



## MEMORANDUM

**TO:** Board Members  
Alaska Industrial Development and Export Authority

**FROM:** Tomas Boutin  
Executive Director

**DATE:** September 18, 2019

**SUBJECT:** Resolution No. G19-20 Authorizing Defeasance and Redemption of Outstanding Revolving Fund Bonds

Resolution No. G19-20 authorizes the defeasance and redemption of all outstanding Revolving Fund General Obligation (GO) bonds of the Authority with use of available funds of the Authority.

Additionally, this Resolution approves the form of escrow agreement to be entered into by the Authority and escrow agents in connection with the defeasance and redemption transaction, and delegates authority to the Executive Director, Chief Financial Officer, and the Assistant Secretaries to execute all necessary documents in connection with the transaction.

### BACKGROUND

The Authority has two Revolving Fund GO bond issues outstanding:

- Revolving Fund Refunding Bonds, Series 2010A, principal amount outstanding of \$29,475,000, with average coupon interest rate of approximately 5.06%
- Revolving Fund Bonds, Series 2010B, principal amount outstanding of \$10,245,000, with average coupon interest rate of approximately 5.27%

The Revolving Fund Refunding Bonds, Series 2010A were issued in February 2010 in the amount of \$87,105,000 for the purpose of providing funds for the refunding of the then outstanding balances of the Revolving Fund Refunding Bonds, Series 2008A and 2008B. The Series 2010A bonds were the latest issuance of bonds refinancing the original bonds issued for the Delong Mountain Transportation System (Red Dog) Project. The Series 2010A bonds are callable April 1, 2020. Bank of New York Mellon Trust Company, N.A. serves as the trustee for these bonds.

The Revolving Fund Refunding Bonds, Series 2010B were issued in December 2010 in the amount of \$14,470,000 to finance a loan participation for the construction of the wastewater facility used in connection with the Goose Creek Corrections Center. The Series 2010B bonds are callable April 1, 2021. U.S. Bank National Association serves as the trustee for these bonds.

Moody's Investor Services (Moody's) and Standard and Poor's (S&P) rate the Series 2010A and 2010B bonds. In July 2019 Moody's downgraded the rating on both bond issues from Aa3 to A2 citing "Despite very high debt-service coverage and large amounts of liquidity relative to debt currently outstanding a rating below the State of Alaska's (Aa3 negative) general obligation rating is warranted because of AIDEA's relationship to the state." S&P has a rating review in progress for both bond issues.

## **DEFEASANCE/REDEMPTION**

If approved, the defeasance transaction is expected to close by October 1, 2019 or earlier (Defeasance Date). The material impacts of the defeasance and redemption of the Series 2010A and 2010B bonds are summarized below:

- As of the Defeasance Date, Moody's and S&P's ratings will become historical rather than active ratings. We anticipate S&P will halt the rating review currently in process, leaving the current rating in place (A+). The Authority will select rating agencies for future AIDEA GO bond issuances during the bond issuance process.
- Approximately \$40,777,000 of Revolving Fund monies will be deposited with the bond trustees (serving as escrow agents) in escrow for payment of the debt service on the defeased bonds until the first available call date, at which time the outstanding bonds will be redeemed in whole. The regularly scheduled October 1, 2019 interest payments will also be deposited with the trustee. Per the June 30, 2019 investment advisor review of the Authority's investment portfolio, the total yield for the Authority's external investment portfolio was 7.67% for FY19, but averaged 2.26% over the past three years.
- As of the Defeasance Date, \$39,720,000 of outstanding bond debt will be removed from the Authority's balance sheet. Sufficient funds will be provided to the Escrow agents to ensure future debt payments are funded from the escrow accounts.
- As of the Defeasance Date, Revolving Fund expenses will no longer reflect interest and amortization expense for the debt. Interest and amortization expense on the Series 2010A and 2010B bonds for FY19 totaled approximately \$2,034,000.

