice will be of no effect unless such money is so deposited.

Selection of 2025 Series One and Two Bonds for Redemption

If fewer than all of the 2025 Series One and Two Bonds of a series are to be redeemed prior to maturity at the option of the Bond Bank, the Bond Bank may select the maturity or maturities to be redeemed. If, at the time notice of redemption is given, the 2025 Series One and Two Bonds to be redeemed are in book-entry only form, then DTC will select the applicable 2025 Series One and Two Bonds for redemption within a maturity in accordance with operational procedures of DTC referred to in the Letter of Representations. The 2005 General Bond Resolution provides that if less than all of the Bonds of any maturity are called for redemption and the Bonds are not in book-entry form, the Bonds to be redeemed are to be selected by lot or in any manner as the Trustee, in its sole discretion, may deem appropriate and fair. See Appendix H—“DTC AND ITS BOOK-ENTRY SYSTEM.”

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds, including the 2025 Series One and Two Bonds, are direct and general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the Bonds, subject to any agreements made with the holders of any other notes or bonds of the Bond Bank pledging any particular revenues or assets not pledged under the 2005 General Bond Resolution. In addition to Bonds outstanding under the 2005 General Bond Resolution, the Bond Bank has issued and currently has bonds outstanding under the 2016 Master Bond Resolution, and the revenues and assets pledged under those resolutions are not pledged to or available for payment of Bonds issued under the 2005 General Bond Resolution, including the 2025 Series One and Two Bonds. See “BONDS OUTSTANDING.”

The 2025 Series One and Two Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank issued under the 2005 General Bond Resolution. The 2025 Series One and Two Bonds are the 55th and 56th Series, respectively, of Bonds issued under the 2005 General Bond Resolution.

The 2025 Series One and Two Bonds are payable solely from the sources provided in the 2005 General Bond Resolution and the Bond Resolution. The 2025 Series One and Two Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2025 Series One and Two Bonds do not directly, indirectly, or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2025 Series One and Two Bonds. As provided in the Act, the Bond Bank is obligated to pay the principal of and interest on the Bonds only from revenues or funds of the Bond Bank, and the State of Alaska is not obligated to pay the principal of or the interest on the Bonds, including the 2025 Series One and Two Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2025 Series One and Two Bonds. The Bond Bank has no taxing power.

As additional security for the payment of principal of and interest on the 2025 Series One and Two Bonds and the other Bonds issued under the 2005 General Bond Resolution, the Bond Bank has established a common Reserve Fund. See “—2005 General Bond Resolution Reserve Fund.” The Reserve Fund is a separate reserve account within the reserve fund created by the Act and does not secure the payment of bonds issued under the 2016 Master Bond Resolution, or any other resolution. The Reserve Fund is separate from, and the Bonds are not secured by, the reserve account established pursuant to the 2016 Master Bond Resolution.

The Act provides that to assure the maintenance of the Reserve Fund Requirement, the Legislature may appropriate annually to the Bond Bank for deposit in the Reserve Fund the amount, if any, necessary to restore the Reserve Fund to an amount equal to the Reserve Fund Requirement. The Chair of the Board is required annually (before each January 30) to make and deliver to the Governor and to the Legislature a certificate stating the amount, if any, required to restore the Reserve Fund to the amount of the Reserve Fund Requirement. Money received by the Bond Bank from the State pursuant to such certification is required, to the extent such certification was occasioned by the fact that the amount in the Reserve Fund was less than the Reserve Fund Requirement, to be deposited in the Reserve Fund. The Legislature is legally authorized, but not legally obligated, to appropriate such sums during the then-current State fiscal year. The State's fiscal year begins July 1 and ends June 30. This provision of the Act does not create a debt obligation on behalf of the State or a legally enforceable obligation of the State.

Beginning in 2009, the Bond Bank has been obligated by the 2005 General Bond Resolution to seek annually an appropriation within the State's annual operating budget to replenish the Reserve Fund, if necessary. The 2016 Master Bond Resolution also requires the Bond Bank to seek an annual appropriation to satisfy any unanticipated deficiency in the Bond Bank's reserve account established under that resolution. An appropriation for replenishment of the Bond Bank's reserve accounts, including the Reserve Fund, has been included in each State operating budget since the fiscal year 2010 budget, including for the current fiscal year 2025. No such replenishment from State appropriation has been necessary.

If the Bond Bank is required to draw on the Reserve Fund because of a default by a Governmental Unit, the appropriation provides that an amount equal to the amount drawn from the Reserve Fund is appropriated from the State's General Fund to the Reserve Fund. The State is not obligated to make such appropriation. There is no guarantee that the Bond Bank will be able to secure future appropriations within the State's operating budget for replenishment of the Bond Bank's reserve accounts, including the Reserve Fund. See “—2005 General Bond Resolution Reserve Fund” and Appendix F – “INFORMATION CONCERNING THE STATE OF ALASKA – Government Budgets and Appropriations.”

Starting in fiscal year 2009, and continuing through the current fiscal year 2025, the Bond Bank also has obtained annual appropriations of earnings on accounts held by the Bond Bank in excess of the Bond Bank's operating expenses for the most recent fiscal year; the Act otherwise would require such earnings to be appropriated to the General Fund. See “—2005 General Bond Resolution Reserve Fund – Custodian Account.”

Pledge Effected by the 2005 General Bond Resolution

Pursuant to the 2005 General Bond Resolution, all Municipal Bonds, all Municipal Bonds Payments, the investments thereof, and the proceeds of such investments, if any, and all funds and accounts established by the 2005 General Bond Resolution to be held by the Trustee are pledged and assigned to secure the payment of the principal of, redemption premium, if any, and interest on all Bonds, subject only to the provisions of the 2005 General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions specified in the 2005 General Bond Resolution.

The Act and the 2005 General Bond Resolution provide among other things that (i) any pledge made in respect of the Bonds will be valid and binding from the time the pledge is made, (ii) the Municipal Bonds, the Municipal Bonds Payments, and all other money and securities so pledged and thereafter received by the Bond Bank immediately will be subject to the lien of such pledge without any further act, and (iii) the lien of any such pledge will be valid and binding against all parties having any claims of any kind in tort, contract, or otherwise against the Bond Bank irrespective of whether the parties have notice.

Municipal Bonds

Under the provisions of the Act and the 2005 General Bond Resolution, the Bond Bank is authorized to purchase Municipal Bonds from any Governmental Unit. The 2005 General Bond Resolution defines Municipal Bonds as “general obligation bonds, revenue bonds, notes, or other evidences of debt issued by any Governmental Unit as now or hereafter defined in the Act which have heretofore been or will hereafter be acquired by the Bond Bank as evidence of a Loan to the Governmental Unit pursuant to the Act.”

For each issue of Municipal Bonds that the Bond Bank purchases, the 2005 General Bond Resolution requires the Bond Bank to obtain from bond counsel to the Governmental Unit an opinion stating that (i) such Municipal Bonds are valid obligations of the Governmental Unit as required by the Act and (ii) a Loan Agreement has been duly authorized and executed between the Bond Bank and the Governmental Unit that constitutes a valid and binding obligation of the Governmental Unit.

Each Loan Agreement obligates a Governmental Unit to (i) make interest payments on its Municipal Bond sufficient in amount and at such times to provide the Bond Bank funds to meet interest payments on its Loan Obligations as they become due; and (ii) make principal payments on its Municipal Bond sufficient in amount and at such times to provide the Bond Bank funds to meet principal payments on its Loan Obligations as they become due. Pursuant to the Loan Agreement, the Governmental Unit may be required to pay fees and charges to the Bond Bank to meet the Governmental Unit’s allocable portion of certain expenses. Pursuant to each Loan Agreement relating to a revenue bond issued by a Governmental Unit, the Governmental Unit may be required to maintain with the Trustee a separate debt service reserve account to secure payment by the Governmental Unit of its Loan Obligations. Each Loan Agreement also contains restrictions on the sale or redemption of the Governmental Unit’s Municipal Bonds.

2005 General Bond Resolution Reserve Fund

To secure the payment of all Bonds issued under the 2005 General Bond Resolution, the 2005 General Bond Resolution established the Reserve Fund to be held by the Trustee and maintained at an amount at least equal to the Reserve Fund Requirement, equal to approximately \$48.6 million following the issuance of the 2025 Series One and Two Bonds. The Reserve Fund Requirement is equal to the least of the following: (i) 10 percent of the initial principal amount of each Series of Bonds then Outstanding; (ii) Maximum Annual Debt Service with respect to all Bonds Outstanding; (iii) 125 percent of Average Annual Debt Service on all Bonds Outstanding; or (iv) such lower amount as may be required by law. See “DEFINITIONS—Required Debt Service Reserve.” The Reserve Fund Requirement may be satisfied entirely, or in part, by a letter of credit, line of credit, credit facility, surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds. See “—Debt Service Reserve Fund Surety Bond.”

As of December 31, 2024, the valuation of assets in the Reserve Fund was approximately \$57.5 million, an amount sufficient to satisfy the Reserve Fund Requirement. As of that date, approximately \$39.5 million, representing 68.7 percent of the assets in the Reserve Fund, was funded from cash deposits by the Bond Bank, and approximately \$18.0 million, representing 31.3 percent, was funded with a surety policy (the “Debt Service Reserve Fund Surety Bond”) from National Public Finance Guarantee Corporation (“National”). The Reserve Fund currently is funded at a level sufficient to meet the Reserve Fund Requirement with the issuance of the 2025 Series One and Two Bonds. See “—Debt Service Reserve Fund Surety Bond.”

The 2005 General Bond Resolution requires the Bond Bank to submit annually to the State a budget request for an appropriation to replenish the Reserve Fund to the Reserve Fund Requirement in the event

that there is a deficiency as a result of a default by a Governmental Unit. Since fiscal year 2010 continuing through the current fiscal year 2025, the State has included in its operating budget an appropriation to replenish the Reserve Fund, if necessary. Although the Bond Bank is obligated under the 2005 General Bond Resolution to seek an appropriation within the State’s annual operating budget, and has obtained such appropriation in every year since fiscal year 2010, the State is not obligated, legally or otherwise, to include the appropriation in its annual operating budget. The Bond Bank’s annual obligation to submit to the State a budget request for an appropriation is in addition to the Bond Bank’s obligation to seek an appropriation to restore the Reserve Fund to the amount of the Required Debt Service Reserve as described below. See “—Administration of Reserve Fund.”

The 2005 General Bond Resolution provides that on or before December 31 of each year, and subject to the requirements of the 2005 General Bond Resolution, the Trustee will transfer from the Reserve Fund any amounts remaining in the Reserve Fund derived from income or interest earned and profits realized by the Reserve Fund due to investments thereof to the Operating Fund, but only to the extent that there remains after such transfer an amount in the Reserve Fund equal to the Required Debt Service Reserve. See “SUMMARY OF THE 2005 GENERAL BOND RESOLUTION—Funds and Accounts—Reserve Fund” and Section 911 of the 2005 General Bond Resolution in Appendix E.

Debt Service Reserve Fund Surety Bond. The amount credited to the Reserve Fund includes the Debt Service Reserve Fund Surety Bond, in the face amount of approximately \$18.0 million. The Debt Service Reserve Fund Surety Bond provides that upon notice from the Trustee to National to the effect that insufficient amounts are on deposit in the Debt Service Fund to pay the principal of (at maturity or pursuant to mandatory redemption requirements) and interest on the Bonds, National will be required to deposit with the Trustee an amount sufficient to pay the principal of and interest on the Bonds or the available amount of the Debt Service Reserve Fund Surety Bond, whichever is less. Upon the later of: (i) three days after receipt by National of a demand for payment, duly executed by the Paying Agent; or (ii) the payment date of the Bonds as specified in the demand for payment presented by the Trustee to National, National will be required to make a deposit of funds in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment to the Trustee of amounts then due to the Trustee (as specified in the demand for payment), subject to the coverage limits of the Debt Service Reserve Fund Surety Bond.

The available amount of the Debt Service Reserve Fund Surety Bond is the face amount of the Debt Service Reserve Fund Surety Bond then in effect less the amount of any previous deposits by National with the Trustee that have not been reimbursed by the Bond Bank. The Bond Bank and National have entered into a Financial Guaranty Agreement in connection with the Debt Service Reserve Fund Surety Bond. Pursuant to the Financial Guaranty Agreement, the Bond Bank is required to reimburse National, with interest, within one year after any deposit, the amount of such deposit made by National with the Trustee under the Debt Service Reserve Fund Surety Bond. The Bond Bank is also required to obtain National’s consent to any amendment or modification of the 2005 General Bond Resolution that would also require consent of holders of the Bonds. The Financial Guaranty Agreement also provides that no optional redemption of Bonds may be made until the Debt Service Reserve Fund Surety Bond is reinstated.

Administration of Reserve Fund. The Bond Bank is required by the Act to deliver a statement to the Governor and the Legislature annually, before January 30, stating the amount, if any, necessary to restore the Reserve Fund to the Required Debt Service Reserve resulting from a draw on the Reserve Fund at any time during the prior year. The Legislature may, but is under no legal obligation to, appropriate money sufficient to restore the Reserve Fund to the Required Debt Service Reserve. Since its creation, the Bond Bank has annually reported a reserve sufficiency in all of the reserve accounts held by the Bond Bank.

Custodian Account. Money not held in the Reserve Fund, loaned to authorized borrowers, or held in reserve accounts for bonds issued under other bond resolutions is maintained by the Bond Bank in an account within the Operating Fund referred to as the Custodian Account (the “Custodian Account”). The Custodian Account contains direct and indirect State appropriations, prior year retained earnings, and current year investment earnings, and as with the Operating Fund is not held by the Trustee or pledged to the payment of the Bonds. As of February 1, 2025, the unaudited asset value of the Custodian Account was approximately \$15.3 million.

The Act requires that earnings on funds directly appropriated by the State to the Bond Bank, net of the Bond Bank’s operating expenses, be transferred to the State in the following fiscal year. Starting in fiscal year 2009, however, and continuing through the current fiscal year 2025, all such fiscal year earnings, from the most recent fiscal year, due to the General Fund by statute have been appropriated to the Bond Bank for deposit in the Custodian Account. The Legislature may, but is under no legal obligation to, appropriate statutory earnings back to the Bond Bank. The entire Custodian Account balance is available for appropriation by the Legislature, with a majority vote and the Governor’s concurrence or with a three-quarter majority vote to overcome a Governor’s veto of the appropriation, during any legislative session. The Legislature has not appropriated funds out of the Custodian Account for non-Bond Bank related purposes in the current, or any prior, fiscal year.

The Bond Bank uses the Custodian Account to pay operating expenses, to make direct loans to eligible borrowers, and to make deposits to the Reserve Fund.

State Payments to Governmental Units

The Act provides that, to the extent that any department or agency of the State is the custodian of money payable to a Governmental Unit, at any time after notice from the Bond Bank that the Governmental Unit is in default on the payment of the principal of or interest on its Municipal Bonds then held or owned by the Bond Bank, the department or agency is required to withhold the payment of such money held by it and pay over such money to the Bond Bank for the purpose of paying the principal of and interest on the bonds of the Bond Bank. State payments to Governmental Units include, but are not limited to, payments through the School Debt Reimbursement Program (the “SDRP”) and Education Support Funding through the Department of Education and Early Development (“DEED”); and community jail funding through the Department of Corrections. A table in Appendix B sets forth the amount of State payments to Governmental Units that have borrowed from the Bond Bank as well as the fiscal year 2025 Loan Obligations and estimated coverage provided by those State payments. Capital expenditures by the State that are the source of matching grant funding to municipalities were reduced significantly in fiscal years 2017, 2020, 2021, and 2022. Payments through the SDRP were reduced by approximately 25 percent in fiscal year 2017, by 50 percent in fiscal year 2020, by 100 percent in fiscal year 2021, and by approximately 58 percent in fiscal year 2022. The SDRP was fully funded in the enacted fiscal year 2025 budget. Through a 2022 supplemental appropriation, the State made an appropriation to offset approximately 100% of prior fiscal year payment reductions that occurred in fiscal years 2017, 2020, 2021, and 2022.

The State’s enacted budget for fiscal year 2025, with proposed supplemental budgets, increases spending from fiscal year 2024 from approximately \$14.8 billion to \$15.4 billion. The fiscal year 2024 and 2025 estimated expenditure values are inclusive of the permanent fund dividend distribution of \$957.9 million in fiscal year 2024, and \$996.3 million in fiscal year 2025. The fiscal year 2025 enacted budget includes State aid payments to Governmental Units subject to the Bond Bank’s intercept authority under the Act by providing payments for the SDRP at 100 percent of authorized amounts. Previously, the fiscal year 2022 supplemental budget included appropriations to offset prior fiscal year reductions in 2017, 2020, 2021, and 2022. The State’s Transportation and Infrastructure Debt Service Reimbursement Program (the “TIDSRP”) was funded at 100 percent of authorized amounts in the enacted fiscal year 2025 budget. See

Appendix F— “INFORMATION CONCERNING THE STATE OF ALASKA.” State funding may result in a diminishment of the balances in the matching grant column of the table in Appendix B. There is no guarantee that State payments to Governmental Units will continue, and all of the payments could diminish from current levels.

The payment and amount of such State payments is uncertain, and legislative authorization for such payments is subject to appropriation and to amendment or repeal. Other State agencies may have similar rights to intercept State payments to local governments or to limit the amount intercepted, and no assurance can be given that the Bond Bank’s claim would have priority or that the amount of available State payments would be sufficient. See Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA— Government Budgets and Appropriations” and “—Government Funds” and Appendix B—“STATE PAYMENTS TO GOVERNMENTAL UNITS.” The Bond Bank has never implemented the State payment intercept remedy.

Pledge and Agreement of the State

In the Act, the State has pledged and agreed with the holders of the Bonds that it will not limit or restrict the rights vested in the Bond Bank by the Act to, among other things, purchase, hold, and dispose of Municipal Bonds and fulfill the terms of an agreement (including the 2005 General Bond Resolution) made by the Bond Bank with such holders, or in any way impair the rights or remedies of such holders until the Bonds, including interest on the Bonds and interest on unpaid installments of interest and all costs and expenses in connection with an action or proceeding by or on behalf of such holders, are fully met, paid and discharged.

ALASKA MUNICIPAL BOND BANK

Organization

The powers of the Bond Bank are vested in the Board. The membership of the Board consists of five Directors: the Commissioners of the Department of Revenue and the Department of Commerce, Community and Economic Development (“DCCED”) of the State and three Directors appointed by the Governor. The three appointees serve four-year staggered terms and must be qualified voting residents of the State. The Commissioners of the Department of Revenue and the DCCED may appoint delegates to serve in their absence.

The Act requires the Board in the first meeting of each fiscal year to elect one of the Directors as chair and one of the Directors as vice chair and also to elect a secretary and a treasurer, who need not be Directors. Action may be taken and motions and resolutions adopted by the Board at any meeting by the affirmative vote of at least three Directors. The Directors appoint an Executive Director to manage the business of the Bond Bank.

Board of Directors

The members of the Board are listed below.

Luke Welles – Chair. Term expires July 15, 2027. Mr. Welles was originally appointed to the Board on May 21, 2008. Mr. Welles served as the Senior Director of Business Development for the Alaska Native Tribal Health Consortium from 2019 through 2022. Prior to this position, Mr. Welles served as Vice President of Finance for the Arctic Slope Native Association, Ltd. from 2011 to 2019. Previously, he served as Chief Financial Officer of LifeMed Alaska, LLC, which provides medivac services in Alaska, and was the Chief Financial Officer for the Yukon-Kuskokwim Health Corporation. He has management experience

in healthcare, civil construction, and commercial real estate. Over the past 15 years he has served on several economic development commissions in the State, as a city council member in Homer, Alaska, and on multiple boards. Mr. Welles received a Bachelor of Arts Degree in Foreign Service and International Business from Baylor University.

Bruce Tangeman – Vice Chair, Member. Term expires July 15, 2026.* Mr. Tangeman was originally appointed to the Board on May 28, 2020. Mr. Tangeman most recently served as the Commissioner of the Department of Revenue under Governor Michael Dunleavy. Prior to that, he served as Policy Director for the Senate Majority during the 2017/2018 sessions. Mr. Tangeman also served as Vice President and Chief Financial Officer for the Alaska Gasline Development Corporation, as Deputy Commissioner for the Department of Revenue, as Chief Financial Officer for Doyon Utilities, and as Corporate Budget Officer for the Alaska Railroad. He has served on many boards and commissions throughout his career, including the Alaska Permanent Fund Board, the Alaska Housing Finance Corporation Board, and the Alaska Retirement Management Board. Mr. Tangeman received a Bachelor of Science Degree in Public Finance and Double Minors in Economics and Management from Indiana University.

Kendell Koelsch – Member. Term expires July 15, 2025. Mr. Koelsch was originally appointed to the Board on May 28, 2020. He is currently a member of Juneau’s Economic Stabilization Task Force. He served as Mayor of the City and Borough of Juneau from 2016 to 2018. Prior to that, he was Deputy Mayor from 2001 to 2003 and a Borough Assembly member from 1997 to 2001. His work experience also includes United States Customs Inspector and Port Director from 1980 to 2003 and Port Director and founding member of Customs and Border Protection, United States Department of Homeland Security from 2003 to 2014. Mr. Koelsch also taught English, history, and government at Juneau-Douglas high school from 1968 to 1996. He has a Bachelor of Arts Degree from Michigan State University, a Master of Arts in Teaching from the University of Alaska Fairbanks, and a Masters in Administration from the University of Alaska Southeast in Juneau.

Anna Latham – Member. Ms. Latham is the first delegate for Julie Sande, the Commissioner of the DCCED. Ms. Latham was named the Deputy Commissioner of Commerce in January of 2025. She has spent the last decade working on labor and commerce policy and has served as Special Assistant to the Commissioner of Labor, the Deputy Director of the Division of Insurance, and most recently the Deputy Legislative Director in the Office of the Governor. In her role as Deputy Commissioner, she supervises the operations of the Department’s six public-facing divisions and works closely with Department leadership on special projects and implementing policy reform. Ms. Latham also represents the Commissioner on the Alaska Student Loan Corporation Commission and State Bond Committee. She is a graduate of the University of Alaska Southeast.

Fadil Limani – Member. Mr. Limani is the first delegate for Adam Crum, the Commissioner of the Department of Revenue. Mr. Limani was named the Deputy Commissioner of the Department of Revenue in January 2023. He has an extensive background in tax, accounting, and finance, graduating from the University of Alaska Anchorage’s accounting program and then working for KPMG for nearly five years before moving on to be Deputy Director of Finance for the North Slope Borough, Alaska, for seven years. While at the Borough, he worked on all elements of the Borough’s finances including financial reporting, the Borough’s bond sales, debt service, property tax, managing the Borough’s central treasury investments and the Borough’s permanent fund investments, including the Borough’s annual financial statement audits and the Borough’s 12-year financial forecast. After his role with the Borough, he started

* On March 17, 2025 Bruce Tangeman tendered his resignation from his appointment as a member of the Board of Directors of the Bond Bank.

his own consulting business where he contracted with the North Slope Borough School District as the CFO for nearly 3 years.

Management

The Bond Bank is a public corporation of the State of Alaska established and organized within the Department of Revenue in 1975. Following creation, the Bond Bank was independently staffed by a full time Executive Director, full-time Secretary, and additional short-term staff and maintained separate offices in Anchorage, Alaska. The Legislature determined in 1997 that the operation and management responsibility for the Bond Bank would be incorporated into the duties of existing Department of Revenue – Treasury Division staff. This resulted in the partial delegation of the State’s Debt Manager to the Bond Bank. Staffing was augmented in 2012 when the Department of Revenue – Treasury Division Operations Research Analyst position was partially delegated to the Bond Bank, and in 2014 through partial delegation of the same position as Finance Director. The current staff of the Bond Bank includes the Executive Director.

Ryan S. Williams, who also serves as State Debt Manager and Investment Officer in the Department of Revenue – Treasury Division, with responsibility for the management of all debt of the State, was appointed Executive Director and Treasurer and Secretary of the Bond Bank in September 2022. Mr. Williams previously served as Operations Research Analyst in the Department of Revenue – Treasury Division, and as Finance Director of the Bond Bank since 2014. Mr. Williams has worked for the Department of Revenue and the Bond Bank since 2009 and 2012, respectively. Mr. Williams holds a Bachelor of Science Degree in Business Administration from the University of Southern California, with a concentration in International Business. He has served as a board member and president of the Alaska Government Finance Officers Association.

The Finance Director role is currently vacant, and an analyst role with the Department of Revenue – Treasury Division is anticipated to assist with the operations and management responsibilities of the Bond Bank, and once the position is recruited and filled, it is anticipated the analyst will be proposed for consideration as Finance Director and Deputy Treasurer of the Bond Bank.

The Bond Bank contracts in the private sector for a wide range of professional services. The Executive Director coordinates the activities of these professionals, which include bond counsel, municipal advisor, accountants, auditors, fund trustees, bond trustees, arbitrage rebate consultants, and investment managers.

BONDS OUTSTANDING

Under the provisions of the Act, within the limitations described below, the Bond Bank may issue additional Series of Bonds under the 2005 General Bond Resolution and, subject to certain additional limitations, may issue bonds under other resolutions. The total amount of Bond Bank bonds and notes outstanding at any one time may not exceed \$2,500 million without additional statutory authorization. The current \$2,500 million authorization consists of statutory authorizations of: \$500 million for the University of Alaska, \$500 million for regional health organizations, and \$1,500 million for municipalities and all other authorized purposes. As of February 1, 2025, the total principal amount of Bond Bank bonds and notes outstanding under the 2005 General Bond Resolution and the 2016 Master Bond Resolution, not including the 2025 Series One and Two Bonds, was \$831,375,000 and \$91,605,000, respectively. See table labeled “DEBT CAPACITY AS OF FEBRUARY 1, 2025.”

2005 General Bond Resolution

The 2025 Series One and Two Bonds are the 55th and 56th Series, respectively, of Bonds issued under the 2005 General Bond Resolution. As of February 1, 2025, the Bond Bank has issued \$2,093,620,000 of general obligation bonds under the 2005 General Bond Resolution (not including the 2025 Series One and Two Bonds), \$831,375,000 of which remains outstanding. After the issuance of the 2025 Series One and Two Bonds, the Bond Bank will have issued \$2,149,190,000 of general obligation bonds under the 2005 General Bond Resolution, \$837,170,000 of which will remain outstanding. Bonds may be issued by the Bond Bank pursuant to the 2005 General Bond Resolution only to finance loans to Governmental Units. The Bond Bank expects to issue additional bonds under the 2005 General Bond Resolution within the next year and to continue to use the 2005 General Bond Resolution as the primary means of financing loans to Governmental Units.

2016 Master Bond Resolution

Bonds issued under the 2016 Master Bond Resolution are general obligations of the Bond Bank, payable solely from the sources provided in and pledged pursuant to the 2016 Master Bond Resolution and the related series resolutions. As of February 1, 2025, the Bond Bank has issued \$144,850,000 of bonds under the 2016 Master Bond Resolution, \$91,605,000 of which remain outstanding. The Bond Bank expects to continue to use the 2016 Master Bond Resolution as the primary means of financing loans to regional health organizations.

Coastal Energy Impact Program

In the 1980's, the Bond Bank privately placed conduit bonds with the United States Department of Commerce National Oceanic and Atmospheric Administration ("NOAA") to provide loans to local governments that qualified for aid under the Coastal Energy Impact Program ("CEIP"). CEIP is a federal program designed to provide financial assistance to coastal states and municipalities facing impacts from offshore oil development. NOAA and the Bond Bank entered into an agreement whereby the Bond Bank was the direct lending agency for the CEIP in the State, with \$50 million available to make loans to local governments or to establish reserves for loans to local governments.

The CEIP bonds that remain outstanding were issued for the City of Nome and the City of St. Paul. The total amount of CEIP bonds outstanding as of June 30, 2024, audited, was \$9,156,490.

The CEIP loans are administered directly by NOAA without involvement of the Bond Bank. Bonds issued for the CEIP are not liabilities of the Bond Bank and are not secured by a pledge of any amounts held by or payable to the Bond Bank under the 2005 General Bond Resolution, including the Reserve Fund, nor are they secured directly or indirectly by any reserve account created under the Act. The CEIP loans are included, however, when calculating the amount of bonds the Bond Bank may issue under the Act. See Note 8 in Appendix D. The Bond Bank has no plans at this time to issue additional CEIP bonds.

The City of St. Paul's counsel has reported to the Bond Bank that in April 2020, NOAA agreed to recommend to Congress that the CEIP loan be forgiven. A letter dated April 16, 2020, from the Chief of the Business Operations Division of NOAA's Office for Coastal Management requests the City of St. Paul to remit a \$150,000 reserve fund to NOAA. Once these funds are received, NOAA is to move forward with a recommendation to Congress that the CEIP loan be forgiven. The CEIP loans are administered directly by NOAA without involvement of the Bond Bank, and NOAA or City of St. Paul's counsel have not reported to the Bond Bank any activity related to any recommendations or any congressional action for CEIP loan forgiveness as of the date of this Official Statement.

Direct Loans

With money from the Custodian Account, the Bond Bank has periodically acquired certain Municipal Bonds and has defeased certain bonds while retaining the underlying Municipal Bonds. Additionally, on two occasions the State has appropriated funds to the Bond Bank for the acquisition of two Municipal Bonds.

In the State's fiscal year 2011 capital budget, \$2,450,000 was appropriated to the Bond Bank for the specific purpose of making loans to the City of Galena for electric utility and general fund needs at an interest rate of 1 percent. As of February 1, 2025, unaudited, the Bond Bank held approximately \$60,232 of City of Galena utility revenue bonds and \$7,542 of City of Galena appropriation obligations.

As of February 1, 2025, unaudited, the Bond Bank held \$235,000 of Kodiak Island Borough taxable general obligation bonds. The loan was funded with money from the Custodian Account, bears interest at market rates, and is a general obligation, secured by the full faith and credit of the Kodiak Island Borough.

Loans by the State of Alaska

The Bond Bank has statutory authority to borrow funds from the General Fund at the discretion of the Commissioner of the Department of Revenue. In 2010 and 2011 the Bond Bank borrowed money from the State for authorized uses of the Bond Bank. The State's fiscal year 2013 capital budget converted the 2010 and 2011 loans to grants through an appropriation to the Bond Bank. The Bond Bank does not currently have any outstanding loans from the State.

BONDS ISSUED AND OUTSTANDING AS OF FEBRUARY 1, 2025

	Principal Amount Issued	Principal Amount Outstanding
2005 General Bond Resolution Bonds ⁽¹⁾	\$2,149,190,000	\$837,170,000
2016 Master Resolution Bonds	144,850,000	91,605,000
Coastal Energy Impact Program Loans ⁽²⁾	35,456,046	9,156,490

⁽¹⁾ Includes the 2025 Series One and Two Bonds, and the Principal Amount Outstanding excludes the Refunded Bonds.

⁽²⁾ The CEIP loans are not liabilities of the Bond Bank but are included when calculating the amount of bonds outstanding under the Act. CEIP bonds outstanding as of June 30, 2024, audited.

DEBT CAPACITY AS OF FEBRUARY 1, 2025

Debt Limit ⁽¹⁾			
University of Alaska ⁽²⁾	\$	500,000,000	
Regional Health Organizations ⁽³⁾		500,000,000	
All Other Authorized Purposes ⁽⁴⁾		<u>1,500,000,000</u>	
			\$2,500,000,000
Less Outstanding Debt for Debt Limit Calculations ⁽⁵⁾			
General Obligation Bonds			
University of Alaska ⁽⁶⁾		73,375,000	
Regional Health Organizations ⁽⁷⁾		91,605,000	
All Other Authorized Purposes ⁽⁸⁾⁽⁹⁾		417,515,000	
Total Outstanding Debt for Debt Limit Calculations			\$582,495,000
Remaining Debt Capacity			
University of Alaska		426,625,000	
Regional Health Organizations		408,395,000	
All Other Authorized Purposes		<u>1,082,485,000</u>	
			\$1,917,505,000

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- ⁽¹⁾ Excludes the authority of the Bond Bank (or a subsidiary corporation of the Bond Bank) to issue bonds to finance loans to governmental employers to prepay all or a portion of their shares of the unfunded accrued actuarial liabilities of retirement systems. The Bond Bank has never used this authority and has no current plans to do so. See Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA – Public Debt and Other Obligations of the State – Potential State-Supported Pension Obligation Bonds.”
- ⁽²⁾ Bonds or notes issued by the Bond Bank to refund any bonds or notes of the Bond Bank originally issued to make loans to the University of Alaska are counted against the \$500,000,000 statutory limit in Alaska Statutes 44.85.180(e)(1).
- ⁽³⁾ Bonds or notes issued by the Bond Bank to refund any bonds or notes of the Bond Bank originally issued to make loans to Regional Health Organizations do not count towards the \$500,000,000 statutory limit in Alaska Statutes 44.85.180(e)(2).
- ⁽⁴⁾ Bonds or notes issued by the Bond Bank to refund any bonds or notes of the Bond Bank originally issued under the authority of Alaska Statutes 44.85.180(a)(1)-(4) do not count towards the \$1,500,000,000 statutory limit in Alaska Statutes 44.85.180(c).
- ⁽⁵⁾ Includes the 2025 Series One and Two Bonds and excludes the Refunded Bonds.
- ⁽⁶⁾ All amounts issued under the 2005 General Bond Resolution.
- ⁽⁷⁾ All amounts issued under the 2016 Master Resolution. As of February 1, 2025, the Bond Bank has not issued any bonds to refund bonds or notes of the Bond Bank originally issued to make loans to Regional Health Organizations.
- ⁽⁸⁾ All amounts issued under the 2005 General Bond Resolution (including the 2025 Series One and Two Bonds and excludes the Refunded Bonds), excluding refunding bonds issued by the Bond Bank to refund any bonds or notes of the Bond Bank originally issued under the authority of Alaska Statutes 44.85.180(a)(1)-(4) and the CEIP loans in the amount of \$9,156,490 as of June 30, 2024. As of February 1, 2025, the total principal amount of such Bond Bank bonds outstanding (including refunding bonds issued by the Bond Bank to refund any bonds or notes of the Bond Bank originally issued under the authority of Alaska Statutes 44.85.180(a)(1)-(4), but not including bonds issued by the Bond Bank to make loans to the University of Alaska or Regional Health Organizations) was \$758,000,000.
- ⁽⁹⁾ The CEIP loans are not liabilities of the Bond Bank but are included when calculating the amount of bonds outstanding under Alaska Statutes 44.85.180(a)(1)-(4). CEIP bonds outstanding as of June 30, 2024, audited.

DEBT SERVICE REQUIREMENTS

BONDS ISSUED AND OUTSTANDING UNDER THE 2005 GENERAL BOND RESOLUTION AND THE 2025 SERIES ONE AND TWO BONDS

(Fiscal Years Ending June 30)

Fiscal Year	Outstanding Bonds ⁽¹⁾	2025 Series One and Two Bonds		Total ⁽²⁾
		Principal	Interest	
2025 ⁽³⁾	\$26,857,041	-	-	\$26,857,041
2026	84,441,837	\$ 5,865,000	\$ 3,060,291	93,367,128
2027	80,406,915	6,675,000	2,335,250	89,417,165
2028	76,140,825	7,010,000	1,993,125	85,143,950
2029	71,303,681	7,375,000	1,633,500	80,312,181
2030	69,048,341	2,975,000	1,374,750	73,398,091
2031	68,360,799	3,115,000	1,222,500	72,698,299
2032	65,025,433	3,270,000	1,062,875	69,358,308
2033	63,525,414	3,430,000	895,375	67,850,789
2034	56,950,904	2,955,000	735,750	60,641,654
2035	50,497,360	1,435,000	626,000	52,558,360
2036	47,370,526	1,365,000	556,000	49,291,526
2037	39,795,358	760,000	502,875	41,058,233
2038	39,193,987	805,000	463,750	40,462,737
2039	34,796,593	845,000	422,500	36,064,093
2040	31,167,718	535,000	388,000	32,090,718
2041	30,438,548	560,000	360,625	31,359,173
2042	30,286,628	585,000	331,544	31,203,172
2043	28,278,942	620,000	300,475	29,199,417
2044	22,502,239	650,000	267,725	23,419,964
2045	19,916,627	685,000	233,300	20,834,927
2046	12,154,434	455,000	203,694	12,813,128
2047	11,367,861	475,000	178,688	12,021,549
2048	8,006,634	505,000	151,738	8,663,372
2049	7,675,275	530,000	123,275	8,328,550
2050	5,774,672	565,000	93,163	6,432,835
2051	5,768,406	275,000	70,063	6,113,469
2052	5,774,347	290,000	55,250	6,119,597
2053	5,771,731	305,000	40,375	6,117,106
2054	2,296,000	320,000	24,750	2,640,750
2055	-	335,000	8,375	343,375
Total ⁽¹⁾	\$1,100,895,075	\$55,570,000	\$19,715,579	\$1,176,180,654

(1) Excludes the Refunded Bonds.

(2) Totals may not foot due to rounding.

(3) Partial period, as of February 1, 2025.

Future Financing Plans

The Bond Bank anticipates issuing additional bonds pursuant to the 2005 General Bond Resolution within the next year and making related loans to eligible borrowers. The principal amount of such additional bonds depends on the number and size of any authorized applications from eligible borrowers.

Debt Payment Record

The Bond Bank has always made principal and interest payments on its general obligation and revenue bonds when due. No deficiencies have arisen in any Bond Bank debt service fund or reserve fund, nor has there been a need to exercise the provision requiring that State payments to Governmental Units be paid to the Bond Bank.

SUMMARY OF THE 2005 GENERAL BOND RESOLUTION

The following is a summary of certain provisions of the 2005 General Bond Resolution. A copy of the 2005 General Bond Resolution, together with the First Supplemental Resolution adopted in February 2013, is included as Appendix E. The 2013 First Supplemental Resolution includes amendments to the 2005 General Bond Resolution that take effect after all Bonds outstanding as of February 19, 2013, are no longer outstanding. See “—Modifications to the 2005 General Bond Resolution.” Capitalized terms used in this summary are defined in Section 103 of the 2005 General Bond Resolution.

2005 General Bond Resolution Constitutes a Contract

The 2005 General Bond Resolution provides that the 2005 General Bond Resolution constitutes a contract between the Bond Bank, the Trustee, and the owners from time to time of the Bonds, that the pledges made in the 2005 General Bond Resolution and the covenants and agreements therein set forth to be performed by the Bond Bank will be for the benefit, protection, and security of the holders of any and all of the Bonds, and that each Bond, Credit Enhancement facility, and Interest Rate Exchange Agreement will be of equal rank without preference, priority or distinction.

Obligation of the Bond Bank

The Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the payment of the principal and redemption premium, if any, of, and interest on the Bonds solely from the sources provided in the 2005 General Bond Resolution and any Series Resolution. The Act and the 2005 General Bond Resolution each provides that the State is not obligated to pay the principal, premium, if any, or interest on the Bonds, and that the Bonds, are not a debt or liability of the State and neither the faith and credit of the State nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Pledge

The Municipal Bonds and the Municipal Bonds Payments, the investments thereof, and the proceeds of such investments, if any, and all funds and accounts established by the 2005 General Bond Resolution to be held by the Trustee are pledged and assigned for the payment of the principal of, redemption price of, interest on, and sinking fund installments for, the Bonds in accordance with the terms and provisions of the 2005 General Bond Resolution, subject only to the provisions of the 2005 General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the 2005 General Bond Resolution. See Section 601 of the 2005 General Bond Resolution in Appendix E. The 2005 General Bond Resolution provides that Municipal Bonds and the Municipal Bonds

Payments and all other money and securities pledged pursuant to the 2005 General Bond Resolution immediately will be subject to the lien of such pledge without any further act, and such lien will be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Bond Bank, regardless of whether such parties have notice thereof.

Power to Issue Bonds and Make Pledges

The Bond Bank represents in the 2005 General Bond Resolution that it is duly authorized by law to authorize and issue the Bonds and to pledge the Municipal Bonds Payments, the Municipal Bonds, and other money, securities, funds, and property purported to be pledged by the 2005 General Bond Resolution, free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the 2005 General Bond Resolution, except for the liens in favor of the Trustee and Paying Agent as provided in the 2005 General Bond Resolution. The Bond Bank covenants in the 2005 General Bond Resolution that it will at all times, to the extent permitted by law, defend, preserve, and protect the pledge of the Municipal Bonds Payments, the Municipal Bonds, and other money, securities, funds, and property pledged under the 2005 General Bond Resolution and all the rights of the Bondholders under the 2005 General Bond Resolution against all claims and demands of all persons whomsoever.

General

The Bond Bank covenants in the 2005 General Bond Resolution that it will do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Bond Bank under law and the 2005 General Bond Resolution in accordance with the terms thereof.

The Act provides that the State will not limit or restrict, and the Bond Bank pledges and agrees in the 2005 General Bond Resolution with the Holders of the Bonds that it will not cause the State to limit or alter, the rights vested by the Act in the Bond Bank to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Bondholders, until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

Waiver of Laws

The Bond Bank covenants in the 2005 General Bond Resolution in addition that it will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in the 2005 General Bond Resolution or in any Series Resolution or in the Bonds, and all benefit or advantage of any such law or laws is expressly waived by the Bond Bank.

Loan Agreement Provisions

The 2005 General Bond Resolution provides that no loan will be made by the Bond Bank from proceeds of the sale of Bonds and no Bonds will be issued for the purpose of providing funds with which to make a loan, unless the Loan Agreement under which such loan is to be made will comply with, among other requirements in the 2005 General Bond Resolution, the following:

- (a) The Governmental Unit which is a party to such Loan Agreement must be a Governmental Unit as defined by the 2005 General Bond Resolution, and the Loan Agreement must be executed in accordance with existing laws.

(b) The Governmental Unit, prior to or simultaneously with the issuance of Bonds issued to make a Loan to the Governmental Unit, will issue Municipal Bonds which are valid debt obligations of the Governmental Unit as required by the Act.

(c) The Municipal Bonds Payment to be made by the Governmental Unit under such Loan Agreement will be not less than the interest and principal payments the Bond Bank is required to make on the Loan Obligations and will be scheduled by the Bond Bank in such manner and at such times as to provide funds sufficient to pay principal and interest on the Loan Obligations as the same become due.

(d) The Governmental Unit will be obligated to pay Fees and Charges to the Bond Bank at the times and in the amounts which will enable the Bond Bank to comply with the provisions of the 2005 General Bond Resolution to pay Administrative Expenses and fees and expenses of the Trustee and Paying Agent.

(e) The Governmental Unit will agree that in the event the Municipal Bonds Payment is not paid by it to the Bond Bank on or before the times specified in the Loan Agreement, any money payable to the Governmental Unit by any department or agency of the State will be withheld from such Governmental Unit and paid over directly to the Trustee acting under the 2005 General Bond Resolution.

(f) The Bond Bank will not sell, and the Governmental Unit will not redeem prior to maturity, any of the Municipal Bonds with respect to which the Loan is made in an amount greater than the Outstanding Bonds issued with respect to such Loan which are then redeemable, and any such sale or redemption of such Municipal Bond will be in an amount not less than the aggregate of (i) the principal amount of the Loan Obligation so to be redeemed (or the amount of Refunding Bonds if the Loan is being refunded), (ii) the interest to accrue on the Loan Obligation so to be redeemed to the next redemption date, (iii) the applicable premium, if any, payable on the Loan Obligation so to be redeemed, and (iv) the costs and expenses of the Bond Bank in effecting the redemption of the Loan Obligation so to be redeemed.

(g) The Governmental Unit must give the Bond Bank at least fifty (50) days' notice of its intent to redeem its Municipal Bonds.

Modification of Loan Agreement Terms

The Bond Bank covenants in the 2005 General Bond Resolution that it will not consent to the modification of, or modify, the rates of interest of, or the amount or time of payment of any installment of principal of or interest on, any Municipal Bonds evidencing a Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loan, or the security for or any terms or provisions of such Loan or the Municipal Bonds evidencing the same, in a manner which adversely affects or diminishes the rights of the Bondholders.

Enforcement of Municipal Bonds

The 2005 General Bond Resolution provides that the Bond Bank will diligently enforce, and take all reasonable steps, actions, and proceedings necessary for the enforcement of, all terms, covenants, and conditions of all Loan Agreements and the Municipal Bonds, including the prompt collection, and the giving of notice to the Commissioner of Revenue, Commissioner of Commerce, Community and Economic Development, and Commissioner of Administration and any other department or agency of the State which is custodian of any money payable to the Governmental Unit of any failure or default of the Governmental

Unit in the payment of its Municipal Bonds Payments and will promptly transfer any such money, upon receipt thereof, to the Trustee and that in such event, or if such money is paid directly to the Trustee, the Trustee will deposit any such money in the Principal Account and Interest Account in place of said unpaid Municipal Bonds Payment or in the event deficiencies in said Accounts created by such default has been made up by the Reserve Fund, into the Reserve Fund to the extent of such deficiencies.

Funds and Accounts

The 2005 General Bond Resolution established a Debt Service Fund, consisting of an Interest Account, a Principal Account, and a Redemption Account; a Reserve Fund; a Rebate Fund, which consists of a separate sub-account for each Series of Bonds; and an Operating Fund. The Debt Service Fund, the Rebate Fund, and the Reserve Fund are held by the Trustee. The Operating Fund is held by the Bond Bank and is not pledged to the payment of the Bonds.

Debt Service Fund. The Trustee is required to deposit Municipal Bonds Interest Payments and any other money available for the payment of interest in the Interest Account upon receipt thereof and on or before each interest payment date, to pay out of the Interest Account the amounts required for the payment of the interest becoming due on each Series of Bonds on such interest payment date.

The Trustee is required to deposit Municipal Bonds Principal Payments and any other money available for the payment of principal in the Principal Account upon receipt thereof. The Trustee is required, on or before each principal payment date or Sinking Fund Installment date, to pay out of the Principal Account the amounts required for the payment of the principal or Sinking Fund Installment due on each Series of Bonds on such date.

The Trustee establishes in the Redemption Account a separate sub-account for each Series of Bonds. Any money deposited in the Redemption Account from any source other than excess money transferred from the Reserve Fund or certain proceeds received from sales or redemptions of Municipal Bonds pursuant to Section 607 or Section 916 of the 2005 General Bond Resolution will be applied to the purchase or redemption of Bonds. Any money deposited in the Redemption Account from the Reserve Fund because of a reduction in the Required Debt Service Reserve is to be applied to the purchase or redemption of Reserve Fund Obligations. As of February 1, 2025, there are no Reserve Fund Obligations outstanding.

Reserve Fund. The 2005 General Bond Resolution established the Reserve Fund as a 2005 General Obligation Bond Resolution Reserve Account within the Alaska Municipal Bond Bank Reserve Fund created by the Act and provides that monthly, the Trustee will set aside from amounts in the Reserve Fund derived from investment earnings and profits realized by the Reserve Fund due to investments thereof, an amount which, when added to the amounts theretofore set aside for such purpose and not paid into the Interest Account, will on such date be equal to the unpaid interest on the Reserve Fund Obligations accrued and to accrue to the last day of such month.

On or before each principal payment date and Sinking Fund Installment payment date of Reserve Fund Obligations, the Trustee is to withdraw from amounts in the Reserve Fund and deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account and derived from sources other than Municipal Bonds Payments, will be equal to the Principal Installment of the Reserve Fund Obligations falling due on such date.

On or before December 31 of each year, after satisfying the deposit requirements described above, the Trustee is to withdraw from the Reserve Fund any amount remaining therein derived from investment earnings or profits due to investments thereof, and pay over said amount to the Bond Bank for deposit in

the Custodian Account within the Operating Fund, but only to the extent that there remains after such withdrawal an amount in the Reserve Fund at least equal to the Reserve Fund Requirement.

The 2005 General Bond Resolution provides that the Reserve Fund Requirement may be satisfied with (i) money made available by the State and paid to the Bond Bank for the purpose of the Alaska Municipal Bond Bank Reserve Fund created by the Act in the amount provided by a Series Resolution; (ii) all money paid to the Bond Bank pursuant to the Act for the purpose of restoring the Reserve Fund to the amount of the Reserve Fund Requirement; (iii) such portion of the proceeds of sale of Bonds, if any, as provided by any Series Resolution; (iv) Credit Enhancement; (v) any other money which may be made available to the Bond Bank for the purposes of the Reserve Fund from any other source or sources; or (vi) any combination of the foregoing. The Reserve Fund Requirement may be satisfied entirely, or in part, by a letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds; provided, however, any credit enhancement satisfying all or any part of the Reserve Fund Requirement after the initial issuance of Bonds or issued in substitution for any prior credit enhancement previously issued will not, by itself, cause a withdrawal or downward revision of the ratings maintained by any Rating Agency with respect to the Bonds.

In the event there is a deficiency in the Interest Account on any interest payment date or in the Principal Account on any principal payment date or Sinking Fund Installment payment date, the Trustee is to make up such deficiencies from the Reserve Fund.

Administration of Reserve Fund. The 2005 General Bond Resolution provides that money and securities held in the Reserve Fund will not be withdrawn therefrom at any time in such amount as would reduce the amount in such Fund to an amount less than the Reserve Fund Requirement except for the payment when due of debt service on Reserve Fund Obligations and to cure a deficiency in the Principal Account or the Interest Account.