## **RECOMMENDATION**

Staff recommends approval of Resolution No. G19-20 authorizing the defeasance and redemption of the Authority's Revolving Fund Refunding Bonds, Series 2010A and 2010B with use of available funds of the Authority, approval of the form of the Escrow Agreement to be used in connection with the transaction, and delegating authority to the Executive Director, Chief Financial Officer and the Assistant Secretaries to execute all necessary documents in connection with the transaction.

**FORM OF  
ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (the "Agreement"), made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_ 2019, by and between the Alaska Industrial Development and Export Authority (the "Authority") and \_\_\_\_\_, as escrow agent (herein together with any successor in such capacity, the "Escrow Agent");

WITNESSETH:

Section 1. Recitals. Pursuant to Amended and Restated Revolving Bond Resolution No. G90-2E, adopted by the Authority on January 15, 2010, and pursuant to Revolving Bond Series Resolution No. \_\_\_\_\_, adopted by the Authority on \_\_\_\_\_, \_\_\_\_\_ (together, the "Bond Resolution"), the Authority issued its Revolving Fund [Refunding] Bonds, Series \_\_\_\_\_ (the "Bonds"). \_\_\_\_\_, serves as trustee for the Bonds under the terms and conditions of the Bond Resolution (the "Trustee").

There presently remain outstanding the Bonds described on Schedule A hereto.

The Escrow Agent has reviewed this Agreement and is willing to serve as Escrow Agent.

\_\_\_\_\_ (the "Verification Agent") has prepared a verification report which is dated \_\_\_\_\_, 2019 (the "Verification Report") relating to the source and use of funds available to accomplish the defeasance and redemption of the outstanding Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of debt service due through redemption and payment of redemption of the outstanding Bonds.

Section 2. Provisions for Defeasing the Defeased Bonds.

(a) *Defeased Bonds*. To accomplish the defeasance and redemption of the outstanding Bonds (the "Defeased Bonds") in the manner set forth in the Bond Resolution, the Authority hereby agrees that it will irrevocably deposit with the Escrow Agent \$\_\_\_\_\_ with which the Escrow Agent is hereby instructed to use to purchase non-callable and non-redeemable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by United States of America, as described in Schedule B-1 hereto (the "Escrow Obligations"). The Escrow Obligations are to be held in trust for the security and benefit of the owners of the Defeased Bonds by the Escrow Agent in the Escrow Fund, a trust fund separate and apart from all other cash and investment securities held by the Escrow Agent. The Escrow Agent hereby acknowledges receipt of the Escrow Obligations, as described in Schedule B attached

hereto and by this reference made a part hereof, and cash in the amount of \$\_\_\_\_\_, and agrees that it will hold such cash and the earnings on any investment securities held hereunder to redeem and retire the Defeased Bonds on the Redemption Date, at the redemption price, set forth in Schedule A attached hereto and hereby made a part hereof, and to pay the interest to become due on the Defeased Bonds prior to and on the Redemption Date. The Escrow Obligations shall be purchased with cash.

The sufficiency of the cash and Escrow Obligations to accomplish said payment of the principal of, and interest on, the Defeased Bonds as described above has been verified by the Verification Agent, a firm of independent public accountants.

(b) *Irrevocable Instruction to Call the Defeased Bonds.* The Authority has elected, and hereby irrevocably instructs the Escrow Agent, to call the Defeased Bonds for redemption on the Redemption Date. A form of Redemption Notice for the Defeased Bonds is attached hereto as Schedule D, to be provided to the bond holders of the Defeased Bonds. The call for redemption and prepayment of the Defeased Bonds shall be irrevocable upon the delivery of funds to the Escrow Agent. The Escrow Agent, at the expense of the Authority, shall provide for mailing of the proper notices of such redemption and prepayment in accordance with the Indenture.

(c) *Irrevocable Instruction to Provide Defeasance Notice.* In connection with the defeasance and redemption of the Defeased Bonds, the Authority hereby irrevocably instructs the Escrow Agent to provide notice to the holders of the Defeased Bonds of their defeasance. (A form of Defeasance Notice is attached hereto as Schedule E.) The Escrow Agent, at the expense of the Authority, shall provide for the mailing of the Defeasance Notice.