Rebate Fund. There is to be deposited in the Rebate Fund the amount of the Rebate Requirement for each Series of Bonds, and the Trustee is to pay over to the United States Government such amounts as determined by the Bond Bank and as set forth in the 2005 General Bond Resolution. All amounts held in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of the 2005 General Bond Resolution.

Operating Fund. The 2005 General Bond Resolution requires the deposit in the Operating Fund of all Fees and Charges, to the extent not otherwise encumbered or pledged, and any other money which may be made available to the Bond Bank for purposes of the Operating Fund from any other source or sources. Money at any time held for the credit of the Operating Fund is to be used for and applied solely to the following purposes: (i) to pay the Administrative Expenses of the Bond Bank; (ii) to pay the fees and expenses of the Trustee and any Paying Agent; (iii) to pay financing costs incurred with respect to a Series of Bonds; and (iv) to pay any expenses in carrying out any other purpose then authorized by the Act.

The Operating Fund is held by the Bond Bank, not by the Trustee, and the 2005 General Bond Resolution provides that all amounts in the Operating Fund will be free and clear of any lien or pledge created by the 2005 General Bond Resolution.

Security for Deposits and Investment of Funds

The 2005 General Bond Resolution provides that all money held by the Trustee under the 2005 General Bond Resolution will be continuously and fully secured, for the benefit of the Bond Bank and the Bondholders in such manner as may then be required or permitted by applicable State or federal laws and

regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds but does not require the Trustee or any Paying Agent to give security for the deposit of any money with them held in trust for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any money which is represented by obligations purchased under the provisions of the 2005 General Bond Resolution as an investment of such money. The 2005 General Bond Resolution also provides for the investment of funds held by the Trustee. See the definition of “Investment Securities” and Sections 702 and 703 of the 2005 General Bond Resolution in Appendix E.

Payment of Bonds

The Bond Bank covenants in the 2005 General Bond Resolution that it will duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof, and will duly and punctually pay, or caused to be paid, all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Fees and Charges

The Bond Bank may charge such Fees and Charges to each Governmental Unit to which a Loan is made, and will from time to time revise such Fees and Charges whenever necessary, so that such Fees and Charges actually collected from each such Governmental Unit will at all times produce money which, together with such Governmental Unit’s Allocable Proportion of other money available under the provisions of the 2005 General Bond Resolution, and other money available therefor, will be at least sufficient to pay, as the same become due, the Governmental Unit’s Allocable Proportion of (i) the Administrative Expenses of the Bond Bank and (ii) the fees and expenses of the Trustee and any Paying Agent.

Issuance of Additional Obligations

The Bond Bank may issue additional Bonds and refunding Bonds pursuant to the terms of the 2005 General Bond Resolution; however, no additional Series of Bonds are to be issued unless:

- (a) the aggregate principal amount of Bonds and Notes Outstanding at the time of issuance and delivery of such additional Bonds, including the principal amount of such additional Bonds, will not exceed any limit thereon imposed by law;
- (b) there is at the time of the issuance of such additional Bonds no deficiency in the amounts required by the 2005 General Bond Resolution or any Series Resolution to be paid into the Debt Service Fund and into the Reserve Fund;
- (c) the amount of the Reserve Fund, upon the issuance and delivery of such additional Bonds, and the deposit in the Reserve Fund of any amount provided therefor in the Series Resolution authorizing the issuance of such additional Bonds, will not be less than the Required Debt Service Reserve; and
- (d) the maturities of, or Sinking Fund Installments for, the additional Bonds representing Loan Obligations, unless such additional Bonds are being issued to refund Outstanding Bonds, will be equal to the scheduled Municipal Bonds Principal Payments to be made in respect of the Loans with respect to which such additional Bonds are to be issued.

The Bond Bank expressly reserves the right to adopt other general bond resolutions and reserves the right to issue Notes and any other obligations so long as the same are not a charge or lien on the Municipal Bonds, the Municipal Bonds Payments, and the Fees and Charges or payable from the Debt Service Fund or the Reserve Fund.

Defeasance

If the Bond Bank pays or causes to be paid to the holders of all Bonds then Outstanding the principal and interest and/or Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the 2005 General Bond Resolution and also pays or causes to be paid all other sums payable under the 2005 General Bond Resolution by the Bond Bank, including any amounts payable to the United States, then, at the option of the Bond Bank, as expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements, and other obligations of the Bond Bank to the Bondholders will be discharged and satisfied.

The 2005 General Bond Resolution provides that Bonds may, prior to the maturity or redemption date thereof, be deemed to have been paid if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Bond Bank has given to the Trustee in form satisfactory to it irrevocable instructions to publish notice of redemption on said date of such Bonds, and (ii) there has been deposited with the Trustee either monies in an amount which will be sufficient or Investment Securities which are not subject to redemption prior to the dates on which amounts will be needed to make payments on the Bonds and described in clause (1) of the definition of Investment Securities in the 2005 General Bond Resolution, the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee or Paying Agent at the same time, is sufficient, to pay, when due, the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as may be the case. See the definition of "Outstanding," the definition of "Investment Securities," and Article XIII of the 2005 General Bond Resolution in Appendix E.

Supplements and Amendments

The Bond Bank may adopt a Series Resolution or Supplemental Resolution without the consent of the Bondholders or the Trustee for various purposes not inconsistent with the 2005 General Bond Resolution, to provide for the issuance of additional Series of Bonds, to impose additional limitations or restrictions on the issuance of Bonds, to impose other restrictions on the Bond Bank, to surrender any right, power, or privilege, or to confirm any pledge of or lien upon the Municipal Bonds or the Municipal Bonds Payments or any other funds. The Bond Bank may also supplement the 2005 General Bond Resolution to cure any ambiguity or defect in the 2005 General Bond Resolution, provided such modifications are not contrary to or inconsistent with the 2005 General Bond Resolution as theretofore in effect.

Any other modification or amendment of the 2005 General Bond Resolution and of the rights and obligations of the Bond Bank and of the Bondholders may be made with the written consent (i) of the holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that such modification or amendment will not permit (i) a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or Sinking Fund Installment therefor, (ii) a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, (iii) a reduction of the percentage of the Holders of which is required to effect any such modification or amendment, or (iv) the creation of any lien prior to or on a parity with the lien created by the 2005 General Bond Resolution (except in the manner provided by the 2005 General Bond Resolution)

or deprive the Bondholders of the lien created by the 2005 General Bond Resolution, without the consent of the holders of all the Bonds Outstanding or of the Series of Bonds affected by such modification or amendment. To the extent that the full payment of the interest and principal of Bonds of a Series is secured by Credit Enhancement, the Credit Enhancement Agency will be considered to be the Bondholder of all the Bonds of the Series for purposes of exercising any rights with respect to supplements and amendments to the 2005 General Bond Resolution if the Credit Enhancement so provides. See Articles X and XI and the definition of "Bondholder" in the 2005 General Bond Resolution and Section 202 of the 2013 First Supplemental Resolution in Appendix E.

Events of Default and Remedies

Each of the following events is an Event of Default under the 2005 General Bond Resolution:

(a) the Bond Bank defaults in the payment of the principal or Redemption Price of, Sinking Fund Installment for, or interest on, any Bond when and as the same becomes due whether at maturity or upon call for redemption, or otherwise;

(b) the Bond Bank fails or refuses to comply with the provisions of the Act regarding the certification of deficiencies in the 2005 General Bond Resolution Reserve Fund, or such amounts as are certified by the Chair of the Bank to the Governor and to the Legislature pursuant to the Act are not appropriated and paid to the Bond Bank prior to the termination of the then-current State fiscal year; or

(c) the Bond Bank fails or refuses to comply with the provisions of the Act, other than as described in clause (b) above, or defaults in the performance or observance of any other of the covenants, agreements, or conditions on its part in the 2005 General Bond Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained, and such failure, refusal, or default continues for a period of 45 days after written notice thereof by the Trustee or the Holders of not less than 25 percent in principal amount of the Outstanding Bonds;

provided, however, that an event of default will not be deemed to exist under the provisions described in clause (c) above upon the failure of the Bond Bank to make and collect Fees and Charges required to be made and collected by the 2005 General Bond Resolution or upon the failure of the Bond Bank to enforce any obligation undertaken by a Governmental Unit pursuant to a Loan Agreement including the making of the stipulated Municipal Bonds Payments so long as the Bond Bank may be otherwise directed by law and so long as the Bond Bank is provided with money from the State or otherwise, other than withdrawals from or reimbursements of the Reserve Fund, sufficient in amount to pay the principal of and interest on all Bonds as the same becomes due during the period for which the Bond Bank is directed by law to abstain from making and collecting such Fees and Charges and from enforcing the obligations of a Governmental Unit under the applicable Loan Agreement.

The 2005 General Bond Resolution provides that upon the happening and continuance of any Event of Default described in clause (a) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default described in clauses (b) and (c) above, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent in principal amount of the Outstanding Bonds will proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights:

(a) by mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Bond Bank to make and collect Fees

and Charges and Municipal Bonds Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Municipal Bonds Payments and other properties and to require the Bond Bank to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) by bringing suit upon the Bonds;

(c) by action or suit in equity, require the Bond Bank to account as if it were the trustee of an express trust for the holders of the Bonds; and

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds.

Acceleration. The 2005 General Bond Resolution provides that upon the occurrence of an event of default in the payment of principal or Redemption Price of, Sinking Fund Installment for, or interest on Bonds then Outstanding, unless the principal of all Bonds has already become due and payable, the Trustee, by notice in writing to the Bond Bank, may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding will, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will be immediately due and payable. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the money due has been obtained or entered, the Bond Bank deposits with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest upon all the Bonds, with interest on such overdue installments of principal at the rate borne by the respective Bonds, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate have been made therefor, then the holders of at least a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Bank and to the Trustee, may, on behalf of the holders of all of the Bonds, rescind and annul such declaration and its consequences and waive such default. See Sections 1203 and 1204 in Appendix E.

Bondholders' Direction of Proceedings. The holders of a majority in principal amount of the Bonds then Outstanding will have the right to direct the method of conducting all remedial proceedings to be taken by the Trustee, provided that such direction is not otherwise than in accordance with law or the 2005 General Bond Resolution, and that the Trustee has the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Rights of Bondholders. No holder of any Bond will have any right to institute any suit, action, mandamus, or other proceeding in equity or at law under the 2005 General Bond Resolution, or for the protection or enforcement of any right under the 2005 General Bond Resolution or any right under law, unless such holder has given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action, or proceeding is to be taken, and unless the holders of not less than 25 percent in principal amount of the Bonds then Outstanding have made written request of the Trustee and has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under law or to institute such action, suit, or proceeding in its name and unless, also, there has been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time. No holder of the Bonds will have any right to affect, disturb, or prejudice the security of the 2005 General Bond

Resolution, or to enforce any right with respect to the Bonds or the 2005 General Bond Resolution, except in the manner provided in the 2005 General Bond Resolution, and all proceedings at law or in equity will be instituted, held, and maintained in the manner provided in the 2005 General Bond Resolution and for the benefit of all Bondholders.

Excess Earnings

The Bond Bank covenants and agrees in the 2005 General Bond Resolution to calculate Rebatable Arbitrage and to pay Rebatable Arbitrage to the United States of America in the manner necessary to comply with the then applicable federal tax law. Within 30 days after the end of every fifth Bond Year, and within 60 days of the date when all of each Series of Bonds have been retired (or at such other time or times as may then be required by the Code and the applicable Income Tax Regulations), the Bond Bank will determine the Rebatable Arbitrage with respect to each Series of Bonds, and pay rebate amounts due the United States of America with respect thereto, as provided in Section 148(f) of the Code.

Modifications to the 2005 General Bond Resolution

In addition to modifications with and without consent of Bondholders, the 2005 General Bond Resolution authorizes modifications of any provision set forth in the 2005 General Bond Resolution by the terms of a Supplemental Resolution, with such modifications becoming effective after all Bonds of each Series Outstanding as of the date of such Supplemental Resolution authorizing such modification cease to be Outstanding. The 2013 First Supplemental Resolution was adopted by the Board on February 19, 2013.

The 2013 First Supplemental Resolution authorizes the following modifications to the 2005 General Bond Resolution: (i) to authorize the Trustee to release to the Bond Bank amounts held in the Reserve Fund which exceed the Required Debt Service Reserve whenever there is a reduction in the Required Debt Service Reserve, (ii) to authorize the Trustee to release to the Bond Bank earnings and profits realized from investments in the Reserve Fund on or before June 30 of each year so long as the balance therein equals the Required Debt Service Reserve, (iii) to allow for certain amendments and modifications to the 2005 General Bond Resolution to be effective upon securing the consent of Holders of at least two-thirds in principal amount of Bonds then Outstanding, and (iv) to establish that consent of Holders of Bonds, when required under the terms of the 2005 General Bond Resolution, specifically includes the consent of an underwriter or purchaser of a Series of Bonds at the time such Bonds are issued.

The modifications to the 2005 General Bond Resolution set forth in the 2013 First Supplemental Resolution shall become effective after all Bonds issued prior to the 2013 Series Three Bonds cease to be Outstanding and compliance by the Bank with certain requirements set forth in the 2005 General Bond Resolution, at which time these modifications will apply to the 2025 Series One and Two Bonds and govern the rights and obligations of the Holders thereof.

CERTAIN BONDOWNERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the 2025 Series One and Two Bonds. This discussion is not, and is not intended to be, exhaustive, should be read in conjunction with all other parts of this Official Statement, and should not be considered to be a complete description of all risks that could affect such payments. The order in which the following information appears is not intended to reflect its relative importance. Prospective purchasers of the 2025 Series One and Two Bonds should analyze carefully the information contained in this Official Statement, including the appendices, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.

General

An investment in the 2025 Series One and Two Bonds involves certain risks, including the risk of nonpayment of interest or principal due to owners of the 2025 Series One and Two Bonds and the risk that the 2025 Series One and Two Bonds will be redeemed prior to maturity. The enforceability of the Bond Bank's obligations pursuant to the 2005 General Bond Resolution may be limited by the laws of the State and the United States with respect to bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights generally and by the availability of equitable remedies.

The 2025 Series One and Two Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the payment of the principal and redemption premium, if any, of, and interest on the 2025 Series One and Two Bonds solely from the sources provided in the 2005 General Bond Resolution and any Series Resolution. The Act and the 2005 General Bond Resolution each provides that the State is not obligated to pay the principal, premium, if any, or interest on the 2025 Series One and Two Bonds, that the 2025 Series One and Two Bonds are not a debt or liability of the State, and that neither the faith and credit of the State nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or interest on the 2025 Series One and Two Bonds.

In addition to the 2025 Series One and Two Bonds, the Bond Bank may issue additional series of Bonds secured on a parity under the 2005 General Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

State and Governmental Unit Revenues

Payments made by the Governmental Units on their Municipal Bonds are the primary security for the payment of principal of and interest on the Bonds, including the 2025 Series One and Two Bonds. The Bond Bank also maintains a reserve account within the reserve fund created under the Act as additional security for the payment of the Bonds. The Bond Bank is required under the Act to report the sufficiency of the reserve fund and to seek appropriations from the Legislature to replenish the reserve fund if needed. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—2005 General Bond Resolution Reserve Fund."

State Payments to Governmental Units. State payments to Governmental Units include, but are not limited to, payments through the SDRP and Education Support Funding through DEED and community jail funding through the Department of Corrections. A table in Appendix B sets forth the amount of State payments to Governmental Units that have borrowed from the Bond Bank as well as the fiscal year 2025 Loan Obligations and estimated coverage provided by those State payments. The payment and amount of such State payments is uncertain, and legislative authorization for such payments is subject to appropriation and to amendment or repeal. See Appendix F— "INFORMATION CONCERNING THE STATE OF ALASKA— Government Budgets and Appropriations" and "—Government Funds" and Appendix B—"STATE PAYMENTS TO GOVERNMENTAL UNITS."

Capital expenditures by the State that are the source of matching grant funding to municipalities were reduced significantly in fiscal years 2017, 2020, 2021, and 2022. Payments through the SDRP were reduced by 25 percent in fiscal year 2017, by 50 percent in fiscal year 2020, by 100 percent in fiscal year 2021, and by approximately 58 percent in fiscal year 2022. The enacted fiscal year 2025 budget includes State aid payments to Governmental Units subject to the Bond Bank's intercept authority under the Act by providing payments for the SDRP at 100 percent of authorized amounts, and a fiscal year 2022 supplemental appropriation included appropriations to offset the prior fiscal year reductions in 2017, 2020, 2021, and 2022. The enacted fiscal year 2025 budget includes the State's TIDSRP funding at 100 percent of authorized amounts. In 2015, the Legislature passed a moratorium on the SDRP and eliminated DEED's

authority to issue agreements to reimburse debt from school bonds that voters approved after January 1, 2015, and before July 1, 2020. In 2020, the legislature extended the moratorium until July 1, 2025. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—State Payments to Governmental Units,” and Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA.”

Effect on State Intercept. The Act provides that, to the extent that any department or agency of the State is the custodian of money payable to a Governmental Unit, at any time after notice from the Bond Bank that the Governmental Unit is in default on the payment of the principal of or interest on its Municipal Bonds then held or owned by the Bond Bank, the department or agency is required to withhold the payment of such money held by it and pay over such money to the Bond Bank for the purpose of paying principal of and interest on the bonds of the Bond Bank. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—State Payments to Governmental Units.” Other State agencies may have similar rights to intercept State payments to local governments or to limit the amount intercepted, and no assurance can be given that the Bond Bank’s claim would have priority or that the amount of available State payments would be sufficient. State payments to Governmental Units have been reduced in recent years, and there can be no assurance that additional reductions will not be made, reducing the amount available to the Bond Bank under the intercept remedy.

Effect on Reserve Fund. If the Bond Bank is required to draw on the Reserve Fund because of a default by a Governmental Unit, the appropriation provides that an amount equal to the amount drawn from the Reserve Fund is appropriated from the State’s General Fund to the Reserve Fund. The State is not obligated to make such an appropriation. There is no guarantee that the Bond Bank will be able to secure future appropriations within the State’s operating budget for replenishment of the Bond Bank’s reserve accounts, including the Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—2005 General Bond Resolution Reserve Fund” and Appendix F— “INFORMATION CONCERNING THE STATE OF ALASKA—Government Budgets and Appropriations.”

Adequacy of Revenues

No representation or assurance can be given that the Bond Bank will realize revenues in amounts sufficient to make payments when due under the 2005 General Bond Resolution. The realization of future revenues is dependent upon, among other things, payments to be made by Governmental Units, which are subject to future changes in economic, legal, legislative, regulatory, and other conditions that are unpredictable and cannot be determined at this time. The risk of nonpayment or that the 2025 Series One and Two Bonds will be redeemed prior to maturity is affected by the following factors, among others, which should be considered by prospective investors, along with other information set forth in this Official Statement, in judging the suitability of an investment in the 2025 Series One and Two Bonds. The 2025 Series One and Two Bonds may not be a suitable investment for all prospective purchasers. Prospective purchasers should consult their investment advisors before making any decisions as to the purchase of the 2025 Series One and Two Bonds.

The future financial condition of the State and of the Governmental Units could be adversely affected by, among other things: detrimental State or federal legislation; detrimental State or federal regulatory actions; lower investment returns; decreased demand and lower prices for petroleum products; decreased tourism and other retail activity; demographic changes; the occurrence of natural, national, or international calamities, including a national or localized outbreak of a highly contagious or epidemic disease; security breaches in information technology systems; and tax law changes. There can be no assurance that revenues available to the Bond Bank and the Governmental Units to make payment on the 2025 Series One and Two Bonds will not decrease.

Investment Earnings. Investment earnings are a principal source of unrestricted General Fund revenue for the State. In 2018, the Legislature enacted Senate Bill 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. See Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA—State Revenues” and “—Government Funds—The Alaska Permanent Fund.” The past performance of such investments cannot be used as a basis to predict future results. The results in subsequent fiscal years will depend upon the state of general economic conditions and market results of investments that may be held by the State from time to time for its investment purposes.

Oil and Gas Revenues. The State’s unrestricted General Fund revenue has historically been generated primarily from petroleum production activities. Approximately 80 percent of fiscal year 2018 unrestricted General Fund revenue was generated from petroleum. The overall percentage of General Fund revenue from petroleum production activities has fallen in connection with the appropriations from the Earnings Reserve of the Alaska Permanent Fund as unrestricted General Fund revenue as directed by Senate Bill 26 beginning in fiscal year 2019. As of the Spring 2025 Revenue Forecast, released by the Tax Division of the Department of Revenue on March 12, 2025 (the “Spring 2025 Revenue Forecast”), the State has forecasted for fiscal year 2025 that of the \$6,229.0 million of unrestricted General Fund revenue, \$1,879.1 million, or approximately 30 percent, will be derived from oil and gas revenue, \$573.5 million, or approximately 9 percent, will be derived from non-oil and gas revenue, and \$3,776.4 million, or approximately 61 percent, is estimated to be generated from investment revenue, including transfers from the Permanent Fund Earnings Reserve.

Many factors affect the ability of the petroleum industry to sustain production in the State, including: future economic conditions; access to affordable financing; energy prices; technological changes; transportation costs; availability and cost of materials used in processing; availability and affordability of insurance; availability and capability of qualified management and personnel; technical difficulties or supplier interruptions; and seasonality. Energy prices are affected by, among other factors outside the control of the State: the supply and demand for oil and gas and expectations regarding supply and demand; the development of energy production technology, such as hydraulic fracturing; political conditions in other oil-producing countries, including the possibility of insurgency or war in such areas; economic conditions in the United States and worldwide; governmental regulations and taxation, including regulations on carbon emissions and other greenhouse gases; the impact of energy conservation efforts; the price and availability of alternative fuel sources; weather conditions; the availability of transportation systems and storage; and market uncertainty.

As a global commodity, the price and production volumes of oil are subject to periods of significant volatility based on regional and global events. There can be no assurance that oil and gas revenue of the State will not decrease in current or future fiscal years. In fiscal year 2023, the State generated \$3,119.4 million in petroleum related unrestricted General Fund revenue with an average Alaska North Slope (“ANS”) price per barrel of \$86.63 and average daily ANS production of approximately 479,400 barrels per day. In fiscal year 2024, the State generated \$2,469.8 million in petroleum related unrestricted General Fund revenue with an average ANS price per barrel of \$85.24 and average daily ANS production of approximately 461,000 barrels per day. In fiscal year 2025, the State has forecasted in the Spring 2025 Revenue Forecast to generate \$1,879.1 million in petroleum related unrestricted General Fund revenue with an average ANS price per barrel of \$74.48 and average daily ANS production of approximately 466,800 barrels per day. See Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA—State Revenues—Oil and Gas Revenues.”

Federal Revenues. The State receives federal revenues for specific purposes that are generally subject to review or audit by grantor agencies. Entitlement to federal revenues is generally conditioned upon compliance with the terms of grant agreements and applicable federal regulations, including the

expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the State. In addition, pending legal challenges to the Affordable Care Act pose risks to federal revenues received by the State through the Medicare and Medicaid programs. Reductions in federal funding could result in reduced economic activity and increased State costs. There can be no assurance that federal revenues available to the State will not decrease and are subject to amendment or repeal. See Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA—State Revenues—Federal Revenue.”

Infectious Disease Outbreak

Pandemics and health emergencies may adversely impact the State and its revenues, and Governmental Units and its revenues, expenses and financial condition. For example, COVID-19 pandemic and related governmental orders affected the entire world, including the State and Governmental Units and had a significant effect on commerce, financial markets, the State and region. Tourism is an important sector for the Alaska economy and actions taken by domestic and foreign governmental entities in connection with future health emergencies may have an adverse effect on the Alaska economy. Since tourism to Alaska is primarily based on air travel and cruise traffic, air and cruise ship travel bans to or from the State may have a greater effect on the Alaska economy than other regions. Additionally, without U.S. Congressional action, future large sailings to the Alaska market may be effectively cancelled for the duration of any future cruise ship ban by Canada. Despite the existence of any protocols by the State, individual boroughs, cities, villages, or any other public or private entity and the existence of current or future governmental aid programs, it is not possible to predict (i) the geographic spread of future health emergencies; (ii) the severity of future health emergencies, or mutations or other outbreaks; (iii) the duration of any future outbreaks; (iv) actions that may be taken by governmental authorities in the future to contain or mitigate future pandemics; (v) the future development of medical therapeutics or vaccinations; (vi) future travel restrictions; or (vii) the impact of any future pandemics on the local or global economy. Prospective investors should assume that the restrictions and limitations instituted related to future public health pandemics may occur.

Other Factors Affecting the State and Governmental Units

Future Economic Conditions. Increased unemployment, adverse economic conditions, including the health of the oil and gas industry, volatility in the tourism industry including the summer cruise ship season, changes in demographics, the cost and availability of energy, volatility in global trade and imports, including supply and demand fluctuations of precious metals, seafood, or other commodities, the inability to control expenses in periods of inflation, and difficulty in increasing revenues while maintaining a competitive economic environment could all affect the finances and operations of the State and Governmental Units.

Cybersecurity Risks. The State and Governmental Units rely on electronic systems and technologies to conduct their operations. In the past several years, a number of entities have sought to gain unauthorized access to electronic systems of various organizations for the purpose of misappropriating assets or personal, operational, financial, or other sensitive information that can cause operational disruption. These attempts, which are increasing, include highly sophisticated efforts to electronically circumvent security measures as well as more traditional intelligence gathering aimed at obtaining information necessary to gain such access. No assurance can be given that security measures implemented by the State and Governmental Units will be able to prevent cyber-attacks on their electronic systems, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on their finances or operations.

Earthquakes. The State contains many regions of seismic activity, with frequent small earthquakes and occasionally moderate and larger earthquakes. A 1964 earthquake with its epicenter in southcentral

Alaska measuring 9.2 on the Richter scale was the most powerful earthquake recorded in North American history, and the second most powerful in world history, causing over 130 deaths. Certain soil types and property located in certain areas of the State could become subject to liquefaction and could result in landslides following a major earthquake and any aftershocks. Areas of the State also could experience the effects of a tsunami following a major earthquake. A significant earthquake may disrupt transportation, communication, water and sewer systems, power and fuel delivery for weeks to months throughout certain regions of the State, and could result in significant permanent loss of population and business.

Volcanic Eruptions. The State contains many active volcanoes. A volcanic eruption could result in landslides and releases of gas and ash that can interfere with air travel, a principal mode of transportation in the State.

Wildfires. Areas of the State have experienced drought conditions and increased wildfire activity. Warmer and drier summer conditions increase the risk of wildfires that may threaten the health, economy, and environment of the State and Governmental Units by creating unhealthy air quality levels, threatening infrastructure, businesses, and residences, destroying natural resources, and damaging wildlife habitat.

Climate Change. Climate change poses potential risks to the State and Governmental Units and their finances and operations. Extreme weather events can result in droughts, wildfires, floods, and other natural disasters. Climate change may also affect population migration and shifts in economic activities such as agriculture, fishing, and construction of facilities and roads on permafrost and ice. No assurance can be given that climate change will not have a material adverse effect on the finances and operations of the State and Governmental Units.

Ratings

The lowering, suspension, or withdrawal of one or more of the ratings initially assigned to the 2025 Series One and Two Bonds could adversely affect the market price and the market for the 2025 Series One and Two Bonds. See “RATINGS.”

Limitations on Enforceability of Obligations and Remedies

The enforceability of the Bond Bank’s obligations under the 2005 General Bond Resolution may be limited by the laws of the State and the United States with respect to bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights generally and by the availability of equitable remedies. The opinions of Bond Counsel will so state. The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the 2005 General Bond Resolution. These remedies, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the 2005 General Bond Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of these covenants.

Federal Income Tax Considerations

The exemption of interest on the 2025 Series One and Two Bonds from federal income taxes is dependent upon continuing compliance by the Bond Bank and the Governmental Units with the requirements of the Code. If there is a failure to continuously comply with the covenants of the Code, interest on the 2025 Series One and Two Bonds could become includible for federal income tax purposes in the gross income of the owners thereof, retroactive to the date of issuance of the 2025 Series One and Two Bonds.

If interest on the 2025 Series One and Two Bonds becomes so includible in the owners' gross incomes, the effect will be to reduce the yield on an owner's 2025 Series One and Two Bonds as a result of the federal and, in certain cases, state and local, income tax liability incurred in connection with the receipt of interest on the 2025 Series One and Two Bonds. There is no provision for any adjustment to the interest rate borne by the 2025 Series One and Two Bonds in the event of any such loss of tax-exempt status, nor is any provision made for the payment of any penalties or premium in such event. As a result, the owners of the 2025 Series One and Two Bonds may be forced to bear the adverse economic consequences of any such loss of tax-exempt status and may not have adequate remedies against the Bond Bank to recover any losses or damages so sustained.

Secondary Market and Prices

It has been the practice of the Underwriter to maintain a secondary market in municipal securities they sell, and the Underwriter currently intends to engage in secondary market trading of the 2025 Series One and Two Bonds, subject to applicable securities laws. The Underwriter, however, is not obligated to engage in secondary trading or to repurchase any of the 2025 Series One and Two Bonds at the request of the owners thereof. No assurance can be given that a market will exist for the resale of the 2025 Series One and Two Bonds. Because of general market conditions or because of adverse history or economic prospects connected with a particular issue or issuer, secondary marketing activity in connection with a particular issue may be suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price. **There can be no guarantee that there will be a secondary market for the 2025 Series One and Two Bonds, or if a secondary market exists, that the 2025 Series One and Two Bonds can be sold for any particular price.**

LITIGATION

As a condition to the delivery of the 2025 Series One and Two Bonds, the Alaska Department of Law, as counsel to the Bond Bank, is required to furnish a certificate to the effect that as of the date of delivery, there is no litigation pending against the Bond Bank in any State court to restrain or enjoin the issuance or delivery by the Bond Bank of the 2025 Series One and Two Bonds or contesting the validity or enforceability of the 2025 Series One and Two Bonds, the 2005 General Bond Resolution, or the pledge made under the Bond Resolution.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("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 2025 Series One and Two Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, except that no opinion is expressed as to the status of interest on any 2025 Series Two Bond for any period that such 2025 Series Two Bond is held by a "substantial user" of the facilities financed by the 2025 Series Two Bonds or by a "related person" within the meaning of Section 147(a) of the Code. In the further opinion of Bond Counsel, interest on the 2025 Series One Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 2025 Series Two Bonds is a specific preference item for purposes of the federal individual alternative minimum tax and interest on the 2025 Series One and Two 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, that interest on the 2025 Series One and Two Bonds is exempt from taxation by the State except for transfer, estate and inheritance taxes. A complete copy of the

proposed form of opinion of Bond Counsel related to the 2025 Series One and Two Bonds is set forth in Appendix A.

To the extent the issue price of any maturity of the 2025 Series One and Two Bonds is less than the amount to be paid at maturity of such 2025 Series One and Two Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2025 Series One and Two 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 2025 Series One and Two Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2025 Series One and Two Bonds is the first price at which a substantial amount of such maturity of the 2025 Series One and Two 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 2025 Series One and Two Bonds accrues daily over the term to maturity of such 2025 Series One and Two 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 2025 Series One and Two Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2025 Series One and Two Bonds. Beneficial Owners of the 2025 Series One and Two Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025 Series One and Two 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 2025 Series One and Two Bonds is sold to the public.

2025 Series One and Two 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 2025 Series One and Two Bonds. The Bond Bank and the Governmental Units have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2025 Series One and Two 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 2025 Series One and Two Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2025 Series One and Two 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 date of issuance of the 2025 Series One and Two Bonds may adversely affect the value of, or the tax status of interest on, the 2025 Series One and Two 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 2025 Series One and Two 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 2025 Series One and Two 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 Code or court decisions may cause interest on the 2025 Series One and Two 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 Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2025 Series One and Two Bonds. Prospective purchasers of the 2025 Series One and Two 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 Bond Bank or the Governmental Units or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Bond Bank and the Governmental Units have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2025 Series One and Two Bonds ends with the issuance of the 2025 Series One and Two Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Bond Bank, the Governmental Units or the Beneficial Owners regarding the tax-exempt status of interest on the 2025 Series One and Two 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 Bond Bank or the Governmental Units legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the 2025 Series One and Two 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 2025 Series One and Two Bonds, and may cause the Bond Bank, the Governmental Units or the Beneficial Owners to incur significant expense.

Payments on the 2025 Series One and Two 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 2025 Series One and Two Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the 2025 Series One and Two Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2025 Series One and Two 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.

CERTAIN LEGAL MATTERS

Bond Bank. Legal matters incident to the authorization, issuance, and sale by the Bond Bank of the 2025 Series One and Two Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Bond Bank. The proposed form of the opinion of Bond Counsel for the 2025 Series One and Two Bonds is included as Appendix A. Certain legal matters will be passed upon by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the Bond Bank.

Governmental Unit. Certain legal matters will be passed upon for (1) the Ketchikan Gateway Borough by its bond counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Seattle, Washington, (2) Petersburg Borough, the City of Whittier, Kodiak Island Borough, and Kenai Peninsula Borough by their bond counsel, Jermain, Dunnagan & Owens P.C., Anchorage, Alaska, (3) the City and Borough of Juneau, by its bond counsel, K&L Gates LLP, Seattle, Washington, and (4) the City of Cordova and the City of Unalaska, by their bond counsel, Foster Garvey PC, Seattle Washington.

Underwriter. Certain legal matters will be passed upon for the Underwriter by its special counsel, Hawkins Delafield & Wood LLP, San Francisco, California. Any opinion of such counsel will be limited in scope and delivered only to the Underwriter, and may not be relied upon by investors.

Relationships Among Parties. From time to time, the firms of Orrick, Herrington & Sutcliffe LLP, Jermain, Dunnagan & Owens P.C., K&L Gates LLP, Foster Garvey PC and Stradling Yocca Carlson & Rauth, a Professional Corporation may represent the Underwriter in transactions unrelated to the issuance of the 2025 Series One and Two Bonds.

UNDERWRITING

The 2025 Series One Bonds are to be purchased from the Bond Bank at an aggregate purchase price of \$44,760,043.78 (the principal amount of the 2025 Series One Bonds, plus original issue premium of \$2,995,487.50, less Underwriter's discount of \$135,443.72) and the 2025 Series Two Bonds are to be purchased from the Bond Bank at an aggregate purchase price of \$14,137,104.03 (the principal amount of the 2025 Series Two Bonds, plus net original issue premium of \$526,502.70, less Underwriter's discount of \$59,398.67), subject to the terms of a bond purchase agreement (the "Purchase Agreement") between the Bond Bank and RBC Capital Markets, LLC (the "Underwriter").

The Purchase Agreement provides that the Underwriter will purchase all of the 2025 Series One and Two Bonds if any are purchased and that the obligation of the Underwriter to accept and pay for the 2025 Series One and Two Bonds is subject to certain terms and conditions set forth therein, including the approval by counsel of certain legal matters.

The initial offering prices or prices corresponding to the yields set forth on the inside covers of this Official Statement may be changed from time to time by the Underwriter without prior notice to any person. The Underwriter may offer and sell the 2025 Series One and Two 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 Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts

involving the securities and instruments made the subject of this securities offering or other offerings of the Bond Bank or the Governmental Units. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color, or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Bond Bank and the Governmental Units.

MUNICIPAL ADVISOR

The Bond Bank has retained PFM Financial Advisors LLC (“PFM”) to serve as municipal advisor to provide certain advice to the Bond Bank with respect to the issuance of the 2025 Series One and Two Bonds. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement. PFM is an independent financial advisory firm registered with the Securities and Exchange Commission and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities. PFM’s compensation is contingent upon the successful delivery of the 2025 One and Two Bonds.

FINANCIAL STATEMENTS

The financial statements of the Bond Bank for the fiscal year ended June 30, 2024, included in this Official Statement as Appendix D, have been audited by BDO USA, LLP, independent certified public accountants, to the extent and for the periods indicated in their report thereon. Such financial statements have been included in reliance upon the report of BDO USA, LLP. The Bond Bank has not requested BDO USA, LLP to provide written consent for inclusion of the financial statements in this Official Statement.

RATINGS

Moody’s Ratings (“Moody’s”), S&P Global Ratings (“S&P”), and Kroll Bond Rating Agency, LLC (“KBRA”) have assigned ratings of “A1,” “AA-,” and “AA,” respectively, to the 2025 Series One and Two Bonds. The Bond Bank has not retained Fitch Ratings, Inc. (“Fitch”) to rate the 2025 Series One and Two Bonds. Fitch has rated other series of Bonds issued under the 2005 General Bond Resolution since 2014. Such ratings 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, at the following addresses: Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, (212) 553-0300; S&P, 55 Water Street, New York, New York 10041, (212) 438-1000; KBRA, 805 Third Avenue, 29th Floor, New York, New York, (212) 702-0707. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. **There can be no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price and marketability of the 2025 Series One and Two Bonds.**

CONTINUING DISCLOSURE UNDERTAKINGS

Bond Bank Continuing Disclosure Undertaking

The Bond Bank has covenanted for the benefit of the holders and Beneficial Owners of the 2025 Series One and Two Bonds to provide, or to cause to be provided, certain historical financial and operating information not later than 210 days after the end of each Fiscal Year (currently June 30) in which any 2025 Series One and Two Bonds are outstanding, commencing with its report for the Fiscal Year ended June 30, 2025 (each an “Annual Report”). The Bond Bank has also covenanted to not later than 120 days after the end of each Fiscal Year notify each Governmental Unit that had, as of the end of such Fiscal Year, an amount of its Municipal Bonds equal to or greater than 20 percent of the outstanding principal amount of the Municipal Bonds held by the Bond Bank under the 2005 General Bond Resolution, of such Governmental Unit’s continuing disclosure undertaking responsibility. In addition, the Bond Bank has covenanted to provide notices of the occurrence of certain enumerated events. The Annual Reports are required to be filed by the Bond Bank with the MSRB through its EMMA system. The specific nature of information to be contained in the Annual Report and the enumerated events of which the Bond Bank is to give notice are set forth in the proposed form of the Continuing Disclosure Certificate of the Bond Bank included as Appendix G. These covenants have been made in order to assist the Underwriter in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”).

Governmental Unit Continuing Disclosure Undertakings

Each of the Governmental Units from which the Bond Bank is purchasing Municipal Bonds with proceeds of the 2025 Series One and Two Bonds (the “2025 Series One and Two Governmental Units”) has covenanted in its Loan Agreement that if its Municipal Bonds constitute 20 percent or more of the outstanding principal amount of the Municipal Bonds held by the Bond Bank under the 2005 General Bond Resolution, such 2025 Series One and Two Governmental Unit will execute a continuing disclosure agreement prepared by the Bond Bank for purposes of complying with Rule 15c2-12. There are currently no Governmental Units that reach this 20 percent threshold.

In connection with certain previous Bonds issued under the 2005 Master Resolution, each applicable Governmental Unit was required to covenant in its Loan Agreement to execute a continuing disclosure certificate if such Governmental Unit’s Municipal Bonds constituted 10 percent or more of the outstanding principal amount of the Municipal Bonds held by the Bond Bank under the 2005 General Bond Resolution. As described above, the 10 percent threshold described in the previous sentence has been replaced with a 20 percent threshold for the 2025 Series One and Two Governmental Units. The Bond Bank expects to retain the 20 percent threshold in connection with future Bonds issued under the 2005 Master Resolution.

Compliance with Prior Continuing Disclosure Undertakings

General. The Bond Bank has developed procedures to help ensure its compliance with its continuing disclosure obligations in all material respects. Although there have been instances of technical deficiencies with its previous undertakings, the Bond Bank has established appropriate written policies and procedures, including trainings and identifying a designated point of contact to help facilitate future compliance with Rule 15c2-12.

Governmental Units. The Bond Bank has been notified that certain Governmental Units that previously entered into continuing disclosure certificates have failed to fully comply with their continuing disclosure obligations. The Bond Bank has not verified such information.

DEFINITIONS

The following terms are used in this Official Statement with the following meanings. See also the definitions in Article I of the 2005 General Bond Resolution in Appendix E.

“Act” — The Alaska Municipal Bond Bank Authority Act, codified as Chapter 85, Title 44, of the Alaska Statutes, as amended.

“Bond Bank” — The Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska within the Department of Revenue but with legal existence independent of and separate from the State.

“Bonds” — Bonds issued by the Bond Bank under the 2005 General Bond Resolution pursuant to a Series Resolution. These include “Loan Obligations” and “Reserve Fund Obligations” as defined below.

“Code” — Internal Revenue Code of 1986 and the regulations thereunder, as amended.

“Credit Enhancement” — A letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds to further secure the payment of the Bonds of such Series or to satisfy the Reserve Fund Requirement.

“Credit Enhancement Agency” — Any bank or other institution that provides Credit Enhancement.

“Debt Service Fund” — A fund established by the 2005 General Bond Resolution to be maintained and held by the Trustee. The 2005 General Bond Resolution defines and provides that the “Interest Account,” “Principal Account,” and “Redemption Account” are maintained within the Debt Service Fund.

“Fees and Charges” — All fees and charges authorized to be charged by the Bond Bank pursuant to Section 44.85.080(8), (15), and (16) of the Act and charged by the Bank to Governmental Units pursuant to the terms and provisions of the Loan Agreements.

“Governmental Unit” — A municipality or such other entity from which the Bond Bank is authorized by law to purchase its revenue bonds, general obligation bonds, notes, or other forms of indebtedness and which otherwise satisfies conditions found in the 2005 General Bond Resolution and in the Loan Agreement.

“Loan Agreement” — An agreement, and any amendments thereto, entered into between the Bond Bank and a Governmental Unit setting forth the terms and conditions of a loan.

“Loan Obligations” — The amount of Bonds and the Bonds themselves issued by the Bond Bank for the purchase of Municipal Bonds of a Governmental Unit.

“Municipal Bonds” — General obligation bonds, revenue bonds, notes, or other evidence of debt issued by any Governmental Unit, as defined in the Act, which have been acquired by the Bond Bank as evidence of a loan to the Governmental Unit pursuant to the Act.

“Municipal Bonds Payment” — The amounts paid or required to be paid, from time to time, for principal and interest by a Governmental Unit to the Bond Bank on the Governmental Unit’s Municipal Bonds.

“Notes” — Any obligations referred to in the 2005 General Bond Resolution issued by the Bond Bank other than Bonds.

“Operating Fund” — A fund established by the 2005 General Bond Resolution. This fund is not held by the Trustee and money therein is not pledged as security for Bonds.

“Outstanding” — When used with reference to Bonds, as of any date, Bonds theretofore or then being authenticated and delivered under the provisions of the 2005 General Bond Resolution, other than Bonds owned or held by or for the account of the Bond Bank except: (i) any Bonds cancelled by the Bond Bank or the Trustee at or prior to such date, (ii) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds have been authenticated and delivered pursuant to the 2005 General Bond Resolution, and (iii) Bonds deemed to have been paid as provided in the 2005 General Bond Resolution.

“Required Debt Service Reserve” — As of any date of calculation, the amount required to be on deposit in the Reserve Fund which amount is required to be at least equal to the Reserve Fund Requirement.

“Reserve Fund” — The reserve account established by the 2005 General Bond Resolution and held by the Trustee pursuant to the provisions of the 2005 General Bond Resolution.

“Reserve Fund Obligations” — Bonds issued by the Bond Bank to obtain funds to be deposited in the Reserve Fund.

“Reserve Fund Requirement” — The amount required to be on deposit in the 2005 General Bond Resolution Reserve Fund is the least of the following: (i) 10 percent of the initial principal amount of each Series of Bonds then Outstanding; (ii) maximum annual principal and interest requirements on all Bonds then Outstanding; (iii) 125 percent of average annual principal and interest requirements on all Bonds then Outstanding; or (iv) such lower amount as may be required by law. The Reserve Fund Requirement may be satisfied entirely, or in part, by Credit Enhancement; provided, however, any Credit Enhancement satisfying all or any part of the Reserve Fund Requirement after the initial issuance of Bonds or issued in substitution for any prior Credit Enhancement previously issued will not, by itself, cause a withdrawal or downward revision of the ratings maintained by any Rating Agency with respect to the Bonds.

“Series Resolution” — A resolution of the Bond Bank authorizing the issuance of a Series of Bonds in accordance with the terms of the 2005 General Bond Resolution.

“2005 General Bond Resolution” — The Bond Bank’s General Obligation Bond Resolution adopted July 13, 2005, as amended on August 19, 2009. The amendments adopted in the 2013 First Supplemental Resolution will be effective after all Bonds outstanding on February 19, 2013, are no longer are outstanding. See the forms of the 2005 General Bond Resolution and the 2013 First Supplemental Resolution in Appendix E.

MISCELLANEOUS

The summaries or descriptions of provisions in the 2005 General Bond Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such documents or provisions, and reference is hereby made to the complete documents and materials, copies of which will be furnished by the Bond Bank on request. The 2005 General Bond Resolution is included as Appendix E.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated.

OFFICIAL STATEMENT

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

ALASKA MUNICIPAL BOND BANK

By: /s/ Ryan S. Williams
Executive Director

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APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

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April ___, 2025

Alaska Municipal Bond Bank
Juneau, Alaska

Alaska Municipal Bond Bank
General Obligation and Refunding Bonds
2025 Series One (Non-AMT) and 2025 Series Two (AMT)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Alaska Municipal Bond Bank (the “Bond Bank”) in connection with the issuance of \$41,900,000 aggregate principal amount of Alaska Municipal Bond Bank General Obligation and Refunding Bonds, 2025 Series One (Non-AMT) (the “2025 Series One Bonds”), and \$13,670,000 aggregate principal amount of Alaska Municipal Bond Bank General Obligation and Refunding Bonds, 2025 Series Two (AMT) (the “2025 Series Two Bonds” and, together with the 2025 Series One Bonds, the “Bonds”), each issued pursuant to the General Obligation Bond Resolution, adopted by the Board of Directors (the “Board”) of the Bond Bank on July 13, 2005 (as amended, the “2005 General Bond Resolution”), as supplemented by Resolution No. 2024-02, adopted by the Board on December 10, 2024 (the “2025 Series One and Two Resolution” and together with the 2005 General Bond Resolution, the “Bond Resolution”). The Bond Bank has appointed The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) under the Bond Resolution.

The 2025 Series One Bonds are issued for the stated purposes of: (i) making a loan to the Petersburg Borough, Alaska (the “Petersburg Borough”), a Governmental Unit, to finance costs of certain capital improvements to the Petersburg Borough high/middle school, (ii) refunding certain outstanding bonds previously issued by the Bond Bank, the proceeds of which were used to make loans to the City of Cordova, Alaska (the “City of Cordova”), the City and Borough of Juneau, Alaska (the “City and Borough of Juneau”), the Kenai Peninsula Borough, Alaska (the “Kenai Peninsula Borough”), the Kodiak Island Borough, Alaska (the “Kodiak Island Borough”) and the City of Unalaska, Alaska (the “City of Unalaska”), each of which is a Governmental Unit; and (iii) paying costs of issuing the Bonds.

The 2025 Series Two Bonds are issued for the stated purposes of: (i) making a loan to the Ketchikan Gateway Borough, Alaska (the “Ketchikan Gateway Borough”), a Governmental Unit, to finance costs of certain capital improvements to the Ketchikan Gateway Borough’s Ketchikan International Airport, (ii) making a loan to the City of Whittier, Alaska (the “City of Whittier”), a Governmental Unit, to finance the costs of certain improvements to the City of Whittier’s small boat harbor; (iii) refunding certain outstanding bonds previously issued by the Bond Bank, the proceeds of which were used to make a loan to the City and Borough of Juneau, a Governmental Unit; and (iv) paying costs of issuing the Bonds.

In connection with such loans, the Bond Bank is purchasing Municipal Bonds issued by the Governmental Units to secure payments to be made pursuant to the Loan Agreements mentioned below. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution.

In such connection, we have reviewed the Bond Resolution; the Loan Agreements between the Bond Bank and each of the Petersburg Borough, the City of Cordova, the City and Borough of Juneau, the Kenai Peninsula Borough, the Kodiak Island Borough, the City of Unalaska, the Ketchikan Gateway Borough and the City of Whittier, each dated as of the date hereof (collectively, the “Loan Agreements”); the Tax Certificate of the Bond Bank, dated the date hereof (the “Tax Certificate”); authorizing ordinances and resolutions and tax certificates of each of the Governmental Units; a Certificate of the State of Alaska Department of Law, as counsel to the Bond Bank; opinions of counsel to each of the Governmental Units; certificates of the Bond Bank, the Trustee, the Governmental Units and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the Bond Bank and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Bond Resolution, each of the Loan Agreements and the Tax Certificate and in each of the tax certificates of each of the Governmental Units, including

(without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Bond Resolution, the Loan Agreements, the Municipal Bonds and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public corporations of the State of Alaska. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Bond Resolution, the Loan Agreements or the Municipal Bonds or agreements related thereto or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding general obligations of the Bond Bank.

2. The Bond Resolution has been duly adopted by, and constitutes the valid and binding obligation of, the Bond Bank. To secure the payment of the principal of and interest on the Bonds, the Bond Resolution creates a valid pledge of the Municipal Bonds, all Municipal Bond Payments, the investments thereof and the proceeds of such investments, and any other amounts held by the Trustee in any fund or account established pursuant to the Bond Resolution, except the Rebate Fund, subject to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution.

3. 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"), except that no opinion is expressed as to the status of interest on any 2025 Series Two Bond for any period that such 2025 Series Two Bond is held by a "substantial user" of the facilities financed or refinanced by the 2025 Series Two Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the 2025 Series One Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the 2025 Series Two

Alaska Municipal Bond Bank
April __, 2025
Page 4

Bonds is a specific preference item for purposes of the federal individual alternative minimum tax, and interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is exempt from taxation by the State of Alaska except for transfer, inheritance and estate taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX B

STATE PAYMENTS TO GOVERNMENTAL UNITS

The State of Alaska (the “State”) disburses to Alaskan cities and boroughs funds that may be available for uses other than paying municipal bond debt service. In the event of default by a Governmental Unit with respect to a Loan Agreement, the Act requires that such funds held in custody by the State prior to disbursement be paid over to the Bond Bank. The State, however, may at any time reduce or terminate the disbursements or programs under which they are made. See Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA.” In addition, other State agencies have similar rights to intercept State payments to Governmental Units. No assurance can be given that the Bond Bank’s claim would have priority over any other eligible State agency’s claim. Four of the departments of the State that disburse money to Governmental Units are as follows:

(1) Department of Education and Early Development. The Department of Education and Early Development (“DEED”) disburses State aid for educational purposes primarily through the school debt reimbursement, foundation funding, and pupil transportation programs, in addition to funding for boarding homes, residential boarding, youth in detention, special schools, and the Alaska Challenge Youth Academy programs.

The school debt reimbursement program provides a system under which the State, subject to annual appropriation by the Legislature, reimburses municipalities that operate school districts for certain costs of school construction. State reimbursement applies to debt service on locally issued general obligation school bonds. Timing of reimbursements is determined by municipalities’ debt service payments and is made throughout the year. This program provides that subject to statutory and regulatory conditions, the State will reimburse municipalities for a pre-determined percentage of debt service incurred for such bonds, depending on when such bonds were issued and the project components. The State may appropriate less than the full amount to which the municipalities are entitled. When appropriations are less than 100 percent of the entitlement, funds have been allocated pro rata among the eligible school districts. On April 7, 2015, Senate Bill 64 passed into law, which rescinded approvals for any application for bond debt reimbursement made by a municipality for school construction or major maintenance for indebtedness authorized by the qualified voters of the municipality on or after January 1, 2015 (retroactive from SB64 passage date), but before July 1, 2020. On March 24, 2020, House Bill 106 passed into law, which extended the moratorium from July 1, 2020, through July 1, 2025. See Appendix F—“INFORMATION CONCERNING THE STATE OF ALASKA—Government Budgets and Appropriations” and “—Public Debt and Other Obligations of the State.”

Under the foundation funding program, the State aids local school districts in paying operating expenses under the State “K-12 foundation” funding, which provides education-related aid for operating costs associated with qualified K-12 schools as well as programs such as the handicapped facilities and nutrition programs. The program provides for monthly distributions to school districts.

Under the pupil transportation program, the State aids local school districts for pupil transportation. The program provides for monthly distributions to school districts.

Under other programs, the State has provided one-time grant funds.

(2) Department of Revenue. The Department of Revenue (“DOR”) disburses shares of various State taxes collected by the DOR within the jurisdiction of certain Governmental Units, including aviation fuel, commercial passenger vessel, electric, telephone, liquor, and fisheries resources landed and business

taxes. Payments are distributed both semi-annually in January and July and annually in October depending upon the type of tax.

(3) Department of Commerce, Community and Economic Development. The Department of Commerce, Community and Economic Development (“DCCED”) administers a payment in lieu of taxes program under which the federal government pays a fee for use of land. The payments received from the federal government are passed through the State to certain Governmental Units. Distributions occur annually in July. The State also disburses money to certain Governmental Units through DCCED’s Capital Matching Grants program to provide assistance in financing capital projects. Distributions are made throughout the year as approved projects are constructed. Additionally, the State Revenue Sharing program provides an annual transfer to certain Governmental Units based on population. The revenue sharing transfers occur in the first quarter of the fiscal year.

(4) Department of Corrections. The Department of Corrections transfers monthly amounts to pay operational expenses of local communities that house prisoners in municipal-owned facilities.

In addition to the four sources listed above, the State disburses to Governmental Units funds that are not available for intercept by the Bond Bank. A reduction in the amount of such funds and the distribution of such funds, such as State assistance to Governmental Units to address pension liabilities, also could have a negative impact on the finances of Governmental Units.

The enacted fiscal year 2025 budget includes State aid payments to Governmental Units subject to the Bond Bank’s intercept authority under the Act by providing payments for the SDRP at 100 percent of authorized amounts. Through a fiscal year 2022 supplemental appropriation, the State included appropriations to offset prior fiscal year reductions in 2017, 2020, 2021, and 2022. The State’s TIDSRP was funded at 100 percent of authorized amounts in the enacted fiscal year 2025 budget.

The table included on the following page sets forth the amount of State payments to Governmental Units that have borrowed from the Bond Bank subject to intercept under the Act as well as the fiscal year 2025 Loan Obligations and estimated coverage provided by those State payments.

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Alaska Municipal Bond Bank Capacity to Intercept Funds

	FY 2024 Shared Taxes & Fees one time transfers for 7 categories of tax and license type	FY 2025 Projected School Debt Reimbursement transferred as debt service comes due semi-annually (current year annual appropriation)	FY 2025 Projected Education Support transferred in 12 level monthly installments during fiscal year (current year annual appropriation)	Active Matching Grants as of February 12, 2025, will be drawn down as projects complete (current year capital grant appropriations) (1)	FY 2025 Projected Community Jails - Transferred in quarterly payments during fiscal year (current year annual appropriation)	FY 2025 PILT transfers	Revenue Sharing FY 2025, disbursed at one time by October of fiscal year (annual appropriation)	Total Intercept Capability (2)	Fiscal Year 2025 Total Debt Service	Coverage Ratio
Boroughs										
Aleutians East Borough	\$1,147,755	\$702,907	\$2,877,909	995,802	0	\$0	\$358,736	\$6,083,109	\$2,551,149	2.38
Municipality of Anchorage	1,636,054	20,135,900	303,283,063	161,007,338	0	0	3,871,276	489,933,631	294,375	1,664.32
Fairbanks North Star Borough	450,991	5,578,012	2,846,822	19,177,824	0	0	1,632,116	119,685,765	8,531,593	14.03
Haines Borough	409,820	896,473	2,536,169	4,430,849	323,739	0	437,117	9,034,167	1,367,219	6.61
City & Borough of Juneau	8,505,601	440,669	28,637,305	12,262,066	0	0	755,814	50,621,455	12,250,388	4.13
Kenai Peninsula Borough	1,207,221	1,795,641	67,184,047	635,078	0	0	1,429,798	72,251,785	13,162,598	5.49
Ketchikan Gateway Borough	4,935,805	436,506	24,226,746	0	0	0	462,651	30,061,708	2,739,764	10.97
Kodiak Island Borough	1,018,269	5,145,947	23,976,860	97,259	0	0	469,339	30,707,674	8,676,150	3.54
Lake & Peninsula Borough	138,979	894,891	8,275,941	344,900	0	0	458,324	10,113,035	1,320,318	7.66
Northwest Arctic Borough	0	397,617	38,250,938	1,896,470	0	0	405,884	40,950,909	1,538,875	26.61
Petersburg Borough	700,258	457,867	6,341,522	9,244,608	439,187	0	340,642	17,524,084	1,502,200	11.67
City & Borough of Sitka	3,598,279	1,047,016	11,167,784	652,288	578,106	0	474,353	17,517,826	9,335,640	1.88
Municipality of Skagway	5,961,510	0	1,273,249	652,216	0	0	329,393	8,216,368	5,761,388	1.43
City & Borough of Wrangell	199,991	0	3,184,870	9,966,196	343,066	0	399,612	14,093,735	242,875	58.03
Cities										
Adak	\$52,034	\$0	\$0	\$0	\$0	\$17,541	\$75,869	\$145,444	\$102,500	1.42
Bethel*	\$20,897	0	0	20,957,950	0	1,106,744	149,258	22,234,849	250,250	88.85
Cordova	1,211,086	882,093	4,509,273	392,599	228,743	531,057	105,659	7,860,510	2,027,513	3.88
Craig	173,323	0	5,132,354	264,893	702,341	453,775	87,300	6,813,986	136,113	50.06
Dillingham	216,533	742,166	5,336,702	8,366,450	606,375	537,418	100,565	15,906,209	1,335,000	11.91
Hoonah	2,781,573	0	2,707,776	0	0	217,422	85,682	5,792,453	91,700	63.17
Homer*	182,121	0	0	468,422	624,159	0	143,428	1,418,130	481,870	2.94
Ketchikan*	2,969,210	0	0	0	0	0	169,187	3,138,397	7,683,202	0.41
Kenai*	54,149	0	0	6,745,481	0	0	166,905	6,966,535	130,750	53.28
King Cove*	0	0	0	748,379	0	0	85,550	833,929	229,563	3.63
Klawock	1,439	0	1,865,628	0	0	10,688	83,401	1,961,156	89,325	21.96
Kodiak*	872,168	0	0	4,814,181	1,381,274	0	139,988	7,207,611	841,244	8.57
Nome	52,230	59,225	8,875,369	11,429,027	0	584,309	117,319	21,117,479	408,125	51.74
North Pole*	22,555	0	0	0	0	0	103,100	125,655	100,125	1.25
Palmer*	98,661	0	0	8,479,618	0	0	146,434	8,724,713	0	N/A
Sand Point*	88,954	0	0	0	0	0	82,327	171,281	252,565	0.68
Saxman*	0	0	0	0	0	0	79,140	79,140	15,500	5.11
Seward*	705,854	0	0	1,611,639	0	0	106,166	2,423,659	3,051,913	0.79
Soldotna*	51,998	0	0	300,000	0	0	130,211	482,209	739,625	0.65
Unalaska	8,298,538	0	3,520,956	0	679,305	997,153	124,405	13,620,357	4,502,425	3.03
Whittier	1,124,633	0	0	0	0	53,315	78,078	1,256,026	155,275	8.09
Other Jurisdictions										
University of Alaska (2)								341,268,439	5,590,463	61.04

* Communities that are located in a borough which operates the public schools in the community and receives that related Education Support Funding.

(1) Matching grants are appropriated by the Legislature and can vary significantly from year to year.

(2) Interceptable revenue of the University of Alaska is comprised of direct appropriations from the State of Alaska; appropriations listed are for fiscal year 2025.

Source: State of Alaska Department of Education and Early Development; Department of Corrections; Department of Commerce, Community and Economic Development; Department of Revenue—Tax Division. Further information regarding the State of Alaska may be found in Appendix F.

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APPENDIX C

GOVERNMENTAL UNIT STATISTICS REGARDING PARTICIPATION IN THE BOND BANK

2005 GENERAL BOND RESOLUTION
 OUTSTANDING LOAN PRINCIPAL OF GOVERNMENTAL UNIT BORROWERS
 AS OF FEBRUARY 1, 2025

(Does Not Include the 2025 Series One and Two Bonds, and totals may not foot due to rounding)

Borrower	Outstanding Principal	Percent of Outstanding
City and Borough of Sitka	\$ 118,925,000	14.30%
Kenai Peninsula Borough	103,500,000	12.45
Municipality of Skagway	77,905,000	9.37
City of Ketchikan	76,645,000	9.22
University of Alaska	73,375,000	8.83
City and Borough of Juneau	67,240,000	8.09
Fairbanks North Star Borough	57,235,000	6.88
Kodiak Island Borough	46,035,000	5.54
City of Unalaska	42,650,000	5.13
City of Seward	28,630,000	3.44
Ketchikan Gateway Borough	22,915,000	2.76
Southeast Alaska Power Agency	16,220,000	1.95
City of Cordova	12,675,000	1.52
Lake and Peninsula Borough	10,815,000	1.30
Northwest Arctic Borough	10,385,000	1.25
Aleutians East Borough	9,810,000	1.18
City of Soldotna	9,565,000	1.15
City of Kodiak	9,210,000	1.11
Petersburg Borough	8,420,000	1.01
City of Dillingham	5,855,000	0.70
City of Homer	5,205,000	0.63
City and Borough of Wrangell	2,910,000	0.35
City of Sand Point	2,580,000	0.31
Haines Borough	2,550,000	0.31
City of Anchorage	2,300,000	0.28
City of King Cove	1,930,000	0.23
City of Whittier	1,500,000	0.18
City of Craig	1,125,000	0.14
City of Klawock	990,000	0.12
City of Bethel	700,000	0.08
City of Kenai	565,000	0.07
City of Hoonah	535,000	0.06
City of Nome	270,000	0.03
City of Saxman	105,000	0.01
City of North Pole	100,000	0.01
Total Outstanding Par	\$ 831,375,000	100.00%

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APPENDIX D

**FINANCIAL STATEMENTS OF THE
ALASKA MUNICIPAL BOND BANK
FOR THE YEAR ENDED JUNE 30, 2024**

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ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Financial Statements

For the Year Ended June 30, 2024

Together with Independent Auditor's Report Thereon

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Board of Directors
Alaska Municipal Bond Bank Authority

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Alaska Municipal Bond Bank Authority, a component unit of the State of Alaska, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other



knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental schedule of statutory reserve accounts and continuing disclosure tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of statutory reserve accounts and continuing disclosure tables are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BDO USA, P.C.

Anchorage, Alaska
September 30, 2024

ALASKA MUNICIPAL BOND BANK AUTHORITY

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2024

This Management's Discussion and Analysis (MD&A) is required by GASB Statement No. 34, a standard established by the Governmental Accounting Standards Board (GASB). This section is intended to make the financial statements more understandable to the average reader who is not familiar with traditional accounting terminology.

This financial report has two integral parts: this MD&A and the financial statements with the accompanying notes that follow. Together, they present the Alaska Municipal Bond Bank Authority's (Bond Bank) financial performance during the fiscal year ended June 30, 2024. Summarized prior fiscal year information is shown within this MD&A, as needed, for comparative purposes.

Required Financial Statements

GASB Statement No. 34 requires two types of financial statements: The Statement of Net Position and Governmental Fund Balance Sheets and the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Net Position. These statements report financial information about the Bond Bank's activities using accounting principles generally accepted in the United States of America. In addition to the basic financial statements, the Notes to Financial Statements provide information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Highlights

During fiscal year 2024, the Bond Bank entered into one loan agreement to fund an approximate \$36.8 million loan. The Bond Bank loan funded a construction project for a community. The Bond Bank issued approximately \$35.1 million in bonds to generate approximately \$36.8 million in funding. Bond Bank activity produced estimated gross savings of approximately \$4.5 million to the authorized borrower.

In comparison, during fiscal year 2023, the Bond Bank entered into 7 loan agreements to fund approximately \$107.2 million in loans. Bond Bank loans funded 7 construction projects for communities. The Bond Bank issued approximately \$97.5 million in bonds to generate approximately \$107.2 million in funding. Bond Bank activity produced estimated gross savings of approximately \$13.5 million to the authorized borrowers.

Statement of Net Position

The Statement of Net Position reports assets, liabilities, and net position of the Bond Bank.

Assets

Assets represent 1) The value of the Bond Bank's investments and investment income receivable on the financial statement date, recorded at fair market value, and 2) Bond principal and interest payments receivable from borrowers. The investments generate income for the Bond Bank, used to meet reserve requirements and pay operating costs. Historically excess operating account earnings were transferred to the State of Alaska's (State) general fund each year. Since 2010 and continuing through fiscal year 2025, the State's enacted operating budget has appropriated any

ALASKA MUNICIPAL BOND BANK AUTHORITY

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2024

excess earnings of the operating account to the Bond Bank's reserve fund (HB 268, Sec. 49(f)). Interest received on bonds purchased from borrowers is used to pay the Bond Bank's corresponding interest payments on the bonds that it has issued.

Liabilities

Liabilities represent claims against the fund for 1) goods and services provided before the financial statement date but not yet paid for at that date, and 2) interest and bond payments due to purchasers of the Bond Bank's bonds after the financial statement date.

Restricted and Unrestricted Net Position

Net position is comprised of two components. The restricted portion reflects monies maintained in separate trust accounts where their use is limited by applicable bond covenants for repayment of bonds. The unrestricted portion reflects monies that are available for any authorized purpose of the Bond Bank.

The following table shows the value of Bond Bank assets summarized as of June 30, 2024, and 2023, as well as liabilities and net position:

	As of June 30,		Changes from 2023 to 2024	
	2024	2023	Increase/(Decrease) Dollars	Percent
Assets:				
Cash, investments, related accrued interest and accounts receivable	\$ 69,643,389	\$ 67,611,318	\$ 2,032,071	3.01%
Bonds and bond interest receivable	985,617,749	1,024,720,205	(39,102,456)	-3.82%
Total assets	<u>1,055,261,138</u>	<u>1,092,331,523</u>	<u>(37,070,385)</u>	<u>-3.39%</u>
Liabilities:				
Accounts payable and accrued liabilities	12,920,905	13,280,239	(359,334)	-2.71%
Bonds and bond interest payable	<u>985,170,724</u>	<u>1,024,042,340</u>	<u>(38,871,616)</u>	<u>-3.80%</u>
Total liabilities	<u>998,091,629</u>	<u>1,037,322,579</u>	<u>(39,230,950)</u>	<u>-3.78%</u>
Net Position:				
Restricted	41,245,670	40,370,937	874,733	2.17%
Unrestricted	<u>15,923,839</u>	<u>14,638,007</u>	<u>1,285,832</u>	<u>8.78%</u>
Total net position	<u>\$ 57,169,509</u>	<u>\$ 55,008,944</u>	<u>\$ 2,160,565</u>	<u>3.93%</u>

The Bond Bank's investments are all held in U.S. Government securities, including U.S. Treasuries and U.S. Government Agencies.

The decrease in bonds and bond interest receivable, as well as in bonds and bond interest payable, reflects the issuance of approximately \$35.1 million in new bonds during the year, net of principal payments on bonds previously issued of approximately \$73.5 million. Approximately \$36.8 million of funding was generated for capital projects by an authorized borrower.

ALASKA MUNICIPAL BOND BANK AUTHORITY

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2024

Statement of Activities

The statement of activities shows how the Bond Bank's net position changed during the most recent fiscal year.

Revenues

Revenues include total return on investments and interest payments received from municipalities. Earnings on investments include interest on fixed income marketable securities and the change in fair market value of those investments.

Expenses

Expenses include interest payments made to bond holders who purchased the Bond Bank's bonds, payments made to the State of Alaska and other operating expenses. Operating expenses include expenses required to issue bonds during the current year, in-house expenses, and all external consultant fees. Expenses are subtracted from revenues.

The following is a condensed statement of the Bond Bank's changes in net position for the years ended June 30, 2024, and 2023:

	For the years ended June 30,		Changes from 2023 to 2024	
	2024	2023	Increase/(Decrease) Dollars	Percent
Revenues:				
Interest income on bonds receivable	\$ 41,780,519	\$ 41,224,004	\$ 556,515	1.35%
Investment earnings	2,663,198	83,418	2,579,780	3092.59%
Other income	-	6,338	(6,338)	-100.00%
Total revenues	<u>44,443,717</u>	<u>41,313,760</u>	<u>3,129,957</u>	<u>7.58%</u>
Expenses:				
Interest expense on bonds payable	41,766,543	41,203,667	562,876	1.37%
Operating expenses	<u>516,609</u>	<u>584,841</u>	<u>(68,232)</u>	<u>-11.67%</u>
Total expenses	<u>42,283,152</u>	<u>41,788,508</u>	<u>494,644</u>	<u>1.18%</u>
Change in net position	2,160,565	(474,748)	2,635,313	-555.10%
Net position, beginning of period	<u>55,008,944</u>	<u>55,483,692</u>	<u>(474,748)</u>	<u>-0.86%</u>
Net position, end of period	<u>\$ 57,169,509</u>	<u>\$ 55,008,944</u>	<u>\$ 2,160,565</u>	<u>3.93%</u>

Interest income and expense on bonds receivable and payable are a function of the total amount of bonds outstanding, the age of the bonds and the interest rates at which they are issued. The increases in both of these line items of \$0.6 million are consistent with the increase in bond receivable and payable balances respectively.

Investment earnings are a function of market conditions, and active management. The increase in net position is primarily attributable to total investment returns outpacing total operating expenses for the fiscal year. The Bond Bank's total investment earnings increased approximately \$2.6 million from the prior fiscal year. Total operating expenses remained within budgeted authority and were significantly less than total investment earnings over the fiscal year.

ALASKA MUNICIPAL BOND BANK AUTHORITY

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Management's Discussion and Analysis

Year Ended June 30, 2024

Governmental Funds

The governmental funds include the General Fund, which accounts for the primary operations of the Bond Bank, and the Debt Service Fund, which accounts for the resources accumulated and payments made on the long-term debt of the Bond Bank. The primary difference between the governmental funds balance sheet and the statement of net position is the elimination of inter-fund payables and receivables. Bond proceeds are reported as an other financing source in the governmental funds statement of revenues, expenditures and changes in fund balances, and this contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Payments made to refunded bond escrow agent are reported as an other financing use in the governmental funds statement of revenues, expenditures and changes in fund balances, and this may contribute to the change in fund balance. In the statement of net position, however, refunding debt may decrease long-term liabilities and does not affect net position. Similarly, repayment of debt principal is recorded as an expenditure in the governmental funds statement of revenues, expenditures and changes in fund balances and reduces the liability in the statement of net position.

The following tables show governmental funds' condensed balance sheets and statements of revenues, expenditures and changes in fund balances as of June 30, 2024, and 2023.

General Fund

	As of June 30,		Changes from 2023 to 2024	
	2024	2023	Dollars	Percent
Assets:				
Cash, investments, related accrued interest and accounts receivable	\$ 15,193,188	\$ 13,350,617	\$ 1,842,571	13.80%
Bonds and bond interest receivable	447,025	677,864	(230,839)	-34.05%
Interfund receivable	8,157,377	9,501,571	(1,344,194)	-14.15%
Total assets	<u>23,797,590</u>	<u>23,530,052</u>	<u>267,538</u>	<u>1.14%</u>
Liabilities:				
Accounts payable and accrued liabilities	<u>150,093</u>	<u>116,833</u>	<u>33,260</u>	<u>28.47%</u>
Fund Balance:				
Restricted for debt service	5,349,516	5,349,516	-	0.00%
Unassigned	<u>18,297,981</u>	<u>18,063,703</u>	<u>234,278</u>	<u>1.30%</u>
Total fund balance	<u>23,647,497</u>	<u>23,413,219</u>	<u>234,278</u>	<u>1.00%</u>
Total liabilities and fund balance	<u>\$ 23,797,590</u>	<u>\$ 23,530,052</u>	<u>\$ 267,538</u>	<u>1.14%</u>

ALASKA MUNICIPAL BOND BANK AUTHORITY

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Management's Discussion and Analysis

Year Ended June 30, 2024

Debt Service Fund

	As of June 30,		Changes from 2023 to 2024	
	2024	2023	Dollars	Percent
Assets:				
Cash, investments, related accrued interest and accounts receivable	\$ 54,450,201	\$ 54,260,701	\$ 189,500	0.35%
Bonds and bond interest receivable	985,170,724	1,024,042,341	(38,871,617)	-3.80%
Total assets	1,039,620,925	1,078,303,042	(38,682,117)	-3.59%
Liabilities:				
Accrued liabilities	12,770,812	13,163,406	(392,594)	-2.98%
Interfund payables	8,157,377	9,501,571	(1,344,194)	-14.15%
Total liabilities	20,928,189	22,664,977	(1,736,788)	-7.66%
Fund Balance:				
Restricted for debt service	1,018,692,736	1,055,638,065	(36,945,329)	-3.50%
Total liabilities and fund balance	\$ 1,039,620,925	\$ 1,078,303,042	\$ (38,682,117)	-3.59%

General Fund

	For the years ended June 30,		Changes from 2023 to 2024	
	2024	2023	Dollars	Percent
Revenues:				
Interest income on bonds receivable	\$ 13,976	\$ 29,961	\$ (15,985)	-53.35%
Investment earnings	581,105	7,012	574,093	8187.29%
Other income	-	6,338	(6,338)	-100.00%
Total income	595,081	43,311	551,770	1273.97%
Expenditures:				
Operating expenditures	516,609	584,841	(68,232)	-11.67%
Deficiency of revenues over expenditures	78,472	(541,530)	620,002	-114.49%
Other financing sources - transfers	155,806	124,608	31,198	25.04%
Net change in fund balance	234,278	(416,922)	651,200	-156.19%
Fund balance, beginning of year	23,413,219	23,830,141	(416,922)	-1.75%
Fund balance, end of year	\$ 23,647,497	\$ 23,413,219	\$ 234,278	1.00%

ALASKA MUNICIPAL BOND BANK AUTHORITY

(a Component Unit of the State of Alaska)

Management's Discussion and Analysis

Year Ended June 30, 2024

Debt Service Fund

	For the years ended June 30,		Changes from 2023 to 2024	
	2024	2023	Dollars	Percent
Revenues:				
Interest income on bonds receivable	\$ 41,766,543	\$ 41,194,043	\$ 572,500	1.39%
Investment earnings	2,082,093	76,406	2,005,687	2625.04%
Total revenues	43,848,636	41,270,449	2,578,187	6.25%
Expenditures:				
Interest payments	42,253,159	41,499,561	753,598	1.82%
Principal payments	73,505,000	73,860,000	(355,000)	-0.48%
Total expenditures	115,758,159	115,359,561	398,598	0.35%
Deficiency of revenues over expenditures	(71,909,523)	(74,089,112)	2,179,589	-2.94%
Other financing sources (uses):				
Bonds issued	35,120,000	97,510,000	(62,390,000)	-63.98%
Transfers	(155,806)	(124,608)	(31,198)	25.04%
Total other financing sources:	34,964,194	97,385,392	(62,421,198)	-64.10%
Net change in fund balance	(36,945,329)	23,296,280	(60,241,609)	-258.59%
Fund balance, beginning of year	1,055,638,065	1,032,341,785	23,296,280	2.26%
Fund balance, end of year	\$ 1,018,692,736	\$ 1,055,638,065	\$ (36,945,329)	-3.50%

Long-term Debt

At June 30, 2024, the Bond Bank had \$978,330,000 of bonds outstanding, down 3.78% from \$1,016,715,000, at June 30, 2023. This excludes conduit debt obligations of the Coastal Energy Loan Program. Payment of principal and interest on the Bond Bank's Coastal Energy Bond is not secured by a pledge of any amounts held by or payable to the Bond Bank under the General Bond Resolution, including the Reserve Account, and is not in any way a debt or liability of the Bond Bank and accordingly, are not included in the basic financial statements. Please see note (8) to the financial statements.

As discussed in the previous section, the net decrease in 2024 long-term debt balances is due to the principal payments made during the fiscal year on bonds previously issued exceeding the increase in principal from new issuance activity of the Bond Bank.

AS 44.85.180(c) was originally enacted in 1975, limiting the Bond Bank outstanding bonds at any time to \$150 million. This Statute has been periodically amended to raise the limit and modify the definition of authorized borrowers.

During fiscal year 2023, the legislature passed, and the Governor signed into law House Bill 127 (HB 127), which amended the Act to grant broader authority to the Bond Bank to issue bonds on behalf of the University of Alaska (University) and Regional Health Organizations, effective July 3, 2022. HB 127 permits the Bond Bank to issue bonds on behalf of the University for any University purpose, and the maximum authorized amount increased from \$87.5 million to \$500 million.

ALASKA MUNICIPAL BOND BANK AUTHORITY

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Management's Discussion and Analysis

Year Ended June 30, 2024

Additionally, HB 127 increased the maximum amount that Regional Health Organizations are permitted to borrow for a given project from 49% of the project costs to 100% of the project costs, and from a maximum authorized amount of \$102.5 million to \$250 million of the cost of a project. Total lending authority of the Bond Bank for Regional Health Organization bond issuances increased from \$205 million to \$500 million.

The total debt limit as of June 30, 2024, was \$2.5 billion, comprised of \$1.5 billion in authority for political subdivisions including joint action agencies and the Alaska Municipal League's Joint Insurance Association, \$500 million for the University of Alaska, and \$500 million for Regional Health Organizations. Total Bond Bank bonds and notes outstanding as of June 30, 2024, was \$978,330,000. The limit on additional bond issuance as of June 30, 2024, was approximately \$1,521.7 million, of which \$691.2 million of authority is available for the main political subdivision program, \$424.5 million is available to the University of Alaska, and \$406 million is available to Regional Health Organizations.

Outstanding long-term debt is comprised of the following bonds at year end:

As of June 30,		Changes from 2023 to 2024	
2024	2023	Increase/(Decrease) Dollars	Percent
\$ 978,330,000	\$ 1,016,715,000	\$ (38,385,000)	-3.78%

Credit Ratings

As of June 30, 2024, the Bond Bank retained ratings of AA-/A/A1/AA- from S&P Global Ratings (S&P), Fitch Ratings (Fitch), Moody's Investors Service, Inc. (Moody's), and Kroll Bond Rating Agency (KBRA) respectively. The outlook on the Moody's rating is positive, and the S&P, Fitch, and Kroll rating outlooks are stable. The Bond Bank receives certain credit support from the State of Alaska, with ratings linked to the State's General Obligation debt rating.

Subsequent Events

On August 30, 2024, an underlying borrower, in conjunction with the Bond Bank, provided funds to the associated Bond Bank debt service account to optionally redeem certain maturities of the 2014 Series Three bonds, totaling \$1,735,000. The associated maturities will be optionally redeemed on the upcoming redemption date of October 1, 2024.

Contacting the Bond Bank's Financial Management

This financial report is designed to provide our customers, investors, and creditors with a general overview of the Bond Bank's finances and to demonstrate the Bond Bank's accountability of its assets. If you have any questions about this report or need additional financial information, contact the Executive Director of the Bond Bank at (907) 465-2893.

ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Statement of Net Position and
Governmental Funds Balance Sheets

June 30, 2024

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$ 402,754	\$ 7,366,226	\$ 7,768,980	\$ -	\$ 7,768,980
Investments, at fair value (note 4)	14,589,234	46,713,572	61,302,806	-	61,302,806
Accrued interest receivable:					
Bonds receivable	747	6,840,724	6,841,471	-	6,841,471
Investment securities	165,208	370,403	535,611	-	535,611
Bonds receivable (note 5)	446,278	978,330,000	978,776,278	-	978,776,278
Accounts receivable	35,992	-	35,992	-	35,992
Interfund receivables	8,157,377	-	8,157,377	(8,157,377)	-
Total assets	<u>\$ 23,797,590</u>	<u>\$ 1,039,620,925</u>	<u>\$ 1,063,418,515</u>	<u>(8,157,377)</u>	<u>1,055,261,138</u>
LIABILITIES					
Accounts payable	\$ 56,698	\$ -	\$ 56,698	\$ -	\$ 56,698
Due to Primary Government	90,505	-	90,505	-	90,505
Principal and interest payments received in advance	-	5,777,662	5,777,662	-	5,777,662
Arbitrage interest rebate payable	2,890	-	2,890	-	2,890
Accrued interest payable	-	-	-	6,840,724	6,840,724
Interfund payables	-	8,157,377	8,157,377	(8,157,377)	-
Bond proceeds held in reserve (note 6)	-	6,993,150	6,993,150	-	6,993,150
Long-term liabilities (note 7):					
Portion due or payable within one year:					
General obligation bonds payable	-	-	-	65,345,000	65,345,000
Portion due or payable after one year:					
General obligation bonds payable	-	-	-	912,985,000	912,985,000
Total liabilities	<u>150,093</u>	<u>20,928,189</u>	<u>21,078,282</u>	<u>977,013,347</u>	<u>998,091,629</u>
FUND BALANCES/NET POSITION					
Fund balances:					
Restricted for debt service (note 2)	5,349,516	1,018,692,736	1,024,042,252	(1,024,042,252)	-
Unassigned	18,297,981	-	18,297,981	(18,297,981)	-
Total fund balances	<u>23,647,497</u>	<u>1,018,692,736</u>	<u>1,042,340,233</u>	<u>(1,042,340,233)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 23,797,590</u>	<u>\$ 1,039,620,925</u>	<u>\$ 1,063,418,515</u>		
Net position:					
Restricted (note 2)				41,245,670	41,245,670
Unrestricted				15,923,839	15,923,839
Total net position				<u>\$ 57,169,509</u>	<u>\$ 57,169,509</u>

The accompanying notes to the financial statements are an integral part of these statements.

ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Statement of Activities and
Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances/Net Position

For the Year Ended June 30, 2024

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues:					
Investment earnings	\$ 581,105	\$ 2,082,093	\$ 2,663,198	\$ -	\$ 2,663,198
Interest income on bonds receivable	13,976	41,766,543	41,780,519	-	41,780,519
Total revenues	<u>595,081</u>	<u>43,848,636</u>	<u>44,443,717</u>	<u>-</u>	<u>44,443,717</u>
Expenditures / expenses:					
Debt service:					
Principal payments	-	73,505,000	73,505,000	(73,505,000)	-
Interest payments / expense	-	42,253,159	42,253,159	(486,616)	41,766,543
Current:					
Professional services	265,349	-	265,349	-	265,349
Personal services	233,071	-	233,071	-	233,071
Administrative travel	18,189	-	18,189	-	18,189
Total expenditures / expenses	<u>516,609</u>	<u>115,758,159</u>	<u>116,274,768</u>	<u>(73,991,616)</u>	<u>42,283,152</u>
Excess (deficiency) of revenues over expenditures / expenses	<u>78,472</u>	<u>(71,909,523)</u>	<u>(71,831,051)</u>	<u>73,991,616</u>	<u>2,160,565</u>
Other financing sources (uses):					
General obligation bonds issued	-	35,120,000	35,120,000	(35,120,000)	-
Transfers - internal activities	155,806	(155,806)	-	-	-
Total other financing sources (uses)	<u>155,806</u>	<u>34,964,194</u>	<u>35,120,000</u>	<u>(35,120,000)</u>	<u>-</u>
Net change in fund balance / net position	234,278	(36,945,329)	(36,711,051)	38,871,616	2,160,565
Fund balances / net position:					
Beginning of the year	<u>23,413,219</u>	<u>1,055,638,065</u>	<u>1,079,051,284</u>	<u>(1,024,042,340)</u>	<u>55,008,944</u>
End of the year	<u>\$ 23,647,497</u>	<u>\$ 1,018,692,736</u>	<u>\$ 1,042,340,233</u>	<u>\$ (985,170,724)</u>	<u>\$ 57,169,509</u>

The accompanying notes to the financial statements are an integral part of these statements.

ALASKA MUNICIPAL BOND BANK AUTHORITY
(a Component Unit of the State of Alaska)

Notes to Financial Statements

For the Year Ended June 30, 2024

(1) History/Reporting Entity

The Alaska Municipal Bond Bank Authority (Authority or Bond Bank) was created pursuant to Alaska Statute, Chapter 85, Title 44, as amended, (Act) as a public corporation and instrumentality of the State of Alaska (State), but with a legal existence independent of and separate from the State. The Authority is a discretely presented component unit of the State of Alaska for purposes of financial reporting. The Authority commenced operations in August 1975.

The Authority was created for the purpose of making monies available to authorized borrowers within the State to finance capital projects primarily through the issuance of bonds by the Authority. Bond proceeds are then used to purchase general obligation and revenue bonds from authorized borrowers.

The bonds are obligations of the Authority, payable only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay principal or interest thereon, and neither the faith and credit nor the taxing power of the State is pledged to the bonds. The municipal bonds and municipal bond payments, investments thereof and proceeds of such investments, if any, and all funds and accounts established by the bond resolution to be held by the Trustee (with the exception of the Coastal Energy Loan Debt Service Program, which is administered by the Authority) are pledged and assigned for the payment of bonds.

Alaska Statute (AS) 44.85.180(c) was originally enacted in 1975, limiting Bond Bank outstanding bonds at any time to \$150 million. This Statute has been periodically amended to raise the limit and modify the definition of authorized borrowers.

During fiscal year 2023, the legislature passed, and the Governor signed into law House Bill 127 ("HB 127"), which amended the Act to grant broader authority to the Bond Bank to issue bonds on behalf of the University of Alaska ("University") and Regional Health Organizations, effective July 3, 2022. HB 127 permits the Bond Bank to issue bonds on behalf of the University for any University purpose, and the maximum authorized amount increased from \$87.5 million to \$500 million. Additionally, HB 127 increased the maximum amount that Regional Health Organizations are permitted to borrow for a given project from 49% of the project costs to 100% of the project costs, and from a maximum authorized amount of \$102.5 million to \$250 million of the cost of a project. Total lending authority of the Bond Bank for Regional Health Organization bond issuances increased from \$205 million to \$500 million.

The total debt limit as of June 30, 2024 was \$2,500,000,000. The total debt limit is comprised of \$1.5 billion in authority for political subdivisions, \$500 million for the University of Alaska, and \$500 million for Regional Health Organizations. Total Bond Bank bonds and notes outstanding as of June 30, 2024 was \$978,330,000. The limit on additional bond issuance as of June 30, 2024 was approximately \$1,521.7 million, of which \$691.2 million of authority is available for the main political subdivision program, \$424.5 million is available to the University of Alaska, and \$406 million is available to Regional Health Organizations.

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(2) Summary of Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Authority's accounting policies are described below.

(a) Government-wide and Fund Financial Statements

The government-wide statement of net position and the statement of activities report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. The balance sheet and statement of revenues, expenditures and changes in fund balances are provided for governmental funds. Due to the single purpose nature of the activities of the Authority, the government-wide and fund financial statements have been presented together with an adjustments column reconciling the two statements.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Authority reports the following major governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund. The Authority adopts an annual budget for the operating account only which does not encompass entire operations of the General Fund, therefore, budgetary comparison information for the General Fund is not presented.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of the Authority. The Authority does not adopt a budget for the Debt Service Fund because it is not legally required to do so.

The purposes of each of these funds are described in the following paragraphs:

General Fund

The General Fund is comprised of a Custodian Account and an Operating Account. The Custodian Account is established to account for appropriations by the State of Alaska Legislature available to fund the Special Reserve Accounts. The Operating Account is

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established to account for the ordinary operations of the Authority. Monies are derived from the following sources: (a) amounts appropriated by the Legislature, (b) fees and charges collected, (c) income on investments of the Statutory Reserve Account in excess of required debt service reserves required by bond resolutions and (d) any other monies made available for purposes of the General Fund from any other source. Amounts in the Operating Account may be used to pay (a) administrative expenditures of the Authority, (b) fees and expenditures of the Trustee and paying agents, (c) financing costs incurred with respect to issuance of bonds and (d) any expenditures in carrying out any other purpose then authorized by the Act. The excess revenues of the Operating Account are returned to the State of Alaska. The State of Alaska may appropriate the excess revenues to the Bond Bank Custodian Account to fund Reserve Accounts.

Debt Service Fund

Within the Debt Service Fund, separate Debt Service Programs have been established for each bond resolution to account for the portion of bond sale proceeds used to purchase obligations of the authorized borrowers and for the payment of interest and principal on all bonds of the Authority issued under its resolutions. Each program is comprised of an "interest account" and a "principal account", both of which are maintained by a trustee. The receipts of interest and principal from the authorized borrowers and the Statutory Reserve Account are deposited in these programs and are used to pay interest and principal on the Authority bonds. One additional Debt Service Program has been established to account for transactions not involving bond resolutions. This is the Coastal Energy Loan Debt Service Program. The Coastal Energy Loan Debt Service Program is not maintained by a trustee. Payments of interest and principal by municipalities having coastal energy loans are made directly to the federal government by the municipalities and are accounted for in the Coastal Energy Loan Debt Service Program.

Each Debt Service Fund Program contains a Statutory Reserve Account established to account for (a) money available to fund debt service reserves required by future bond sales under various bond resolutions (Custodian Account) and (b) debt service reserves which have already been established under various bond resolutions which are to be used in the case of deficiency in a Debt Service Program in accordance with its respective bond resolution (reserve accounts). Separate reserve accounts exist under each bond resolution as follows:

2005 General Bond Resolution – The reserve fund may be funded with transfers from the custodian account, surety policies, bond proceeds, or other funds available to the Bond Bank.

2016 Master Bond Resolution – The reserve fund may be funded with transfers from the custodian account, surety policies, bond proceeds, or other funds available to the Bond Bank.

At June 30, 2024, the *2005 General Bond Resolution*, and *2016 Master Bond Resolution* reserves must be the least of: (i) 10% of the initial principal amount of each Series of Bonds outstanding; (ii) the maximum annual principal and interest requirements on all bonds outstanding; (iii) 125% of the average annual debt service on all bonds then outstanding; or (iv) such lower amount as may be allowed by law. Amounts in excess

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of the debt service reserve requirement in any reserve are transferred to the Operating Account on a periodic basis.

(c) Adjustments

Certain adjustments are considered to be necessary to the governmental funds in order to present the Authority's financial position and the results of its operations. These adjustments include the elimination of inter-fund payables and receivables. Bond proceeds are reported as other financing sources and payments to refunding escrow agents as other financing uses in governmental funds and thus contribute to the change in fund balance. Accrued interest is not reported in the governmental funds but is reported as a liability in the statement of net position. Issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Repayment of principal is an expenditure in the governmental funds and reduces the liability in the statement of net position.

(d) Restricted Assets and Net Position Restricted for Debt Service

Certain resources set aside for the repayment of the Authority's bonds, net of certain proceeds from additional bonds issued, are classified as restricted on the statement of net position because they are maintained in separate trust accounts and their use is limited by applicable bond covenants. Cash and cash equivalents and investments include \$41,245,670 of restricted assets. These assets were funded as follows:

Original State of Alaska appropriation	\$	18,601,414
2008 appropriation of excess earnings		855,347
2009 appropriation of excess earnings		819,843
2010 appropriation of excess earnings		32,628
2011 appropriation of excess earnings		86,814
2012 appropriation for loan forgiveness		13,000,000
Total State of Alaska appropriated equity	\$	33,396,046
Net Position Restricted for Debt Service:		
Appropriated amounts residing in reserve accounts	\$	28,046,530
Appropriated amounts residing in Custodial account,		5,349,516
Total State of Alaska appropriated equity		33,396,046
Bond Bank equity residing in reserve accounts		7,849,624
Total restricted for debt service		41,245,670
Total restricted net position	\$	41,245,670

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(e) Bond Receivables

Bond receivables are secured by the pledged revenues or are general obligations of the authorized borrowers. Interest rates correspond with the interest rates on the related bonds payable by the Authority. The bond receivables mature during the same period as the related bond payables. Bond receivables are recorded at the par amount of the bonds issued.

(f) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Any premium or discount on bond issuance or refunding is not recorded by the Authority, as the premium or discount is recorded by the authorized borrowers associated with the issuance and amortized by them. Therefore, bonds payable are presented at par. Certain bond issue costs are paid by the authorized borrowers but when costs are paid by the Authority they are paid from the General Account and considered operating expenditures/expenses.

(g) Fund Equity

Generally, fund equity represents the difference between the current assets and current liabilities and is classified as fund balance. Bond Bank, in accordance with GASB Statement No. 54 provisions, which require classification of fund balance as nonspendable, restricted, committed, assigned or unassigned, had fund balances in restricted and unassigned categories.

Restricted Fund Balance – Restricted fund balance is that portion of fund equity that has constraints placed upon the use of the resources either by an external party or imposed by law.

Unassigned Fund Balance – this classification represents fund balance that has not been restricted, committed or assigned to specific purposes within the general fund.

The Authority does not have a policy for its use of unrestricted fund balance amounts, therefore, it considers that committed amounts are reduced first (if any), followed by assigned amounts (if any), and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

In the government-wide financial statements, restrictions of net position are reported when constraints placed on net position are either externally imposed by creditors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

(h) Interfund Receivables, Payables and Transfers

Interfund balances represent cash collected or disbursed on behalf of another fund. Interfund transfers are transfers between funds that are required when revenue is generated in one fund and expenditures are paid from another fund.

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(i) Interest Arbitrage Rebate

Bonds issued and funds segregated into reserves after August 15, 1986 are subject to Internal Revenue Service income tax regulations which require rebates to the U.S. Government of interest income earned on investments purchased with the proceeds from the bonds or any applicable reserves in excess of the allowable yield of the issue. Amounts owed are expensed when paid and refunds are recorded when received at the five year anniversary date of the bond issue or upon final repayment. The Bond Bank's arbitrage rebate consultant will update all general obligation bond rebate analysis annually as of June 30. The Bond Bank had an arbitrage rebate liability of \$2,890 as of June 30, 2024.

(j) Income Taxes

The Authority is exempt from paying federal and state income taxes.

(3) Cash

The Authority considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents at June 30, 2024 consist of money market accounts.

The bank balance of all of the Authority's cash and cash equivalents are collateralized by securities held in the Authority's name by its custodial agent.

(4) Investments

In accordance with the authoritative guidance on fair value measurements and disclosures, the Authority discloses the fair value of its investments in a hierarchy that ranks the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest ranking to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest ranking to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Inputs other than quoted prices that are observable for the assets, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 - Unobservable inputs for the assets.

Investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs and methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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The aggregate fair value by input level, as of June 30, 2024 is as follows:

	6/30/2024	Level		
		1	2	3
Debt Securities				
General Fund				
U.S. Treasury securities	\$ 9,744,748	\$ 9,744,748	\$ -	\$ -
U.S. Government agencies securities	4,844,486	-	4,844,486	-
Total General Fund	14,589,234	9,744,748	4,844,486	-
Debt Service Fund				
U.S. Treasury securities	39,174,177	39,174,177	-	-
U.S. Government agencies securities	7,539,395	-	7,539,395	-
Total Debt Service Fund	46,713,572	39,174,177	7,539,395	-
Total Investments	\$ 61,302,806	\$ 48,918,925	\$ 12,383,881	\$ -

U.S. Treasury securities are liquid and have quoted market prices. Fair value of U.S. Treasury securities is based on live trading feeds. U.S. Treasury securities are categorized in Level 1 of the fair value hierarchy. Government agency securities use market-based and observable inputs. As such, these securities are classified as Level 2 of the fair value hierarchy.

The fair value of debt security investments by contractual maturity as of June 30, 2024 is shown below.

	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Total
General Fund					
U.S. Treasury securities	\$ 1,421,682	\$ 7,810,910	\$ 512,156	\$ -	\$ 9,744,748
U.S. Government agencies securities	-	4,844,486	-	-	4,844,486
Total General Fund	1,421,682	12,655,396	512,156	-	14,589,234
Debt Service Fund					
U.S. Treasury securities	7,452,215	29,887,392	1,834,570	-	39,174,177
U.S. Government agencies securities	-	3,567,775	3,971,620	-	7,539,395
Total Debt Service Fund	7,452,215	33,455,167	5,806,190	-	46,713,572
Total investments	\$ 8,873,897	\$ 46,110,563	\$ 6,318,346	\$ -	\$ 61,302,806

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

(a) Investment Policies

The Authority has distinct investment objectives and policies associated with funds held in the Custodian Account, Reserve Funds, and municipal debt payments received prior to scheduled debt service payment dates. The three classes of funds are listed below:

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Custodian Account

The Custodian Account investment portfolio is designed with the objective of attaining the highest market rate of return subject to the required use of the Custodian Account for operations, funding transfers to the state, and funding reserves. The Custodian Account balance must maintain a minimum balance of \$5 million, and be forecasted to maintain that \$5 million balance for the subsequent twelve-month period, and an analysis of risk profile and historical benefit between the varying strategies must be undertaken before any shift in the investment strategy of the Account. Up to \$1,000,000 shall be used for longer term, 5 to 10 year U.S. Treasury and Agency securities. The Custodian Account has to maintain sufficient liquidity to meet operating requirements, provide the prior fiscal year's state dividend (if not otherwise appropriated back to the Bond Bank), and to allow transfers to reserves as needed for bond issuance activity. Long-term preservation of principal is the third objective of the Custodian Account's investment program. Investments shall be undertaken in a manner that minimizes the probability of long-term loss.

- There are no arbitrage restrictions.

The bond resolutions limit investments to:

- 5% money market fund (no less than \$350,000).
- 95% Government Agencies and U.S. Treasuries.
- The performance benchmark is 5% three month U.S. Treasury Bill, and 95% Barclays 1-5 year government bond index.

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

- Short sale of securities (the sale and settlement of a security not currently owned by the Authority and a formal agreement to borrow the security to facilitate the settlement of the short sale);
- Purchases of futures, forwards or options for the purpose of speculating (currency futures, forwards and options are permitted only for hedging or to facilitate otherwise permissible transactions);
- Borrowing to leverage the return on investments. Extended settlement of securities purchases executed to facilitate or improve the efficiency of a transaction will not be considered borrowing, provided that sufficient cash equivalent securities or receivables are available to facilitate the extended settlement;
- Purchases of "private placement" or unrated corporate bonds.

Bond Reserve Funds

Preservation of principal is the foremost objective of the Bond Reserve Funds investment program. These funds shall be managed to ensure that the corpus is preserved. These funds will not be expended until the final maturity of the bond issue they secure, unless there is a failure to pay debt service by a borrower. As there is limited benefit in maximizing return it is the least important objective of the Bond Reserve Funds. It is

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anticipated that the Reserve Funds cumulative average return should target the blended arbitrage yield limit of the bond issues secured.

Bond resolutions limit allowed investment of these funds. Investment risk is examined on an annual basis to ensure that no greater than the minimum level of risk required to achieve the highest probability of earning the arbitrage yield limit on the bonds is incurred.