(d) *State and Local Government Series Securities.* If the Escrow Agent learns that the Department of the Treasury or the Bureau of the Fiscal Service will not, for any reason, accept a subscription of state and local government series securities ("SLGS") that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly (within two (2) business days) request alternative written investment instructions from the Authority with respect to funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the Authority. In the absence of investment instructions from the Authority, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the Authority's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 3. Substitution of Different Escrow Obligations or Other Investments. The Authority reserves the right to substitute from time to time for the Escrow

Obligations (the "Escrow Obligations") purchased in accordance with Section 2 hereof, or for obligations purchased under this Section, other Government Obligations (as defined in the Bond Resolution) (the "Substitute Obligations"). Prior to effecting any such substitution, the Authority shall have obtained and delivered to the Escrow Agent a letter addressed to the Authority and to the Escrow Agent from an independent, nationally recognized firm of certified public accountants verifying the computations which indicate that the Escrow Obligations, the Substitute Obligations and other money to be held by the Escrow Agent for purposes of making the payments described in Section 2 hereof, as applicable, will be sufficient, after the proposed substitution, to make all payments described in said Section 2.

Section 4. Payment of Principal, Interest, and Redemption Price on the Defeased Bonds. The Escrow Agent shall present for payment on the due date thereof any Escrow Obligations deposited with it and shall apply the proceeds derived therefrom and the interest paid thereon and any cash held by it hereunder in accordance with the provisions of this Agreement. Moneys shall, in a timely manner, be transferred by the Escrow Agent to the paying agent for the Defeased Bonds in amounts sufficient for the payments specified in Section 2 of this Agreement.

Section 5. Reports and Notice of Insufficiency. The Escrow Agent shall, for as long as any Defeased Bonds remain outstanding, within forty (40) days following the date on which each payment of debt service on Defeased Bonds becomes due, render statements to the Authority setting forth the Escrow Obligations and Substitute Obligations held hereunder by the Escrow Agent, any of such obligations which have matured and amounts received by the Escrow Agent by reason of such maturity, the interest earned on such obligations, a list of any investments or reinvestments made by the Escrow Agent in other such obligations and the interest and/or principal derived therefrom, the sums paid to the paying agents for the Defeased Bonds, and any other transactions of the Escrow Agent pertaining to its duties and obligations as set forth herein. In the event the maturing principal of and interest on the Escrow Obligations, Substitute Obligations, and other money held by the Escrow Agent pursuant to this Escrow Agreement shall be insufficient to make a payment described in Section 2, the Escrow Agent shall, to the extent it has actual knowledge thereof, give the Authority prompt notice of such insufficiency and the Authority shall timely deposit with the Escrow Agent, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payment. The Escrow Agent shall not in any manner be responsible for any insufficiency of funds held pursuant to this Escrow Agreement or the Authority's failure to make additional deposits thereto.

Section 6. Custody and Safekeeping of Obligations. All Escrow Obligations, Substitute Obligations, moneys and investment income deposited with or received by the Escrow Agent pursuant to this Agreement shall be subject to the trust created by this Agreement, and the Escrow Agent shall be liable for the preservation and safekeeping thereof; provided, however, it shall not be responsible for any depreciation in value of or loss on any of the Escrow Obligations or Substitute Obligations.

Section 7. Amendment of Agreement. This Agreement is made for the benefit of the Authority and the holders from time to time of the Defeased Bonds, and it shall not be altered or amended; provided, however, that the Authority and the Escrow Agent may, without the consent of, or notice to, such holders enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such holders (as evidenced by an opinion of counsel delivered to the Escrow Agent) and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity, inconsistency or formal defect or omission in this Agreement;

(b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Defeased Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent;

(c) to provide for the deposit of additional cash or securities with the Escrow Agent; and

(d) to designate a new Escrow Agent in the event of the failure or inability of the Escrow Agent to perform its duties hereunder.