The 2005 and 2016 Reserve Fund bond resolutions limit investments to:

- 90% +/- 10% government agencies and U.S. Treasuries with maturities of less than 5 years.
- 10% +/- 10% government agencies and U.S. Treasuries with maturities of more than 5 years and less than 10 years.
- Performance benchmark is 100% Barclays U.S. 1-5 year government bond index.

Municipal Debt Payments

Preservation of principal and liquidity are the foremost objectives of the Municipal Debt Payments investment program, as these funds will be expended within seven business days of receipt. Return on investment is a benefit of holding these funds for the advance payment period, but not the focus of investing the funds. The bond resolutions limit investments to:

- 100% Money Market Fund.
- Performance benchmark is three-month U.S. Treasury Bill.

(b) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. Concentration limits are not established in the bond indentures and governing agreements for pledged investments.

At June 30, 2024, the Authority's investments had no concentrations exceeding five percent from any issuer other than U.S. government securities that are explicitly guaranteed by the U.S. government.

The Authority's policies set out maximum concentration limits for investments managed by the external investment manager.

(c) Credit Risk

Credit risk is the risk of loss due to the failure of the security or backer. The Authority mitigates its credit risk by limiting investments permitted in the investment policies. U.S. Treasury securities that are explicitly guaranteed by the U.S. government are not considered to have credit risk.

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(d) Custodial Credit Risk

The Authority assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Authority has not established a formal custodial credit risk policy for its investments. The Authority had no investments registered in the name of a counterparty.

(e) Interest Rate Risk

Interest rate risk is the risk that the market value of investments will decline as a result of changes in general interest rates. For non-pledged investments, the Authority mitigates interest rate risk by structuring its investments' maturities to meet cash requirements, thereby avoiding the need to sell securities in the open market prior to maturity. For investments held in trust, investment maturities are structured to meet cash requirements as outlined in its bond indentures and contractual and statutory agreements.

(5) Bonds Receivable

The General Fund includes bonds receivable with interest rates varying from 1% to 5% due from the City of Galena and Kodiak Island Borough with maturities as follows:

	City of Galena	Kodiak Island Borough	Total General Fund Bonds Receivable
2025	\$ 156,278	\$ 55,000	\$ 211,278
2026	-	55,000	55,000
2027	-	60,000	60,000
2028	-	60,000	60,000
2029	-	60,000	60,000
	\$ 156,278	\$ 290,000	\$ 446,278

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Bonds receivable by debt service program at June 30, 2024 mature in varying annual installments as follows:

Year Ending June 30	2005 General	2016 General	Total Principal
2025	\$ 62,920,000	\$ 2,425,000	\$ 65,345,000
2026	60,835,000	2,525,000	63,360,000
2027	59,355,000	2,650,000	62,005,000
2028	57,520,000	2,780,000	60,300,000
2029	55,040,000	2,920,000	57,960,000
2030 - 2034	244,015,000	16,460,000	260,475,000
2035 - 2039	158,075,000	19,985,000	178,060,000
2040 - 2044	114,710,000	25,425,000	140,135,000
2045 - 2049	49,090,000	18,860,000	67,950,000
2050 - 2054	22,740,000	-	22,740,000
	<u>\$ 884,300,000</u>	<u>\$ 94,030,000</u>	<u>\$ 978,330,000</u>

(6) Authority Reserve Funds Derived from Series 2017A Bond Proceeds

The Authority deposited bond proceeds from the issuance of the Series 2017A bonds to satisfy the Authority's 2016 Master Resolution Reserve requirement. The Yukon-Kuskokwim Health Corporation (2017A Borrower) is obligated by the loan agreement to pay all interest expense associated with the Series 2017A bonds including the bonds that funded the deposit to the 2016 Master Resolution. These reserve funds are held by the Trustee until the maturity of the bonds when per the loan agreement proceeds attributable to funding the Authority's 2016 Master Resolution reserve requirement will be used to repay the 2017A bonds that funded them. The amount initially required to satisfy the Authority's reserve at time of issuance was \$6,993,150.

(7) Long-Term Liabilities

The Authority does not have unused lines of credit, direct borrowings, or direct placements.

During the year ended June 30, 2024 the Authority's long-term liabilities changed as follows:

	Beginning of Year	New Debt	Repayments	End of Year	Due within One Year
General obligation bonds payable	\$ 1,016,715,000	\$ 35,120,000	\$ (73,505,000)	\$ 978,330,000	\$ 65,345,000

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Bond Bank's long-term liabilities consist of the following as of June 30, 2024:

Issue	Debt Service Account	
	Interest Rate	Principal Outstanding
2005 Bond Resolution:		
2009-B-Four Series Ketchikan Gateway Borough	4.63%-5.40%	\$ 15,155,000
2011-Series Three City of Hoonah Municipality of Skagway	2.00%-5.00%	835,000
2012-Series Two City of North Pole Petersburg Borough	1.75%-5.00%	435,000
2012-Series Three Petersburg Borough Haines Borough	1.50%-5.00%	1,065,000
2013-Series One Juneau, City and Borough of (Hospital Rev REF)	2.00%-5.00%	4,660,000
2013-Series Two A Municipality of Skagway	2.00%-4.00%	495,000
2014-Series One A City and Borough of Juneau Kodiak Island Borough Kenai Peninsula Borough - Exempt	0.38%-5.00%	18,350,000
2014-Series Two A City of Ketchikan (Harbor) City of Ketchikan (Hospital) City of King Cove (Electric)	3.00%-5.00%	36,910,000
2014-Series Three City and Borough of Juneau City of Saxman City of Adak (REF) Municipality of Anchorage (Rev REF) Haines Borough (REF) Kenai Peninsula Borough City of Nome (REF) Northwest Arctic Borough (REF) Petersburg Borough (REF) City of Seward (REF) City of Seward (REF) - 2	1.25%-5.00%	15,430,000

(continued)

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Issue	Debt Service Account	
	Interest Rate	Principal Outstanding
2015-Series One	2.00%-5.00%	25,745,000
City of Craig - New Money		
City of Cordova - New Money		
Aleutians East Borough (REF2006A)		
City of Nome (REF2006A)		
City and Borough of Sitka (REF2008-2)		
City of Unalaska (REF2009-1)		
City of Cordova (REF2009-2)		
City of Nome (REF2009-2)		
2015-Series Two	2.00%-5.00%	29,465,000
City of Cordova - CC		
Municipality of Skagway - PSB		
City and Borough of Juneau - PP		
Municipality of Skagway - PP		
City and Borough of Juneau (REF2007-3)		
Kenai Peninsula Borough (REF2007-4)		
2015-Series Three	2.00%-5.25%	82,005,000
University of Alaska		
Haines Borough		
Kodiak Island Brough - School		
Kodiak Island Borough - R&R		
City of King Cove		
2016-Series One	2.00%-5.00%	21,115,000
Kenai Peninsula Borough CES 15-Year Loan		
City of Klawock		
Kodiak Island Borough - R&R		
Kodiak Island Borough - School		
City of Seward (REF2008-1)		
City of Seward (REF2008-2)		
2016-Series Two	3.00%-5.00%	40,440,000
Fairbanks North Star Borough		
2016-Series Three	2.00%-5.00%	28,785,000
City of Petersburg 2007 One Current Refunding		
Aleutians East Borough 2007 Two Refunding		
City of Bethel 2007 Three Refunding		
City of Kodiak 2007 Five Float Refunding		
City of Kodiak 2007 Five Lift Refunding		
City of Dillingham 2008 One Loan Refunding		
City of Kodiak 2008 One Loan Refunding		
Kodiak Island Borough 2008 One Loan Refunding		
Municipality of Skagway 2008 Two Loan Refunding		
City of Kodiak 2009 One Loan Refunding		
City and Borough of Juneau New Money		

(continued)

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Issue	Debt Service Account	
	Interest Rate	Principal Outstanding
2016-Series Four City of Ketchikan Port 2006 Two Loan Refunding City of Ketchikan Port New Money	2.00%-5.00%	21,105,000
2017-Series One Kenai Peninsula Borough Hospital Loan City of Seward	2.50%-5.00%	4,870,000
2017-Series Two City of Unalaska City of Whittier	3.63%-5.00%	27,370,000
2017-Series Three Kenai Peninsula Borough Hospital District	3.00%-5.00%	22,835,000
2018-Series One City and Borough of Sitka Airport Loan City and Borough of Sitka Harbor Loan	5.00%	10,010,000
2019-Series One Fairbanks North Star Borough - Tax-Exempt City of Homer - Police Station Northwest Arctic Borough - Loan to Kivalina City of Dillingham	5.00%	20,755,000
2019-Series Two Fairbanks North Star Borough - Taxable	2.65%-3.60%	1,960,000
2019-Series Three City and Borough of Juneau Airport AMT City and Borough of Juneau Revenue Kenai Peninsula Borough - ERV	5.00%	9,580,000
2019-Series Four City and Borough of Juneau Airport City and Borough of Juneau Revenue	5.00%	2,450,000
2020-Series One Northwest Arctic Borough 2010 One B Refunding Northwest Arctic Borough 2010 One B Refunding City of Kenai 2010 One B Refunding Petersburg Borough 2010 One B Refunding City of Unalaska 2010 One B Refunding City and Borough of Juneau 2010 Two B Refunding City of King Cove 2010 Two B Refunding City of King Cove 2010 Three B Refunding City of Unalaska 2010 Three B Refunding City and Borough of Sitka 2010 Four A Refunding Kenai Peninsula Borough 2010 Four B Refunding City of Ketchikan 2010 Four B Refunding Ketchikan Gateway Borough 2010 Four B Refunding City and Borough of Sitka 2010 Four B Refunding City of Soldotna 2010 Four B Refunding	4.00%-5.00%	64,025,000

(continued)

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Issue	Debt Service Account	
	Interest Rate	Principal Outstanding
2020-Series One continued		
Ketchikan Gateway Borough - Taxable		
Fairbanks North Star Borough Refunding 2006 I		
Fairbanks North Star Borough Refunding 2007 J		
Fairbanks North Star Borough Refunding 2008 L		
Fairbanks North Star Borough Refunding 2010 M		
Fairbanks North Star Borough Refunding 2012 R		
City of Ketchikan New Money		
Kodiak Island Borough - High School		
Kodiak Island Borough - School Renovation		
City of King Cove		
2021-Series One/Two	5.00%	202,510,000
Aleutians East Borough 2010 Three B Refunding		
City of Homer 2013 Two A Refunding		
City and Borough of Juneau 2013 One Refunding - Hospital		
City and Borough of Juneau 2013 One Refunding - New Money		
Kenai Peninsula Borough 2011 Three Refunding		
Kenai Peninsula Borough 2013 One Refunding		
Kenai Peninsula Borough 2013 Three Refunding		
City of Ketchikan 2012 Two Refunding		
City of Ketchikan 2013 Two A Refunding		
Kodiak Island Borough 2011 One Refunding		
Kodiak Island Borough 2011 Three Refunding - Solid Waste Facility		
Kodiak Island Borough 2012 Two Refunding - 04C		
Kodiak Island Borough 2013 One Refunding		
Kodiak Island Borough 2013 Two B Refunding		
Kodiak Island Borough 2014 One A Refunding		
Lake and Peninsula Borough 2013 Three Refunding		
City of Sand Point 2013 One Refunding		
City of Seward 2011 Three Refunding - New Money		
City and Borough of Sitka 2011 Two Refunding		
City and Borough of Sitka 2012 Two Refunding - 05B		
City and Borough of Sitka 2013 One Refunding - Electric		
City and Borough of Sitka 2013 One Refunding - Harbor		
City and Borough of Sitka 2013 Three Refunding - Electric		
City and Borough of Sitka 2014 Three Refunding - Electric		
City and Borough of Sitka AEA - Electric		
City of Sand Point - New Money		
Southeast Alaska Power Agency - New Money		
2021-Series Three	5.00%	5,725,000
City and Borough of Juneau 2015 Two B Refunding		

(continued)

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Issue	Debt Service Account	
	Interest Rate	Principal Outstanding
2022-Series One	5.00%	39,765,000
City and Borough of Juneau - Hospital		
Ketchikan Gateway Borough		
Petersburg Borough - Electric		
City of Seward - Utility		
2022-Series Two	5.00%	10,805,000
Southeast Alaska Power Agency - Electric		
City of Cordova - Harbor		
2023-Series One/Two	5.00%-5.25%	84,525,000
Kenai Peninsula Borough - CES Service Area		
Kenai Peninsula Borough - School		
Municipality of Skagway - Port		
City of Soldotna		
City and Borough of Wrangell		
2023-Series Three	5.00%-5.25%	35,120,000
Municipality of Skagway - Port		
Total 2005 Bond Resolution		<u>884,300,000</u>
2016 Master Bond Resolution:		
2017 Series A - Yukon-Kuskokwim Health Corporation	3.00%-5.50%	<u>94,030,000</u>
Total 2016 Master Bond Resolution		<u>94,030,000</u>
Total Long-Term Liabilities		<u>\$ 978,330,000</u>

All bonds are secured by bonds receivable and by amounts in the reserve account. The Act further provides that if an authorized borrower defaults on its principal and/or interest payments, upon written notice by the Authority, the State of Alaska must consider paying to the Authority all funds due from the defaulting authorized borrower from the State in an amount sufficient to clear the default. The Bond Bank Executive Director is obligated per resolution to seek and the State may provide an appropriation annually to replenish reserves.

On June 16, 2021, the Authority issued \$230.75 million in general obligation and refunding bonds, the 2021 Series One (Tax-Exempt), with interest rate yields ranging between 0.15% and 1.88% and bond coupon rates between 4% and 5%, and the 2021 Series Two (Taxable), with interest rate yields and coupons ranging between 0.243% and 3.128%. The Authority issued the bonds to current and advance refund \$194,945,000 in outstanding Series 2010-3B, 2011-1, 2011-2, 2011-3, 2012-2, 2013-1, 2013-2A, 2013-2B, 2013-3, 2014-1A, and 2014-3 general obligation bonds with interest rate yields ranging between 2.03% and 5.432% and bond coupons between 2.75% and 5.432%. The Authority used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the series bonds listed above. As a result, these bonds are considered legally defeased, and the Authority has removed the liability from its financial statements. The outstanding principal of the defeased bonds was \$16,325,000 on June 30, 2024. At the time of issuance, the advance

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refunding reduced the total debt service payments over a 26-year period by over \$36.1 million. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$29.4 million.

The above bonds mature in varying annual installments. The maturities at June 30, 2024 are as follows:

Year Ending June 30	2005 Resolution		2016 Resolution	
	General	General	Total Principal	Total Interest
2025	\$ 62,920,000	\$ 2,425,000	\$ 65,345,000	\$ 40,265,939
2026	60,835,000	2,525,000	63,360,000	37,515,476
2027	59,355,000	2,650,000	62,005,000	34,819,678
2028	57,520,000	2,780,000	60,300,000	32,238,714
2029	55,040,000	2,920,000	57,960,000	29,746,070
2030 - 2034	244,015,000	16,460,000	260,475,000	116,258,487
2035 - 2039	158,075,000	19,985,000	178,060,000	71,466,612
2040 - 2044	114,710,000	25,425,000	140,135,000	36,796,388
2045 - 2049	49,090,000	18,860,000	67,950,000	11,623,640
2050 - 2054	22,740,000	-	22,740,000	2,645,156
	<u>\$ 884,300,000</u>	<u>\$ 94,030,000</u>	<u>\$ 978,330,000</u>	<u>\$ 413,376,160</u>

(8) Conduit Debt

Under the Coastal Energy Loan Program (Program), the Authority issued \$5,000,000 1986 Series A Coastal Energy Bonds (Bonds) payable to the National Oceanic and Atmospheric Administration (NOAA). The proceeds of these bonds were used to purchase port revenue bonds from the City of Nome. The City of Nome entered into a tripartite agreement with NOAA and the Authority effective August 2, 1994 to defer payment of the principal and accrual of interest for ten years. Effective January 29, 2009, a second amendment to the tripartite agreement was executed. The amendment authorized the issuance of 2009A Bonds for the purpose of refunding by exchange the outstanding City of Nome, Alaska, Port Revenue Bond 1986 Series A. As of June 30, 2024 the aggregate amount outstanding for conduit debt obligations was \$3,150,612.

Also under the Program, the Authority issued \$6,563,000 1987 Series A Coastal Energy Bonds payable to NOAA. The proceeds of these bonds were used to purchase port revenue bonds from the City of St. Paul. The City of St. Paul entered into a tripartite agreement with NOAA and the Authority effective December 14, 2000 to modify and defer payment. As of June 30, 2024 the aggregate amount outstanding for the City of St. Paul conduit debt obligations was \$6,005,878.

The related loan payables do not represent a general obligation of the Authority as they are payable only from proceeds received from the City of Nome and St. Paul, respectively. Payment of principal and interest on the Bond Bank's Coastal Energy Bond is not secured by a pledge of any amounts held by or payable to the Bond Bank under the General Bond Resolution, including the Reserve Account, and is not in any way a debt or liability of the Bond Bank and accordingly, are not included in the basic financial statements. Additionally, no commitments regarding the bonds have been extended by the Authority.

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The Coastal Energy Bonds and related accounts are included in the Bond Bank's statutory limit for total bonds outstanding.

(9) Commitments

During 2011, State Legislature appropriated \$2,450,000 to the Bond Bank to issue a 15-year, one percent interest loan to the City of Galena to retire existing debt obligations and make certain utility improvements. The intent of the legislature was that loan repayments made for the loan be paid into the State of Alaska General Fund in accordance with the provisions of the AS 44.85.270(h). The amount of receipts available to the Authority during fiscal year 2024 as discussed in Note 2(d), included \$175,684 of City of Galena loan repayments for the year ended June 30, 2024. There were no excess receipts over operating expenditures during fiscal year 2024.

The amount of Authority receipts determined under AS 44.85.270(h) and, as discussed in Note 2(d), available for transfer by the Authority and appropriation to the Bond Bank Authority Reserve Fund under AS 44.85.270(a) was \$-0- for fiscal year 2024; the cumulative state appropriated amount, therefore, remained \$33,396,046 at June 30, 2024.

The entire Custodian Account balance is available for appropriation, at any time, by the State Legislature.

(10) Subsequent Events

On August 30, 2024, an underlying borrower, in conjunction with the Bond Bank, provided funds to the associated Bond Bank debt service account to optionally redeem certain maturities of the 2014 Series Three bonds, totaling \$1,735,000. The associated maturities will be optionally redeemed on the upcoming redemption date of October 1, 2024.

(11) Upcoming Accounting Pronouncements

There are several recently issued Governmental Accounting Standards Board standards that the Bond Bank must consider with upcoming implementation dates. The statements are as follows:

GASB 101 – *Compensated Absences*. Effective for fiscal years beginning after June 15, 2024. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement is not expected to have an impact on the Bond Bank's financial statements.

GASB 102 – *Certain Risk Disclosures*. Effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Bond Bank is currently evaluating the impact GASB 102 will have on future financial statements.

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GASB 103 – *Financial Reporting Model Improvements*. Effective for fiscal years beginning after June 15, 2025. GASB 103 focuses on improvements in the management’s discussion and analysis (MD&A), unusual or infrequent items, presentation of proprietary fund statement of revenues, expenses and changes in fund net position, major component unit information, budgetary comparison information, and financial trends information in the statistical section.

Supplemental Schedule

ALASKA MUNICIPAL BOND BANK AUTHORITY
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Supplemental Schedule of Statutory Reserve Accounts - Assets, Liabilities, and Account Reserves

June 30, 2024

	<u>2005 Resolution</u>	<u>2016 Resolution</u>	<u>Total</u>
ASSETS			
Cash	\$ 63,538	\$ 4,916	\$ 68,454
Accrued interest receivable	347,472	22,931	370,403
Marketable securities	39,986,494	6,727,078	46,713,572
Interaccount receivables	-	10,049	10,049
Total Assets	<u>\$ 40,397,504</u>	<u>\$ 6,764,974</u>	<u>\$ 47,162,478</u>
LIABILITIES			
Interaccount payables	\$ 6,647,316	\$ -	\$ 6,647,316
Bond proceeds held in reserve	-	6,993,150	6,993,150
Total Liabilities	<u>6,647,316</u>	<u>6,993,150</u>	<u>13,640,466</u>
RESERVES			
State appropriated	28,046,530	-	28,046,530
Unappropriated	7,827,992	21,632	7,849,624
Unrealized loss	(2,124,334)	(249,808)	(2,374,142)
Total Reserves	<u>33,750,188</u>	<u>(228,176)</u>	<u>33,522,012</u>
Total Liabilities & Reserves	<u>\$ 40,397,504</u>	<u>\$ 6,764,974</u>	<u>\$ 47,162,478</u>

See Independent Auditor's report

Continuing Disclosure Tables

Pursuant to the Securities and Exchange Commission Rule 15c2-12 and the Authority's continuing disclosure undertakings, the Authority is obligated to provide annual financial information. In addition to annual financial statements the Authority must provide a statement of authorized, issued and outstanding bonded debt, reserve fund balances, and government unit statistics in substantially the same form as Appendix C of official statements of the Authority. The following supplemental information related to the 2005 general and 2016 master resolutions is provided in compliance with the Appendix C filing requirement.

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Supplemental Schedule of 2005 Bond Resolution Program -
Borrower Concentration

June 30, 2024

Borrower	Outstanding Par	Percent of Outstanding
City and Borough of Sitka	\$ 124,275,000	14.06%
Kenai Peninsula Borough	108,605,000	12.28%
City of Ketchikan	79,870,000	9.03%
Municipality of Skagway	79,195,000	8.96%
City and Borough of Juneau	76,380,000	8.64%
University of Alaska	75,475,000	8.53%
Fairbanks North Star Borough	62,920,000	7.12%
Kodiak Island Borough	51,195,000	5.79%
City of Unalaska	44,325,000	5.01%
City of Seward	30,375,000	3.43%
Ketchikan Gateway Borough	24,300,000	2.75%
Southeast Alaska Power Agency	16,605,000	1.88%
City of Cordova	13,950,000	1.58%
Lake and Peninsula Borough	11,935,000	1.35%
Aleutians East Borough	11,885,000	1.34%
Northwest Arctic Borough	10,970,000	1.24%
City of Soldotna	9,820,000	1.11%
City of Kodiak	9,700,000	1.10%
Petersburg Borough	9,480,000	1.07%
City of Dillingham	6,745,000	0.76%
City of Homer	5,250,000	0.59%
Haines Borough	3,770,000	0.43%
City and Borough of Wrangell	3,005,000	0.34%
City of Sand Point	2,755,000	0.31%
City of Anchorage	2,475,000	0.28%
City of King Cove	2,045,000	0.23%
City of Whittier	1,500,000	0.17%
City of Craig	1,210,000	0.14%
City of Klawock	1,045,000	0.12%
City of Bethel	910,000	0.10%
City of Kenai	665,000	0.08%
City of Nome	655,000	0.07%
City of Hoonah	600,000	0.07%
City of North Pole	195,000	0.02%
City of Saxman	115,000	0.01%
City of Adak	100,000	0.01%
Total Outstanding Par	\$ 884,300,000	100.00%

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Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements

June 30, 2024

Borrower	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Ketchikan Gateway Borough-2009 Four Loan	\$ 1,684,964	\$ 1,664,500	\$ 1,652,551	\$ 1,633,521	\$ 1,617,708	\$ 1,594,815	\$ 1,578,530	\$ 1,554,797	\$ 1,533,923	\$ 1,515,602
City of Hoonah 2011 Three	91,700	89,100	91,400	88,250	89,625	90,750	91,625	92,250	-	-
Municipality of Skagway 2011 Three	35,500	34,500	33,500	37,250	35,750	34,250	37,625	35,875	-	-
City of North Pole 2012 Two	100,125	101,375	-	-	-	-	-	-	-	-
Petersburg Borough 2012 Two	246,000	-	-	-	-	-	-	-	-	-
Haines Borough 2012 Three	86,544	83,944	86,594	84,494	87,272	84,928	82,584	85,063	82,363	30,506
Petersburg Borough 2012 Three	101,450	102,750	99,425	101,500	-	-	-	-	-	-
City and Borough of Juneau (Bartlett Hospital) 2013 One	1,200,725	125,125	125,125	125,125	125,125	125,125	125,125	425,125	1,615,375	914,475
Municipality of Skagway 2013 Two	69,750	67,500	70,250	67,750	70,250	72,500	69,500	71,500	68,250	-
Kenai Peninsula Borough 2014 One	2,958,250	2,959,500	2,957,750	2,960,000	2,955,750	-	-	-	-	-
Kodiak Island Borough 2014 One	1,144,688	-	-	-	-	-	-	-	-	-
City and Borough of Juneau 2014 One	406,138	404,575	403,825	407,575	405,575	408,075	404,825	407,450	402,950	402,950
City of Ketchikan Hospital (G.O.) 2014 Two	2,557,700	2,561,200	2,561,700	2,559,200	2,556,800	2,562,400	2,560,600	2,561,600	2,565,200	2,566,200
City of Ketchikan Harbor (G.O.) 2014 Two	206,300	209,550	207,300	209,800	208,400	206,800	205,000	208,000	205,600	208,000
City of King Cove Electric 2014 Two	38,050	37,050	41,050	39,800	38,800	37,800	41,800	40,600	39,400	38,200
City and Borough of Juneau 2014 Three	908,875	909,875	909,375	907,375	908,750	908,375	911,125	911,875	910,625	912,250
City of Saxman 2014 Three	15,500	15,000	14,500	14,000	13,500	13,000	12,500	12,000	11,500	11,000
City of Adak Refunding 2014 Three	102,500	-	-	-	-	-	-	-	-	-
Municipality of Anchorage Refunding 2014 Three	294,375	290,500	291,250	296,375	291,000	295,125	288,750	291,875	294,250	291,000
Haines Borough Refunding 2014 Three	1,190,625	1,189,000	-	-	-	-	-	-	-	-
Kenai Peninsula Borough Refunding 2014 Three	177,875	179,375	-	-	-	-	-	-	-	-
City of Nome Refunding 2014 Three	271,625	-	-	-	-	-	-	-	-	-
Northwest Arctic Borough Refunding 2014 Three	442,000	445,875	-	-	-	-	-	-	-	-
Petersburg Borough Refunding 2014 Three	398,750	399,750	-	-	-	-	-	-	-	-
City of Seward 2005 Refunding 2014 Three	102,375	102,500	-	-	-	-	-	-	-	-
City of Seward 2006 Refunding 2014 Three	321,850	637,100	-	-	-	-	-	-	-	-
City of Cordova 2015 One New Money	135,950	136,575	136,950	137,075	136,950	136,575	136,525	136,825	136,925	136,825
City of Cordova 2015 One 2009 Refunding	1,343,375	1,343,250	1,330,625	1,325,500	1,327,375	-	-	-	-	-
City of Craig 2015 One New Money	136,113	136,738	137,113	137,238	137,113	136,738	136,688	136,988	137,088	136,988
Aleutians East Borough 2015 One 2006 Refunding	117,500	97,375	-	-	-	-	-	-	-	-
Nome 2015 One 2006 Refunding	86,250	87,125	-	-	-	-	-	-	-	-
Nome 2015 One 2009 Refunding	50,250	48,250	51,125	53,750	51,250	-	-	-	-	-
Sitka 2015 One 2008 Refunding	536,000	537,875	533,625	538,125	-	-	-	-	-	-
Unalaska 2015 One 2009 Refunding	1,841,825	1,840,575	1,841,200	1,833,700	1,837,825	1,833,325	1,833,300	1,828,300	1,825,800	1,820,700
Cordova 2015 Two	212,500	211,000	214,250	212,000	214,500	216,500	213,000	211,000	213,800	216,200
Skagway 2015 Two	684,600	680,350	680,600	680,100	683,850	681,600	683,600	683,400	682,600	681,200

(continued)

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Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements, continued

June 30, 2024

Borrower	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
City and Borough of Juneau 2015 Two (Harbor Refunding)	743,150	738,400	737,650	735,650	737,400	737,650	736,400	730,200	733,200	-
Kenai Peninsula Borough 2015 Two	1,093,250	1,088,250	1,091,250	1,086,750	-	-	-	-	-	-
Juneau 2015 Two (Cruise Dock)	1,334,250	1,337,000	1,337,000	1,334,250	1,338,750	-	-	-	-	-
Skagway 2015 Two (Port)	360,688	359,688	363,188	360,938	363,188	359,688	362,788	360,250	362,288	358,688
University of Alaska 2015 Three	5,590,463	5,587,838	5,589,713	5,585,838	5,585,963	5,589,588	5,585,913	5,587,175	5,588,100	5,585,494
Haines Borough 2015 Three	90,050	92,425	89,675	91,800	93,675	90,425	92,400	89,163	90,356	91,288
Kodiak Island Borough 2015 Three High School	490,588	491,463	491,588	490,963	489,588	492,338	491,063	493,425	492,425	490,375
Kodiak Island Borough 2015 Three Renewal & Replace	226,250	225,500	-	-	-	-	-	-	-	-
King Cove 2015 Three	76,963	75,213	73,463	76,588	74,588	77,463	75,438	73,356	75,863	73,238
Kenai Peninsula Borough CES 15-Year Loan - 2016 One	176,813	179,563	179,263	179,513	178,013	177,481	177,625	-	-	-
City of Klawock New Money Loan - 2016 One	89,325	91,450	89,350	87,550	85,150	88,097	86,269	84,319	77,444	70,719
Kodiak Island Borough R&R Loan - 2016 One	678,750	676,500	-	-	-	-	-	-	-	-
Kodiak Island Borough High School Loan - 2016 One	132,169	132,544	134,169	131,169	132,069	133,525	130,431	132,056	133,531	129,931
City of Seward 2008 One Refunding - 2016 One	1,439,881	1,441,256	1,452,256	1,437,356	1,434,656	1,443,753	1,437,725	1,438,275	1,432,700	1,426,075
City of Seward 2008 Two Refunding - 2016 One	334,825	339,200	341,400	339,400	334,900	336,819	339,638	336,763	338,663	335,338
Fairbanks North Star Borough - 2016 Two	4,109,400	4,112,900	4,109,400	4,110,000	4,111,775	4,112,325	4,108,950	4,113,775	4,109,350	4,111,625
City of Petersburg 2007 One New Money Refunding - 2016 Three	79,500	80,875	82,000	-	-	-	-	-	-	-
Aleutians East Borough 2007 Two Refunding - 2016 Three	2,119,750	2,167,375	2,193,625	2,209,000	2,208,875	-	-	-	-	-
City of Bethel 2007 Three Refunding - 2016 Three	250,250	249,500	253,125	251,125	-	-	-	-	-	-
City of Kodiak 2007 Five Float Refunding - 2016 Three	111,538	113,163	114,538	110,788	116,788	118,313	115,556	117,666	119,556	116,306
City of Kodiak 2007 Five Lift Refunding - 2016 Three	219,200	218,075	216,700	215,075	218,075	271,375	274,941	273,144	271,050	278,494
City of Dillingham 2008 One Loan Refunding - 2016 Three	1,060,500	1,064,750	1,066,500	1,060,875	-	-	-	-	-	-
City of Kodiak 2008 One Loan Refunding - 2016 Three	451,450	447,700	448,325	453,075	447,075	448,850	448,281	447,188	450,469	453,038
Kodiak Island Borough 2008 One Loan Refunding - 2016 Three	619,500	622,750	619,625	620,125	-	-	-	-	-	-
City of Skagway 2008 Two Loan Refunding - 2016 Three	357,250	356,875	355,750	358,750	-	-	-	-	-	-
City of Kodiak 2009 One Loan Refunding - 2016 Three	59,056	62,181	60,181	63,056	60,806	54,081	57,778	56,372	59,856	63,150
City and Borough of Juneau New Money - 2016 Three	328,500	328,625	328,000	-	-	-	-	-	-	-
City of Ketchikan Port 2006 Two Loan Refunding - 2016 Four	2,204,125	2,200,375	2,198,500	2,198,250	2,199,375	2,191,875	2,195,500	2,190,000	2,190,250	2,186,000
City of Ketchikan Port New Money - 2016 Four	143,000	143,875	144,500	144,875	145,000	144,875	144,500	143,875	143,000	141,875
Kenai Peninsula Borough Hospital Loan - 2017 One	399,419	399,669	399,169	397,919	402,719	402,069	400,663	398,475	-	-
City of Seward - 2017 One	209,431	207,931	206,181	209,181	209,681	205,031	205,188	204,988	209,213	208,088
City of Unalaska - 2017 Two	2,014,100	2,010,350	2,014,600	2,011,350	2,010,850	2,012,850	2,012,100	2,013,600	2,014,013	2,010,263
City of Whittier - 2017 Two	155,275	156,025	156,525	156,775	156,775	156,525	156,025	155,275	155,925	154,675
Kenai Peninsula Borough Central Hospital - 2017 Three	2,058,788	2,061,663	2,061,288	2,062,538	2,060,288	2,059,413	2,058,038	2,060,263	2,058,963	2,061,088
Sitka Harbor - 2018 One	590,000	592,250	593,750	589,500	589,750	589,250	588,000	586,000	588,250	899,500
Sitka Airport - 2018 One	335,500	337,000	333,000	333,750	334,000	333,750	333,000	331,750	335,000	332,500
Dillingham Fire - 2019 One	43,000	47,000	45,750	44,500	43,250	42,000	45,750	44,500	43,800	44,625

(continued)

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Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements, continued

June 30, 2024

Borrower	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Dillingham Street - 2019 One	231,500	236,000	235,000	233,750	232,250	235,500	233,250	235,500	231,700	236,125
Fairbanks North Star Borough - 2019 One	288,250	288,250	288,250	288,250	363,250	739,500	736,750	738,000	738,000	736,750
City of Homer - 2019 One	397,500	395,250	392,500	394,250	395,250	395,500	395,000	393,750	396,750	393,750
Northwest Arctic Borough - 2019 One	872,500	871,500	874,500	871,250	872,000	871,500	869,750	871,750	872,250	871,250
Fairbanks North Star Borough - 2019 Two	446,818	449,544	446,430	447,660	372,960	-	-	-	-	-
Kenai Peninsula Borough - 2019 Three	126,875	128,000	128,875	129,500	125,000	125,375	125,500	125,375	125,000	129,250
City and Borough of Juneau Airport GO - 2019 Three	368,500	369,125	369,000	368,125	366,500	369,000	-	-	-	-
City and Borough of Juneau Airport Revenue - 2019 Three	2,372,375	2,365,125	2,362,625	-	-	-	-	-	-	-
City and Borough of Juneau Airport GO - 2019 Four	289,250	288,000	291,125	288,625	285,625	287,000	-	-	-	-
City and Borough of Juneau Airport Revenue - 2019 Four	340,250	344,750	343,375	-	-	-	-	-	-	-
Northwest Arctic Borough - 2020 One (Ref 2010B BABs)	188,125	179,375	-	-	-	-	-	-	-	-
Northwest Arctic Borough - 2020 One (Ref 2010B RZEDBs)	36,250	36,250	197,125	198,625	204,500	199,875	-	-	-	-
City of Kenai - 2020 One	130,750	130,625	125,375	125,000	129,250	128,125	-	-	-	-
City of Petersburg - 2020 One	174,625	183,000	180,875	178,500	180,750	177,625	174,250	-	-	-
City of Unalaska - 2020 One	322,625	320,125	326,875	322,875	323,250	322,875	-	-	-	-
City and Borough of Juneau - 2020 One	1,681,000	-	-	-	-	-	-	-	-	-
City of King Cove - 2020 One	32,375	31,125	29,875	33,500	32,000	25,625	-	-	-	-
City of King Cove - 2020 One	42,500	41,000	49,250	47,250	45,250	43,250	46,125	-	-	-
City of Unalaska - 2020 One	323,875	317,000	324,500	326,125	317,250	317,875	317,750	-	-	-
City and Borough of Sitka - 2020 One	589,375	-	-	-	-	-	-	-	-	-
Kenai Peninsula Borough - 2020 One	1,055,875	1,056,625	1,050,500	1,047,500	1,047,375	1,040,125	1,045,500	-	-	-
City of Ketchikan - 2020 One	454,750	452,875	450,250	451,750	447,375	447,125	445,875	-	-	-
Ketchikan Gateway Borough - 2020 One	269,500	271,625	-	-	-	-	-	-	-	-
City and Borough of Sitka - 2020 One	2,426,250	3,013,625	3,001,250	2,993,375	2,989,500	2,984,250	2,972,500	-	-	-
City of Soldotna - 2020 One	158,875	158,000	156,875	160,375	158,500	156,375	158,875	-	-	-
Ketchikan Gateway Borough - 2020 One	250,425	252,925	254,925	251,550	252,800	253,550	253,800	248,675	248,175	248,300
Fairbanks North Star Borough (Ref 2006I) - 2020 One	684,625	691,875	-	-	-	-	-	-	-	-
Fairbanks North Star Borough (Ref 2007J) - 2020 One	809,875	808,250	809,750	-	-	-	-	-	-	-
Fairbanks North Star Borough (Ref 2008L) - 2020 One	757,375	759,750	770,125	763,625	-	-	-	-	-	-
Fairbanks North Star Borough (Ref 2010M RZEDBs) - 2020 One	750,250	741,250	755,625	753,125	749,125	753,375	-	-	-	-
Fairbanks North Star Borough (Ref 2012R) - 2020 One	685,000	690,750	685,250	688,500	685,375	685,875	689,750	691,875	-	-
City of Ketchikan (New Money) - 2020 One	737,425	738,675	734,050	738,425	736,675	733,925	735,050	734,925	738,425	738,400
Kodiak Island Borough (High School Project) - 2020 One	42,250	45,625	43,875	42,125	45,250	43,250	46,125	-	-	-
Kodiak Island Borough (School Renovation Project) - 2020 One	235,500	236,750	237,500	237,750	232,625	237,000	235,750	-	-	-
City of King Cove (New Money) - 2020 One	39,675	38,425	37,175	35,925	34,675	38,300	36,800	35,300	38,675	37,100
Kodiak Island Borough (2011 Series One) - 2021 One	517,875	518,625	513,500	512,500	510,500	517,250	517,625	-	-	-
Kodiak Island Borough (2011 Series Three) - 2021 One	272,250	274,875	276,750	-	-	-	-	-	-	-

(continued)

ALASKA MUNICIPAL BOND BANK AUTHORITY
(A Component Unit of the State of Alaska)

Supplemental Schedule of 2005 Bond Resolution Program - Debt Service Requirements, continued

June 30, 2024

Borrower	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
City of Seward (2011 Series Three) - 2021 One	201,800	201,175	200,300	199,175	202,675	205,675	198,425	200,925	202,925	204,425
City and Borough of Sitka (2011 Series Two) - 2021 One	352,625	349,625	355,875	351,375	351,250	350,375	353,625	-	-	-
City of Sand Point - 2021 One	89,350	91,725	93,850	90,850	92,725	89,475	91,100	92,475	88,725	89,850
Southeast Alaska Power Agency - 2021 One	778,975	779,350	778,975	777,850	780,850	777,975	779,225	779,475	778,725	781,850
Aleutians East Borough - 2021 Two	313,899	316,408	308,227	309,323	304,593	309,125	308,084	-	-	-
City of Homer - 2021 Two	84,370	248,130	265,687	267,529	263,696	264,296	264,452	264,323	258,893	263,058
City and Borough of Juneau (Barlett Hospital) - 2021 Two	372,068	370,511	1,412,313	1,420,436	1,414,837	1,406,175	1,410,211	1,407,699	1,121,482	29,484
City and Borough of Juneau (Various Capital) - 2021 Two	196,683	200,186	203,220	200,778	197,842	199,460	205,664	201,624	207,278	-
Kenai Peninsula Borough (Bear Creek Fire) - 2021 Two	86,503	85,854	89,995	83,948	87,681	86,200	89,552	87,791	85,944	-
Kenai Peninsula Borough (Ref 2013 Three) - 2021 Two	1,509,326	1,508,202	1,508,833	1,506,016	1,509,270	1,509,121	1,501,560	1,502,441	1,506,210	1,507,522
City of Ketchikan (Ref 2012 Series 2) - 2021 Two	338,088	340,467	337,091	337,915	337,816	341,885	335,394	338,554	-	-
City of Ketchikan (Electric) - 2021 Two	1,041,814	1,043,934	1,038,776	1,036,219	1,035,921	1,033,277	1,033,903	1,033,386	1,036,388	-
Kodiak Island Borough (2012 Series Two) - 2021 Two	1,379,799	-	-	-	-	-	-	-	-	-
Kodiak Island Borough (2013 Series One) - 2021 Two	1,532,162	1,530,606	1,530,684	1,532,150	1,534,507	1,528,389	1,529,728	1,529,366	1,531,832	-
Kodiak Island Borough (2013B Series Two) - 2021 Two	863,374	856,887	858,525	858,139	860,450	855,818	859,739	857,693	859,444	-
Kodiak Island Borough (2014A Series One) - 2021 Two	496,384	1,648,236	1,642,568	1,643,153	1,644,450	1,642,079	1,642,020	1,650,101	1,645,885	1,644,110
Lake and Peninsula Borough (2013 Three) - 2021 Two	1,320,318	1,315,605	1,313,092	1,317,542	1,313,574	1,316,665	1,317,549	1,317,005	1,314,686	1,315,288
City of Sand Point (Harbor System) - 2021 Two	163,215	162,134	165,721	163,957	161,837	159,430	161,783	158,986	156,054	157,908
City and Borough of Sitka (2012 Series Two) - 2021 Two	607,111	-	-	-	-	-	-	-	-	-
City and Borough of Sitka (2013 Series One) - 2021 Two	1,347,700	1,345,278	1,347,149	1,343,283	1,343,591	1,343,172	1,347,180	2,864,521	2,864,003	2,865,364
City and Borough of Sitka (2013 Series One - Harbor) - 2021 Two	282,199	280,080	282,338	283,909	279,750	279,979	279,736	284,139	283,111	-
City and Borough of Sitka (2013 Series Three - Electric) - 2021 Two	1,025,105	1,028,046	1,025,389	1,027,095	1,028,056	1,028,378	1,028,235	1,908,352	1,907,988	1,910,648
City and Borough of Sitka (2014 Series Three - Electric) - 2021 Two	691,146	689,503	692,370	689,725	691,501	692,749	693,604	1,495,606	1,498,065	1,498,758
City and Borough of Sitka (AEA) - 2021 Two	552,629	548,477	548,134	551,478	548,362	549,006	548,720	552,786	551,055	-
City and Borough of Juneau (Cruise Ship Dock) - 2021 Three	286,250	286,250	286,250	286,250	286,250	286,250	1,358,750	1,357,375	1,348,375	1,351,500
City and Borough of Juneau (Bartlett Hospital) - 2022 One	1,509,125	1,506,625	1,507,500	1,501,750	1,504,250	1,504,750	1,503,250	1,499,750	1,499,125	1,496,250
Ketchikan Gateway Borough - 2022 One	534,875	533,375	531,375	533,750	535,375	531,375	531,750	531,375	530,250	533,250
Petersburg Borough - 2022 One	501,875	503,375	499,500	500,250	500,500	500,250	499,500	498,250	501,375	498,875
City of Seward - 2022 One	441,750	588,000	590,250	587,125	588,625	589,625	590,125	590,125	589,625	588,625
Southeast Alaska Power Agency - 2022 Two	359,463	359,338	358,963	358,338	357,463	356,338	354,963	358,213	356,088	359,363
City of Cordova - 2022 Two	335,688	339,688	338,313	336,688	339,688	337,313	339,563	336,438	337,938	334,963
Kenai Peninsula Borough (CES) - 2023 One	1,147,875	1,149,500	1,149,875	1,149,000	1,146,875	1,148,375	1,148,375	1,146,875	1,148,750	1,148,875
Kenai Peninsula Borough (Schools) - 2023 One	2,371,750	2,373,500	2,372,750	2,374,375	2,373,250	2,374,250	2,372,250	2,372,125	2,373,625	2,371,625
City of Soldotna - 2023 One	580,750	578,625	581,125	578,250	580,000	581,250	582,000	582,250	582,000	581,250
City and Borough of Wrangell - 2023 One	242,875	243,000	242,875	247,375	246,500	245,375	244,000	247,250	245,125	247,625
Municipality of Skagway (Port Revenue) - 2023 Two (AMT)	1,958,838	1,960,213	1,960,338	1,959,213	1,956,838	1,958,088	1,957,838	1,956,088	1,957,713	1,957,588
Municipality of Skagway (Port Revenue) - 2023 Three (AMT)	2,294,756	2,293,881	2,296,628	2,297,881	2,297,633	2,295,882	2,297,508	2,297,382	2,295,505	2,296,757
Total Loan Obligation Debt Service	\$ 98,670,150	\$ 93,946,312	\$ 89,899,889	\$ 85,619,675	\$ 80,789,531	\$ 72,914,940	\$ 71,868,048	\$ 68,532,270	\$ 67,852,076	\$ 60,930,205

See Independent Auditor's report

ALASKA MUNICIPAL BOND BANK AUTHORITY
(A Component Unit of the State of Alaska)

Supplemental Schedule of 2016 Master Resolution Program -
Borrower Concentration

June 30, 2024

<u>Borrower</u>	<u>Outstanding Par</u>	<u>Percent of Outstanding</u>
Yukon-Kuskokwim Health Corporation	<u>\$ 94,030,000</u>	<u>100.00%</u>
Total Outstanding Par	<u><u>\$ 94,030,000</u></u>	<u><u>100.00%</u></u>

See Independent Auditor's report

ALASKA MUNICIPAL BOND BANK AUTHORITY
(A Component Unit of the State of Alaska)

Supplemental Schedule of 2016 Master Resolution Program - Debt Service Requirements

June 30, 2024

<u>Borrower</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Yukon-Kuskokwim Health Corporation	\$ 6,940,788	\$ 6,929,163	\$ 6,924,788	\$ 6,919,038	\$ 6,916,538	\$ 6,938,731	\$ 6,933,538	\$ 6,935,750	\$ 6,903,600	\$ 6,924,325
Total Loan Obligation Debt Service	<u>\$ 6,940,788</u>	<u>\$ 6,929,163</u>	<u>\$ 6,924,788</u>	<u>\$ 6,919,038</u>	<u>\$ 6,916,538</u>	<u>\$ 6,938,731</u>	<u>\$ 6,933,538</u>	<u>\$ 6,935,750</u>	<u>\$ 6,903,600</u>	<u>\$ 6,924,325</u>

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APPENDIX E

**2005 GENERAL BOND RESOLUTION AND
2013 FIRST SUPPLEMENTAL RESOLUTION**

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*ALAKSA MUNICIPAL BOND BANK
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GENERAL OBLIGATION BOND RESOLUTION

A RESOLUTION CREATING AND ESTABLISHING AN ISSUE OF BONDS OF THE ALASKA MUNICIPAL BOND BANK; PROVIDING FOR THE ISSUANCE FROM TIME TO TIME OF SAID BONDS; PROVIDING FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF.

BE IT RESOLVED by the Board of Directors of the Alaska Municipal Bond Bank as follows:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 101 - Authority for This Resolution. This Resolution is adopted pursuant to the provisions of the Act.

Section 102 - Resolution Constitutes Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Bank with the Holders of Bonds and shall be deemed to be and shall constitute a contract between the Bank, the Trustee and the Holders from time to time of the Bonds. The pledge hereof and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Bank shall be for the benefit, protection and security of the Holders of any and all of such Bonds. Each Bond, Credit Enhancement facility, and Interest Rate Exchange Agreement, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other Bond, Credit Enhancement facility, or Interest Rate Exchange Agreement except as expressly provided in this Resolution.

Section 103 - Definitions. The following terms shall, for all purposes of this Resolution, have the following meanings unless the context shall clearly indicate some other meaning:

"Accountant's Certificate" shall mean a certificate signed by an independent certified public accountant or a firm of independent certified public accountants selected by the Bank.

"Accreted Amount" shall mean, with respect to Capital Appreciation of Bonds of any Series and as of the date of calculation, the amount established pursuant to the Series Resolution authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded principal and interest on such Bonds.

"Act" shall mean the Alaska Municipal Bond Bank Authority Act, constituting Chapter 85, Title 44, of the Alaska Statutes, as amended to the date of adoption of this Resolution.

"Administrative Expenses" shall mean the Bank's expenses of carrying out and administering its powers, duties and functions, as authorized by the Act, and shall include, without limiting the generality of

the foregoing: administrative and operating expenses, legal, accounting and consultant's services and expenses, payments to pension, retirement, health and hospitalization funds, and any other expenses required or permitted to be paid by the Bank under the provisions of the Act or this Resolution or otherwise.

"Aggregate Debt Service" for any period shall mean, as of any date of calculation and with respect to all Bonds, the sum of the amounts of Debt Service for such period.

"Annual Debt Service" shall mean the total amount of Debt Service for any Outstanding Bonds in any Fiscal Year.

"Authorized Denominations" with respect to any Series of Bonds issued hereunder, has the meaning specified in the related Series Resolution.

"Authorized Officer" shall mean the Chairman, Vice Chairman, Executive Secretary, or Executive Director of the Bank and any other director, officer or employee of the Bank authorized by resolution of the Bank to perform such act or discharge such debt.

"Bank" shall mean the Alaska Municipal Bond Bank, a public body corporate and politic constituted as a public corporation and instrumentality of the State of Alaska within the Department of Revenue but having a legal existence independent of and separate from the State exercising public and essential governmental functions and created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Bank.

"Beneficial Owner" shall mean the person in whose name a Bond is recorded as the beneficial owner of such Bond by the respective systems of DTC and the DTC Participants or the Holder of the Bond if the Bond is not then held in book-entry form.

"Bond" or "Bonds" shall mean any Alaska Municipal Bond Bank Bond or Bonds, or Alaska Municipal Bond Bank Authority Bond or Bonds, as the case may be, authenticated and delivered under this Resolution pursuant to a Series Resolution.

"Bondholder" or "Holder" or words of similar import, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds issued in fully registered form or the bearer of any Bond or Bonds issued in bearer form or registered to bearer. When all Bonds of a Series are held by a securities depository, "Bondholder" or "Holder" shall mean the beneficial owner of the Series in question determined under the rules of that securities depository; otherwise "Bondholder" or "Holder" means owner of record on the bond register maintained by the Paying Agent. To the extent that the full payment of the interest on and principal of Bonds of a Series is secured by Credit Enhancement, the Credit Enhancement Agency shall be considered to be the

"Bondholder" or "Holder" of all the Bonds of that Series for purposes of exercising any rights with respect to supplements and amendments to this Resolution if the Credit Enhancement Agreement so provides.

"Bond Year" shall mean each one-year period that ends on an anniversary of the date of issue of the Bonds.

"Book-Entry System" shall mean the system in which the Bonds (represented by one Bond certificate for each maturity of the Bonds) are delivered into the possession of DTC and are issued and fully-registered as to principal and interest in the name of Cede & Co., and whereby beneficial interests in the Bonds are purchased by investors through DTC Participants, such interests shown and transfers thereof effected only through the records maintained by the respective DTC Participants from whom each such investor acquired such beneficial interest.

"Business Day" shall mean any day other than a Saturday or Sunday or any other day on which banks in New York, Alaska, or the state or states in which any Trustee appointed hereunder performs its duties hereunder are authorized or required to be closed or are closed.

"Capital Appreciation Bonds" shall mean Bonds, the interest on which (a) is compounded and accumulated at the rates and on the dates set forth in the Series Resolution authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (b) is payable upon maturity or redemption of such Bonds.

"Continuing Disclosure Certificate" shall mean, for each Series, the continuing disclosure certificate executed by the Bank for the purpose of satisfying the continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission with respect to such Series, as such continuing disclosure certificate is originally executed and as it may be amended from time to time in accordance with its terms.

"Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to state and municipal financing (who may be counsel to the Bank) selected by the Bank and acceptable to the Trustee.

"Credit Enhancement" shall mean a letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds to further secure the payment of the Bonds of such Series or to satisfy the Reserve Fund Requirement.

"Credit Enhancement Agency" shall mean any bank or other institution that provides Credit Enhancement.

"Current Interest Bonds" shall mean Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Series Resolution.

"Debt Service" shall mean for any Series of Bonds Outstanding, an amount equal to the sum of (a) all interest payable during such period of calculation, plus (b) the Principal Installments, if any, payable during such period of calculation on such Series of Bonds.

"Executive Director" shall mean the Executive Director or Acting Executive Director of the Bank.

"Fees and Charges" shall mean all fees and charges authorized to be charged by the Bank pursuant to section 44.85.080(8), (15) and (16) of the Act and charged by the Bank to Governmental Units pursuant to the terms and provisions of Loan Agreements.

"Fiduciary" or "Fiduciaries" shall mean the Trustee, and Paying Agent, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June or such other date as is authorized by statute and/or selected by the Bank.

"Fitch" shall mean Fitch Ratings, 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 Standard & Poor's or Moody's) designated by the Authorized Officer.

"Government Obligations" shall mean direct obligations of, or obligations of the payment of and interest on which are unconditionally guaranteed by, the United States of America.

"Governmental Unit" shall mean a municipality or such other entity of which the Bank is authorized by law to purchase its revenue bonds, general obligation bonds, notes, or other forms of indebtedness and which otherwise satisfies conditions found herein and in the Loan Agreement.

"Governmental Unit's Allocable Proportion" shall mean the proportionate amount of the total requirement in respect of which the term is used determined by the ratio that the Loan then outstanding to such Governmental Unit bears to the total of all Loans then outstanding to all Governmental Units.

"Interest Account" shall mean the account by that name established by Section 602.

"Interest Payment Date" shall mean any date upon which interest on any Bonds is payable in accordance with the terms thereof.

"Interest Rate Exchange Agreement" shall mean an agreement entered into by the Bank or the Trustee, on behalf of the Bank, providing for an interest rate cap, floor or swap with respect to any Bonds or Municipal Bonds.

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

- (1) Governmental Obligations;
 - (2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself);
 - (a) *Farmers Home Administration* ("FmHA") Certificates of Ownership;
 - (b) *Federal Housing Administration* ("FHA") Debentures;
 - (c) *General Services Administration* Participation certificates;
 - (d) *Government National Mortgage Association* ("GNMA" or "Ginnie Mae") GNMA-guaranteed mortgage-backed bonds or GNMA-guaranteed pass-through obligations (participation certificates);
 - (e) *United States Maritime Administration* Guaranteed Title XI financing;
 - (f) *United States Department of Housing and Urban Development* ("HUD") *Project Notes Local Authority Bonds*;
- (3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following government agencies (stripped securities are only permitted if they have been stripped by the agency itself);
 - (a) *Federal Home Loan Bank System*. Senior debt obligations (Consolidated debt obligations);

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

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

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

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

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

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

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

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

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

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

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

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

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

"Loan" shall mean a loan heretofore or hereafter made by the Bank to a Governmental Unit pursuant to the Act and more particularly described in the applicable Series Resolution.

"Loan Agreement" shall mean an agreement, and any amendments thereto, heretofore or hereafter entered into between the Bank and a Governmental Unit setting forth the terms and conditions of a Loan.

"Loan Obligation" shall mean that amount of Bonds and the Bonds themselves issued by the Bank for the purchase of Municipal Bonds of a Governmental Unit.

"Maximum Annual Debt Service" shall mean, with respect to any Outstanding Series of Bonds, the highest remaining Annual Debt Service for such Series of Bonds.

"Moody's" shall mean 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 or Standard & Poor's) designated by the Authorized Officer.

"Municipal Bonds" shall mean general obligation bonds, revenue bonds, notes or other evidences of debt issued by any Governmental Unit as now or hereafter defined in the Act which have heretofore been or will hereafter be acquired by the Bank as evidence of a Loan to the Governmental Unit pursuant to the Act.

"Municipal Bonds Interest Payment" shall mean that portion of a Municipal Bonds Payment made or required to be made by a Governmental Unit to the Bank which represents the interest due or to become due on the Governmental Unit's Municipal Bonds.

"Municipal Bonds Payment" shall mean the amounts paid or required to be paid, from time to time, for principal and interest by a Governmental Unit to the Bank on the Governmental Unit's Municipal Bonds.

"Municipal Bonds Principal Payment" shall mean that portion of a Municipal Bonds Payment made or required to be made by a Governmental Unit to the Bank which represents the principal due or to become due on the Governmental Unit's Municipal Bonds.

"Notes" shall mean any obligations referred to herein issued by the Bank other than Bonds.

"Operating Fund" shall mean the fund by that name established by Section 602.

"Outstanding" when used with reference to Bonds, other than Bonds referred to in Section 1105 hereof, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Resolution except:

- (1) Any Bonds canceled by the Bank or the Trustee at or prior to such date;
- (2) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to this Resolution; and
- (3) Bonds deemed to have been paid as provided in subsection (B) of Section 1301.

"Paying Agent" for the Bonds of any Series shall mean the bank or trust company and its successor or successors, which may include the Trustee, designated by the Bank as Paying Agent pursuant to the provisions of this Resolution and a Series Resolution or any other resolution of the Bank adopted prior to authentication and delivery of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

"Principal Account" shall mean the account by that name established by Section 602.

"Principal Installment" shall mean, as of any date of calculation and with respect to the Outstanding Bonds of any Series, (i) the principal amount of such Bonds which are due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with this Resolution of Sinking Fund Payments payable before such future date for the retirement of such Bonds or (ii) the unsatisfied balance of any Sinking Fund Payment due on a certain future date for such Bonds, plus the aggregate amount of the

premiums, if any, which would be applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Payments in a principal amount equal to said unsatisfied balance or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds, unsatisfied balance and applicable premiums, if any or (iv) for any particular Series of Bonds the amount specified in the Supplemental Resolution authorizing such Series of Bonds.

"Put Bond" shall mean any Bond that is part of a Series of Bonds subject to mandatory purchase by the Bank, its agent or a third party from the Owner of the Bond pursuant to provisions of the Series Resolution authorizing the issuance of the Bond.

"Rating Agencies" shall mean Moody's, Standard & Poor's and Fitch or their respective successors and assigns and/or such other securities rating agency selected by the Bank to provide a rating with respect to a Series of Bonds, or any portion thereof, which Rating Agency, as of the applicable date, shall have assigned a rating to any Series of Bonds or any portion thereof.

"Rebate Calculation Date" shall mean, with respect to each Series of Bonds, the interest payment date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last bond for such Series.

"Rebate Fund" shall mean the fund by that name established by Section 602.

"Rebate Requirement" shall mean the amount of arbitrage profits earned from the investment of gross proceeds of the Bonds in nonpurpose investments described in Section 148(f)(2) of the Code and defined as "Rebate Amount" in Section 1.148-3 of the Treasury Regulations, which are payable to the United States at the times and in the amounts specified in Section 148(D)(3) of the Code and Section 1.148-3 of the Treasury Regulations.

"Record Date" shall have the meaning set forth in the Series Resolution authorizing the particular Series of Bonds.

"Redemption Account" shall mean the account by that name established by Section 602.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, of any, payable upon redemption thereof pursuant to the provisions of such Bond, this Resolution and the Series Resolution pursuant to which the same was issued.

"Refunding Bonds" shall mean all Bonds, whether issued in one or more series, authenticated and delivered on original issuance for the purpose of refunding Bonds or other obligations of the Bank

and all Bonds thereafter authenticated and delivered upon the transfer or exchange of or in lieu of or in substitution for such Bond pursuant to this Resolution.

"Regular Record Date" shall mean, unless otherwise provided in a Series Resolution, with respect to the Bonds, the fifteenth (15th) day immediately preceding each Interest Payment Date (or the Business Day immediately preceding such fifteenth (15th) day, if such fifteenth (15th) day is not a Business Day).

"Required Debt Service Reserve" shall mean as of any date of calculation, the amount required to be on deposit in the Reserve Fund which amount shall be at least equal to the Reserve Fund Requirement.

"Reserve Fund" shall mean the 2005 General Obligation Bond Resolution Reserve Account established by Section 602 within the Alaska Municipal Bond Bank Reserve Fund created by Section 44.85.270 of the Act.

"Reserve Fund Obligations" shall mean the amount of Bonds issued by the Bank to obtain funds deposited in the Reserve Fund.

"Reserve Fund Requirement" shall mean the least of (i) Maximum Annual Debt Service with respect to all Bonds Outstanding; (ii) 125% of Average Annual Debt Service with respect to all Bonds Outstanding; (iii) 10% of the initial principal amount of each Series of Bonds then Outstanding, or (iv) such lower amount as may be required by law. The Reserve Fund Requirement may be satisfied entirely, or in part, by Credit Enhancement as provided for herein; provided, however, any Credit Enhancement satisfying all or any part of the Reserve Fund Requirement after the initial issuance of Bonds or issued in substitution for any prior Credit Enhancement previously issued shall not, by itself, cause a withdrawal or a downward revision of the ratings maintained by any Rating Agency with respect to the Bonds.

"Resolution" shall mean this General Obligation Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof.

"Security Instrument" shall mean an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term "Security Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices; provided, however, that no such device or instrument shall be a "Security Instrument" for purposes of this Resolution unless specifically so designated in a Series Resolution authorizing the use of such device or instrument.

"Security Instrument Agreement" shall mean any agreement entered into by the Bank and a Security Instrument Issuer pursuant to a Series Resolution and/or the applicable portions of a Series Resolution providing for the issuance by such Security Instrument Issuer of a Security Instrument.

"Security Instrument Costs" shall mean, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Series Resolution authorizing the use of such Security Instrument. Such Security Instrument Agreement or Series Resolution shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

"Security Instrument Issuer" shall mean any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

"Security Instrument Repayment Obligations" shall mean, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Bank under the Security Instrument Agreement or the Series Resolution authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs. Each Security Instrument Agreement or the Series Resolution authorizing the use of such Security Instrument shall specify any amounts payable under it which, when outstanding, shall constitute Security Instrument Repayment Obligations and shall specify the portions of any such amounts that are allocable as principal of and as interest on such Security Instrument Repayment Obligations.

"Series of Bonds" or "Bonds of a Series" or words of similar meaning shall mean the Series of Bonds authorized by a Series Resolution.

"Series Resolution" shall mean a resolution of the Bank authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof and adopted in accordance with Article X.

"Sinking Fund Installment" shall mean, as of any particular date of calculation and with respect to the Outstanding Bonds of any Series, the amount required to be paid at all events by the Bank on a single future date for the retirement of Bonds of such Series which mature after said future date, but does not include any amount payable by the Bank by reason only of the maturity of a Bond.

"Standard & Poor's" shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., and its successors and assigns, except that if such corporation or division shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term

"Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) designated by the Authorized Officer.

"State" shall mean the State of Alaska.

"Supplemental Resolution" shall mean a resolution supplemental to or amendatory of this Resolution, (other than a Series Resolution) adopted by the Bank in accordance with Article X.

"Trustee" shall mean the bank or trust company appointed pursuant to Section 801 to act as trustee hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

"Variable Rate Bonds" shall mean, as of any date of calculation, Bonds the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible to a precise determination.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in this Resolution, refer to this Resolution.

ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS

Section 201 - Authorization of Bonds and Interest Rate Exchange Agreements. (A) Bonds are hereby authorized for issuance hereunder by the Bank. The Bonds may be issued in one or more Series pursuant to one or more Series Resolutions which shall state the purpose or purposes for which each Series of Bonds is being issued as hereinafter provided without limitation as to amount except as provided in this Resolution or as may be limited by law. Interest Rate Exchange Agreements may only be executed and delivered by the Bank in connection with the issuance and delivery of a Series of Bonds hereunder or in connection with the renewal, substitution or extension of an Interest Rate Exchange Agreement.

(B) There is hereby created by this Resolution, in the manner and to the extent provided herein, a continuing pledge and lien to secure the full and final payment of the principal or Redemption Price of, interest on and Sinking Fund Installments for, all of the Bonds issued pursuant to this Resolution. The Bonds shall be general obligations of the Bank payable as to principal or Redemption Price of, interest

on, and Sinking Fund Installments for the Bonds solely from the sources provided in this Resolution and any Series Resolution. The State shall not be liable on the Bonds and the Bonds shall not be a debt or liability, or constitute a pledge or loan of the faith and credit, of the State. The Bonds shall contain on the face thereof a statement to the effect that the Bank is obligated to pay the principal or Redemption Price, if any, of the Bonds and the interest thereon only from revenues or funds of the Bank and that the State is not obligated to pay such principal or Redemption Price, if any, or interest and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal or Redemption Price, if any, of, or the interest on, the Bonds.

Section 202 - Issuance and Delivery of Bonds. After their authorization by a Series Resolution, Bonds of a Series may be executed by or on behalf of the Bank and delivered to the Trustee for authentication and, upon compliance by the Bank with the requirements, if any, set forth in such Series Resolution and with the requirements of Section 203 or, in the case of Refunding Bonds, Section 204, the Trustee shall thereupon authenticate and deliver such Bonds to or upon the order of the Bank.

Section 203 - Provisions for Issuance of Bonds. (A) The issuance of the Bonds shall be authorized by a Series Resolution or Series Resolutions of the Bank adopted subsequent hereto and the Bonds may be issued in one or more Series. The Bonds of each Series, including Refunding Bonds, shall, in addition to the title "Alaska Municipal Bond Bank General Obligation Bonds," contain such further appropriate particular designations added to such title and the appropriate Series designation as the Bank may determine in such Series Resolution. Each Bond shall bear upon its face the designations so determined for the Series to which it belongs.

(B) Each Series Resolution authorizing the issuance of a Series of Bonds shall specify:

(1) The authorized principal amount of said Series of Bonds;

(2) The purposes for which such Series of Bonds is being issued, which shall be one or more of the following: (i) making Loans to Governmental Units, (ii) making payments into the Reserve Fund, (iii) the funding of Notes theretofore issued by the Bank for any purposes for which Bonds may have been issued, (iv) the refunding of Bonds and related purposes, as provided in Section 204, and (v) any other purpose authorized by law;

(3) The date and the maturity date or dates and amounts of each maturity of the Bonds of said Series or the method of determining the same;

(4) (i) The interest rate or rates (if any) or maximum interest rate of the Bonds of such Series, or the method of determining such rate or rates (which may be determinable at one or more specified times

set forth in the Series Resolution, which may accrete or compound with such frequencies or in such manner as shall be specified in such Series Resolution and which shall be as otherwise specified in the Series Resolution), and the Interest Payment Dates and Record Dates therefor and (ii) a manner of calculating accreted value or compounded principal value during all or any part of the term of the Series of Bonds being authorized, if interest is not payable currently and the Bank determines that it is necessary or appropriate;

(5) The denomination or denominations of, and the manner of numbering and lettering, the Bonds of such Series, provided that each Bond shall be of the denomination of \$5,000 or a multiple thereof, not exceeding the aggregate principal amount of the Bonds of such Series maturing in the year of maturity of the Bond for which the denomination is to be specified unless otherwise provided in the Series Resolution authorizing the issuance of such Bonds;

(6) The Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of and interest on the Bonds of such Series or the manner of appointing and designating the same;

(7) The Redemption Price or Prices, if any, and, subject to the provisions of Article IV, the redemption terms for the Bonds of such Series or the method of determining the same;

(8) The amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, or the method of determining such Sinking Fund Installment;

(9) The form or forms of the Bonds of such Series and of the Trustee's certificate of authentication;

(10) The manner of execution of the Bonds of such Series;

(11) If, at the time of issuance of the Bonds of such Series, an Interest Rate Exchange Agreement will apply to such Bonds or such Bonds are to be secured by Credit Enhancement, the form of Credit Enhancement or Interest Rate Exchange Agreement to be obtained, the identity of the Credit Enhancement Agency or of the counterparty to the Interest Rate Exchange Agreement, and the substantial form of the significant documents relating to the Credit Enhancement or Interest Rate Exchange Agreement;

(12) If Bonds of such Series are to contain any tender or put options or the like, whether such Bonds are to be remarketed and, if so, the identity of any remarketing agent and the substantial form of any remarketing agreement relating to such Bonds; and

(13) Any other provisions deemed advisable by the Bank, not in conflict with the provisions of this Resolution.

All Bonds of each Series of like maturity shall be identical in all respects, except as to denominations, interest rate, and numbers and letters.

(C) All (but not less than all) the Bonds of each Series shall be executed by the Bank for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Bank or to such other party as may be specified in a written order of the Bank, but only upon the receipt by the Trustee of:

(1) A Counsel's Opinion to the effect that (i) the Bank has the right and power to execute and deliver this Resolution and the Series Resolution authorizing such Series under the Act as amended to the date of such Opinion; (ii) this Resolution and such Series Resolution has been duly and lawfully executed and delivered by the Bank, is in full force and effect and is valid and binding upon the Bank and enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors' rights generally from time to time in effect); (iii) this Resolution and such Series Resolution creates the valid pledge and assignment which it purports to create of the Municipal Bonds, subject to the application thereof to the purposes and on the conditions permitted by this Resolution; (iv) the Bonds of such Series are valid and binding general obligations of the Bank, enforceable in accordance with their terms and the terms of this Resolution and such Series Resolution; and (v) the Bonds of such Series have been duly and validly authorized and issued in accordance with the constitution and statutes of the State, including the Act as amended to the date of such Opinion, and in accordance with this Resolution;

(2) A written order as to the delivery of such Bonds, signed by an Authorized Officer;

(3) Either an original of the Series Resolution authorizing such Series or a copy thereof certified by an Authorized Officer;

(4) Except in the case of Refunding Bonds, a certificate of an Authorized Officer stating that the Bank is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution;

(5) Such further documents, moneys and securities as are required by the provisions of this Section 203, and Section 204, or Article X, or any Series Resolution or Supplemental Resolution adopted pursuant to Article X.

Section 204 - Provisions for Refunding Bonds. (A) All or any part of one or more Series of Refunding Bonds may be authenticated and delivered to refund all Outstanding Bonds or any part of one

or more Series of Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits as are required by the provisions of the Act, this Section and of the Series Resolution authorizing said Series of Refunding Bonds.

(B) A Series of Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 203) of:

(1) Instructions to the Trustee to give due notice of redemption (which notice, in the case of an optional redemption, shall state that the redemption is conditioned by the Trustee on the receipt of sufficient funds for redemption) of all the Bonds to be refunded on the redemption date specified in such instructions;

(2) Either (i) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds or other obligations to be refunded, together with accrued interest on such Bonds or other obligations to the redemption date, or (ii) direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America which are not subject to redemption prior to the dates on which amounts will be needed to make payments on the Bonds or other obligations to be refunded and the principal of and interest on which when due, together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the Trustee, will be sufficient to pay when due the applicable Redemption Price of the Bonds or other obligations to be refunded, together with accrued interest on such Bonds or other obligations to the redemption date, which moneys or Investment Securities shall be held by the Trustee or any one or more of the Paying Agents or an escrow agent or trustee for other obligations in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds or other obligations to be refunded; and

(3) A certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements of subsection (A) and this subsection (B) of this Section 204.

(C) From and after the delivery of the Refunding Bonds of a Series, the Trustee shall make appropriate adjustment between the Interest Account and Principal Account when disbursing and applying Municipal Bonds Payments deposited in the Debt Service Fund pursuant to the provisions of Section 604 to the end that such portion of the Municipal Bonds Payment as shall represent Municipal Bonds Interest Payment not required for deposit in the Interest Account for the purpose of paying interest accruing upon the Bonds shall be deposited in the Principal Account. Any surplus which might result upon

and after such deposit shall be disposed of in the manner specified in the Series Resolution authorizing such Series.

(D) Neither Investment Securities nor moneys deposited with the Trustee or an escrow agent or trustee for other obligations pursuant to paragraph (B)(2) of this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the applicable Redemption Price of the Bonds or other obligations to be refunded, together with accrued interest on such Bonds or other obligations to the redemption date, and any cash received from such principal or interest payments, if not then needed for such purpose, shall, to the extent practicable, be reinvested in such Investment Securities as are described in clause (ii) of said paragraph maturing at times and in amounts sufficient to pay when due the applicable Redemption Price of such Bonds or other obligations, together with such accrued interest.

ARTICLE III
GENERAL TERMS AND PROVISIONS OF BONDS

Section 301 - Description of Bonds: Payment. (A) The Bonds of each Series issued under the provisions hereof may be issued only as registered bonds and subject to Section 303 hereof, each Bond shall be entitled "General Obligation Bonds" and shall bear such additional letter or number series designation as shall be determined in the Series Resolution authorizing the Bonds of the Series of which such Bond is one. Unless otherwise specified in the Series Resolution authorizing such Series of Bonds, Bonds of each Series shall be in Authorized Denominations each or any integral multiple thereof, shall be numbered consecutively from 1 upwards and shall bear interest payable on Interest Payment Dates.

(B) The Bonds of each Series issued hereunder shall be dated as of and bear interest from the date specified in the Series Resolution that authorized such Series, which date may be contemporaneous with or prior to or after the date of issuance of such Bonds.

(C) Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America, as at the respective time of payment shall be legal tender for payment of public and private debts. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Bank kept for such purpose by the Trustee, the registrar hereinafter provided for as the Holder thereof, by check or draft mailed to the Holder at her or his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds by wire transfer to a bank account designated by the Holder in written instructions furnished to the Trustee. The interest on Bonds so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the person who is the Holder thereof at the close of business on the applicable Record Date for such interest. The principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee, as paying

agent, except as otherwise provided by Series Resolution. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(D) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Series Resolution authorizing such Series of Bonds.

Section 302 - Legends. The Bonds of each Series shall contain or have endorsed thereon a statement to the effect that the State shall not be liable thereon and that such Bond shall not be a debt of the State and may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Resolution as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the Bank prior to the delivery thereof to the Bondholder.

Section 303 - Execution and Authentication. (A) The Bonds shall be executed in the name of the Bank by the manual or facsimile signature of its Chairman or Vice-Chairman and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of its Secretary or such officer or employee of the Bank as shall be directed by the Series Resolution authorizing the issuance thereof, or in such other manner as may be required by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bonds of a Series may be signed and sealed on behalf of the Bank by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or employment by the Bank, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

(B) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Series Resolution authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Bank shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

Section 304 - Interchangeability of Bonds. Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or their attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series, maturity, and interest rate as the surrendered Bond.

Section 305 - Negotiability, Transfer and Registry. All the Bonds issued under this Resolution shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Bank shall maintain and keep, at the corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Bank shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds remain Outstanding, the Bank shall make all necessary provisions to permit the exchange of Bonds at the corporate trust office of the Trustee.

The Bank and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Bank as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Bank nor any Fiduciary shall be affected by any notice to the contrary. The Bank agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense judgment or liability incurred by it, acting in good faith and without negligence under this Resolution, in so treating any such registered owner.

Section 306 - Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Bank shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Bank or the Trustee may, as a condition precedent to the privilege of making such exchange or transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Notwithstanding any other provision of this Resolution the cost of preparing each registered Bond upon each exchange or transfer, and any other expenses of the Bank or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Bank as an Administrative Expense. Neither the Bank or the Trustee shall be required (i) to

make any exchange or transfer of Bonds of any Series during the ten (10) days (or such other period of time as may be specified in the Series Resolution authorizing such Series) next preceding an interest payment date on the Bonds of such Series or preceding any selection of Bond of such Series to be redeemed or (ii) to transfer or exchange any Bonds previously called for redemption.

Section 307 - Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bank shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Bank evidence satisfactory to the Bank and the Trustee that such Bond have been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Bank and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Bank and the Trustee may prescribe and paying such expenses as the Bank and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Bank. Any such new Bonds issued pursuant to this section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Bank, regardless of whether the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution, in any moneys or securities held by the Bank or the Fiduciaries for the benefit of the Bondholders. If a Bondholder satisfies the conditions set forth in this section for the replacement of a mutilated Bond or a Bond alleged to be destroyed, stolen, or lost and such Bond has matured or all principal thereof and interest thereon shall become due for any other reason, then the Trustee may pay such principal of and interest on such Bond without issuing a replacement Bond.

Section 308 - Preparation of Definitive Bonds: Temporary Bonds. Until the definitive Bonds of any Series are prepared, the Bank may execute, in the same manner as is provided in Section 303, and upon the request of the Bank, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued in such denominations as may be authorized by the Bank, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Bank at its own expense shall prepare and execute and, upon the surrender thereof of such temporary Bonds to the Trustee. The Trustee shall authenticate and, without charge to the holder thereof, deliver in exchange therefor definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so

exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Resolution.

If the Bank shall authorize the issuance of temporary Bonds in more than one denomination, the holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series and maturity of any other authorized denomination or denominations, and thereupon the Bank shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 306, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such holder.

All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 309 - Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled may, at any time, be cremated or otherwise destroyed by the Trustee, who shall execute a Certificate of cremation or destruction in duplicate by the signature of one of its authorized officers describing the Bonds so cremated or otherwise destroyed, and one executed Certificate shall be filed with the Bank and the other executed Certificate shall be retained by the Trustee.

ARTICLE IV REDEMPTION OF BONDS

Section 401 - Redemption Provisions. The Bonds of each Series may be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by the related Series Resolution. If less than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 403 herein, to be redeemed shall be selected by lot by the Trustee, or in any manner as the Trustee, in its sole discretion, may deem appropriate and fair.

Section 402 - Notice of Redemption. (A) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 402. Unless otherwise specified in the Series Resolution authorizing the issuance of the applicable Series of Bonds, notice of redemption (i) shall be filed with the paying agent designated for the Bonds being redeemed and (ii) shall be mailed by first class mail, postage prepaid, to all Bondholder of Bonds to be redeemed at their addresses as they

appear on the registration books of the Trustee, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(1) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(2) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date or dated date of and interest rate on such Bonds;

(3) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(4) the date of mailing of redemption notices and the redemption date;

(5) the redemption price;

(6) that on the redemption date 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

(7) the place where such Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(B) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, at least two (2) Business Days in advance of the mailed notice to Bondholders, by registered or certified mail or overnight delivery service, to all registered securities depositories then in the business of holding substantial amounts (as reasonably determined by the Bondholders) of obligations of types comprising the Bonds and to at least two national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in clause (a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

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

(D) If at the time of mailing of any notice of redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

(E) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Bondholders of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Bondholders shall not affect the validity of the proceedings for the redemption of the Bonds.

(F) In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Section 403 - Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the Series Resolution authorizing the issuance of the applicable Series of Bonds, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Bank shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Holder thereof, at the expense of the Bank, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Series Resolution, a portion of any Bond of a denomination of more than the minimum Authorized Denomination to be redeemed will be in the principal amount of the minimum Authorized Denomination or an integral multiple thereof, and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of the minimum Authorized Denomination which is obtained by dividing the principal amount of such Bonds by the minimum Authorized Denomination.

ARTICLE V

CUSTODY AND APPLICATION OF CERTAIN PROCEEDS OF BONDS

Section 501 - Application of Certain Proceeds. (A) Each Series Resolution authorizing the issuance of a Series of Bonds, a portion of the proceeds derived from the sale of which is to be applied to

the purchase of Municipal Bonds, shall specify the name of each Governmental Unit which is to receive a Loan by the Bank from such proceeds and the amount of such proceeds to be applied to the making of each such Loan which shall be the amount of each such Loan. Contemporaneously with the issuance, sale and delivery of any Series of Bonds, the Bank shall apply the amount of the proceeds derived from the sale of such Series of Bonds, if any, as shall be specified in said Series Resolution for the purpose of making such Loans to each of the Governmental Units specified in the Series Resolution authorizing the issuance of such Series of Bonds.

(B) Accrued interest, if any, received upon the delivery of such Series of Bonds shall be deposited in the Interest Account. The amount received as a premium over the principal amount of such Series of Bonds, if any, upon the delivery of such Series of Bonds shall be applied as provided in the Series Resolution authorizing such Series of Bonds.

(C) The amount, if any, necessary to cause the amount on deposit in the Reserve Fund to satisfy the Reserve Fund Requirement.

(D) Any remaining proceeds derived from the sale of a Series of Bonds shall be applied as provided in the Series Resolution authorizing such Series of Bonds.

Section 502 - Loans. (A) A Loan to each Governmental Unit shall be made from the portion of the proceeds derived from the sale of each Series of Bonds specified in the Series Resolution authorizing the issuance of such Series of Bonds and the amount of each such Loan shall be the amount specified in such Series Resolution. All such payments made pursuant to such Series Resolution shall be subject to the provisions and restrictions of this Article V, and the Bank covenants that it will not cause or permit to be paid from such portion of the proceeds derived from the sale of such Series of Bonds any sums except in accordance with such provisions and restrictions.

(B) The Trustee shall pay to each Governmental Unit the amount of the Loan upon receipt by the Trustee of:

(1) a written requisition of the Bank signed by an Authorized Officer stating

- (i) the name of the Governmental Unit to which the payment is to be made; and
- (ii) the amount to be paid;

(2) a certificate signed by an Authorized Officer and attached to the requisition certifying that the terms and provisions of the Loan Agreement providing for such Loan are in compliance with Section 913, and that to the knowledge of such Authorized Officer such Governmental Unit is not in default under any of the terms or provisions of said Loan Agreement;

(3) a Counsel's Opinion stating that such Municipal Bonds are valid obligations of such Governmental Unit as required by the Act and that the Loan Agreement has been duly authorized and executed by the Governmental Unit and constitutes a valid and binding obligation of the Governmental Unit enforceable in accordance with its terms; and

(4) such Municipal Bonds of such Governmental Unit, registered as to both principal and interest in the name of the Bank or the Trustee and delivered in accordance with the Act.

Upon receipt of such requisition, accompanying certificate, Counsel's Opinion and Municipal Bonds, the Trustee shall pay such amount directly to the Governmental Unit entitled thereto as named in such requisition.

Section 503 - Retention and Inspection of Documents. All requisitions and certificates and Counsel's Opinions and Municipal Bonds received by the Trustee, as required in this Article V as conditions of payment may be relied upon by and shall be retained in the possession of the Trustee, subject at all times during normal business hours to the inspection of the Bank and, after written request received by the Trustee at least five business days prior to the date of inspection, by any Holder of at least five per cent in principal amount of the Series of Outstanding Bonds.

ARTICLE VI

ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

Section 601 - Pledge. (A) The Bonds shall be direct and general obligations of the Bank, and its full faith and credit are pledged to the payment of the principal and redemption premium, if any, of and interest on the Bonds, subject to any agreements heretofore and hereafter made with the Holders of any other notes or bonds of the Bank pledging any particular revenues or assets not pledged under this Resolution.

(B) The Municipal Bonds and the Municipal Bonds Payment, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by this Resolution to be held by the Trustee are hereby pledged and assigned for the payment of the principal of, Redemption Price of, interest on, and Sinking Fund Installments for, the Bonds in accordance with the terms and provisions of this Resolution, subject only to the provisions of this Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Resolution authorizing the Bank to create Security Interests in said Municipal Bonds and Municipal Bonds Payment in favor of Credit Enhancement Agencies and counterparties to Interest Rate Exchange Agreements. Subject to the provisions of Section 805 of this Resolution, this pledge shall be valid and binding from and after the date of adoption of this Resolution, and the Municipal Bonds and the Municipal Bonds Payment and all other monies and securities in the funds and accounts established by this Resolution to be held by the Trustee

hereby pledged shall immediately be subject to the lien of such pledge without any further act, and such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bank, regardless of whether such parties have notice thereof.

Section 602 - Establishment of Funds and Accounts. (A) The Alaska Municipal Bond Bank Debt Service Fund (the "Debt Service Fund") is hereby established and shall be maintained and held by the Trustee pursuant to the provisions of this Resolution. There is hereby created and established in the Debt Service Fund an "Interest Account," a "Principal Account" and a "Redemption Account" each of which shall be held by the Trustee. Amounts in the Interest Account, the Principal Account and the Redemption Account shall be used solely for the purpose of paying the principal of, Redemption Price of, interest on and Sinking Fund Installments for, the Bonds and of retiring such Bonds at or prior to maturity in the manner provided herein and in any Series Resolution. Amounts deposited in the Interest Account and the Principal Account shall be disbursed and applied by the Trustee at the times and in the manner provided in this Article VI and in paragraph (3) of Section 203.

(B) There is hereby established within the Alaska Municipal Bond Bank Reserve Fund created by Section 44.85.270 of the Act, a 2005 General Obligation Bond Resolution Reserve Account (the "Reserve Fund") which shall be maintained and held by the Trustee pursuant to the provisions of this Resolution.

(C) There is hereby established a Rebate Fund, and within such fund, a separate account for each Series of Bonds.

(D) There is hereby established an Operating Fund which shall be held by the Bank pursuant to the provisions of this Resolution.

Section 603 - Reserve Fund. (A) On or before the first day of each month, the Trustee shall set aside from amounts in the Reserve Fund derived from income or interest earned and profits realized by the Reserve Fund due to the investment thereof, an amount which, when added to the amounts theretofore set aside for such purpose and not paid into the Interest Account, will on such day be equal to the unpaid interest on the Reserve Fund Obligations accrued and to accrue to the last day of such month. If the Trustee so determines, said amounts may be deposited in an account which the Trustee may create in the Reserve Fund under the name of "Reserve Fund Obligations Interest Account". On or before each interest payment date of the Reserve Fund Obligations, said amounts shall be deposited in the Interest Account.

(B) On or before each principal payment date and Sinking Fund Installment payment date of Reserve Fund Obligations, the Trustee shall withdraw from amounts in the Reserve Fund and deposit in the Principal Account, an amount which, when added to the amount then on deposit in the Principal

Account and derived from sources other than Municipal Bonds Payment, will be equal to the Principal Installment of the Reserve Fund Obligations falling due on such date.

(C) On or before December 31 of each year, after complying with the provisions of paragraphs (1) and (2) above to the extent required by such date, the Trustee shall withdraw from the Reserve Fund, any amount remaining therein derived from income or interest earned and profits realized by the Reserve Fund due to the investment thereof, and pay over said amount to the Bank for deposit in the Operating Fund but only to the extent that there remains after such withdrawal an amount in the Reserve Fund at least equal to the Required Debt Service Reserve.

(D) The Reserve Fund Requirement may be satisfied with (i) monies made available by the State and paid to the Bank for the purpose of the Alaska Municipal Bond Bank Reserve Fund created by Section 44.85.270 of the Act in the amount provided by a Series Resolution; (ii) all monies paid to the Bank pursuant to the Act for the purpose of restoring the Reserve Fund to the amount of the Required Debt Service Reserve; (iii) such portion of the proceeds of sale of Bonds, if any, as shall be provided by any Series Resolution; (iv) Credit Enhancement; (v) any other monies which may be made available to the Bank for the purposes of the Reserve Fund from any other source or sources; or (vi) any combination of the foregoing.

(E) In the event there shall be, on any interest payment date, a deficiency in the Interest Account, or, in the event there shall be, on any principal payment date or Sinking Fund Installment payment date, a deficiency in the Principal Account, the Trustee shall make up such deficiencies from the Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of securities held in the Reserve Fund, if necessary, in such amounts as will, at the respective times, provide monies in the Interest Account and Principal Account sufficient to make up any such deficiency. If a deficiency still exists immediately prior to a debt service payment date and after the withdrawal of cash, the Bank shall then draw from any Credit Enhancement for the Bonds in sufficient amount to make up such difference. Drawings under the Credit Enhancement shall be made on a pro-rata basis (in proportion to the respective maximum coverages) available under the Credit Enhancement. Such draw shall be made at such times and under such conditions as such Credit Enhancement shall provide.

Section 604 - Interest Account, Principal Account and Redemption Account.

(A) Except as otherwise provided in paragraph (3) of Section 204, the Trustee shall deposit Municipal Bonds Interest Payments and any other monies available for the payment of interest in the Interest Account upon receipt thereof. The Trustee shall, on or before each interest payment date of the Bonds, pay, out of amounts then held for the credit of the Interest Account, to itself and the Paying Agents, the amounts required for the payment by it and such Paying Agents of the interest becoming due on the Bonds on such interest payment date, and such amounts so withdrawn are hereby irrevocably

pledged for and shall be applied to the payment of such interest. The Trustee shall also pay out of the Interest Account to itself and the appropriate Paying Agents, on or before any redemption date for Bonds being refunded by Refunding Bonds, the amount required for the payment of interest on the Bonds then to be redeemed, to the extent not otherwise provided in this Resolution.

(B) The Trustee shall deposit Municipal Bonds Principal Payments and any other monies available for the payment of principal in the Principal Account, upon receipt thereof. The Trustee shall, on or before each principal payment date or Sinking Fund Installment date for, the Bonds, pay, out of the monies then held for the credit of the Principal Account, to itself and the Paying Agents, the amounts required for the payment by it and such Paying Agents of the principal or Sinking Fund Installment due on the Bonds on such date, and such amounts so withdrawn are hereby irrevocably pledged for and shall be applied to the payment of such principal or Sinking Fund Installment.

(C) The Trustee shall establish in the Redemption Account a separate sub-account for the Bonds of each Series Outstanding.

(1) Any monies deposited into the Redemption Account from any source other than pursuant to Section 607 or Section 916 shall be applied to the purchase or redemption of Bonds in a manner to be determined by the Bank in accordance with Article IV. Any monies deposited into the Redemption Account pursuant to Section 607 shall be applied to the purchase or redemption of Reserve Fund Obligations in a manner to be determined by the Bank in accordance with Article IV.

(2) The Bank shall deposit or cause to be deposited in the Redemption Account such portion of the monies received as the proceeds of sale or redemption of Municipal Bonds, as required by Section 916 hereof, and, upon any such deposit, shall advise the Trustee in writing of the Series of Bonds to which the same relates. Upon receipt, such monies shall be set aside by the Trustee in the appropriate Series sub-account. Monies so held in each separate sub-account by the Trustee shall be applied to the purchase or retirement of the Bonds of the Series in respect of which such sub-account was created as follows:

(i) The Trustee shall promptly apply such monies to the purchase of Bonds of the Series in respect of which such sub-account was created having the same maturity date or dates and in the same principal amount within each maturity as the Municipal Bonds Principal Payments required to be made for the Municipal Bonds sold by the Bank or redeemed by the Governmental Unit at the most advantageous price obtainable with reasonable diligence, such price, however, not to exceed the Redemption Price which would be payable on the next ensuing date on which the Bonds of the Series so purchased are redeemable according to their terms. The Trustee shall pay the interest accrued on the Bonds so purchased to the date of sale or redemption of the Municipal Bonds from the Interest account and the balance of the purchase price from the

applicable sub-account in the Redemption Account, as hereinabove provided, but no such purchase shall be made by the Trustee within the period of forty-five (45) days next preceding a date on which such Bonds are subject to redemption under the provisions of the Series Resolution authorizing the issuance thereof.

(ii) In the event the Trustee is able to purchase the requisite principal amount of Bonds from a sub-account in accordance with and under the foregoing provisions of this subparagraph (b) at a purchase price less than the sum of the deposits to such sub-account from the proceeds from the sale or redemption of Municipal Bonds and the applicable transfers from the Interest Account, upon the payment by the Trustee of the purchase price of such Bonds, the Trustee shall transfer the balance of monies remaining in such sub-account to the Bank for deposit in the Operating Fund.

(iii) In the event the Trustee is unable to purchase the requisite principal amount of Bonds the Trustee shall call for redemption on the next ensuing redemption date such amount of Bonds of the Series in respect of which such sub-account was created having the same maturity date or dates and in the same principal amount within each maturity as the Municipal Bonds Principal Payments required to be made for the Municipal Bonds sold by the Bank or redeemed by the Governmental Unit, as, at the Redemption Price thereof, will exhaust said sub-account as nearly as may be. Such redemption shall be made pursuant to the provisions of Article IV hereof. The Trustee shall pay the interest accrued on the Bonds so redeemed to the date of sale or redemption of the Municipal Bonds from the Interest Account and the balance of such interest to the date of redemption of the Bonds and the Redemption Price from the applicable sub-account.

(3) The Bank may, from time to time, by written instructions direct the Trustee to make purchases under subparagraph (b) above only after receipt of tenders. The Bank may specify the length of notice to be given and the date on which tenders are to be accepted or may authorize the Trustee to determine the same in its discretion. All such tenders shall be by sealed proposals and no tenders shall be considered or accepted at any price exceeding the price specified under subparagraph (b) above for the purchase of Bonds. The Trustee shall accept tenders with the lowest price, as determined by the Trustee, and if the monies available for purchase pursuant to such tenders are not sufficient to permit acceptance of all tenders and there shall be tenders at an equal price above the amount of monies available for purchase then the Trustee shall select by lot, in such manner as the Trustee shall determine in its discretion, the Bonds tendered which shall be purchased. No purchase of Bonds, either on tenders or otherwise, shall be made by the Trustee within the period of forty-five (45) days next preceding any date on which such Bonds are subject to redemption.

(D) Monies set aside from time to time with the Trustee and Paying Agents for the payment of principal or Redemption Price of, interest on and Sinking Fund Installments for, the Bonds shall be held in

trust for the Holders of the Bonds. Until so set aside for the payment of such principal, Redemption Price, interest, and Sinking Fund Installments, all monies in such accounts shall be held in trust for the benefit of the Holders of all Bonds at the time Outstanding equally and ratably and without any preference or distinction as between Bonds of different Series, except that monies on deposit in the separate sub-accounts established in the Redemption Account shall be held in trust for and applied to the payment of the Bonds of the Series for which the applicable sub-account was established.

Section 605 - Rebate Fund. (A) The Trustee shall establish and thereafter maintain, so long as the Bonds are Outstanding, a Rebate Fund which shall be held separate and apart from all other funds and accounts established under this Resolution and from all other moneys of the Trustee.

(B) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of this Resolution. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of the Rebate Requirement for all Series of Bonds, as verified in writing by an independent public accountant or other qualified professional selected by the Bank at the time the Rebate Requirement is determined, less amounts of the Rebate Requirement theretofore paid to the United States for all Series of Bonds, the Trustee shall, upon the Bank's request, withdraw from the Rebate Fund and pay to or upon the order of the Bank an amount not to exceed such excess to the Bank for deposit in the Operating Fund.

(C) The Bank shall determine the amount of the Rebate Requirement with respect to each Series of Bonds on each applicable Rebate Calculation Date. The Bank shall deposit into the Rebate Fund the Rebate Requirement, if any, with respect to each Series of Bonds. The Bank shall instruct the Trustee to withdraw from the Rebate Fund and pay over to the United States Government with respect to each Series of Bonds: (1) not less frequently than once each five years commencing no later than 60 days after the first Rebate Calculation Date for such Series of Bonds and upon each fifth anniversary of such date, an amount which when added to all previous rebate payments made with respect to such Series of Bonds equals 90% of the sum of the Rebate Requirement pertaining to such Series of Bonds plus the amount, if any, of Rebate Requirement theretofore paid to the United States with respect to such Series of Bonds, and (2) not later than 60 days after the retirement of the last Bond of such Series, 100% of the Rebate Requirement with respect to such Series. The determination of rebatable arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Bank from the Rebate Fund pursuant to this Resolution must be verified in writing by an independent public accountant or other qualified professional selected by the Bank.

(D) The Trustee shall, at least sixty (60) days prior to each Rebate Calculation Date, notify the Bank of the requirements of this Section. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Bank with the requirements of Section 148 of the Code or any successor. The Bank expressly agrees that (notwithstanding any other provision of this Resolution)

any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Bank to comply with the requirements of said Section 148 or any successor thereof.

(E) The Trustee, on behalf of the Bank, shall keep and retain, until the date six years after the retirement of the last of the Bonds of each Series, records with respect to each Series of the Bonds and the investment and expenditure of amounts on deposit with the Trustee to comply with the aforementioned arbitrage rebate requirements, including without limitation a complete list of all investments and reinvestments of amounts on deposit with the Trustee with respect to each Series of the Bonds. For purposes of the computation required above, the Trustee shall, upon request, furnish to the Bank all information in the Trustee's control which is necessary for such computations.

(F) The Bank hereby covenants and agrees that it will not enter, and will not cause the Trustee to enter into, any transaction or cause any transaction to be entered into with respect to the investment of gross proceeds of the Bonds, or otherwise, which reduces the amount which may be required to be paid to the United States pursuant to the arbitrage rebate requirements specified herein above, because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on each Series of the Bonds not been relevant to either party.

(G) The provisions of this Section may be amended or deleted, with respect to any or all series of the Bonds, from this Resolution upon receipt by the Bank and the Trustee of an opinion of bond counsel that such amendment or deletion will not adversely affect the exclusion from gross income of interest on the Bonds.

Section 606 - Operating Fund. There shall be deposited in the Operating Fund all Fees and Charges collected by the Bank or the Trustee, to the extent not otherwise encumbered or pledged, and any other monies which may be made available to the Bank for the purposes of the Operating Fund from any other source or sources including, without limiting the generality of the foregoing, amounts transferred pursuant to paragraph (3) of Section 603, subparagraph (b)(ii) of paragraph (3) of Section 604 and the amount received as a premium over the principal amount of a Series of Bonds, if any, to the extent provided in the Series Resolution authorizing such Series. Monies at any time held for the credit of the Operating Fund shall be used for and applied solely to the following purposes:

- (a) To pay the Administrative Expenses of the Bank;
- (b) To pay the fees and expenses of the Trustee and Paying Agents;
- (c) To pay financing costs incurred with respect to a Series of Bonds, including fees and expenses of the attorneys, initial Trustee's and Paying Agents' fees and expenses, costs and expenses of financial consultants, printing costs and expenses, the payment to any officers, departments, boards,

agencies, divisions and commissions of, or reimbursement to, the State of any statement of cost and expense or advances rendered to the Bank pursuant to the Act, and all other financing and other miscellaneous costs; and

- (d) To pay any expenses in carrying out any other purpose then authorized by the Act.

All amounts in the Operating Fund shall be free and clear of any lien or pledge created by this Resolution but shall be held and applied in accordance with this section.

Section 607 - Reduction of Required Debt Service Reserve. Whenever the amount of the Required Debt Service Reserve is reduced, the Trustee, only upon the written request of the Bank signed by an Authorized Officer, shall withdraw from any amounts on deposit in the Reserve Fund and deposit in the Redemption Account any amount not exceeding the amount of such reduction of the Required Debt Service Reserve. The amount to be withdrawn from the Reserve Fund in each instance pursuant to the provisions of this paragraph shall be determined by the Bank and the amount thereof certified to the Trustee in writing signed by an Authorized Officer.

Section 608 - Trustee's Maintenance of Records on Payment of Bonds. In connection with the payment, redemption or purchase of all Bonds under the provisions of this Resolution, the Trustee shall keep accurate records of the source of the monies used to pay, redeem or purchase such Bonds.

Section 609 - Obtaining Credit Enhancements and Interest Rate Exchange Agreements. Except as otherwise provided in a Series Resolution authorizing the issuance of a Series of Bonds, the Bank may obtain Credit Enhancement or an Interest Rate Exchange Agreement with respect to such Bonds either at the time of issuance of the Bonds or any time thereafter.