Section 8. Compensation of Escrow Agent. The Escrow Agent hereby acknowledges that the arrangements heretofore made, pursuant to a separate fee schedule, for payment of the fees, compensation and expenses of the Escrow Agent are satisfactory to it and such payment is inclusive of all fees, compensation and expenses of the Escrow Agent as stated on the fee schedule attached as Schedule C hereto. Such arrangement for compensation and expenses is intended as compensation for the ordinary services as contemplated by this Agreement, and in the event that the Escrow Agent renders any services hereunder not provided for in this Agreement, or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or institutes interpleader proceedings relative hereto, the Escrow Agent shall be compensated reasonably by the Authority for such extraordinary services and reimbursed for all reasonable fees, costs, and expenses (including the reasonable fees and expenses of attorneys) occasioned thereby. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the cash or the Escrow Obligations, Substitute Obligations, or any other moneys or other assets deposited with, or other investment securities or cash held by, the Escrow Agent for purposes of effecting the redemption or payment of the Defeased Bonds as described herein for any other purpose, including for payment of any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement of any of its expenses as Escrow Agent or in any other capacity.

Section 9. Limitation of Escrow Agent Duties. None of the provisions contained in this Agreement shall require the Escrow Agent to risk, use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Agent shall be under no liability for the payment of interest on any funds or other property received by it hereunder except to the extent the Escrow Agent is required by the express terms of this Agreement to invest such funds.

The Escrow Agent's liabilities and obligations in connection with this Agreement are confined to those specifically described herein. The Escrow Agent is authorized and directed to comply with the provisions of this Agreement and is relieved from all liability for so doing, except in the case of negligence or willful misconduct on its part, notwithstanding any demand or notice to the contrary by any party hereto. The Escrow Agent shall not be responsible or liable for the sufficiency, correctness, genuineness or validity of the Escrow Obligations, or any Substitute Obligations; the performance or compliance by any party other than the Escrow Agent with the terms or conditions of any such instruments; or any loss which may occur by reason of forgeries, false representations or the exercise of the Escrow Agent's discretion in any particular manner unless such exercise is negligent or constitutes willful misconduct. If any controversy arises between the Authority and any third person, the Escrow Agent shall not be required to determine the same or to take any action in the premises, but it may institute, in its discretion, an interpleader or other proceeding in connection therewith as it may deem proper, and in following either course, it shall not be liable.

The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Section 10. Deposit of Additional Sums by the Authority. The Authority agrees that it will promptly deposit with the Escrow Agent an additional sum or sums of money specified in any Escrow Agent's notice of insufficiency given pursuant to Section 5 hereof.

Section 11. Remission of Funds When Defeased Bonds Paid in Full. At such time as the Escrow Agent shall have received the representation of the Authority that all of the payments described in Section 2 hereof have been made and the confirmation of such representation by the paying agent, together with such other evidence of such

payments as shall be satisfactory to the Authority and the Escrow Agent, the Escrow Agent shall immediately deliver forthwith or remit to the Authority any remaining Escrow Obligations, Substitute Obligations and money held pursuant to this Agreement.

Section 12. Successor Escrow Agent. If at any time the Escrow Agent or its legal successor or successors should resign or become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event, the Authority, by appropriate action, promptly shall appoint a successor Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Authority within sixty (60) days, the retiring Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent or an Escrow Agent may be appointed by the owners of a majority in principal amount of the Defeased Bonds then outstanding by an instrument or instruments in writing filed with the Authority, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Defeased Bonds or the retiring or resigning Escrow Agent may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent. Notwithstanding the foregoing, unless otherwise required by law, any resignation of the Escrow Agent will not be effective until a successor Escrow Agent has been appointed and such successor Escrow Agent has accepted the position.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Authority and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trust of the Escrow Agent hereunder.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor as provided above if (a) the successor is a bank or trust company organized under the laws of any state of the United States of America or a national banking association and shall be authorized by law, and qualified, to perform all duties imposed upon it by the terms of this Agreement; (b) the successor has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all the Escrow Obligations, Substitute Obligations, and money then held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor, whereupon the Escrow Agent shall be discharged of all duties and responsibilities hereunder.