Section 610 - Creation of Additional Funds, Accounts and Subaccounts; Separate Credit Enhancement Funds; Pledge with Respect to Credit Enhancements and Interest Rate Exchange Agreements. (A) The Trustee shall establish within any Fund such Accounts in addition to the Accounts herein established as the Bank shall by Series Resolution or Supplemental Resolution determine and shall in like manner establish within any Account such additional subaccounts for the purposes of such Account as the Bank shall so determine.

(B) The Bank may at any time by execution of a Series Resolution or Supplemental Resolution establish a Fund or Account in which to hold any Credit Enhancement and the proceeds thereof or drawings thereunder (a "Credit Enhancement Fund") for the benefit of any Series of Bonds to which such Credit Enhancement has been pledged, which pledge may be (but is not required to be) exclusively for the benefit of such Series of Bonds or certain designated Series of Bonds and not equally and ratably among all the Series of Bonds. Amounts held in a Credit Enhancement Fund shall not be considered a

part of the Municipal Bonds Payment but, rather, shall be subject to such lien and pledge as may be created in the Series Resolution creating such Credit Enhancement Fund.

(C) If the Bank creates a Credit Enhancement Fund, the Bank may direct, in the Series Resolution creating such Credit Enhancement Fund, that the Trustee pay, and if so directed in writing by the Bank the Trustee shall pay, principal (including premium, if any) of and interest on the Bonds secured by such Credit Enhancement Fund directly from amounts in such Credit Enhancement Fund and that the Trustee reimburse, and if so directed in writing by the Bank the Trustee shall so reimburse, such Credit Enhancement Fund for such payment from the Credit Enhancement Fund; provided, however, that the Bank may, in the Series Resolution authorizing the Series of Bonds to be secured by Credit Enhancement, treat any, or any part of any, obligation owed or which may in the future be owed to the Credit Enhancement Agency pursuant to the Credit Enhancement Instrument as the Series of Bonds secured by such Credit Enhancement if the Corporation, at the time of issuance of said Series of Bonds and at the time of the creation of any such obligation satisfies the requirements of Section 203, in which case the Trustee shall pay the principal of and interest on any such obligations in accordance with the terms of this Resolution treating such obligations as a Series of Bonds. In a Series Resolution authorizing a Series of Bonds secured by a Credit Enhancement Fund the Bank may fix provisions relating to such Fund pursuant to the terms of a Series Resolution. In addition to the foregoing, the Bank may agree to permit a Credit Enhancement Agency to be subrogated to the rights of any Bondholders whose Bonds are secured by the Credit Enhancement provided that such Credit Enhancement Agency is not in default under such Credit Enhancement.

ARTICLE VII
SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 701 - Security for Deposits. All monies held hereunder by the Trustee shall be continuously and fully secured, for the benefit of the Bank and the Holders of the Bonds in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee or any Paying Agent shall not be required to give security for the deposit of any monies with them held in trust for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any monies which shall be represented by obligations purchased under the provisions of this Resolution as an investment of such monies.

Section 702 - Investment of Funds and Accounts Held by the Trustee. (A) Upon the deposit of any amounts in any fund or account held by the Trustee under the provisions of this Resolution, in the manner hereinabove prescribed, the Bank may furnish the Trustee with a schedule of dates on which it is estimated by the Bank that such monies in said fund or account will be required to be expended. The Bank may from time to time amend the schedule so furnished. Upon receipt of such schedule or

amended schedule, the Bank may direct the Trustee to, or in the absence of receipt of such schedule or such direction the Trustee shall, invest and reinvest in Investment Securities the monies in said fund or account so that the maturity date or date of redemption at the option of the holder of such obligations shall coincide as nearly as practicable with the times at which monies are needed by the Bank to be so expended. The Bank also may direct the Trustee that all or part of the amounts in the Interest Account and the Principal Account in the Debt Service Fund not be invested for specified periods of time.

(B) Obligations purchased as an investment of monies in any fund or account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account, except that the income or interest earned and profits realized by the Reserve Fund due to the investment thereof shall be transferred by the Trustee in accordance with and to the extent provided by paragraphs (1), (3) and (5) of Section 603.

(C) In determining whether or not the amount in the Reserve Fund is at least equal to the Reserve Fund Requirement, the Trustee shall include the amount of interest earned or accrued thereon as of the date of evaluation and shall also include, but only if any other requirement therefor specified in a Series Resolution has been satisfied, the principal component of any Credit Enhancement then on deposit in the Reserve Fund.

(D) Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this Resolution whenever it shall be requested in writing by an Authorized Officer of the Bank to do so or whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the Bank in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Resolution as of the end of the preceding month.

Section 703 - Liability of Trustee for Investments. The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article, in the manner provided in this Article, or for any loss resulting from any such investment so made except for its own negligence or default.

ARTICLE VIII
THE TRUSTEE AND THE PAYING AGENTS

Section 801 - Appointment and Acceptance of Duties of Trustee. J.P. Morgan Trust Company, National Association, a trust company or bank having the powers of a trust company doing business and having a corporate trust office in Seattle, Washington, is hereby appointed as Trustee for the Holders from time to time of the Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing the certificate of authentication endorsed upon the Bonds, and, by executing such certificate upon any Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

Section 802 - Appointment and Acceptance of Duties of Paying Agents. The Bank shall appoint one or more Paying Agents for the Bonds of any Series in the Series Resolution authorizing such Bonds or shall appoint such Paying Agent or Paying Agents by or pursuant to a resolution of the Bank adopted prior to the authentication and delivery of such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 812 for the appointment of a successor Paying Agent. The Trustee may be appointed to act as Paying Agent notwithstanding that it may then be acting in the capacity of Trustee. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by written instrument of acceptance executed and delivered to the Bank and the Trustee. The principal or corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the Bank for the payment of the interest on and principal or Redemption Price of the Bonds.

Section 803 - Responsibilities of Fiduciaries. (A) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Bank and the Fiduciaries assume any responsibility for the correctness of the same. No Fiduciary shall be deemed to make any representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or in respect of the security afforded by this Resolution, and no Fiduciary shall incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representations contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless indemnified to its satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any one of the others or the use or application by the Bank of the Bonds or the proceeds thereof.

(B) Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Resolution, and no implied covenants

or obligations shall be read into this Resolution against the Trustee, and, in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinion expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Resolution.

(C) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Resolution and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(D) No provision of this Resolution shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that (1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, (2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Resolution, and (3) no provision of this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Except as otherwise expressly provided herein, the Trustee shall determine whether any conditions or requirements set forth herein for any purpose have been met, and such determination by the Trustee shall be conclusive.

(E) Regardless of whether it is therein expressly so provided, every provision of this Resolution, any Series Resolution, or any related document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

(F) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Resolution at the request or direction of any of the Bondholders pursuant to this Resolution, unless such Bondholders shall have offered to the Trustee security or indemnity to its satisfaction against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(G) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document.

(H) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(I) The permissive right of the Trustee to do things enumerated in this Resolution shall not be construed as a duty.

(J) In accepting the trusts hereby created, the Trustee acts solely as Trustee for the Bondholders and not in its individual capacity and all persons, including, without limitation, the Bondholders and the Bank having any claim against the Trustee arising from this Resolution shall look only to the funds and accounts held by the Trustee or its agent hereunder for payment except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

Section 804 - Evidence on Which Fiduciaries May Act. Each Fiduciary may rely and shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Bank, and the opinion of such shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in reliance thereon. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, including payment of moneys out of any Fund or Account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Bank to any Fiduciary shall be sufficiently executed if executed in the name of the Bank by an Authorized Officer.

Section 805 - Compensation. The Bank shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution, and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under this Resolution. The Bank further agrees to indemnify and save the Trustee and

each Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default.

Section 806 - Permitted Acts and Functions. The Trustee and any Paying Agent may become the owner of any Bonds, with the same rights it would have if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

Section 807 - Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than ninety (90) days' written notice to the Bank and to the registered owners of Bonds, specifying the date when such resignation shall take effect and such resignation shall take effect immediately upon the appointment of a successor Trustee pursuant to Section 809 hereof.

Section 808 - Removal of Trustee. The Trustee shall be removed by the Bank if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Bank, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Bank. The Bank may remove the Trustee at anytime, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Bank by filing with the Trustee an instrument signed by an Authorized Officer of the Bank.

Section 809 - Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Bank covenants and agrees that it will thereupon appoint a successor Trustee. The Bank shall provide written notice of such appointment to the registered owners of the Bonds.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Bank written notice, as provided in Section 807, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 809 in succession to the Trustee shall be a trust company or bank in good standing having the powers of a trust company within or outside the State, and having a capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) if there be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

Section 810 - Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Bank, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all monies, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Bank, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Bank be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Bank. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee. The Bank shall pay the expenses of effecting a transfer under this Section.

Section 811 - Merger or Consolidation. Any company into which the Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which Fiduciary may sell or transfer all of its corporate trust business, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act, provided that such company shall be a trust company or bank which is qualified to be a successor to the Trustee under Section 809 or which is qualified to be a successor to the Paying Agent under Section 812.

Section 812 - Resignation or Removal of the Paying Agents and Appointment of Successors. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days written notice to the Bank and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Bank. Any successor Paying Agent shall be appointed by the Bank and shall be a trust company or bank having the powers of a trust company having a capital and surplus

aggregating at least Fifty Million Dollars (\$50,000,000), and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed. In the event that for any reason there shall be a vacancy in the office of Paying Agent, the Trustee shall act as such Paying Agent.

Section 813 - Evidence of Signatures of Bondholders and Ownership of Bonds.

(A) Any request, consent or other instrument which this Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which she purports to act, that the person signing such request or other instrument 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. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary;

(2) The amount of Bonds transferable by delivery held by any person executing such request or other instrument as a Bondholder, and the numbers and other identification thereof, and the date of his holding such Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by an officer of a trust company, bank, financial institution or other depository or member of the National Association of Securities Dealers, Inc. wherever situated, showing that at the date therein mentioned such person exhibited to such officer or had on deposit with such depository the Bonds described in such certificate. Continued ownership after the date stated in such certificate may be proved by the

presentation of such certificate if the certificate contains a statement by such officer that the depository held that Bonds therein referred to on the date of the certificate and that they will not be surrendered without the surrender of the certificate to the depository, except with the consent of the Trustee, and a certificate of the Trustee, which need not be acknowledged or verified, that such consent has not been given.

(B) Except in the case of Bonds transferable by delivery only, the ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books. Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Bank or any Fiduciary in accordance therewith.

ARTICLE IX
COVENANTS OF THE BANK

The Bank covenants and agrees with the Holders of the Bonds as follows:

Section 901 - Payment of Bonds. The Bank shall duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof, and shall duly and punctually pay, or cause to be paid, all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Section 902 - Extension of Payment of Bonds. The Bank shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under this Resolution to the benefit of this Resolution or to any payment out of any assets of the Bank or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to this Resolution) prior to benefits accorded to or the payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Bank to issue Refunding Bonds as provided in Section 203 and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 903 - Offices for Servicing Bonds. The Bank shall at all times maintain an office or agency where Bonds may be presented for transfer or exchange, and where notices, presentations and demands upon the Bank in respect of the Bonds or of this Resolution may be served. The Bank hereby appoints the Trustee as its agent to maintain such office or agency for the transfer or exchange of Bonds

and for the service of such notices, presentations and demands upon the Bank and may appoint one or more co-registrars for such purposes. The Bank hereby appoints the Trustee as Paying Agent and hereby appoints the Paying Agent as its agent to maintain such offices or agencies for the payment of Bonds.

Section 904 - Further Assurances. At any and all times the Bank shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary for the better assuring, conveying, granting, assigning, confirming all and singular the rights, Municipal Bonds Payments, the Municipal Bonds and other monies, securities, funds and property hereby pledged or assigned, or intended so to be, or which the Bank may hereafter become bound to pledge or assign.

Section 905 - Power to Issue Bonds and Make Pledges. The Bank is duly authorized pursuant to law to authorize and issue the Bonds for the purposes herein authorized and to adopt this Resolution and to pledge the Municipal Bonds Payments, the Municipal Bonds and other monies, securities, funds and property purported to be pledged by this Resolution in the manner and to the extent provided in this Resolution. The Municipal Bonds Payments, the Municipal Bonds, and other monies, securities, funds and property so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, except for the liens in favor of the Trustee and Paying Agents provided in Section 805 hereof, and all corporate or other action on the part of the Bank to that end has been duly and will be duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Bank in accordance with their terms. The Bank shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Municipal Bonds Payments, the Municipal Bonds and other monies, securities, funds and property pledged under this Resolution and all the rights of the Bondholders under this Resolution against all claims and demands of all persons whomsoever.

Section 906 - General Covenants of the Bank. (A) The Bank shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Bank under law and this Resolution in accordance with the terms hereof.

(B) Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law and this Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Bank, shall be within every debt and other limit prescribed by the laws of the State.

(C) The Bank does hereby pledge to and agree with the Holders of the Bonds that it will not cause the State to limit or alter the rights vested by the Act in the Bank to fulfill the terms of any

agreements made with Bondholders, or in any way impair the rights and remedies of such Holders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

(D) Upon failure of a Governmental Unit to make any principal or interest payment on the date specified in, and as required by, the applicable Loan Agreement securing payment of the Municipal Bonds, the Trustee shall immediately notify the Executive Director of the Bank who shall then take the following actions:

(i) the Executive Director shall within two days of the Governmental Unit's failure to make the Municipal Bonds Payment pursuant to the terms of the applicable Loan Agreement, contact such Governmental Unit and request payment;

(ii) in the event payment is not made by the Governmental Unit pursuant to (i) above, the Trustee shall make up such deficiencies from the Reserve Fund as provided for in Section 603(E) of this Resolution;

(iii) in the event payment is not made by the Governmental Unit pursuant to (i) above, and the Reserve Fund is drawn upon to make up such deficiency pursuant to (ii) above, the Executive Director shall initiate intercept proceedings with the applicable State agencies pursuant to Section 917 of this Resolution;

(iv) in the event amounts collected pursuant to (iii) above are insufficient to replenish amounts held in the Reserve Fund to the Reserve Fund Requirement, the Executive Director shall contact the Governor of the State and the State legislature as set forth in Section 911(B) of this Resolution; and

(v) if there remains a deficiency in the Reserve Fund after the Executive Director has exhausted the requirements found in (i) through (iv) above, the Executive Director shall request a loan from the Department of Revenue pursuant to AS 44.85.270(i) and provide for such loan to be used to cause the amount in the Reserve Fund to satisfy the Reserve Fund Requirement.

Section 907 - Accounts and Reports. (A) The Bank shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions relating to all Municipal Bonds Payments, Municipal Bonds, the Fees and Charges and all funds and accounts established by this Resolution, which shall at all reasonable times be subject to the inspection of the Trustee or the Holders of an aggregate of not less than twenty-five per centum (25%) in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

(B) The Bank shall annually, on or before the last day of January in each year, file with the Trustee a copy of an audit for the preceding Fiscal Year, accompanied by an Accountant's Certificate, and an annual report setting forth in complete and reasonable detail: (a) its operations and accomplishments; (b) its receipts and expenditures during such Fiscal Year in accordance with the categories or classifications established by the Bank for its operating and capital outlay purposes; (c) its assets and liabilities at the end of such Fiscal Year, including a schedule of its Municipal Bonds Payments, Municipal Bonds, Fees and Charges and the status of reserve, funds and the funds and accounts established by this Resolution; and (d) a schedule of its Bonds Outstanding and other obligations outstanding at the end of such Fiscal Year, together with a statement of the amounts paid, redeemed and issued during such Fiscal Year. A copy of each such annual report and Accountant's Certificate shall be mailed promptly thereafter by the Trustee to each Bondholder who shall have filed his name and address with the Bank for such purpose.

Section 908 - Personnel and Servicing of Programs. (A) The Bank shall at all times appoint, retain and employ competent personnel for the purpose of carrying out its respective programs and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges and all persons employed by the Bank shall be qualified for their respective positions.

(B) The Bank may pay to the respective State agency, governmental unit or political subdivision of the State from the Operating Fund such amounts as are necessary to reimburse the respective State agency, governmental unit or political subdivision of the state for the reasonable costs of any services performed for the Bank.

Section 909 - Waiver of Laws. The Bank shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may affect the covenants and agreements contained in this Resolution or in any Series Resolution or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Bank.

Section 910 - Fees and Charges. The Bank shall establish, make, maintain and charge such Fees and Charges to each Governmental Unit to which a Loan is made, and shall from time to time revise such Fees and Charges whenever necessary, so that such Fees and Charges actually collected from each such Governmental Unit will at all times produce monies which, together with such Governmental Unit's Allocable Proportion of other monies available under the provisions of this Resolution, and other monies available therefor, including any grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Fund pursuant to paragraph (3) of Section 603, will be at least sufficient:

(a) To pay, as the same become due, the Governmental Unit's Allocable Proportion of the Administrative Expenses of the Bank; and

(b) To pay, as the same become due, the Governmental Unit's Allocable Proportion of the fees and expenses of the Trustee and Paying Agents.

The Bank shall provide the Trustee with a schedule of the Fees and Charges to be paid by each Governmental Unit, and of each revision thereof, and shall require each Governmental Unit to make payment of the Fees and Charges required to be paid by it directly to the Trustee. The Trustee shall promptly advise the Bank of each and every failure of a Governmental Unit to make payment of Fees and Charges when due in accordance with the applicable schedule.

Section 911 - Administration of Reserve Fund. (A) The Bank shall establish and maintain the Reserve Fund in accordance with the provisions of this Resolution. All monies and securities held in the Reserve Fund shall be used, disbursed and applied only in accordance with the provisions of this Resolution and for no other purpose. Monies and securities held in the Reserve Fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount in such Fund to an amount less than the Required Debt Service Reserve except as otherwise provided in this Resolution.

(B) The Bank shall cause the Chairman of the Board of Directors of the Bank annually, before each January 30, to make and deliver to the Governor of the State and to the legislature his certificate stating the amount, if any, required to restore the Alaska Municipal Bond Bank Reserve Fund to the amount of the Required Debt Service Reserve and a copy of such certificate shall be promptly delivered by the Bank to the Trustee. Monies received by the Bank from the State pursuant to such a certification, in accordance with the provisions of Section 44.85.270(g) of the Act shall, to the extent such certification was occasioned by the fact that the amount in the Reserve Fund was less than the Required Debt Service Reserve, be deposited in the Reserve Fund, as required by paragraph (D) of Section 603.

(C) The Bank shall annually submit to the State a budget request for an appropriation to cause, if necessary, amounts held in the Reserve Fund to equal the Reserve Fund Requirement. **(Amendment: Effective August 19, 2009)**

Section 912 - Issuance of Additional Obligations. (A) The Bank shall not subsequent to the issuance of the initial Series of Bonds under this Resolution create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a charge and lien on the Municipal Bonds and the Municipal Bonds Payments or which will be payable from the Debt Service Fund or the Reserve Fund, except that additional Series of Bonds may be issued from time to time pursuant to a Series Resolution subsequent to the issuance of the initial Series of Bonds under this Resolution on a parity with the Bonds of such initial Series of Bonds and secured by an equal charge and lien on the

Municipal Bonds and the Municipal Bonds Payments and payable equally and ratably from the Debt Service Fund and Reserve Fund for the purposes of (i) making Loans to Governmental Units, (ii) making payments into the Interest Account, (iii) making payments into the Reserve Fund, (iv) funding of Notes theretofore issued by the Bank for any purposes for which Bonds may have been issued, and (v) subject to the provisions and limitations of Section 203, the refunding of any Bonds then Outstanding, under the conditions and subject to the limitations in this Section 912 provided.

(B) No additional Series of Bonds shall be issued subsequent to the issuance of the initial Series of Bonds under this Resolution unless:

(1) the aggregate principal amount of Bonds and Notes of the Bank outstanding at the time of issuance and delivery of such additional Bonds including the principal amount of such additional Bonds will not exceed any limit thereon imposed by law;

(2) there is at the time of the issuance of such additional Bonds no deficiency in the amounts required by this Resolution or any Series Resolution to be paid into the Debt Service Fund and into the Reserve Fund;

(3) the amount of the Reserve Fund, upon the issuance and delivery of such additional Bonds and the deposit in the Reserve Fund of any amount provided therefor in the Series Resolution authorizing the issuance of such additional Bonds, shall not be less than the Required Debt Service Reserve; and

(4) the maturities of, or Sinking Fund Installments for, the additional Bonds then being issued representing Loan Obligations, unless such additional Bonds are being issued to refund Outstanding Bonds in accordance with the provisions of Section 203, shall be equal to the scheduled Municipal Bonds Principal Payments to be made in respect of the Loans with respect to which such additional Bonds are to be issued.

(C) The Bank expressly reserves the right to adopt one or more other general obligation bond resolutions and reserves the right to issue Notes and any other obligations so long as the same are not a charge or lien on the Municipal Bonds, the Municipal Bonds Payments and the Fees and Charges or payable from the Debt Service Fund or the Reserve Fund created pursuant to this Resolution.

Section 913 - Loan Agreement Provisions. No Loan shall be made by the Bank from the proceeds of the sale of Bonds, and no Bonds shall be issued by the Bank for the purpose of providing funds with which to make a Loan, unless the Loan Agreement under which such Loan is to be made shall comply with, and no Bonds shall be issued by the Bank to fund Notes or to refund Bonds unless the Loan Agreement under which the Loan was made from the proceeds of such Notes or Bonds, shall also comply with, the following terms, conditions, provisions and limitations:

(a) The Governmental Unit which is a party to such Loan agreement must be a Governmental Unit as defined by the Resolution and the Loan Agreement must be executed in accordance with existing laws;

(b) The Governmental Unit, prior to or simultaneously with the issuance of Bonds of the Bank issued to make a Loan to the Governmental Unit, shall issue Municipal Bonds which are valid obligations of the Governmental Unit as required by the Act;

(c) The Municipal Bonds Interest Payments to be made by the Governmental Unit under such Loan Agreement shall be not less than the interest payments the Bank is required to make on the Loan Obligation and shall be scheduled by the Bank in such manner and at such times (notwithstanding the dates of payment as stated in the Municipal Bonds) as to provide funds sufficient to pay interest on the Loan Obligation as the same becomes due;

(d) The Municipal Bonds Principal Payments to be made by the Governmental Unit under such Loan Agreement shall be scheduled by the Bank in such manner and at such times (notwithstanding the dates of payment as stated in the Municipal Bonds) as to provide funds sufficient to pay the principal of the Loan Obligation as the same matures;

(e) The Governmental Unit shall be obligated to pay Fees and Charges to the Bank at the times and in the amounts which will enable the Bank to comply with the provisions of Section 910;

(f) The Governmental Unit shall agree that in the event the amounts referred to in paragraphs (c) and (d) are not paid by it to the Bank on or before the times specified in the Loan Agreement, any money payable to the Governmental Unit by any department or agency of the State shall be withheld from such Governmental Unit and paid over directly to the Trustee acting under the General Obligation Bond Resolution and that the said agreement shall be full warrant, authority and direction to make such payment to any official of the State responsible for such payment upon notice to such official by the Bank as provided in the Act:

(g) The Bank shall not sell and the Governmental Unit shall not redeem prior to maturity any of the Municipal Bonds with respect to which the Loan is made in an amount greater than the Outstanding Bonds issued with respect to such Loan which are then redeemable, and in the event of any such sale or redemption of such Municipal Bonds, the same shall be in an amount not less than the aggregate of (i) the principal amount of the Loan Obligation so to be redeemed, (ii) the interest to accrue on the Loan Obligation so to be redeemed to the next redemption date thereof not previously paid, (iii) the applicable premium, if any, payable on the Loan Obligation so to be redeemed, and (iv) the costs and expenses of the Bank in effecting the redemption of the Loan Obligation so to be redeemed; provided, however, that in the event the Loan Obligation has been refunded and the Refunding Bonds therefor were issued in a

principal amount in excess of or less than the Loan Obligation remaining unpaid at the date of issuance of such Refunding Bonds, the amount which the Governmental Unit shall be obligated to pay or the Bank shall receive under item (i) above shall be the principal amount of such Refunding Bonds Outstanding. In the event the Loan Obligation has been refunded and the interest the Bank is required to pay on the Refunding Bonds therefor is less than the interest that the Bank was required to pay on the Loan Obligation, the amount which the Governmental Unit shall be obligated to pay or the Bank shall receive under item (ii) above shall be the amount of interest to accrue on such Refunding Bonds Outstanding.

(h) The Governmental Unit shall give the Bank at least fifty (50) days' notice of intention to redeem its Municipal Bonds.

Section 914 - Modification of Loan Agreement Terms. The Bank shall not consent to the modification of, or modify, the rate or rates of interest of, or the amount or time of payment of any installment of principal of or interest on any Municipal Bonds evidencing a Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loan, or the security for or any terms or provisions of such Loan or the Municipal Bonds evidencing the same, in a manner which adversely affects or diminishes the rights of the Bondholders; provided, however, that, in the event the Loan Obligation is being or has been refunded and the Refunding Bonds therefor are in a principal amount in excess of or less than the principal amount of the Bonds refunded, the Bank may consent to the modification of and modify the Loan agreement relating to such Loan and the Municipal Bonds evidencing the same, and the Municipal Bonds Payments to be made thereunder so long as such Municipal Bonds Payments are sufficient in amount and payable at the times required for the payment of the principal of and interest on such Refunding Bonds, and further provided, however, that, in the event the Loan Obligation has been refunded and the interest the Bank is required to pay on the Refunding Bonds issued for the purpose of refunding such original Bonds is less than the interest the Bank was required to pay on such original Bonds refunded by the Bank, the Municipal Bonds Interest Payments to be made by the Governmental Unit in respect of such Loan may be reduced so that the amounts required to be paid shall be sufficient to pay interest on such Refunding Bonds Outstanding.

Section 915 - Sale of Municipal Bonds by Bank. The Bank shall not sell any Municipal Bonds except as provided in subsection (g) of Section 913.

Section 916 - Disposition of the Proceeds of Sale or Redemption of Municipal Bonds. In the event Municipal Bonds or other obligations securing a Loan shall be sold by the Bank or redeemed by the Governmental Unit in accordance with terms of the applicable Loan Agreement, the Bank shall, upon such sale by the Bank or redemption by the Governmental Unit, deposit the proceeds of such sale or redemption, except an amount thereof equal to the costs and expenses of the Bank in effecting the redemption of the Bonds to be redeemed, into the applicable sub-account or sub-accounts in the Redemption Account and shall apply the same to the purchase, retirement or redemption of the

appropriate Bonds in accordance with the provisions of this Resolution. The balance in such applicable sub-account or sub-accounts of such proceeds of sale or redemption of Municipal Bonds after the redemption of the Bonds to be redeemed shall be deposited in the Operating Fund.

Section 917 - Enforcement of Municipal Bonds. The Bank shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Loan Agreements and the Municipal Bonds evidencing Loans made by the Bank, including the prompt collection, and the giving of notice to the Commissioner of Revenue, Commissioner of Commerce, Community and Economic Development and the Commissioner of Administration and any other department or agency of the State which is custodian of any money payable to the Governmental Unit of any failure or default of the Governmental Unit in the payment of its Municipal Bonds Payment and shall promptly transfer any such monies, upon receipt thereof, to the Trustee and, in such event, or if such monies are paid directly to the Trustee, the Trustee shall deposit any such monies in the Principal Account and Interest Account in place of said unpaid Municipal Bonds Payment or in the event deficiencies in said Accounts created by such default shall have been made up by the Reserve Fund pursuant to paragraph (5) of Section 603, in the Reserve Fund to the extent of such deficiencies.

Section 918 - Continuing Disclosure; Bankruptcy. (A) The Bank hereby covenants and agrees that it will comply with and carry out all the provisions of each Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the Bank to comply with any Continuing Disclosure Certificate shall not be considered an Event of Default, and any Bondholder may take such actions only as may be provided in such Continuing Disclosure Certificate.

(B) The Bank hereby covenants and agrees that it will notify the Rating Agencies then rating the Bonds of any change in the Act which would permit it or require it to declare bankruptcy under the Bankruptcy Code.

Section 919 - Tax Covenants. The Bank shall not knowingly take or cause any action to be taken which would cause interest on any Bonds to become taxable for federal income tax purposes. The Bank shall at all times do and perform all acts and things necessary or desirable, including, but not limited to, complying with the rebate provisions of Section 148 of the Code, as applicable, and complying with the provisions of any letter of instructions from bond counsel, in order to assure that interest paid on Bonds shall, for purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from taxation. The Bank shall not permit at any time or times any proceeds of any Bonds or any amounts held hereunder to be used, directly or indirectly, in a manner which would result in the exclusion of any Bond from the treatment afforded by subsection (a) of Section 103 of the Code.

ARTICLE X

SERIES RESOLUTION AND SUPPLEMENTAL RESOLUTIONS

Section 1001 - Modification and Amendment without Consent. Notwithstanding any other provisions of this Article X, or Article XI, the Bank may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer:

(A) To provide for the issuance of a Series of Bonds pursuant to the provisions of this Resolution and to specify and determine such matters and things referred to in Article II of this Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(B) To add to the covenants and agreements of the Bank for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Bank contained in this Resolution;

(C) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Bank which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(D) To surrender any right, power or privilege reserved to or conferred upon the Bank by the terms of this Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Bank contained in this Resolution;

(E) To confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of this Resolution of the Municipal Bonds and Municipal Bonds Payments or of any other monies, securities or funds;

(F) To modify any of the provisions of this Resolution or any previously adopted Series Resolution in any other respect; provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such modified resolutions shall contain a specific reference to the modifications;

(G) To cure any ambiguity or defect or inconsistent provision in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Resolution as theretofore in effect.

Section 1002 - Supplemental Resolutions Effective with Consent of Bondholders. The provisions of this Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, with the consent of Bondholders in accordance with and subject to the provisions of Article XI

which Supplemental Resolution, upon the filing with the Trustee of a copy thereof, certified by an Authorized Officer and upon compliance with the Article XI, shall become fully effective in accordance with its terms as provided in said Article.

Section 1003 - General Provisions Relating to Series Resolutions and Supplemental Resolutions.

This Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the rights or obligations of the Bank to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 904 or the right or obligation of the Bank to execute and deliver to the Trustee or any Paying Agent any instrument which elsewhere in this Resolution it is provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by the Bank when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution and is valid and binding upon the Bank and enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditor's rights generally from time to time in effect).

The Trustee is hereby authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of this Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on Counsel's Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent may be adopted by the Bank without the written consent of the Trustee or Paying Agent affected thereby.

ARTICLE XI
AMENDMENTS

Section 1101 - Powers of Amendment. Any modification or amendment of this Resolution and of the rights and obligations of the Bank and of the Holders of the Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102, (a) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each

Series so affected and Outstanding at the time such consent is given; provided, however, that such modification or amendment shall not (i) permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or Sinking Fund Installment therefor, (ii) or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or (iii) a reduction of the percentage of the Holders of which is required to effect any such modification or amendment, or (iv) permit the creation of any lien prior to or on a parity with the lien created by this Resolution (except in the manner provided by this Resolution) or deprive the Holders of the Bonds of the lien created by this Resolution, without the consent of the Holders of all the Bonds Outstanding or of the Series of Bonds affected by such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series.

Section 1102 - Consent of Bondholders. (A) The Bank may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1101, to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto), together with a request to Bondholders for their consent thereto, shall be to by, or on behalf of, the Bank's to Bondholders. Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1101 and (b) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Bank in accordance with the provisions of this Resolution, is authorized or permitted hereby and is valid and binding upon the Bank and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as hereinafter provided in this Section.

(B) The consent of a Bondholder to any modification or amendment shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 813. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 813 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (regardless of whether such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the holder of such Bonds giving such consent or a subsequent holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 813. The fact that a consent has not been revoked may likewise be proved

by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee.

(C) At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Bank and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution adopted by the Bank on a stated date, a copy of which is on file with the Trustee, has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, may be given to Bondholders by the Bank by mailing such notice to Bondholders at least once not more than ninety days (90) after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed. The Bank shall file with the Trustee proof of the publication of such notice and, if the same shall have been mailed to Bondholders, of the mailing thereof. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Bank, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for purpose commenced within such forty day period; except that any Fiduciary and the Bank during such forty day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Section 1103 - Modifications by Unanimous Consent. The terms and provisions of this Resolution and the rights and obligations of the Bank and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by the Bank of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 1102, except that no notice to Bondholders either by mailing or publication shall be required provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee or Paying Agents without the filing with the Trustee of its written assent thereto in addition to the consent of Bondholders.

Section 1104 - Mailing and Publication. Any provision in this Article for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of

the Bank, (ii) to each Holder of any Bond payable to bearer who shall have filed with the Trustee an address for notices, and (iii) to the Trustee.

Section 1105 - Exclusion of Bonds. Bonds owned or held by or for the account of the Bank shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Resolution, and the Bank shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Resolution. At the time of any consent or other action taken under this Resolution, the Bank shall furnish the Trustee a certificate of an authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 1106 - Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article X or XI provided may, and if the Trustee so determines, shall, bear notation by endorsement or otherwise in form approved by the Bank and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the corporate trust office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the Bank or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Bank to conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XII DEFAULTS AND REMEDIES

Section 1201 - Trustee to Exercise Powers of Statutory Trustee. The Trustee shall be and hereby is vested with all of the rights, powers and duties of a trustee appointed by Bondholders pursuant to Section 44.85.310 and 320 of the Act and the right of Bondholders to appoint a trustee pursuant to Section 44.85.310 and 320 of the Act is hereby abrogated pursuant to Section 44.85.220(18) of the Act.

Section 1202 - Events of Default. Each of the following events is hereby declared an "Event of Default," that is to say; if

(a) the Bank shall default in the payment of the principal or Redemption Price of, Sinking Fund Installment for, or interest on, any Bond when and as the same shall become due whether at maturity or upon call for redemption, or otherwise; or

(b) the Bank shall fail or refuse to comply with the provisions of Section 44.85.270(g) of the Act, or such amounts as shall be certified by the Chair of the Bank to the Governor and to the Legislature pursuant to such provisions of the Act shall not be appropriated and paid to the Bank prior to the termination of the then current State fiscal year; or

(c) the Bank shall fail or refuse to comply with the provisions of the Act, other than as provided in (b) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in this Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds.

Provided, however, that an Event of Default shall not be deemed to exist under the provisions of this paragraph (c) upon the failure of the Bank to make and collect Fees and Charges required to be made and collected by the provisions of this Resolution or upon the failure of the Bank to enforce any obligation undertaken by a Governmental Unit pursuant to a Loan Agreement including the making of the stipulated Municipal Bonds Payment so long as the Bank may otherwise be directed by law and so long as the Bank shall be provided with monies from the State or otherwise, other than withdrawals from or reimbursements of the Reserve Fund, sufficient in amount to pay the principal of and interest on all Bonds as the same shall become due during the period for which the Bank shall be directed by law to abstain from making and collecting such Fees and Charges and from enforcing the obligations of a Governmental Unit under the applicable Loan Agreement.

Section 1203 - Remedies. (A) Upon the happening and continuance of any Event of Default specified in paragraph (a) of Section 1202, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in paragraphs (b) and (c) of Section 1202, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Bank to make and collect Fees and Charges and Municipal Bonds Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Municipal Bonds Payments, and other properties and to require the Bank to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(2) by bringing suit upon the Bonds;

(3) by action or suit in equity, require the Bank to account as if it were the trustee of an express trust for the Holders of the Bonds;

(4) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds;

(B) Upon the occurrence of an Event of Default under Section 1202(a), unless the principal of all the Bonds shall have already become due and payable, the Trustee, by notice in writing to the Bank, may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, shall, in accordance with the provisions of the Act, declare the principal of all the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Resolution or in the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered, the Bank shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal at the rate borne by the respective Bonds, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Holders of at least a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Bank and to the Trustee, may, on behalf of the Holders of all of the bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(C) In the enforcement of any remedy under this Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Bank for principal, Redemption Price, interest or otherwise, under any provision of this Resolution or a Series Resolution or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce a judgment or decree against the Bank for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any monies available for such purpose, in any manner provided by law, the monies adjudged or decreed to be payable.

Section 1204 - Priority of Payments After Default. During the continuance of an Event of Default, in the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call

for redemption) and any other monies received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this Resolution, shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with interest on overdue installments of interest and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

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

Whenever monies are to be applied by the Trustee pursuant to the provisions of this Section 1204, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such monies with the Paying Agents, or otherwise setting aside such monies in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Bank, to any Bondholder or to any other person for any delay in applying any such monies, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be

applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such monies, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any unpaid Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid. Interest on overdue installments of interest shall be equal to the rate on the Bond as to which the interest installment is overdue.

The provisions of this Section 1204 are in all respects subject to the provisions of Section 902.

Section 1205 - Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 1206 - Bondholders' Direction of Proceedings. Anything in this Resolution to the contrary notwithstanding, the Holders of the majority in principal amount of the Bonds then Outstanding shall have the right by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise then in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to following any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 1207 - Limitation on Rights of Bondholders. No Holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Resolution or any right under law unless such Holder shall have given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Resolution or for any other remedy hereunder or

under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder or under law with respect to the Bonds or this Resolution, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds. Notwithstanding the foregoing provisions of this Section or any other provisions of this Article XII, the obligation of the Bank shall be absolute and unconditional to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Holders to enforce such payment.

Section 1208 - Possession of Bonds by Trustee Not Required. All rights of action under this Resolution or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds, subject to the provisions of this Resolution.

Section 1209 - Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 1210 - No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Resolution to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 1211 - Notice of Event of Default. The Trustee shall give to the Bondholders notice of each Event of Default hereunder known to the Trustee within ninety (90) days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the principal or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the Debt Service Fund or the Reserve Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondholders. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof: (1) to all registered Holders of Bonds, as the names and addresses of such Holders appear upon the books for registration and transfer of Bonds as kept by the Trustee; (2) to such Bondholders as have

filed their names and addresses with the Trustee for that purpose; and (3) to such other persons as is required by law.

ARTICLE XIII
DEFEASANCE

Section 1301 - Defeasance. (A) If the Bank shall pay or cause to be paid to the Holders of the Bonds, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Resolution, and also shall pay or cause to be paid all other sums payable hereunder by the Bank, including any amounts payable to the United States, then the pledge of any revenues and assets hereby pledged and all other rights granted hereby shall, at the election of the Bank (evidenced by a certificate of an Authorized Officer filed with the Trustee, signifying the intention of the Bank to discharge all such indebtedness and this Resolution and any Supplemental Resolution), and notwithstanding that any Bonds shall not have been surrendered for payment, be discharged and satisfied. In such event, the Trustee shall, upon the written request of the Bank, execute and deliver to the Bank all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Bank all moneys or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(B) If funds shall have been set aside and shall be held in trust by Fiduciaries for the payment of principal, interest and Redemption Price (through deposit by the Bank of funds for such payment or redemption or otherwise) at the maturity or upon the date upon which such Bonds have been duly called for redemption thereof, such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section. All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Bank shall have given to the Trustee in form satisfactory to it irrevocable instructions to publish as provided in Article IV notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either funds in an amount which shall be sufficient, or Investment Securities which are not subject to redemption prior to the dates on which amounts will be needed to make payments on the Bonds defeased and the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient in the opinion of an Accountant delivered to the Trustee, to pay when due the principal or Redemption Price, if any, and interest due and to become due on said Bonds on any date prior to the redemption date or maturity date thereof, as the case may be, (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Bank shall have given the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the Holders of such Bonds that

the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of said Bonds and (iv) a Counsel's Opinion stating that all conditions precedent to the satisfaction and discharge of this Resolution have been complied with, the defeasance complies with the terms of this Resolution, and the defeasance will not adversely affect the tax status of the Bonds. Neither Investment Securities or moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Bank, as received by the Trustee, free and clear of any trust, lien or pledge.

(C) If, through the deposit of moneys by the Bank or otherwise, the Fiduciaries shall hold, pursuant to this Resolution, moneys sufficient to pay the principal and interest to maturity on all Outstanding Bonds or to pay, in the case of Bonds in respect of which the Bank shall have taken all action necessary to redeem prior to maturity, the Redemption Price and interest to such redemption date, then at the written request of the Bank all moneys held by any Paying Agent shall be paid over to the Trustee and, together with other moneys held by it hereunder, shall be held by the Trustee for the payment or redemption of Outstanding Bonds.

(D) Anything in this Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for one year after the date when all of the Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for one year after the date of deposit of such moneys if deposited with the Fiduciary after the said date when all of the Bonds became due and payable, shall be repaid by the Fiduciary to the Bank, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged.

(E) The references in this section to "Investment Securities described in clause (1) of the definition thereof" shall include only direct and general obligations of the United States which are not-callable prior to the scheduled maturity in the related escrow deposit agreement where the Outstanding Bonds to be deemed to be paid upon the deposit thereof are insured by a municipal bond insurance company licensed and authorized to issue the policy in the State.

ARTICLE XIV
MISCELLANEOUS

Section 1401 - Preservation and Inspection of Documents. All documents received by the Trustee or any Paying Agent under the provisions of this Resolution or any Series Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Bank, the Trustee or any Paying Agent and, after written request received by the Trustee at least five business days prior to the date of inspection, by any Holder of five percent in principal amount of any Series of Outstanding Bonds, and their agents and representatives, any of whom may make copies thereof.

Section 1402 - Parties of Interest. Nothing in this Resolution or in any Series Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Bank, Trustee, Paying Agents and the Holders of the Bonds, remedies or claims under or by reason of this Resolution or any Series Resolution or any covenants, conditions or stipulations thereof; and all covenants, stipulations, promises and agreements in this Resolution and any Series Resolution contained by or on behalf of the Bank shall be for the sole and exclusive benefit of the Bank, Trustee and Paying Agents and the Holders from time to time of the Bonds.

Section 1403 - No Recourse Under Resolution or on Bonds. All covenants, stipulations, promises, agreements and obligations of the Bank contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Bank and not of any member, officer or employee of the Bank in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption price of or interest on the Bonds or for any claim based thereon or on this Resolution against any member, officer or employee of the Bank or any natural person executing the Bond.

Section 1404 - Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations, provided in this Resolution on the part of the Bank, Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Resolution.

Section 1405 - Headings. Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for

convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 1406 - Conflict. All resolutions or parts of resolutions or other proceedings of the Bank in conflict herewith be and the same are repealed insofar as such conflict exists.

Section 1407 - Governing Law. This Resolution and the Bonds shall be construed in accordance with, and governed by, the laws of the State of Alaska.

Section 1408 - Effective Date. This Resolution shall take effect immediately upon its adoption.

**ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2013-02**

**FIRST SUPPLEMENTAL RESOLUTION AUTHORIZING MODIFICATIONS
TO THE 2005 GENERAL OBLIGATION BOND RESOLUTION
OF THE ALASKA MUNICIPAL BOND BANK**

WHEREAS, the Board of Directors of the Alaska Municipal Bond Bank (the "Bank") by Resolution entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended August 19, 2009 (the "Resolution"), has created and established an issue of Bonds of the Bank; and

WHEREAS, the Resolution authorizes the issuance of said Bonds in one or more series pursuant to a Series Resolution authorizing each such series; and

WHEREAS, the Resolution authorizes modifications of any of the provisions of the Resolution provided that such modifications shall not be effective until all Bonds of any Series of Bonds Outstanding as of the date of such Supplemental Resolution shall cease to be Outstanding; and

WHEREAS, it has been determined to be in the best interests of the Bank to make certain modifications to the Resolution; and

WHEREAS, it is the purpose of this First Supplemental Resolution to modify the terms of the Resolution as follows: (i) to authorize the Trustee to release to the Bank, amounts held in the Reserve Fund which exceed the Required Debt Service Reserve whenever there is a reduction in the Required Debt Service Reserve, (ii) to require the Trustee to withdraw earnings and profits realized in the Reserve Fund, and to provide such amounts to the Bank, on or before June 30 of each year, so long as the balance therein equals the Required Debt Service Reserve, (iii) to allow for certain amendments and modifications to the Resolution to be effective upon securing the consent of Holders of at least two-thirds in principal amount of Bonds then Outstanding, and (iv) to establish that consent of Holders of Bonds, when required under the terms of the Resolution, includes the consent of an underwriter or purchaser of a Series of Bonds at the time such Bonds are issued;

WHEREAS, in order to provide for the modifications to the Resolution, the Bank has authorized the delivery of this First Supplemental Resolution;

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

**ARTICLE I
AUTHORITY AND DEFINITIONS**

Section 101 — First Supplemental Resolution.

This First Supplemental Resolution (the "Supplemental Resolution") is adopted in accordance with the provisions of the Resolution and pursuant to the authority contained in the Act.

Section 102 - Definitions.

In this Supplemental Resolution, unless otherwise defined herein, all capitalized terms herein shall have the same meanings, respectively, as such terms are given in Article I of the Resolution.

- (1) "Effective Date" means the date this Supplemental Resolution is adopted by the Bank.

**ARTICLE II
MODIFICATIONS TO THE RESOLUTION**

Section 201 — Authority to Modify the Resolution.

The Resolution, at Section 1001(F), authorizes the modification of any of the provisions of the Resolution, effective only after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution shall cease to be Outstanding, and all Bonds issued thereafter shall contain a specific reference to the modifications.

Section 202 - Modifications.

(a) Reduction of Required Debt Service Reserve. This Supplemental Resolution authorizes the Trustee to release to the Bank amounts held in the Reserve Fund which exceed the Reserve Fund Requirement whenever there is a reduction in the Required Debt Service Reserve. The Bank agrees that any amounts released to it shall be used in a manner which will not adversely impact the tax exempt status of any Bonds issued pursuant to the terms of the Resolution. The Trustee shall have no duty or obligation to monitor or determine whether the Bank's use of funds released from the Reserve Fund adversely impacts the tax exempt status of any Bonds.

Sections 604(C)(1) and 607 of the Resolution are hereby modified as set forth on Schedule A-1 hereto, effective after all Bonds issued prior to the Effective Date shall

cease to be Outstanding and satisfaction of the requirements set forth in Section 203 hereof.

(b) Withdrawal of Income and Interest Earned, and Profits Realized in the Reserve Fund. Section 603(C) of the Resolution authorizes the Trustee to withdraw from the Reserve Fund amounts derived from income or interest earned and profits realized and to pay to the Bank such amounts on or before December 31 of each year subject to certain condition set forth therein.

This Supplemental Resolution modifies Section 603(C) to require that income or interest earned and profits realized from investments in the Reserve Fund be withdrawn by the Trustee and paid to the Bank on or before June 30 of each year.

Section 603(C) of the Resolution is hereby modified as set forth in Schedule A-2 hereto, effective after all Bonds issued prior to the Effective Date shall cease to be Outstanding and satisfaction of the requirements set forth in Section 203 hereof.

(c) Powers of Amendment. Section 1101 of the Resolution authorizes modifications to, and amendments of, the Resolution subject to, among other things, the written consent of the Bondholders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given.

This Supplemental Resolution modifies Section 1101 of the Resolution to allow modifications to, and amendments of, the Resolution, subject to the remaining requirements set forth in Section 1101, effective upon the written consent of Bondholders of at least two-thirds in principal amount of Bonds then Outstanding.

Section 1101 of the Resolution is hereby modified as set forth in Schedule A-3 hereto, effective after all Bonds issued prior to the Effective Date shall cease to be Outstanding and satisfaction of the requirements set forth in Section 203 hereof.

(d) Consent of Underwriters or Purchasers of Bonds. This Supplemental Resolution modifies Article XI of the Resolution by adding Section 1107, providing that for all purposes of Article XI and Article X of the Resolution, an underwriter or purchaser of a Series of Bonds may consent to a modification of, or amendment to, the Resolution as Bondholder of such Bonds at the time such Series of Bonds is issued.

Article XI of the Resolution is hereby modified as set forth on Schedule A-4 hereto, effective after all Bonds issued prior to the Effective Date shall cease to be Outstanding and satisfaction of the requirements set forth in Section 203 hereof.

Section 203 — Effective Date.

The modifications of the Resolution as set forth in this Article II shall take effect upon (i) the filing with the Trustee of a copy of this Supplemental Resolution adopted by the Bank, certified by an Authorized Officer, (ii) the Bonds of each Series Outstanding as of the Effective Date of this Supplemental Resolution shall cease to be Outstanding, and (iii) the delivery to the Trustee of an Opinion of Counsel as required by Section 1003 of the Resolution. In addition, *Bonds* issued after the Effective Date *shall* include language specifically referring to this Supplemental Resolution and the modifications to the Resolution authorized herein.

ARTICLE III
MISCELLANEOUS

Section 304 - Chairman and Executive Director.

The Chairman and the Executive Director are each hereby authorized to execute all documents and to take any action necessary or desirable to carry out the provisions of this Supplemental Resolution.

Section 305 — Effective Date.

This Supplemental Resolution is hereby approved and adopted by the Bank this 19th day of February, 2013, which shall be the Effective Date as defined herein.

MODIFICATION TO THE RESOLUTION

SCHEDULE A-1

Release of Amounts Held in the Reserve Fund

[Strike-out = deletions; double underscore = insertions.]

1. Section 504(C)(1) of the Resolution is hereby modified to read as follows:

(C) The Trustee shall establish in the Redemption Account a separate sub-account for the Bonds of each Series Outstanding.

(1) Any monies deposited into the Redemption Account from any source other than pursuant to ~~Section 607~~ or Section 916 shall be applied to the purchase or redemption of Bonds in a manner to be determined by the Bank in accordance with Article IV. ~~Any monies deposited into the Redemption Account pursuant to Section 607 shall be applied to the purchase or redemption of Reserve Fund Obligations in a manner to be determined by the Bank in accordance with Article IV.~~

2. Section 607 of the Resolution is hereby modified to read as follows:

Section 607 - Reduction of Required Debt Service Reserve. Whenever the Required Debt Service Reserve is reduced and the amount on deposit in the Reserve Fund exceeds of the Required Debt Service Reserve is reduced, the Trustee shall, only upon the written request of the Bank signed by an Authorized Officer, shall withdraw such excess amounts from any amounts on deposit in the Reserve Fund and provide the Bank with such amounts free and clear of any lien or pledge created by the Resolution, deposit in the Redemption Account any amount not exceeding the amount of such reduction of the Required Debt Service Reserve. The amount to be withdrawn from the Reserve Fund in each instance pursuant to the provisions of this paragraph shall be determined by the Bank and the amount thereof certified to the Trustee in writing signed by an Authorized Officer. The Bank agrees that any amounts released to it pursuant to this Section 607 shall be used in a manner which will not adversely impact the tax exempt status of the Bonds issued pursuant to the terms of the Resolution.

SCHEDULE A-2

Modification to Section 603(C) - Withdrawals from the Reserve Fund

[Strike-out = deletions; double underscore = insertions.]

Section 603(C) of the Resolution is hereby modified to read as follows:

(C) On or before ~~December 31~~ June 30 of each year, after complying with the provisions of paragraphs (1) and (2) above to the extent required by such date, the Trustee shall withdraw from the Reserve Fund, any amount remaining therein derived from income or interest earned and profits realized by the Reserve Fund due to the investment thereof, and pay over said amount to the Bank for deposit in the Operating Fund but only to the extent that there remains after such withdrawal an amount in the Reserve Fund at least equal to the Required Debt Service Reserve.

SCHEDULE A-3

Modification to Section 1101 — Powers of Amendment

[Strike-out= deletions; double underscore insertions.]

Section 1101 of the Resolution is hereby modified to read as follows:

Section 1101 - Powers of Amendment. Any modification or amendment of this Resolution and of the rights and obligations of the Bank and of the Holders of the Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102, (a) of the Holders of at least two-thirds in principal amount of the Bonds then Outstanding ~~at the time such consent is given~~, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and then Outstanding ~~at the time such consent is given~~; provided, however, that such modification or amendment shall not (i) permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or Sinking Fund Installment therefor, (ii) or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or (iii) a reduction of the percentage of the Holders of which is required to effect any such modification or amendment, or (iv) permit the creation of any lien prior to or on a parity with the lien created by this Resolution (except in the manner provided by this Resolution) or deprive the Holders of the Bonds of the lien created by this Resolution, without the consent of the Holders of all the Bonds Outstanding or of the Series of Bonds affected by such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series.

SCHEDULE A-4

Consent of Underwriter or Purchaser Modification

[Strike-out = deletions; double underscore = insertions.]

Article XI of the Resolution is modified by addition of Section 1107 to read as follows:

Section 1107 – Underwriter or Purchaser as Bondholder of Bonds.
For all purposes of this Article XI and of Article X, an underwriter or purchaser of a Series of Bonds may consent to an amendment of this Resolution, as a Bondholder of such Bonds at the time such Series of Bonds is issued.

APPENDIX F

INFORMATION CONCERNING THE STATE OF ALASKA

The information concerning the State of Alaska (“Alaska” or the “State”) set forth in this Appendix 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 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.

General

Although payments made by the Governmental Units on their Municipal Bonds are the primary security for the payment of principal of and interest on the Bonds, including the 2025 Series One and Two Bonds, the Bond Bank also maintains the Reserve Fund as additional security for the payment of the Bonds. The Bond Bank is required under the Act to annually report the sufficiency of and to seek appropriations from the Legislature to replenish the Reserve Fund if needed. The State is not obligated to make such appropriation. Starting in fiscal year 2010, the Bond Bank has been obligated by the 2005 General Bond Resolution to seek an annual appropriation from the State’s General Fund for the Reserve Fund, in the event of a deficiency due to a payment default. From fiscal year 2010, and each subsequent year including the current fiscal year 2025, the Bond Bank has obtained an annual appropriation from the State’s General Fund to replenish the Reserve Fund, which includes the Bond Bank reserve account under the 2016 Master Bond Resolution in the event of a deficiency due to a payment default. No such defaults have occurred and none of the replenishment appropriation has been used. During these same years the Bond Bank has obtained an appropriation for any earnings on reserve accounts held by the Bond Bank in excess of the Bond Bank’s operating expenses for the most recent fiscal year; the Act otherwise would require such earnings to be appropriated to the State’s General Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—2005 General Bond Resolution Reserve Fund” in the front of this Official Statement and “—Government Budgets and Appropriations” below.

Alaska is a sovereign state of the United States of America, located in the far northwest of North America to the west of Canada, with its southeastern border approximately 500 miles north of the State of Washington. Alaska became a state in 1959. The State’s population grew each year and increased approximately 6.5 percent between fiscal year 2008 and fiscal year 2016 to an estimated population of 742,874; however, since 2016 the population has moderately contracted by approximately 0.2 percent with a population estimate of 741,147 (2024 preliminary and adjusted estimates, Alaska Department of Labor and Workforce Development, Research & Analysis Section).

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state of the United States (roughly equivalent in size to one-fifth of all of the other 49 states combined). Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. As described below, most of the State’s revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and investment income on securities in funds owned by the State.

State Government

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.

Alaska government has three branches: 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 is prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides or funds 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.

There are 19 organized boroughs in Alaska and 145 cities, 49 of which are located within an organized borough and 96 of which are located within the unorganized borough. Of these, 15 boroughs and 21 cities impose property taxes, and 9 boroughs and 94 cities impose general sales taxes.

State Revenues

The State does not currently impose personal income taxes and has never imposed statewide general sales taxes or statewide property tax with the exception of taxation of certain oil and gas activities and properties. The State does, however, impose a number of business-related taxes that, together with rents and royalties and fines and fees, represented nearly 100 percent of designated and unrestricted non-investment General Fund revenue in the State’s fiscal year 2024. Grants, contributions, and other revenue from the federal government and interest and investment income represent the remaining portions of State revenue.

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood, and tourism. Approximately 23.9 percent of the State’s total nonfarm employment is derived from government (including federal, state, and local). Other major industries in Alaska include the educational (private) and health services industry, making up 15.8 percent, trade, transportation, and utilities, making up 19.9 percent and the leisure and hospitality industry, making up 10.8 percent of total nonfarm employment (Alaska Department of Labor and Workforce Development, Research & Analysis, Preliminary and adjusted estimates; 2024 Annual Average). The State’s unemployment rate in December 2024 was 4.7 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.

The Department of Revenue releases a formal revenue forecast for the State twice per year. The revenue forecast is intended to be a policy neutral document that provides fundamental data and information to inform the public and aid decision makers. The revenue sources book published each fall is the comprehensive annual forecast released in December, and the revenue forecast published in the spring is an annual, partial update of the revenue sources book published in the preceding fall. The most recent revenue forecast comes from the Spring 2025 Revenue Forecast (the “Spring 2025 Revenue Forecast”), released by the Department of Revenue on March 12, 2025. The next forecast update, the Fall 2025 Revenue Sources Book and Forecast, is anticipated to be released in December 2025. Once delivered, the revenue forecasts can be found on the Department of Revenue’s website (which is not incorporated herein by reference).

The Spring 2025 Revenue Forecast reflects a modest increase in expected unrestricted General Fund revenue for fiscal year 2025 and a decrease in fiscal year 2026, compared to the Fall 2024 Revenue Sources Book and Forecast, released by the Department of Revenue on December 12, 2024 (the “Fall 2025 Revenue Forecast”). The revisions to unrestricted General Fund revenue contained in the Spring 2025

Revenue Forecast are largely a function of the Alaska North Slope (“ANS”) annual oil price forecast increasing by \$0.62 in fiscal year 2025 and decreasing by \$2.00 per barrel in fiscal year 2026. The ANS oil production forecast has been adjusted to 466.8 thousand barrels of oil per day for fiscal year 2025 and 464.0 thousand barrels of oil per day for fiscal year 2026, representing an increase of approximately 200 barrels of oil per day for fiscal year 2025 and a decrease of approximately 5,500 barrels of oil per day for fiscal year 2026 when compared to the Fall 2025 Revenue Sources Book and Forecast.

The Fall 2023 Revenue Forecast, released December 14, 2023, included the most recent forecast for federal revenue related to the IJA, as of November 30, 2023, and has not been updated since that date. The IJA, passed by Congress in November 2021, included \$550 billion in investments for transportation, water, power and energy, environmental remediation, broadband and cybersecurity, carbon reduction, and resilience. The legislation targets disadvantaged communities, a designation which applies to most of Alaska. It was originally estimated that State, local governments, tribes, and other organizations in the State could receive a total of nearly \$5 billion in funding over fiscal years 2023-2027 as a result of the legislation, some of which would represent overall increases to State revenue from federal funding. However, as of November 30, 2023, the total State revenue, including overall increases and discretionary grants, is estimated at \$5.4 billion. These include \$1 billion for a new Broadband Equity, Access, and Development Program; \$136 million for the Clean Water State Revolving and Drinking Water State Revolving Funds; and \$53 million for the Alaska Energy Authority’s (“AEA”) State Energy Program, Energy Efficiency and Revolving Loan Fund, Energy Efficiency and Conservation, and Weatherization Assistance Program. The Department of Transportation and Public Facilities (“DOTPF”) also received \$165 million for airport terminal upgrades and increased airport safety, and \$239 million for ferry service for rural communities.

The State also received funding for the Carbon Reduction Program, Restoring Fish Passage Program, Abandoned Mine Reclamation Fund, Port Infrastructure Development Program, Emerging Contaminants in Small or Disadvantaged Communities Grant Program, and Community Wildfire Defense Grant Program. The State, local governments, tribes, and other entities are regularly partnering on applications for discretionary IJA funding grants. Award announcements are made on a rolling basis and Alaska is number one in per capita funding under IJA. There can be no assurance that federal grants currently available to the State will not decrease or cease and grant awards are subject to amendment or repeal.

The Inflation Reduction Act, passed by Congress in August 2022 (the “IRA”), provides \$369 billion to address climate related issues by expanding tax credits for clean energy and electric vehicles, boosting energy efficiency, establishing a national climate bank, supporting climate smart agriculture, supporting production of sustainable aviation fuel, reducing air pollution at ports, among other items. Nearly three quarters of the IRA’s climate change investment (\$270 billion) is delivered through tax incentives and will have no impact on the State’s spending or federal revenue. The federal funds forecast was included in the Fall 2024 Revenue Forecast, and included \$74.5 million total across federal fiscal years 2022-2031 to support a Home Energy Rebate program, and no additional effects to State revenues from the IRA were reflected in the Fall 2024 Revenue Forecast.

The federal tax incentives included in the IRA could provide material support for some new projects in Alaska. For example, expanded tax credits for carbon sequestration projects could provide incentives for projects in Alaska that would otherwise not be viable. The Department of Revenue continues to monitor these incentives for potential State revenue impacts.

The Alaska Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation-proofing. The principal portion of the Permanent Fund, which was approximately \$71.4 billion as

of January 31, 2025, unaudited, may not be spent without amending the State Constitution. The balance of the Permanent Fund Earnings Reserve, which was approximately \$9.4 billion as of January 31, 2025, unaudited, may be appropriated by a majority vote of the Legislature. See “—Government Funds—*The Alaska Permanent Fund*”. In 2018, the Legislature enacted Senate Bill 26 (“SB 26”), which directs the State to appropriate amounts through a Percent of Market Value transfer (“POMV”) from the Earnings Reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue. The amount in the Permanent Fund Earnings Reserve as of January 31, 2025, includes approximately \$3.8 billion committed to the State’s General Fund pursuant to SB 26 for the succeeding fiscal year, and \$1.0 billion for current fiscal year inflation proofing.

In fiscal year 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 transfers 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 transfers from the Permanent Fund Earnings Reserve was reduced to 5.00 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. 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 these annual transfers to the General Fund as unrestricted revenue in their monthly history and projections report, as reflected in Table 3. 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 and \$3.8 billion to General Revenue in fiscal years 2025 and 2026, respectively. 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.

Historically, petroleum-related revenue was the largest source of unrestricted revenue for the General Fund. In fiscal year 2018 approximately 80 percent of total unrestricted General Fund revenue was generated from oil production. As a result of SB 26 percentage of unrestricted General Fund revenue that petroleum-related revenue represented was reduced to approximately 38 percent in fiscal year 2019, 24 percent in fiscal year 2020, 25 percent in fiscal year 2021, 50 percent in fiscal year 2022, 44 percent in fiscal year 2023, and 37 percent in fiscal year 2024. In the Spring 2025 Revenue Forecast, the State forecasts the percentage of unrestricted General Fund revenue that petroleum-related revenue represents to be approximately 30 percent in fiscal year 2025 and 27 percent in fiscal year 2026.

In the Spring 2025 Revenue Forecast, the State forecasted general purpose unrestricted revenue to be approximately \$6,229.0 million in fiscal year 2025 and \$6,128.6 million in fiscal year 2026, compared to \$6,631.2 million in fiscal year 2024, \$7,066.0 million in fiscal year 2023, and \$6,939.2 million in fiscal year 2022.

In the Spring 2025 Revenue Forecast, the State forecasts that ANS oil prices will average \$74.48 in fiscal year 2025 and \$68.00 in fiscal year 2026, compared to actual prices averaging \$85.24 in fiscal year 2024, \$86.63 in fiscal year 2023, \$91.41 in fiscal year 2022 and \$54.14 in fiscal year 2021. The State forecasts that ANS production will average approximately 466.8 thousand barrels of oil per day in fiscal year 2025 and 464.0 thousand barrels of oil per day in fiscal year 2026, compared to 461.0 thousand barrels of oil per day in fiscal year 2024, 479.4 thousand barrels of oil per day in fiscal year 2023, 476.5 thousand barrels of oil per day in fiscal year 2022 and 486.1 thousand barrels of oil per day in fiscal year 2021. In the Spring 2025 Revenue Forecast, the State forecasts ANS oil prices and production and general-purpose unrestricted revenue through fiscal year 2035. See Table 4.

Oil and Gas Revenues. The State’s unrestricted General Fund revenues have historically been generated primarily from petroleum production activities. The State receives petroleum revenues (some of which are restricted) from four sources: oil and gas property taxes, oil and gas production taxes, oil and gas royalties, and corporate income taxes.

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Oil and gas reserves, oil or gas leases, the rights to explore or produce oil or gas, and intangible drilling expenses are not considered taxable property under the statute. The most notable properties that are subject to this tax are the Trans-Alaska Pipeline System, including the terminal at Valdez (“TAPS”) and the field production systems at Prudhoe Bay. The assessed value of all existing properties subject to this tax was approximately \$32.2 billion as of January 1, 2024, \$30.4 billion as of January 1, 2023, \$28.6 billion as of January 1, 2022, \$28.2 billion as of January 1, 2021, and \$29.0 billion as of January 1, 2020.

Property taxes on exploration property are based upon estimated market value of the property. For property taxes on production property, values are based upon replacement cost, less depreciation based on the economic life of the proven reserves (or the economic limit in the case of taxes on offshore platforms or onshore facilities). The amount collected from property taxes on existing production property is expected to decrease in the future. For property taxes on pipeline transportation property (primarily TAPS property), values are determined based upon the economic value, taking into account the estimated life of the proven reserves of gas or unrefined oil expected to be transported by the pipeline and replacement cost, less depreciation based on the economic life of the reserves.

When the oil and gas property is located within the jurisdiction of a municipality, the municipality may also levy a tax on the property at the same rate the municipality taxes all other non-oil and gas property. The tax paid to a municipality on oil and gas property acts as a credit toward the payment to the State. Of the \$643.2 million of gross tax levied in fiscal year 2024 on oil and gas property in the State, the State’s share was approximately \$133.0 million. In the Spring 2025 Revenue Forecast, the State forecasts income from the oil and gas property tax to be approximately \$141.1 million in fiscal year 2025 and \$141.6 million in fiscal year 2026.

Revenue from oil and gas property taxes is deposited in the General Fund; however, the State Constitution requires that settlement payments received by the State after a property tax assessment dispute be deposited in the Constitutional Budget Reserve Fund (the “CBRF”). In fiscal years 2023 and 2024, \$196.0 million and \$3.1 million, respectively, in total tax and royalty settlements were deposited into the CBRF, and in the Spring 2025 Revenue Forecast, the State forecasts tax and royalty settlements to be \$20.0 million in fiscal year 2025 and \$70.0 million in fiscal year 2026. See “—Government Funds—The Constitutional Budget Reserve Fund” below.

Oil and Gas Production Taxes. The State levies a tax on oil and gas production income generated from production activities in the State. The tax on production is levied on sales of all onshore oil and gas production, except for federal and State royalty shares and on offshore developments within three miles of shore.

The oil and gas production tax can be a significant source of revenue and in many past years has been the State’s single largest source of revenue. The production tax is levied differently based upon the type of production (oil versus gas) and the geographical location (North Slope versus Cook Inlet, the State’s two producing petroleum basins).

For North Slope oil and export gas, the tax uses the concept of “Production Tax Value” (“PTV”), which is the gross value at the point of production minus lease expenditures. PTV is similar in concept to net profit, but different in that all lease expenditures can be deducted in the year incurred; that is, capital expenditures are not subject to a depreciation schedule. The production tax rate is 35 percent of PTV with an alternative minimum tax of 0 percent to 4 percent of gross value, with the 4 percent minimum tax applying when average ANS oil prices for the year exceed \$25 per barrel.

Several tax credits and other mechanisms are available for North Slope oil production to provide incentives for additional investment. A per-taxable-barrel credit is available, which is reduced progressively from \$8 per barrel to \$0 per barrel as wellhead value increases from \$80 per barrel to \$150 per barrel. A company that chooses to take this credit may not use any other credits to reduce tax paid to below the gross minimum tax. An additional incentive applies for qualifying new production areas on the North Slope. The so-called “Gross Value Reduction” (“GVR”) allows a company to exclude 20 percent or 30 percent of the gross value for that production from the tax calculation. Qualifying production includes areas surrounding a currently producing area that may not be commercial to develop, as well as new oil pools. Oil that qualifies for this GVR receives a flat \$5 per-taxable-barrel credit rather than the sliding-scale credit available for most other North Slope production. As a further incentive, this \$5 per-taxable-barrel credit can be applied to reduce tax liability below the minimum tax. The GVR is available only for the first seven years of production and ends early if ANS prices exceed \$70 per barrel for any three years.

Effective January 1, 2022, for North Slope export gas, the tax rate is 13 percent of gross value at the point of production. Currently, only a very small amount of gas is technically export gas, which is sold for field operations in federal offshore leases. However, this tax rate would apply to any major gas export project developed in the future.

For the North Slope, a Net Operating Loss (“NOL”) credit in the amount of 35 percent of losses was available until December 31, 2017. It allowed a credit to be carried forward to offset a future tax liability or, in some cases, to be transferred or repurchased by the State. Effective January 1, 2018, the NOL credit was replaced with a new carried-forward annual loss provision. In lieu of credits, a company may carry forward 100 percent of lease expenditures not applied against the tax and may apply all or part of lease expenditures in a future year. A carried-forward annual loss may not reduce tax below the minimum tax and may only be used after the start of regular production from the area in which the expenditures were incurred. An unused carried-forward annual loss declines in value by one-tenth each year beginning in the eighth or eleventh year after it is earned, depending on whether the carried-forward annual loss was earned from a producing or non-producing area.

Cook Inlet oil production is officially subject to the same tax rate of 35 percent of PTV. However, the tax is limited by statute to a maximum of \$1 per barrel.

For Cook Inlet gas production, the tax rate is 35 percent of PTV, and the tax is limited to a maximum value averaging 17.7 cents per thousand cubic feet. This rate also applies to North Slope gas used for qualifying in-State uses, commonly referred to as “non-export gas.”

Taxpayers are required to make monthly estimated payments, based upon activities of the preceding month. These payments are due on the last day of the following month, and taxpayers are required to file an annual tax return to “true up” any tax liabilities or overpayments made during the year. From fiscal year 2007 through fiscal year 2017, as an incentive for new exploration, companies without tax liability against which to apply credits could apply for a refund from the State of the value of most of the credits, subject to appropriation. Appropriations funded State purchase of the full balance of tax credits for fiscal year 2007 through fiscal year 2015, then partial funding beginning in fiscal year 2016 onward, with an outstanding balance remaining every year from fiscal year 2016 through fiscal year 2023. All outstanding tax credits

available for State purchase were fully retired with a final appropriation in the fiscal year 2024 budget, and no future purchases or appropriations are anticipated under current law. A total of \$4.1 billion of tax credits were purchased by the State over the life of the program.

In 2017, House Bill 111 (“HB 111”) was enacted, making multiple changes to the State’s oil and gas production tax and tax credit statutes. Following passage of HB 111, new credits will no longer be eligible for cash repurchase. Instead, companies will retain their credits until such time as they owe a tax liability to the State, at which time the credits could be used to offset the company’s oil and gas production taxes.

In 2018, House Bill 331 (“HB 331”) was enacted, creating a tax credit bonding program that would allow the State to purchase outstanding oil and gas tax credits at a discount to face value, and spread the funding out over several years through the issuance of subject-to-appropriation bonds. The fiscal year 2020 operating budget appropriated \$700 million of bond proceeds to the Oil and Gas Tax Credit Fund for expenditure in fiscal year 2020 or 2021. A legal challenge delayed the tax credit bonding program, and in September 2020, the Alaska Supreme Court (the “Supreme Court”) held that the tax credit bonding program under HB 331 was unconstitutional, prohibiting the Alaska Tax Credit Certificate Bond Corporation (“ATCCBC”) from issuing bonds to finance the purchase of approximately \$700 million in outstanding tax credit certificates. All outstanding tax credits available for State purchase were fully retired with the final appropriation in the fiscal year 2024 budget.

All unrestricted revenue generated by the oil and gas production taxes (approximately \$587 million in fiscal year 2019, \$277 million in fiscal year 2020, \$381 million in fiscal year 2021, \$1,802 million in fiscal year 2022, \$1,491 million in fiscal year 2023, \$975 million in fiscal year 2024, and forecasted in the Spring 2024 Revenue Forecast to be \$558 million in fiscal year 2025 and \$417 million in fiscal year 2026) is deposited in the General Fund, except that any payments received as a result of an audit assessment under the oil and gas production tax or as a result of litigation with respect to the tax are deposited into the CBRF. See Table 1.

Oil and Gas Royalties, Rents and Bonuses. In Alaska, the State retains ownership of all subsurface minerals on lands in the State, with the exception of some federal and Alaska Native Corporation lands. As the landowner, through the Alaska Department of Natural Resources (“DNR”), the State earns revenue from leasing as (i) upfront bonuses, (ii) annual rent charges and (iii) retained royalty interests in the oil and gas production. State land historically has been leased largely based on a competitive bonus bid system. Under this system, the State retains a statutorily prescribed minimum royalty interest of at least 12.5 percent on oil and gas production from land leased from the State, although some leases contain royalty rates of 16.67 percent and some also include a net profit-share or sliding scale component. Under all lease contracts the State has ever written, the State reserves the right to switch between taking its royalty in-kind or in cash (in cash royalty is valued according to a formula based upon the contract prices received by the producers, net of transportation charges). When the State elects to take its royalty share in-kind, the State becomes responsible for selling and transporting that royalty share, which means establishing complex contracts to accomplish these tasks. The State regularly negotiates these contracts and has historically sold roughly 95 percent of North Slope oil royalties in this way. State royalty revenue from production on State land that is not obligated to the Permanent Fund or Public School Trust Fund is unrestricted revenue that is available for general appropriations.

In addition to royalties from production on State land, the State receives 50 percent of royalties and lease bonuses and rents received by the federal government from leases of federal lands in the National Petroleum Reserve Alaska (the “NPR-A”). The State is required to deposit its entire share of lease bonuses, rents, and royalties from oil activity in the NPR-A in the NPR-A Special Revenue Fund, from which a portion is used to make grants to municipalities that demonstrate present or future impact from oil

development in the NPR-A. Of the revenue in the NPR-A Special Revenue Fund that is not appropriated to municipalities, 50 percent is to be deposited to the Permanent Fund, with up to 0.5 percent to the Public School Trust Fund and then to the Power Cost Equalization Fund. Any remaining amount is then available for General Fund appropriations. The State also receives a portion of revenues from federal royalties and bonuses on all other federal lands located within State borders and from certain federal waters.

Table 1 summarizes the sources and initial applications of oil and other petroleum-related revenue for fiscal years 2015 through 2024.

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Table 1
Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
Fiscal Years Ended June 30, 2015 – 2024

(\$ millions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Oil Revenue to the General Fund										
Property Tax.....	\$ 125.2	\$ 111.7	\$ 120.4	\$ 121.6	\$ 119.5	\$ 122.9	\$ 119.2	\$ 122.4	\$ 128.8	130.8
Corporate Income Tax ⁽¹⁾ .	94.8	(58.8)	(59.4)	66.4	217.7	(0.2)	(19.4)	297.5	312.4	210.6
Production Tax.	381.6	176.8	125.9	741.2	587.3	277.4	381.1	1,801.6	1,490.9	974.6
Royalties (including bonuses, rents and interest) ⁽²⁾⁽³⁾	1,086.3	879.8	690.1	1,011.0	1,119.3	683.0	736.6	1,259.3	1,187.4	1,153.9
Subtotal.....	\$1,687.9	\$1,109.5	\$ 876.9	\$ 1,940.2	\$ 2,043.8	\$ 1,083.1	\$ 1,217.6	\$ 3,480.8	\$ 3,119.4	\$ 2,469.9
Oil Revenue to Other Funds										
Royalties to the Permanent Fund and School Fund ⁽²⁾⁽³⁾	\$ 518.3	\$ 396.9	\$ 340.0	\$ 363.1	\$ 382.3	\$ 323.9	\$ 337.7	\$ 548.0	\$ 507.4	\$ 528.3
Tax settlements to CBRF.....	149.9	119.1	481.9	121.3	181.2	281.2	35.0	21.1	196.0	3.1
NPR-A royalties, rents and bonuses ⁽⁴⁾	3.2	1.8	1.4	23.7	12.3	16.4	15.8	16.7	41.5	31.0
Subtotal.....	671.4	517.8	823.2	508.0	575.8	621.5	388.5	593.5	752.7	562.4
Total Oil Revenue	\$2,359.3	\$1,627.4	\$1,700.2	\$2,448.2	\$2,619.6	\$1,704.6	\$1,606.1	\$4,074.3	\$3,872.1	\$3,032.3

⁽¹⁾ Corporate income tax collections for fiscal years 2016, 2017, 2020, and 2021 were negative due to large refunds of prior-year estimated taxes and low estimated taxes for those fiscal years.

⁽²⁾ Net of Permanent Fund, Public School Trust Fund, and CBRF deposits. The State Constitution requires the State to deposit at least 25 percent in the Permanent Fund, and between 1980 and 2003, State statutes required the State to deposit at least 50 percent in the Permanent Fund. The statutory minimum was changed to 25 percent beginning July 1, 2003, and changed back to 50 percent as of October 1, 2008. In fiscal years 2018 and 2019, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. See “—Government Funds—The Alaska Permanent Fund” below.

⁽³⁾ Includes both Designated General Fund Royalties and Other Restricted Royalties. Beginning with fiscal year 2022, the hazardous release surcharge and refined fuel surcharge are shown as Designated General Fund revenue. Previously these surcharges were shown as unrestricted General Fund revenue.

⁽⁴⁾ By federal statute, the State receives 50 percent of federal revenues from oil and gas lease sales located in the NPR-A.

Source: 2015 through 2024 Revenue Forecasts, the Department of Revenue.

Corporate Income Tax. The State levies a corporate income tax on Alaska taxable net income of corporations doing business in Alaska (other than certain qualified small businesses and income received by certain corporations from the sale of salmon or salmon eggs). Corporate income tax rates are graduated and range from zero percent to 9.4 percent of income earned in Alaska. Taxable income generally is calculated using the provisions of the federal Internal Revenue Code, and the calculation of Alaska taxable income varies, depending upon whether the corporation does business solely in Alaska, does business both inside and outside Alaska, or is part of a group of corporations that operate as a unit in the conduct of a single business (a “unitary” or “combined” group). Oil and gas companies are combined on a world-wide basis, although for other industries only companies doing business in the United States are combined.

Taxpayers may claim all federal incentive credits, but federal credits that refund other federal taxes are not allowed as credits against State corporate income taxes. In addition to the federal incentive credits, the State provides additional incentives, including an education credit for contributions made to accredited State universities or colleges for education purposes, a minerals exploration incentive, an oil and gas exploration incentive, and a gas exploration and development tax credit.

Most corporate net income tax collections are deposited in the General Fund, although collections from corporate income tax audit assessments of oil and gas corporations are deposited in the CBRF.

Non-Oil Revenues. The State also receives unrestricted and restricted General Fund revenues from activities unrelated to petroleum. The State receives revenues from corporate income taxes paid by corporations other than petroleum producers, cigarette/tobacco/marijuana excise taxes, motor fuel taxes, alcoholic beverage taxes, fishery business taxes, electric and telephone cooperative taxes, insurance premium taxes, commercial passenger vessel excise taxes and service charges, permit fees, fines and forfeitures, mining license taxes, and miscellaneous revenues. See “—Government Budgets and Appropriations – *General Appropriations*” below. A number of these non-oil tax, license, and fee revenues (but not investment income and federal revenue) are shared with municipalities. In fiscal year 2024, unrestricted revenues unrelated to petroleum production (excluding investment income and federal revenues) was \$487.3 million, and in the Spring 2025 Revenue Forecast, the State forecasts the value to be \$573.5 million in fiscal year 2025 and \$600.8 million in fiscal year 2026. Contained in the non-oil figures is the minerals industry, which contributes State revenue in the form of corporate income tax, mining license tax, and mining rents and royalties. For additional information, see “—Government Budgets and Appropriations—*General Appropriations*” below.

Federal Revenue. The federal government is a significant employer in Alaska, directly and indirectly, in connection with its military bases and as a result of procurement contracts, grants, and other spending. In addition to expenditures in connection with federal military bases and other activities in Alaska, the State receives funding from the federal government, approximately \$4.2 billion in fiscal year 2020, \$7.6 billion in fiscal year 2021, \$6.9 billion in fiscal year 2022, \$5.8 billion in fiscal year 2023, \$6.1 billion in fiscal year 2024. In the Spring 2025 Revenue Forecast, the State forecasts restricted federal revenue to be approximately \$7.2 billion in fiscal year 2025 and \$6.1 billion in fiscal year 2026. The forecasts represent total budgeted spending authority for federal receipts, and actual federal receipts are subject to change. The federal funds are used primarily for road and airport improvements, aid to schools, and Medicaid payments, all of which are restricted by legislative appropriation to specific uses. Federal funds are most often transferred to the State on a reimbursement basis, and all transfers are subject to federal and State audit. Most federal funding requires State matching.

Investment Revenues. The State earns unrestricted and restricted by custom investment earnings from several internal funds. Two primary sources of investment income for the State are the two constitutionally-mandated funds, the Permanent Fund and the CBRF. The Permanent Fund had a fund balance (principal and earnings reserve) of approximately \$80.8 billion as of January 31, 2025, unaudited, which includes approximately \$3.8 billion committed to the State’s General Fund pursuant to SB 26 for the succeeding year and \$1.0 billion for current fiscal year inflation proofing. The Permanent Fund had a total fund balance of \$80.5 billion as of June 30, 2024, \$78.0 billion as of June 30, 2023, \$76.3 billion as of June 30, 2022, and \$81.9 billion as of June 30, 2021. The CBRF had an asset balance of approximately \$2.8 billion as of January 31, 2025, unaudited. The CBRF had an asset balance of approximately \$2.7 billion as of June 30, 2024, \$2.6 billion as of June 30, 2023, \$0.9 billion as of June 30, 2022, \$1.1 billion as of June 30, 2021, and \$2.0 billion as of June 30, 2020. Restricted investment revenue from the CBRF was approximately \$150.4 million as of June 30, 2024. In the Spring 2025 Revenue Forecast, the State forecasts restricted investment revenue from the CBRF to be \$121.3 million in fiscal year 2025 and \$89.6 million in fiscal year 2026. The Permanent Fund Earnings Reserve balance is available for appropriation with a

majority vote of the Legislature, while appropriation of the Permanent Fund’s principal balance requires amendment of the State Constitution. The balance of the CBRF is available for appropriation with a three-fourths vote of each house of the Legislature, and as described below, the State has historically borrowed from the CBRF when needed to address mismatches between revenue receipts and expenditures in the General Fund and/or to balance the budget at the end of the fiscal year.

General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. All CBRF values stated above are asset values. See “—Government Funds—*The Constitutional Budget Reserve Fund*” and “—*The Alaska Permanent Fund*” below.

As previously described, SB 26, relating to the earnings of the Permanent Fund, was enacted in 2018. The APFC projects these annual transfers of unrestricted General Fund revenue from the Permanent Fund Earnings Reserve to the General Fund, as reflected in Table 2.

Table 2
State of Alaska
Transfers from the Permanent Fund Earnings Reserve
to the General Fund for the Fiscal Years Ending June 30, 2019 – 2024
APFC Forecast for Fiscal Years Ending June 30, 2025– 2035

(\$ millions)

Fiscal Year	Transfer Amount
2019	\$2,723
2020	2,933
2021	3,092
2022	3,069
2023	3,361
2024	3,526
Projected ⁽¹⁾	
2025	3,657
2026	3,799
2027	3,978
2028	4,017
2029	4,137
2030	4,269
2031	4,404
2032	4,542
2033	4,685
2034	4,834
2035	4,989

⁽¹⁾ APFC transfer projections as of the Spring 2025 Revenue Forecast, and subject to change.

Source: *Spring 2025 Revenue Forecast, the Department of Revenue.*

In the past, the State has also received earnings on the Statutory Budget Reserve Fund (the “SBRF”). Earnings on the SBRF are considered General Fund unrestricted revenue unless otherwise appropriated back to the SBRF. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. The available fund balance of the SBRF diminished to zero during fiscal year 2016. The SBRF unassigned fund balance, reported in the State’s Annual Comprehensive Financial Report (“ACFR”) for fiscal year 2023, was zero. See “—Government Funds —*The Statutory Budget Reserve Fund*” below.

In addition to investment income from the above-described funds, the State received investment income (including interest paid) from investment of other unrestricted funds in the amount of \$148.0 million in fiscal year 2024, \$97.7 million in fiscal year 2023, an investment loss of \$59.1 million in fiscal year 2022, \$29.4 million in fiscal year 2021, and \$58.1 million in fiscal year 2020. In the Spring 2025 Revenue Forecast, the State forecasts investment revenue of other unrestricted funds to be approximately \$119.1 million in fiscal year 2025 and \$83.6 million in fiscal year 2026. See “—Government Funds” below.

Major Components of State Revenues. Table 3 summarizes the sources of unrestricted and restricted revenues available to the State in fiscal years 2019 through 2024, with a forecast for fiscal years 2025 and 2026 from the Spring 2025 Revenue Forecast.

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Table 3
Total State Government Revenue by Major Component
Fiscal Years Ended June 30, 2019 - 2024
Forecast for Fiscal Years Ending June 30, 2025 - 2026

(\$ millions)

	2019	2020	2021	2022	2023	2024	2025 ⁽²⁾	2026 ⁽²⁾
Revenue Source								
<u>Unrestricted</u>								
Oil Revenue	\$ 2,043.8	\$ 1,083.1	\$ 1,217.6	\$ 3,480.9	\$ 3,119.4	\$ 2,469.8	\$ 1,879.1	\$ 1,645.3
Non-Oil Revenue	490.1	454.8	444.3	448.1	472.3	487.3	573.5	600.8
Investment Earnings	2,815.9	2,991.2	3,120.9	3,010.2	3,458.3	3,674.1	3,776.4	3,882.5
Subtotal	\$ 5,349.8	\$ 4,529.1	\$ 4,782.8	\$ 6,939.2	\$ 7,050.0	\$ 6,631.2	\$ 6,229.0	\$ 6,128.6
<u>Restricted</u>								
Oil Revenue ⁽¹⁾	\$ 575.8	\$ 621.5	\$ 376.0	\$ 576.7	\$ 711.2	\$ 539.3	\$ 478.7	\$ 460.3
Non-Oil Revenue	631.2	558.6	590.9	643.0	680.5	710.7	841.0	785.0
Investment Earnings ⁽³⁾	1,188.0	(1,208.5)	16,460.9	(6,422.1)	1,210.1	2,319.6	2,670.0	2,446.2
Federal Revenue	3,434.5	4,173.0	7,555.0	6,911.8	5,826.8	6,097.1	7,168.9	6,080.7
Subtotal	5,829.6	4,144.6	24,982.8	1,709.4	8,428.6	9,666.7	11,158.6	9,772.2
Total	\$ 11,179.4	\$ 8,673.7	\$ 29,765.6	\$ 8,648.6	\$ 15,478.7	\$ 16,298.0	\$ 17,387.5	\$ 15,900.8

Totals may not foot due to rounding.

- (1) "Restricted Oil Revenue" includes oil revenue for the State's share of rents, royalties, and bonuses from the NPR-A, shared by the federal government. Starting in fiscal year 2022, hazardous release surcharge and refined fuel surcharge are included in Restricted Oil Revenue. Prior to 2021, these surcharges were included in "Unrestricted Oil Revenue."
- (2) Forecasts for fiscal years 2025 and 2026 include a projection for the transfer from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26. All values for fiscal years 2025 and 2026 are based on projections as of the release of the Spring 2025 Revenue Forecast and are subject to change.
- (3) A portion of the Restricted investment earnings starting in fiscal year 2019 consist of Permanent Fund unrealized gains and realized gains, less the transfer to the General Fund classified as unrestricted revenue pursuant to SB 26.

Source: 2019 through 2025 Revenue Forecasts, the Department of Revenue.

Government Budgets and Appropriations

The Legislature is responsible for enacting the laws of the State, including laws that impose State taxes, and for appropriating money to operate the government. The State is limited by federal law, the State Constitution and statutes, and by policy in how it manages its funds and, as in other states, no funds, regardless of source, may be spent without a valid appropriation from the Legislature. The Legislature has a 90-day statutory time limit, and a constitutional time limit of 120 days with an allowance for up to an additional 10 days, to approve a budget. If the Legislature fails to approve a budget, or if other limited

purpose legislation needs to be considered, the Governor or Legislature may call a special session to consider such matters. See “—*General Appropriations*” below.

Budgets. The State’s fiscal year begins on July 1 and ends on the following June 30, and the Legislature meets in regular session beginning on the fourth Monday of January in each year. The Governor is required by AS 37.07.020(a) to prepare: (1) a statutorily conforming budget for the succeeding fiscal year, including capital, operating, and mental health budgets, setting forth all proposed expenditures (including expenditures of federal and other funds not generated by the State) and anticipated income of all departments, offices, and agencies of the State; (2) a general appropriation bill to authorize proposed expenditures; and (3) in the case of proposed new or additional revenues, one or more bills containing recommendations for such new or additional revenues. In accordance with AS 37.07.020(b), the Governor is also required to prepare a six-year capital budget covering the succeeding six fiscal years and a 10-year fiscal plan. To assist the Governor in preparing budgets, proposed appropriation bills, and fiscal plans, the Tax Division prepares forecasts of annual revenues in December and March or April of each year. See “—State Revenues” above and “—*General Appropriations*,” Table 4, “—Government Funds,” and “—Revenue Forecasts” below.

The State Constitution prohibits the withdrawal from the treasury of nearly all funds, regardless of source, without an appropriation. As a consequence, the Governor’s proposed budget and the Legislature’s appropriation bills include federal and other funds as well as funds from the State and, by practice, funds that may be available for withdrawal without an appropriation. The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation.

General Appropriations. The Governor is required by State law to submit the 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. These three budgets then go to the House Finance Committee and are voted upon by the House of Representatives. The three budgets then go to the Senate Finance Committee, are voted upon by the full Senate, and may go to a conference committee to work out differences between the House and Senate versions (and then be submitted to both houses for final votes). Bills passed by both houses 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”) or may sign the bill or permit the bill to become law without a signature or veto. The Legislature may override a veto by the Governor (by a vote of three-fourths of the members of each house of the Legislature in the case of appropriation bills and by a vote of two-thirds of the members of each house in the case of other bills). 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. An appropriation is an authorization to spend, not a requirement to spend. Enacted budget appropriations may be expended beginning July 1.

The Governor is permitted to prioritize or restrict expenditures, to redirect funds within an operating appropriation to fund core services, and to expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized operating and capital expenditures during years in which actual revenues were less than forecast and budgeted. Such expenditure restrictions have included deferring capital expenditures, State employment hiring and compensation freezes, lay-offs and furloughs, and restrictions on non-core operating expenses. Operating and capital expenditures have generally declined over the same time period through, among other actions, use of administrative restrictions on spending. See “—Public Debt and Other Obligations of the State” below.

Additional options for the State to manage budget funding include reducing State expenditures, transferring spending authority among line items, providing additional incentives to develop petroleum or mining resources, reinstating a State personal income tax, or imposing other broad-based statewide taxes,

such as a sales tax. Most of these options, including the imposition of personal income taxes or other taxes, would require action by the Legislature.

Governor Michael J. Dunleavy was reelected in November 2022, originally taking office in December 2018. In his fiscal year 2020 budget, the Governor declared that significant adjustments to the State budget were needed to allow for a Permanent Fund Dividend distribution to State residents based on a historical statutory formula. This proposal was not approved by the Legislature. In recent fiscal year budgets, the Governor has requested a Permanent Fund Dividend distribution to eligible State residents based on the historical statutory formula. The Legislature has not approved these proposals through their transmittal of finalized budgets. The enacted fiscal year 2025 budget included approximately \$996.3 million for Permanent Fund Dividend distributions to all eligible Alaskans.

Through a special appropriation in the enacted fiscal year 2025 budget, if the unrestricted General Fund revenue, including the POMV transfer, collected in fiscal year 2025, exceeds \$6,583,500,000, the amount remaining, after all appropriations have been made that take effect in fiscal year 2025, of the difference between \$6,583,500,000 and the actual unrestricted General Fund revenue collected in fiscal year 2025, not to exceed \$645,000,000, is appropriated as follows: (i) 50 percent from the General Fund to the Dividend Fund to pay a one-time energy relief payment as part of the Permanent Fund dividend and for administrative and associated costs for fiscal year 2026; and (ii) 50 percent from the General Fund to the CBRF. After the appropriations described in clauses (i) and (ii) above are made, the amount remaining, after all other appropriations have been made that take effect in fiscal year 2025, of the difference between \$7,228,500,000 and the actual unrestricted General Fund revenue collected in fiscal year 2025, is appropriated from the General Fund to the CBRF.

The State's enacted budget totals for fiscal year 2025, including proposed supplementals, included approximately \$15.4 billion in expenditures, compared to \$14.8 billion in fiscal year 2024. For the enacted fiscal year 2025 budget, unrestricted General Fund spending is estimated to be approximately \$5.5 billion, which is approximately \$87.7 million less than fiscal year 2024. Total restricted federal spending is estimated to be approximately \$6.9 billion in the enacted fiscal year 2025 budget, compared to \$6.2 billion in fiscal year 2024.

Appropriations for Debt and Appropriations for Subject-to-Appropriation Obligations. The Governor's appropriations bills include separate subsections for appropriations for State debt and other subject-to-appropriation obligations and specify the sources of funds to pay such obligations. For the State's outstanding voter-approved general obligation bonds and bond anticipation notes, and for revenue anticipation notes to which the State's full faith and credit are pledged, money is appropriated from the General Fund and, if necessary, to the General Fund from other funds, including the Permanent Fund, to the State Bond Committee to make all required payments of principal, interest, and redemption premium. For these full faith and credit obligations, the State legally is required to raise taxes if State revenues are not sufficient to make the required payments.

The Governor's appropriation bills also include separate subsections for appropriations for subject-to-appropriation obligations, such as outstanding capital leases and lease-purchase financings authorized by law, and for State appropriations to replenish debt service reserves in the event of a deficiency. Such appropriations are made from the General Fund or from appropriations transferring to the General Fund money available in other funds such as the CBRF, SBRF, the Power Cost Equalization Fund, unencumbered funds of the State's public corporations, and the Permanent Fund Earnings Reserve.

Appropriation Limits. The State Constitution does not limit expenditures but does provide for an appropriation limit and reserves one-third of the amount within the limit for capital projects and loan appropriations. Because State appropriations have never approached the limit, the reservation for capital

projects and loan appropriations has not been a constraint. The appropriation limit does not include appropriations for Permanent Fund Dividends described below, appropriations of revenue bond proceeds, appropriations to pay general obligation bonds, or appropriations of funds received in trust from a non-State source for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds. In general, under the State Constitution, appropriations that do not qualify for an exception may not exceed \$2.5 billion by more than the cumulative change, derived from federal indices, in population and inflation since July 1, 1981. For fiscal year 2023, the OMB estimated the appropriation limit to be approximately \$11.8 billion. The fiscal year 2023 budget, not counting the excluded appropriations, was approximately \$6.4 billion, or \$5.3 billion less than the constitutional limit.

As shown in Table 4, unrestricted General Fund revenue increased to \$6.9 billion in fiscal year 2022 and further increased to approximately \$7.1 billion in fiscal year 2023. In fiscal year 2019, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue, which significantly diminishes the percentage of unrestricted revenue that petroleum-related revenue represents. The fiscal year 2024 budget included approximately \$3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted was incorporated into the State's revenue projections in Table 4.

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Table 4
State of Alaska
Total Unrestricted General Fund Revenue, ANS West Coast Oil Price, and ANS Oil Production
Fiscal Years Ended June 30, 2015 - 2024 and
Forecast for Fiscal Years Ending June 30, 2025 - 2035

Fiscal Year	Total Unrestricted General Fund Revenue (\$ millions)	ANS West Coast Oil Price (\$/barrel)	ANS Oil Production (thousands of barrels per day)
2015	2,256	72.58	501.0
2016	1,533	43.18	514.7
2017	1,355	49.43	526.4
2018	2,414	63.61	518.5
2019	5,350	69.46	496.9
2020	4,529	52.12	471.8
2021	4,783	54.14	486.1
2022	6,939	91.41	476.5
2023	7,066	86.63	479.4
2024	6,631	85.24	461.0
Projected ⁽¹⁾			
2025	6,229	74.48	466.8
2026	6,129	68.00	464.0
2027	6,335	67.00	489.4
2028	6,390	66.00	513.8
2029	6,520	67.00	519.6
2030	6,666	67.00	539.9
2031	6,831	67.00	592.7
2032	6,997	67.00	636.2
2033	7,422	69.00	657.8
2034	7,605	70.00	663.5
2035	7,772	72.00	650.4

⁽¹⁾ The values for fiscal years 2025 through 2035 use the projections included in the Spring 2025 Revenue Forecast, and are subject to change. Fiscal year 2024 includes approximately \$3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. The forecast period includes a projection for the transfers from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26.

Source: 2015 through 2025 Revenue Forecasts, the Department of Revenue.

The State’s constitutionally based obligation for K-12 education has been one of the largest single recurring budget line items in the State’s budget. In the enacted fiscal year 2025 budget, approximately \$1.14 billion is estimated to be appropriated to the public education fund, comprised of an estimated \$1.1 billion from the General Fund, and \$34.9 million from the Public School Trust Fund. See “—Public Debt and Other Obligations of the State —*State-Supported Debt* —*State-Supported Municipal Debt Eligible for State Reimbursement*” below.

The Spring 2025 Revenue Forecast projects approximately \$6.2 billion in unrestricted General Fund revenue in fiscal year 2025 and with proposed supplementals adjustments in the enacted fiscal year 2025 budget, there is approximately \$5.5 billion in unrestricted General Fund operating and capital budget appropriations. The enacted fiscal year 2025 budget includes approximately \$3.7 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. In addition, the fiscal year 2025 estimated unrestricted expenditure value for the permanent fund dividend distribution was \$914.3 million.

Please see the special and supplemental appropriation descriptions for the potential of additional distributions and energy relief payments as part of the dividend under “—General Appropriations” above.

In the enacted fiscal year 2025 budget, unrestricted General Fund capital budget appropriations is \$330.7 million. In fiscal year 2024, unrestricted General Fund capital budget appropriations, including supplementals, was approximately \$486.3 million, compared to \$734.9 million in fiscal year 2023. Prior to fiscal year 2023, there were seven consecutive fiscal years that unrestricted General Fund capital budget appropriations had been under \$250 million, compared to \$608 million in fiscal year 2015. The State’s enacted fiscal year 2025 total capital budget appropriations, including unrestricted general funds, designated general funds, other funds, and federal funds is approximately \$3.5 billion (Source: Office of Management and Budget, Fiscal Summary as of December 12, 2024).

Government Funds

Because the State is dependent upon taxes, royalties, fees, and other revenues that can be volatile, the State has developed a framework of constitutionally and statutorily restricted revenue that is held in a variety of reserve funds to provide long-term and short-term options to address cash flow mismatches and budgetary deficits. The State Constitution provides that with three exceptions, the proceeds of State taxes or licenses “shall not be dedicated to any special purpose.” The three exceptions are when required by the federal government for State participation in federal programs, any dedication existing before statehood, and when provided by the State Constitution, such as restricted for savings in the Permanent Fund or the CBRF.

Current State funding options available on a statutory basis include General Fund unrestricted revenue (which pursuant to SB 26 includes an annual transfer from the Permanent Fund Earnings Reserve), use of the earnings or the principal balance of the SBRF, borrowing restricted earnings revenue or principal balance from the CBRF, use of the statutorily restricted oil revenue currently flowing to the Permanent Fund, and use of the unrestricted earnings revenue of the Permanent Fund. To balance revenues and expenditures in a time of financial stress, each of these funds can be drawn upon, following various protocols. The CBRF may be accessed with a majority vote of the Legislature following a year-over-year total decline in total revenue available for appropriation, or in any year by a three-quarters vote of both houses of the Legislature. A majority vote of the Legislature is needed to appropriate from the SBRF and from the Permanent Fund Earnings Reserve.

The General Fund. Unrestricted State revenue is annually deposited in the General Fund, which serves as the State’s primary operating fund and accounts for most of the State’s unrestricted financial resources. The State has, however, created more than 60 subfunds and “cash pools” within the General Fund to account for funds allocated to particular purposes or reserves, including the CBRF, the SBRF, an Alaska Capital Income Fund, and a debt retirement fund. In terms of long-term and short-term financial flexibility, the CBRF and the SBRF (subfunds within the General Fund) have been of particular importance to the State.

The Constitutional Budget Reserve Fund. The State Constitution requires that oil and gas and mineral dispute-related revenue be deposited in the CBRF. The State Constitution provides that other than money required to be deposited in the Permanent Fund and the Public School Trust Fund, all money received by the State after July 1, 1990 as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, are required to be deposited in the CBRF. Money in the CBRF may be appropriated (1) for any public purpose, upon the affirmative vote of three-fourths of each house of the Legislature; or (2) by majority vote if the amount available to the State for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; however, the amount appropriated may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year. The State Constitution also provides that until the amount appropriated from the CBRF is repaid, excess money in the General Fund at the end of each fiscal year must be deposited in the CBRF.

The State historically has borrowed from the CBRF as part of its cash management plan to address timing mismatches between revenues and disbursements within a fiscal year and also to balance the budget, when necessary, at the end of the fiscal year. The State has drawn on the CBRF in each year since fiscal year 2014, although in some years dedicated earnings and deposits into the CBRF were greater than the draws. Historical borrowing from the CBRF in the 1990's through 2005 was completely repaid in fiscal year 2010 and no borrowing activity from the CBRF occurred until fiscal year 2015.

The fiscal year 2015 capital budget approved by the Legislature included a \$3 billion transfer from the CBRF to the Public Employees Retirement System ("PERS") and Teachers Retirement System ("TRS"). PERS received \$1 billion and TRS received \$2 billion. This transfer resulted in a liability of the General Fund. Additional amounts were appropriated from the CBRF to the General Fund annually in fiscal years 2016 through 2023 to fund shortfalls between State revenue and General Fund appropriations. The total net amount appropriated from the CBRF since fiscal year 2015 as of June 30, 2023, was approximately \$11.3 billion.

The asset balance in the CBRF as of June 30, 2024, was approximately \$2.7 billion, including earnings of approximately \$150.4 million. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. As of June 30, 2023, the asset balance was approximately \$2.6 billion, including earnings of approximately \$62.9 million; as of June 30, 2022, the asset balance was approximately \$914.5 million, including earnings of approximately \$1.2 million; as of June 30, 2021, the asset balance was approximately \$1.1 billion, including earnings of approximately \$2.2 million; and as of June 30, 2020, the asset balance was approximately \$2.0 billion, with investment earnings of \$62.8 million.

The Statutory Budget Reserve Fund. The SBRF has existed in the State's accounting structure since 1986. The SBRF is available for use for legal purposes by majority vote of the Legislature and with approval by the Governor. If the unrestricted amount available for appropriation in any fiscal year was insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund may be appropriated from the SBRF to the General Fund. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. The SBRF unassigned fund balance, reported in the State's ACFR for fiscal year 2023, was zero and has not changed since then. Any earnings on the SBRF are considered unrestricted investment revenue and flow to the General Fund, unless otherwise appropriated back to the fund.

The Alaska Permanent Fund. The Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. The amendment provides that “at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments” and that “all income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law.”

In 1980, legislation was enacted that provided for the management of the Permanent Fund by the APFC, a public corporation within the Department of Revenue managed by a board of trustees. The same legislation modified the contribution rate to the Permanent Fund from 25 percent (the minimum constitutionally mandated contribution) to 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, federal mineral revenue sharing payments, and bonuses received by the State from mineral leases issued after December 1, 1979 or, in the case of bonuses, after May 1, 1980. The statutory contribution rate was changed back to 25 percent by legislation as of July 1, 2003 but then returned to 50 percent as of October 1, 2008. For fiscal year 2024, State oil and mineral revenues deposited in the Permanent Fund were \$533 million, compared to \$754 million in fiscal year 2023, \$549 million in fiscal year 2022, \$320 million in fiscal year 2021, and \$319 million in fiscal year 2020. Since inception, as of June 30, 2024, contributions to the principal account of the Permanent Fund, both constitutionally and statutorily mandated, include \$23.6 billion for inflation proofing, \$19.8 billion in royalty contributions, and \$12.3 billion in special appropriations.

The Permanent Fund tracks earnings on a basis compliant with statements pronounced by the Governmental Accounting Standards Board (“GASB”) in the compilation of the financial statements of the Permanent Fund. Fund balance consists of two parts: (1) principal, which is non-spendable, and (2) earnings reserve, which is spendable with an appropriation by the Legislature. By statute, only realized gains are deposited in the earnings reserve. Unrealized gains and losses associated with principal remain allocated to principal. Because realized gains deposited in the earnings reserve are invested alongside the principal, however, the unrealized gains and losses associated with the earnings reserve are spendable with an appropriation of the Legislature.

Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation proofing. Between 1982 and 2024, approximately \$30.9 billion of dividends were paid to Alaska residents and \$23.6 billion of Permanent Fund income has been added to principal for inflation proofing. For fiscal years 2016, 2017, and 2018, there were no appropriations and therefore no transfers from the earnings reserve to principal for inflation proofing. The amount calculated under statute for fiscal year 2019 inflation proofing, \$989 million, provided for in the enacted fiscal year 2019 operating budget, was appropriated from the earnings reserve to the principal of the Permanent Fund to offset the effect of inflation on the principal for fiscal year 2019. The State’s fiscal year 2020 budget included an appropriation of approximately \$4.8 billion from the earnings reserve to the principal of the Permanent Fund. The State’s fiscal year 2021 budget did not include an appropriation for additions to principal for inflation proofing. The Legislature made an approximate \$4.0 billion special appropriation to principal in the fiscal year 2022 budget. For fiscal year 2023, approximately \$4.2 billion was appropriated from the earnings reserve to the principal of the Permanent Fund. For fiscal year 2024, approximately \$1.4 billion was appropriated from the earnings reserve to the principal of the Permanent Fund. The Permanent Fund Dividend amount, paid in calendar year 2023, was \$1,312 per qualified resident. The Permanent Fund Dividend amount, paid in calendar year 2024, was \$1,702 per qualified resident.

If any income remains after these transfers (except the portion transferred to the Alaska Capital Income Fund as described below), it remains in the Permanent Fund Earnings Reserve as undistributed

income. The Legislature may appropriate funds from the earnings reserve at any time for any other lawful purpose. The principal portion of the Permanent Fund, approximately \$70.7 billion as of June 30, 2024, up from approximately \$67.5 billion as of June 30, 2023, may not be spent without amending the State Constitution. The earnings reserve, approximately \$9.7 billion as of June 30, 2024, down from approximately \$10.5 billion as of June 30, 2023, may be appropriated by a majority vote of the Legislature.

During fiscal years 1990 through 1999, the Permanent Fund received dedicated State revenues from North Slope royalty case settlements (known collectively as *State v. Amerada Hess, et. al.*). Accumulated settlement related activity, including in the contributions and appropriations balance of the Permanent Fund at June 30, 2024, is \$424 million. By statute, realized earnings from these settlement payments are to be treated in the same manner as other Permanent Fund income, except that these settlement earnings are excluded from the calculation of the transfer to the General Fund and are not subject to inflation proofing. Since 2005, the Legislature has appropriated these settlement earnings to the Alaska Capital Income Fund (“ACIF”). Prior to 2005, the statute required such earnings to be appropriated to the principal of the Permanent Fund. The Permanent Fund realized earnings on ACIF settlement principal of approximately \$24 million during fiscal year 2024 and \$14 million during fiscal year 2023.

As previously discussed, SB 26 created a POMV to provide a sustainable draw on the earnings reserve for transfer to the General Fund as unrestricted revenue.

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Table 5
State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
Fiscal Years Ended June 30, 2013 – 2024

Fiscal Year	General Purpose Unrestricted Revenue (\$ mil)	Recurring & Discretionary General Fund Expenditures (\$ mil)	Unrestricted Revenue Surplus/ (Deficit) (\$ mil)	Ending SBRF Reserves Available Balance (\$ mil) ⁽²⁾	Ending CBRF Reserves Available Balance (\$ mil) ⁽¹⁾	Permanent Fund Earnings Reserve Balance (\$ mil)	Oil Price (\$/barrel)	ANS Oil Production (thousands of barrels per day)
2013	6,929	7,455	(526)	4,711	11,564	4,054	107.57	531.6
2014	5,394	7,314	(1,920)	2,791	12,780	6,211	107.57	530.4
2015	2,257	4,760	(2,503) ⁽³⁾	288	10,101	7,162	72.58	501.0
2016	1,533	5,213	(3,680) ⁽³⁾	–	7,331	8,570	43.18	514.7
2017	1,354	4,498	(3,144) ⁽³⁾	–	3,896	12,816	49.43	526.4
2018	2,414	4,489	(2,075) ⁽³⁾	–	2,360	18,864 ⁽⁴⁾	63.61	518.5
2019	5,350 ⁽⁵⁾	4,889	461 ⁽³⁾	–	1,832	18,481 ⁽⁴⁾	69.46	495.0
2020	4,529 ⁽⁵⁾	4,805	(276) ⁽³⁾	–	1,983	12,894 ⁽⁴⁾	52.12	471.8
2021	4,783 ⁽⁵⁾	5,031 ⁽³⁾	(248) ⁽³⁾	481	1,076	21,148 ⁽⁴⁾	54.14	486.1
2022	6,939 ⁽⁵⁾	5,362 ⁽³⁾	1,577 ⁽³⁾	370	915	16,150 ⁽⁴⁾	91.41	476.5
2023	7,066 ⁽⁵⁾	5,641 ⁽³⁾	1,425 ⁽³⁾	–	2,620	10,491 ⁽⁴⁾	86.63	479.4
2024	6,631 ⁽⁵⁾	5,583 ⁽³⁾	1,048 ⁽³⁾	N/A	2,740	9,724 ⁽⁴⁾	85.24	461.0

(1) The CBRF available balance represents the historical asset values.

(2) Includes unassigned fund balance through net transfer from the SBRF to the General Fund reconciled at the release of the State’s ACFR. The State’s fiscal year 2024 ACFR has not been released as of the date of the Official Statement.

(3) The SBRF was used to balance the fiscal year 2015 deficit, with \$288 million remaining as of June 30, 2015. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated is repaid. The available fund balance of the SBRF as of June 30, 2016, was zero. Fiscal year 2021 includes an estimated \$325 million transfer to the SBRF from the unrestricted General Fund, and fiscal year 2022 includes an estimated \$109 million draw from the SBRF, and the fiscal year 2023 unassigned fund balance was zero.

(4) Includes amount committed for General Fund transfer pursuant to SB 26 for the succeeding fiscal year.

(5) Includes Permanent Fund Earnings Reserve transfer prior to dividend payments.

Source: State of Alaska Department of Revenue and OMB.

Revenue Forecasts

The State regularly prepares revenue forecasts for planning and budgetary purposes. Of necessity, such forecasts include assumptions about events that are not within the State’s control. The forecast oil production volumes include only production expected from projects currently under development or evaluation. The forecast does not include any revenues that could be received if a natural gas pipeline is constructed. In making its forecasts, the State makes assumptions about, among other things, the demand for oil and national and international economic factors and assumes that the Legislature will not amend current laws to change materially the sources and uses of State revenue and that no major calamities such as earthquakes or catastrophic damage to TAPS will occur. Portions of TAPS are located in areas that have experienced and may in the future again experience major earthquakes. Actual revenues and expenditures will vary, perhaps materially, from year to year, particularly if any one or more of the assumptions upon which the State’s forecasts are based proves to be incorrect or if other unexpected events occur. The State’s most recent forecast is set forth in the Spring 2025 Revenue Forecast. The State will next update its forecast in the Fall 2025 Revenue Sources Book and Forecast, which is anticipated to be released in December 2025. The State has provided certain estimates for fiscal years 2025 and 2026 based on information available as

of the Spring 2025 Revenue Forecast, as well as certain audited results for fiscal year 2023 for the CBRF. See “—Government Funds” above for a description of some of the actions the State can take when revenues prove to be lower than expected.

The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation. Table 6 provides a summary of the State’s most recent forecast for revenues subject to appropriation in fiscal years 2025 through 2030.

Table 6
State of Alaska Projection of Revenues Subject to Appropriation
Forecast Summary for Fiscal Years 2025 through 2030 ⁽¹⁾
(\$ millions)

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>Petroleum Revenue</u>						
Unrestricted General Fund	\$1,879.1	\$1,645.3	\$1,649.8	\$1,650.3	\$1,649.3	\$1,655.2
Production Tax –Hazardous Release Surcharge	7.4	7.4	7.8	8.1	8.2	8.5
Royalties, Bonuses, Rents, and Interest to Alaska Permanent Fund	83.7	66.8	86.8	104.9	114.8	124.5
Tax and Royalty Settlements to CBRF	20.0	70.0	20.0	20.0	20.0	20.0
Subtotal Petroleum Revenue	<u>\$1,990.3</u>	<u>\$1,789.5</u>	<u>\$1,764.4</u>	<u>\$1,783.3</u>	<u>\$1,792.3</u>	<u>\$1,808.3</u>
<u>Non-Petroleum Revenue</u>						
Unrestricted General Fund	\$ 573.5	\$ 600.8	\$ 623.1	\$ 638.8	\$ 650.3	\$ 658.6
Designated General Fund	516.5	506.3	507.8	509.1	510.2	511.5
Royalties to Alaska Permanent Fund beyond 25% dedication	4.3	4.7	4.9	5.2	5.3	5.3
Subtotal Non-Petroleum Revenue	<u>\$1,094.3</u>	<u>\$1,111.8</u>	<u>\$1,135.8</u>	<u>\$1,153.0</u>	<u>\$1,165.8</u>	<u>\$1,175.4</u>
<u>Investment Revenue</u>						
Unrestricted General Fund	\$3,776.4	\$3,882.5	\$4,061.6	\$4,100.6	\$4,220.6	\$4,352.6
Designated General Fund	89.3	66.0	66.0	66.0	66.0	66.0
CBRF ⁽²⁾	121.3	89.6	90.4	93.7	97.1	100.6
Subtotal Investment Revenue	<u>\$3,987.0</u>	<u>\$4,038.1</u>	<u>\$4,218.0</u>	<u>\$4,260.3</u>	<u>\$4,383.7</u>	<u>\$4,519.2</u>
Total Revenue Subject to Appropriation	<u>\$7,071.6</u>	<u>\$6,939.4</u>	<u>\$7,118.2</u>	<u>\$7,196.6</u>	<u>\$7,341.8</u>	<u>\$7,502.8</u>

(1) This table presents only the largest known categories of current year funds subject to appropriation. A comprehensive review of all accounts in the State accounting system would likely reveal additional revenues subject to appropriation beyond those identified here. Totals may not add due to rounding.

(2) CBRF earnings projections on balances reflect estimates that do not incorporate potential amounts swept to the CBRF under Alaska Constitution Article IX Sec. 17(d).

Source: Spring 2025 Revenue Forecast, the Department of Revenue.

Public Debt and Other Obligations of the State

State debt includes general obligation bonds and revenue anticipation notes, and State-supported debt includes lease purchase financings and revenue bonds. The State also provides guarantees and other

support for certain debt and operates the School Debt Reimbursement Program (the “SDRP”) and the Transportation and Infrastructure Debt Service Reimbursement Program (the “TIDSRP”). Other than the Veterans’ Mortgage Program, these programs do not constitute indebtedness of the State but do provide, annually on a subject-to-appropriation basis, financial support for certain bonds of local governments and obligations of State agencies and the University of Alaska.

The following information is obtained from the 2024-2025 Alaska Public Debt Book, released in January 2025, and contains information through the fiscal year ended June 30, 2024.

Outstanding State Debt. State debt includes general obligation bonds and revenue anticipation notes. The State Constitution provides that general obligation bonds must be authorized by law and be ratified by the voters and permits authorization of general obligation bonds only for capital improvements. The amount and timing of a bond sale must be approved by the Committee. For both general obligation bonds and revenue anticipation notes, the full faith, credit, and resources of the State are pledged to the payment of principal and interest. If future State revenues are insufficient to make the required principal and interest payments, the State is legally required to raise taxes to provide sufficient funds for this purpose. Approximately \$523.5 million of general obligation bonds were outstanding as of June 30, 2024.

The State’s General Obligation Refunding Bonds, Series 2024A were issued on June 4, 2024 in the amount of \$110.08 million to refund \$119.57 million of the State’s outstanding General Obligation Bonds, Series 2010A (Taxable Build America Bonds – Direct Payment), resulting in a net present value savings of approximately \$4.0 million.

After the end of fiscal year 2024, the State priced its General Obligation Refunding Bonds, Series 2024B (the “2024B Bonds”) and its General Obligation Refunding Bonds, Series 2025A (Forward Delivery) (the “2025A Bonds”) on August 6, 2024. The 2024B Bonds were issued on August 15, 2024 in the amount of \$82.94 million and the settlement of the 2025A Bonds is expected to occur on May 6, 2025 and the 2025A Bonds will be issued in the amount of \$107.49 million. Once the 2025A Bonds are issued, the 2024A Bonds and the 2025A Bonds will have refunded \$203.885 million of the State’s outstanding General Obligation Refunding Bonds, Series 2015B, General Obligation Bonds, Series 2016A and General Obligation Bonds, Series 2016B. As a result of such refunding, the overall transaction reduces total debt service payments over the next 12 fiscal years by approximately \$19.5 million resulting in a net present value savings of approximately \$16.5 million.

The following other debt and debt programs of the State were outstanding as of June 30, 2024, except as otherwise noted.

State Guaranteed Debt. The only purpose for which State guaranteed debt may be issued is for payment of principal and interest on revenue bonds issued for the Veterans Mortgage Program by the Alaska Housing Finance Corporation (“AHFC”) for the purpose of purchasing mortgage loans made for residences of qualifying veterans. These bonds are also general obligation bonds of the State, and they must be authorized by law, ratified by the voters, and approved by the State Bond Committee. In November 2010, voters approved \$600 million of State guaranteed veterans’ mortgage bonds, and the total unissued authorization was \$534.7 million as of June 30, 2024. As of June 30, 2024, \$86.5 million of State guaranteed debt was outstanding. Subsequent to June 30, 2024, the AHFC issued Veteran’s Mortgage Bonds in the approximate amount of \$75.0 million on July 30, 2024.

State-Supported Debt. State-Supported debt is debt for which the ultimate source of payment is, or may include, appropriations from the General Fund. The State does not pledge its full faith and credit to State-Supported debt, but another public issuer may have pledged its full faith and credit to it. State-Supported debt is not considered “debt” under the State Constitution, because the State’s payments on this

debt are subject to annual appropriation by the Legislature, recourse is limited to the financed property, and such debt does not create a long-term obligation of the State binding future legislatures. Voter approval of such debt is not required. State-supported debt includes lease-purchase financing obligations (structured as certificates of participation (“COPs”)) and capital leases the State has entered into with respect to the Linny Pacillo Parking Garage (with AHFC) and the Goose Creek Correctional Center (with the Matanuska-Susitna Borough, Alaska (the “Mat-Su Borough”)). Approximately \$149.5 million of State-Supported debt was outstanding as of June 30, 2024. The Mat-Su Borough purchased a portion of the Mat-Su Borough’s State of Alaska Lease Revenue Refunding Bonds, Series 2015 (Goose Creek Correctional Center Project) (the “Purchased Bonds”) with a portion of the proceeds of the Mat-Su Borough’s State of Alaska Lease Revenue Refunding Bonds, Series 2025A (Goose Creek Correctional Center Project) and refunded on a forward basis a portion of the Mat-Su Borough’s State of Alaska Lease Revenue Refunding Bonds, Series 2015 (Goose Creek Correctional Center Project) with a portion of the proceeds of the Mat-Su Borough’s State of Alaska Lease Revenue Refunding Bonds, Series 2025B (Forward Delivery).

On September 4, 2020, the Alaska Supreme Court issued a decision in *Eric Forrer v. State of Alaska* (“*Forrer*”) related to the ATCCBC that created additional limitations on when the State can issue State Supported Debt. While the decision reaffirmed prior Supreme Court decisions allowing the use of State Supported Debt for lease purchase of real property arrangements, it specifically disallowed the structure contemplated for the ATCCBC created in 2018 pursuant to AS 37.18. Due to similarity of structure, the decision also rendered the Pension Obligation Bond Corporation (the “POBC”) (created pursuant to AS 37.16) and the Toll Bridge Revenue Bonds for the Knik Arm Bridge (created pursuant to AS 37.15, Article 2) illegal. On September 28, 2020, the State of Alaska Department of Law filed a Petition for Rehearing with the Supreme Court in an attempt to obtain clarity on the scope of the Supreme Court’s intent in their decision. The Court declined to respond to the Petition for Rehearing without any further ruling on the merits of the case.

State-Supported Unfunded Actuarially Assumed Liability. In 2008, Senate Bill 125 (“SB 125”) became law, declaring that the State shall fund any actuarially determined employer contribution rate above 22% for the Public Employees’ Retirement System (“PERS”) or 12.56% for the Teachers’ Retirement System (“TRS”) out of the State’s general fund. This change was designed to address the stress municipal employers were experiencing due to high actuarially determined percentage of payroll amounts to pay for actuarially assumed unfunded liabilities of the retirement systems. In 2015, the Governmental Accounting Standards Board Statement 68 (“GASB 68”) was enacted, updating reporting and disclosure requirements related to pension liabilities. One of the key changes was requiring a government that is committed to making payments on a pension system’s unfunded actuarial assumed liability (“UAAL”) on behalf of another entity to record the liability as a debt of the government making the payment. As a result of GASB 68, \$5.8 billion of long-term debt was added to the State’s fiscal year 2015 ACFR for a total of \$6.0 billion of UAAL owed by the State at that time.

Annual payments are determined based on a variety of actuarial assumptions and the evolving experience as it occurs. The assumption with perhaps the greatest impact on future payments is the assumed rate of return on invested assets. The Alaska Retirement Management Board (“ARM Board”) completed an experience analysis of the actuarial assumptions underlying the PERS and TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used in the June 30, 2022, and June 30, 2023, actuarial valuation reports. One significant item that was changed from the experience analysis is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent, and the assumption was first included within the June 30, 2022, actuarial valuation reports. The actuarial assumptions will be analyzed and updated next for the period July 1, 2021, to June 30, 2025.

According to the PERS and TRS ACFR as of June 30, 2024, if the actual earnings rate experience is 6.25%, the 1% reduction in the rate of return on investments increases the net PERS pension liability by approximately \$1,821,367,000 and the net TRS pension liability by approximately \$833,787,000.

Under the existing statutory framework through the passage of Senate Bill 125, the State is statutorily obligated to obtain amounts required to meet all actuarially determined employer contribution rate for PERS employers above 22% and TRS employers above 12.56%.

Effective July 1, 2021, Senate Bill 55 (“SB 55”), an Act relating to employer contributions to PERS, made changes to Alaska Statute (AS) 39.35.255 that indicated the State, as a participating employer, shall contribute to PERS every payroll period an amount sufficient to pay the full actuarially determined employer normal cost, all contributions required under AS 39.30.370 (HRA) and AS 39.35.750 (all defined contribution retirement (“DCR”) costs – employer match, occupational death and disability, retiree major medical plan), and past service costs for members at the contribution rate adopted by the ARM Board under AS 37.10.220 for the fiscal year for that payroll period. The State, as an employer, will pay the full actuarial determined employer contribution rate adopted by the ARM Board for each fiscal year.

As of June 30, 2024, State long term debt for the combined PERS and TRS pension UAAL was approximately \$4.4 billion. Other Post Employment Benefit (“OPEB”) asset levels are greater than the assumed liabilities for both PERS and TRS. See “STATE PENSION AND OTHER POST EMPLOYMENT BENEFIT RESPONSIBILITIES” below for certain information related to the State pension responsibilities.

State-Supported Municipal Debt Eligible for State Reimbursement. The State administers two programs that reimburse municipalities for municipal debt: the SDRP and the TIDSRP. These programs provide for State reimbursement of annual debt service on general obligation bonds of municipalities for the SDRP and a combination of general obligation and revenue bonds of authorized participants in the TIDSRP. The State may choose not to fund these programs in part or whole.

The Department of Education and Early Development (“DEED”) administers the SDRP, which was created by law in 1970. The SDRP allows municipalities to apply, and if structured correctly, be eligible for reimbursement on up to 100 percent of the debt service on general obligation bonds issued for school construction. All municipal bonds are required to be authorized as general obligation bonds of the municipality, providing the ultimate source of payment commitment.

The SDRP has been partially funded in a number of years. Access to the SDRP was restricted during the 1990’s due to State budgetary pressure. Beginning in the early 2000s, and through 2014, the program was generally available for any qualified municipal project at reimbursement rates of 60 to 70 percent of debt service. In 2015, the Legislature passed a moratorium on the SDRP and eliminated DEED’s authority to issue agreements to reimburse debt from school bonds that voters approved after January 1, 2015, and before July 1, 2020. In 2020, the legislature extended the moratorium until July 1, 2025. Since 1983, the SDRP has been partially funded ten times, most recently in fiscal year 2017 at approximately 79 percent of the authorized amount, in fiscal year 2020 at 50 percent of the authorized amount, in fiscal year 2021 at zero percent of the authorized amount, and then in fiscal year 2022 at approximately 42 percent of the authorized amount. The enacted fiscal year 2025 budget included a fully funded SDRP and TIDSRP, and in addition, a fiscal year 2022 supplemental appropriation offset prior year reductions in the SDRP for fiscal year 2017 and fiscal years 2020 through 2022.

The DOTPF and the AEA administer the TIDSRP, which was created by law in 2002. The program currently includes University of Alaska revenue bonds, six municipalities’ general obligation bonds, and one electric association revenue bond. The program provides for 100% reimbursement of a limited number

of municipal transportation and infrastructure related projects. The underlying municipal bonds were issued as either general obligation bonds or utility revenue bonds, providing the ultimate source of payment commitment. This was a one-time authorization, and no additional authorizations have been proposed. Other than certain reimbursements for the University of Alaska, no funding was provided in the fiscal year 2020 through 2022 budgets. The enacted 2025 budget includes a fully funded TIDSRA.

While the SDRP and the TIDSRP have been only partially funded or not funded at all in certain fiscal years, the statutorily allowed reimbursements are still reflected as State subject-to-appropriation obligations in current year balances and future year payment commitments within certain sections of the complete Alaska Public Debt publications. As of June 30, 2024, state supported municipal debt was approximately \$379.1 million.

State Moral Obligation Debt. State moral obligation debt consists of bonds issued by certain State agencies or authorities that are secured, in part, by a debt service reserve fund that is benefited by a discretionary replenishment provision that requires the applicable State agency or authority to report any deficiencies to the debt service reserve fund, and permits, but does not legally obligate, the Legislature to appropriate, on an annual basis, to the particular State agency or authority the amount necessary to replenish the debt service reserve fund up to its funding requirement (generally the maximum amount of debt service required in any year). Such State agency or authority debt is payable in the first instance by revenues generated from loan repayments or by the respective projects financed from bond proceeds. Among those State agencies that have the ability to issue such debt are: Alaska Aerospace Development Corporation, which has not issued any debt; AEA; AHFC; AIDEA; Alaska Municipal Bond Bank Authority (“AMBBA”); and Alaska Student Loan Corporation (“ASLC”). Current outstanding moral obligation debt is limited to AMBBA and AEA. Approximately \$1,179.6 million of such State moral obligation debt was outstanding as of June 30, 2024.

State and University Revenue Debt. This type of debt is issued by the State or by the University of Alaska but is secured only by revenues derived from projects financed from bond proceeds. Revenue debt is not a general obligation of the State nor of the University and does not require voter approval. Such debt is authorized by law and issued by the State Bond Committee or the University of Alaska for projects approved by the Commissioner of Transportation and Public Facilities or by the University of Alaska. This type of debt includes the revenue bonds of the Alaska International Airports System (“AIAS”), various University of Alaska revenue bonds, notes, and contracts, and Clean Water and Drinking Water Fund bonds. As of June 30, 2024, there was \$456.7 million of AIAS and University of Alaska revenue debt outstanding, consisting of \$228.8 million of University of Alaska revenue bonds and notes, and \$227.9 million of AIAS revenue bonds.

After the end of fiscal year 2024 the AIAS priced its Revenue Refunding Bonds, Series 2025A (the “AIAS 2025A Bonds”) and its Revenue Refunding Bonds, Series 2025B (Forward Delivery) (the “AIAS 2025B Bonds”) on January 15, 2025. The AIAS 2025A Bonds were issued on January 23, 2025 in the amount of \$67.75 million and the settlement for the AIAS 2025B Bonds is expected to occur on July 8, 2025 and the AIAS 2025B Bonds will be issued in the amount of \$50.21 million. Once the AIAS 2025B Bonds are issued, the AIAS 2025A Bonds and the AIAS 2025B Bonds will have refunded \$135.87 million of the AIAS’ outstanding Revenue Refunding Bonds, Series 2016A and Revenue Refunding Bonds, Series 2016B. As a result of such refunding, the overall transaction results in a net present value savings of approximately \$8.9 million.

State Agency Debt. State agency debt is secured by revenues generated from the use of bond proceeds or the assets financed by bond proceeds or otherwise of assets of the agency issuing the bonds. This debt is not a general obligation of the State nor does the State provide security for the debt in any other manner, i.e., by appropriations, guarantees or moral obligation pledges. As of June 30, 2024, there was

\$1,464.8 million aggregate principal amount of State agency debt outstanding, consisting of \$1,205.1 million of AHFC obligations, \$9.2 million of AMBBA Coastal Energy Impact Program Bonds payable to the National Oceanic and Atmospheric Administration, and \$250.5 million of obligations of the Northern Tobacco Securitization Corporation.

State Agency Collateralized or Insured Debt. As security for State agency collateralized or insured debt, the particular State agency pledges mortgage loans or other securities as primary security which, in turn, may be 100 percent insured or guaranteed by another party with a superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost and makes it less likely that the State will assume responsibility for the debt. As of June 30, 2024, the total principal amount outstanding of State agency collateralized or insured debt was approximately \$1,292.5 million, consisting of associated obligations issued through AHFC.

State-Supported Pension Obligation Bonds. In 2008, AS 37.16 was enacted creating the POBC for the purpose of issuing bonds for up to \$5 billion for the prepayment of UAAL of the retirement systems. The POBC bonds would have been considered State-Supported debt as they would be secured by agreements with other state agencies that are subject to annual appropriation. In 2018, the POBC bond limit was reduced to \$1.5 billion. Based on the September 4, 2020, *Forrer* decision of the Supreme Court this statutory construct is invalid.

State-Supported Tax Credit Certificate Bonds. In 2018, AS 37.18.010 was enacted creating the ATCCBC for the purpose of selling bonds for up to \$1 billion to provide for the purchase of certain State tax credits. The ATCCBC bonds would be considered State-Supported debt as they would be secured by agreements entered into by other State agencies that are subject to annual appropriation. A legal challenge of the State Constitutionality of the ATCCBC was filed and delayed the potential for bond issuance. Based on the September 4, 2020, *Forrer* decision of the Supreme Court, this statutory construct is invalid.

State Supported Toll Revenue Bonds. In April 2014, AS 37 Chapter 16 was enacted creating the Knik Arm Crossing project in the DOTPF. The Legislation provides for the DOTPF to enter into a Transportation Infrastructure Finance and Innovation Act (“TIFIA”) loan and for the Department of Revenue to issue up to \$300 million of state supported subordinate lien toll bridge revenue bonds. Given the green field nature of this project there is a 100 percent expectation of insufficient toll revenue to cover debt service and the State’s General Fund having to make debt payments for at least 7 to 10 years, and longer if traffic forecasts are not realized. Based on the September 4, 2020, *Forrer* decision of the Supreme Court this statutory construct is invalid.

Summary of Outstanding Debt. Table 7 lists, by type, the outstanding State-related debt as of June 30, 2024, except as otherwise noted.

Table 7
State of Alaska Debt and State-Related Debt by Type as of June 30, 2024
(\$ millions)

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Debt			
State of Alaska General Obligation Bonds	\$ 523.5	\$ 160.1	\$ 683.6
State Guaranteed Debt			
Alaska Housing Finance Corporation Collateralized Bonds (Veterans' Mortgage Program)	86.5	48.6	135.1
State-Supported Debt			
Certificates of Participation	12.5	1.9	14.4
Lease Revenue Bonds with State Credit Pledge and Payment	137.0	31.8	168.8
Total State-Supported Debt	<u>149.5</u>	<u>33.7</u>	<u>183.2</u>
State-Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	367.9	62.1	430.0
State Reimbursement of Capital Projects	11.2	2.2	13.4
Total State Supported Municipal Debt	<u>379.1</u>	<u>64.3</u>	<u>443.4</u>
Pension System Unfunded Actuarial Accrued Liability (UAAL) (1)			
Public Employees' Retirement System UAAL	3,468.0	N/A	3,468.0
Teachers' Retirement System UAAL	936.0	N/A	936.0
Total UAAL	<u>4,404.0</u>	<u>N/A</u>	<u>4,404.0</u>
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005 & 2016 General Resolution General Obligation Bonds	978.3	413.4	1,391.7
Alaska Energy Authority:			
Power Revenue Bonds	201.3	186.8	388.1
Total State Moral Obligation Debt	<u>1,179.6</u>	<u>600.2</u>	<u>1,779.8</u>
State Revenue Debt			
International Airport System Revenue Bonds	227.9	74.3	302.2
University of Alaska Debt			
University of Alaska Revenue Bonds	217.5	90.7	308.2
University Lease Liability and Notes Payable	11.3	2.2	13.5
Total University of Alaska Debt	<u>228.8</u>	<u>92.9</u>	<u>321.7</u>
Total State Revenue and University Debt	<u>456.7</u>	<u>167.2</u>	<u>623.9</u>

	<u>Principal outstanding</u>	<u>Interest to maturity</u>	<u>Total debt service to maturity</u>
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	46.5	-	46.5
State Capital Project Bonds II	1,158.6	684.2	1,842.8
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.2	1.3	10.5
Northern Tobacco Securitization Corporation			
2006 Tobacco Settlement Asset-Backed Bonds ⁽²⁾	250.5	431.1	681.6
Total State Agency Debt	<u>1,464.8</u>	<u>1,116.6</u>	<u>2,581.4</u>
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Home Mortgage Revenue Bonds	428.6	155.8	584.4
General Mortgage Revenue Bonds II	807.7	463.3	1,271.0
Government Purpose Bonds	56.2	8.2	64.4
Total State Agency Collateralized or Insured Debt	<u>1,292.5</u>	<u>627.3</u>	<u>1,919.8</u>
Total State and State Agency Debt	<u>9,936.2</u>		
Municipal Debt			
School G.O. Debt	556.8		
Other G.O. Debt ⁽³⁾	1,644.1		
Revenue Debt	873.9		
Total Municipal Debt	<u>3,074.8</u>		
Debt Reported in More than One Category			
Less: State Reimbursable Municipal Debt and Capital Leases	(148.2)		
Less: State Reimbursable Municipal School G.O. Debt	(367.9)		
Less: Alaska Municipal Bond Bank debt included in University debt	(75.5)		
Less: Alaska Municipal Bond Bank debt included in Municipal debt	(792.2)		
Total Deductions Due to Reporting in More than One Category	<u>(1,383.8)</u>		
Total Alaska Public Debt	<u>\$ 11,627.2</u>		

(1) From most recent June 30, 2023 actuarial valuation, as of the release of the Alaska Public Debt Book 2024 - 2025.

(2) "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at maturity of \$335.7 million.

(3) Other G.O. Debt includes certain information sourced directly from the Office of the State Assessor and certain municipal ACFRs, when available.

Source: 2024-2025 Alaska Public Debt Book, published in January 2025.

General Fund Supported Obligations. General Fund support is pledged and required for only a portion of the total outstanding public debt. General obligation bonds are unconditionally supported, and COPs and capital leases are subject-to-appropriation commitments with associated obligations. The SDRP and TIDSRP provide discretionary annual payments to municipal issuers for qualified bonds of the municipalities that are eligible by statute to participate in the programs. Table 10 sets forth existing debt service on outstanding State-supported debt the State has provided from the General Fund for these outstanding obligations and the forecast support required to retire the outstanding obligations into the future. In the State’s enacted fiscal year 2025 budget, the SDRP and TIDSRP were funded at 100 percent.

Table 8
State of Alaska
Payments on General Fund Paid Debt as of June 30, 2024
(\$ millions)

Fiscal Year	State G.O.*	Lease / Purchase	Capital Leases ⁽¹⁾	School Debt		Statutory Debt		Total Debt Service
				Reimbursement ^{(2),(3)}	Capital Project Reimbursement ⁽³⁾	Payment to PERS/TRS ⁽⁴⁾		
2024	\$72.7	\$2.9	\$19.5	\$66.1	\$3.6	\$136.7	\$301.5	
2025	64.6	2.9	19.5	56.4	3.6	182.5	329.5	
2026	66.2	2.9	19.5	46.5	2.8	255.8	393.7	
2027	64.8	2.9	20.9	41.2	2.6	283.3	415.7	
2028	63.9	2.9	20.9	39.2	2.2	288.6	417.7	
2029	63.0	2.9	17.6	34.4	0.9	295.2	414.0	
2030	62.5	—	17.6	32.0	0.9	302.2	415.2	
2031	50.5	—	17.6	29.8	0.4	309.5	407.8	
2032	50.4	—	17.6	26.5	—	317.7	412.2	
2033	50.3	—	17.6	20.3	—	326.3	414.5	
2034	50.2	—	—	18.0	—	334.9	403.1	
2035	27.1	—	—	13.0	—	344.0	384.1	
2036	27.0	—	—	6.0	—	352.9	385.9	
2037	6.6	—	—	0.9	—	362.8	370.3	
2038	18.3	—	—	0.8	—	372.7	391.8	
2039	6.1	—	—	0.8	—	383.0	389.9	
2040	6.1	—	—	0.4	—	18.0	24.5	
2041	6.1	—	—	0.2	—	18.3	24.6	
2042-2051	—	—	—	0.4	—	117.8	118.2	

(1) A prison and a parking garage have been financed with capital leases.

(2) Fiscal years 2024–2043 payments are based on actual bond repayment schedules on file with DEED as of June 30, 2024.

(3) In fiscal year 2024, School Debt and Capital Project Reimbursements were funded at 100%.

(4) Based on PERS and TRS Actuarial Valuation Reports as of June 30, 2023.

(*) State G.O. debt service is net of federal subsidies on interest expense through fiscal year 2038.

Source: 2024 – 2025 Alaska Public Debt Book, published in January 2025.

Payment History. The State has never defaulted on its general obligation bond obligations, nor has it ever failed to appropriate funds for any State-supported outstanding securitized lease obligations.

State Debt Capacity. The State uses the ratio of debt service to revenue as a guideline for determining debt capacity of the State. This policy was established due to the State’s relatively small population and high per capita revenue due to investment and oil resource-generated revenue. Historically, the State Bond Committee adopted a policy to target no more than 5 percent of annual unrestricted General Fund revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State. Additionally, a higher target of no more than 8 percent of annual unrestricted General Fund revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State, as well as certain reimbursement programs of the State of Alaska, was established. This policy was revised in fiscal year 2019 due to the inclusion of certain Permanent Fund earnings in unrestricted General Fund revenue through SB 26, which made an adjustment of these ratios from 5 percent to 4 percent, and from 8 percent to 7 percent.

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Table 9

**State of Alaska
Debt Service on Outstanding Obligations to Unrestricted Revenues
Fiscal Years Ended June 30, 1996 – 2024
Forecast for Fiscal Years Ending June 30, 2025 – 2034**

Fiscal Year	Unrestricted Revenues (\$ millions)	State G.O. Debt Service (%)	State Supported Debt Service (%)	Total State Debt Service (%)	School Capital Debt Reimbursements (%)	Statutory Payment to PERS/TRS (%)	Total Payments to Revenues (%)
1996	\$ 2,133	1.0%	0.5%	1.4%	3.7%	—	5.2%
1997	2,495	0.7	0.4	1.0	2.5	—	3.5
1998	1,826	0.8	0.6	1.3	3.4	—	4.7
1999	1,348	0.7	1.1	1.8	4.6	—	6.4
2000	2,082	0.1	0.9	1.0	3.1	—	4.1
2001	2,282	0.0	0.7	0.7	2.3	—	3.0
2002	1,660	0.0	1.3	1.3	3.3	—	4.5
2003	1,948	0.0	1.1	1.1	2.7	—	3.7
2004	2,346	0.8	0.9	1.7	2.6	—	4.3
2005	3,189	1.5	0.7	2.2	2.2	—	4.4
2006	4,200	1.1	0.6	1.7	1.9	—	3.6
2007	5,159	0.9	0.5	1.4	1.7	—	3.1
2008	10,728	0.4	0.3	0.6	0.8	—	1.4
2009	5,838	0.8	0.6	1.3	1.6	—	2.9
2010	5,513	0.9	0.8	1.7	1.7	—	3.4
2011	7,673	0.7	0.6	1.3	1.3	—	2.6
2012	9,485	0.8	0.4	1.3	1.1	—	2.3
2013	6,929	1.1	0.6	1.7	1.6	—	3.3
2014	5,390	1.4	0.7	2.1	2.0	—	4.1
2015	2,256	3.3	1.6	4.9	5.2	—	10.1
2016	1,533	4.0	2.3	6.3	7.6	—	13.9
2017	1,355	6.1	2.3	8.3	6.7	—	15.0
2018	2,414	3.7	1.1	4.8	4.6	—	9.4
2019	5,350	1.7	0.4	2.1	2.0	—	4.1
2020	4,529	1.7	0.5	2.2	2.2	—	4.5
2021	4,783	1.7	0.5	2.1	2.0	—	4.1
2022	6,939	1.1	0.3	1.4	1.2	—	2.6
2023	7,044	1.0	0.3	1.4	1.2	—	2.6
2024	6,631	1.1	0.3	1.4	1.1	—	2.5
Projected*							
2025	6,229	1.0	0.4	1.4	1.0	2.9	5.3
2026	6,199	1.1	0.4	1.4	0.8	4.1	6.4
2027	6,395	1.0	0.4	1.4	0.7	4.4	6.5
2028	6,461	1.0	0.4	1.4	0.6	4.5	6.5
2029	6,526	1.0	0.3	1.3	0.5	4.5	6.3
2030	6,663	0.9	0.3	1.2	0.5	4.5	6.2
2031	6,940	0.7	0.3	1.0	0.4	4.5	5.9
2032	7,169	0.7	0.2	0.9	0.4	4.4	5.7
2033	7,405	0.7	0.2	0.9	0.3	4.4	5.6
2034	7,710	0.7	0.0	0.7	0.2	4.3	5.2

* The forecast for fiscal years 2025 through 2034 uses the projections included in the 2024 – 2025 Alaska Public Debt Book, which was based on available information as the Fall 2024 Revenue Forecast release.

** Certain ‘Total Payment to Revenue’ percentages may not foot in the table due to rounding.

Source: 2024 – 2025 Alaska Public Debt Book, published in January 2025.

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APPENDIX G

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

The Alaska Municipal Bond Bank (the “Issuer”) executes and delivers this Continuing Disclosure Certificate (the “Disclosure Certificate”) in connection with the issuance of \$41,900,000 Alaska Municipal Bond Bank General Obligation and Refunding Bonds, 2025 Series One (None-AMT), and \$13,670,000 Alaska Municipal Bond Bank General Obligation and Refunding Bonds, 2025 Series Two (AMT) (collectively, the “Bonds”). The Bonds are being issued under the General Bond Resolution of the Issuer entitled “A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof,” adopted July 13, 2005, as amended on August 19, 2009 (the “General Bond Resolution”), and Series Resolution No. 2024-02, adopted on December 10, 2024 (the “Series Resolution” and together with the General Bond Resolution, the “Resolutions”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Issuer is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 of this Disclosure Certificate.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” means the final official statement dated March 25, 2025, relating to the Bonds.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. Commencing with its Annual Report for Fiscal Year ending June 30, 2025, the Issuer will provide to the MSRB, in a format as prescribed by the Rule:

(a) Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference: (i) annual audited financial statements of the Issuer prepared in accordance with generally accepted accounting principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board (or its successor); (ii) a statement of authorized, issued and outstanding bonded debt of the Issuer; (iii) the Reserve Fund balance; and (iv) financial and operating data of Governmental Units that had an amount of bonds equal to or greater than twenty percent (20%) of all outstanding bonds under the General Bond Resolution of the type included in the Official Statement, if any, as of the end of the prior Fiscal Year. Any or all of these items may be included by specific reference to documents available to the public or the internet website of the MSRB or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.

(b) Not later than 120 days after the end of each Fiscal Year, the Issuer will notify each Governmental Unit, that had, as of the end of such Fiscal Year, an amount of bonds equal to or greater than twenty percent (20%) of all outstanding bonds under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of such Governmental Units for the prior Fiscal Year will be included in the Annual Report. The Issuer undertakes no responsibility and shall incur no liability whatsoever to any person, including any holder or beneficial owner of the Bonds, in respect of any obligations or reports, notices or disclosures provided or required to be provided by such Governmental Unit under its continuing disclosure agreement.

Section 4. Notice of Failure to Provide Information. The Issuer shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Reporting of Significant Events. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days of the occurrence of such event:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Adverse tax opinions or the issuance by the Internal Revenue Service (“IRS”) of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB).
- (6) Defeasances.
- (7) Rating changes.
- (8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar event of the Issuer.*

(10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

(1) Unless described in Section 5(a)(5), other notices or determinations by the IRS with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds.

(2) Nonpayment-related defaults.

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

(4) Bond calls.

(5) Release, substitution or sale of property securing repayment of the Bonds.

(6) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(7) Appointment of a successor or additional trustee or the change in name of the trustee for the Bonds.

(8) Incurrence of a Financial Obligation of the Issuer, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Bonds.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer;

* Note: for the purposes of the event identified in subparagraph 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances;

(c) The Issuer obtains an opinion of counsel unaffiliated with the Issuer that the amendment does not materially impair the interests of the Beneficial Owners of the Bonds; and

(d) The Issuer notifies and provides the MSRB with copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section 8. Filing. Any filing required under the terms of this Disclosure Certificate may be made solely by transmitting such filing to the Electronic Municipal Market Access as provided at <http://www.emma.msrb.org>, or in such other manner as may be permitted from time to time by the Securities Exchange Commission.

Section 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Issuer to comply with its obligations under this Disclosure Certificate. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Participating Underwriter and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATED this 8th day of April, 2025.

ALASKA MUNICIPAL BOND BANK

RYAN S. WILLIAMS
Executive Director

APPENDIX H

DTC AND ITS BOOK-ENTRY SYSTEM

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2025 Series One and Two Bonds. The 2025 Series One and Two Bonds 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 certificate will be issued for each maturity of the 2025 Series One and Two Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 rating from Standard & Poor’s 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 2025 Series One and Two Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Series One and Two Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2025 Series One and Two Bond (“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 2025 Series One and Two Bonds 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 2025 Series One and Two Bonds, except in the event that use of the book-entry system for the 2025 Series One and Two Bonds is discontinued.

4. To facilitate subsequent transfers, all 2025 Series One and Two Bonds 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 2025 Series One and Two Bonds 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 2025 Series One and Two Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2025 Series One and Two Bonds 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 2025 Series One and Two Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Series One and Two Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2025 Series One and Two Bond documents. For example, Beneficial Owners of 2025 Series One and Two Bonds may wish to ascertain that the nominee holding the 2025 Series One and Two Bonds 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 2025 Series One and Two Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2025 Series One and Two Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank 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 2025 Series One and Two Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Payments on the 2025 Series One and Two Bonds 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 the Bond Bank or the Trustee, 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, the Bond Bank or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, 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. DTC may discontinue providing its services as depository with respect to the 2025 Series One and Two Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2025 Series One and Two Bond certificates are required to be printed and delivered.

10. The Bond Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2025 Series One and Two Bond certificates will be printed and delivered to DTC.

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