Section 13. Merger or Consolidation of Escrow Agent. Any company into which the Escrow Agent 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 the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Agreement, shall be the successor to the Escrow Agent without the execution or filing of any paper or the performance of any further act.

Section 14. Notices. All notices, requests or reports required or permitted to be given hereunder shall, until further notice in writing, be given hereunder by first class mail or by overnight delivery to the following addresses:

To the Authority: Alaska Industrial Development and  
Export Authority  
Attention: Chief Financial Officer  
813 West Northern Lights Boulevard  
Anchorage, Alaska 99503

To the Escrow Agent: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Section 15. Miscellaneous. This Agreement is governed by Alaska law and may not be modified except in a writing signed by the parties. In the event any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement pursuant to due and proper authorization, all as of the date and year first above written.

ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY

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Brenda Applegate  
Chief Financial Officer

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as Escrow Agent

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Authorized Officer

**SCHEDULE A**  
**SCHEDULE OF DEFEASED BONDS**  
**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**

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Due ( )	Principal Amounts	Redemption Date ( )	Price %	Amount to be Redeemed %
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**SCHEDULE B**  
**ESCROW OBLIGATIONS**

**SCHEDULE C**  
**ESCROW AGENT FEE SCHEDULE**

## SCHEDULE D

### NOTICE OF REDEMPTION

#### NOTICE TO HOLDERS OF ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

MATURING ON AND AFTER \_\_\_\_\_, \_\_\_\_\_

NOTICE IS HEREBY GIVEN to the holders of the outstanding Alaska Industrial Development and Export Authority Revolving Fund Bonds, Series \_\_\_\_\_ (the "Series \_\_\_\_\_ Bonds") that the Series \_\_\_\_\_ Bonds maturing on and after \_\_\_\_\_, \_\_\_\_\_, have been called for redemption prior to maturity as of \_\_\_\_\_, 20\_\_\_\_, in accordance with their terms at a redemption price equal to 100% of the principal amount thereof, plus in each case accrued interest on such Series \_\_\_\_\_ Bonds to the redemption date. The source of the funds to be used for such redemption is the principal of and interest on investment securities theretofore deposited with the Trustee, together with moneys theretofore deposited with the Trustee.

The Series \_\_\_\_\_ Bonds were issued on \_\_\_\_\_, \_\_\_\_\_; details of the Series \_\_\_\_\_ Bonds being called for redemption include the following:

Maturity Date (_____)	Principal Amount Redeemed \$	Interest Rate %	Redemption Date (_____)	Redemption Price %	CUSIP No. _____

The redemption price of and accrued interest on the Series \_\_\_\_\_ Bonds maturing on and after \_\_\_\_\_, \_\_\_\_\_ shall become due and payable on \_\_\_\_\_, \_\_\_\_\_, and from and after \_\_\_\_\_, \_\_\_\_\_, interest on the Series \_\_\_\_\_ Bonds maturing on and after \_\_\_\_\_, \_\_\_\_\_ shall cease to accrue and be payable.

Holders of the Series \_\_\_\_\_ Bonds maturing on and after \_\_\_\_\_, \_\_\_\_\_ will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the designated corporate trust office of \_\_\_\_\_.

The Series 2005A Bonds shall be surrendered for redemption to:

<u>First Class/Registered/Certified</u>	<u>Express Delivery Only</u>	<u>By Hand Only</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Bondholder Communications can be reached at \_\_\_\_\_.

No representation is made as to the correctness of CUSIP numbers either as printed on the Series \_\_\_\_\_ Bonds or as contained herein and reliance may be placed only on the identification numbers contained herein or printed on the Series \_\_\_\_\_ Bonds.

The Issuer and Trustee shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bonds. They are included solely for the convenience of the holders.

**IMPORTANT NOTICE: ALL HOLDERS SUBMITTING THEIR BONDS MUST ALSO SUBMIT A FORM W-9. FAILURE TO PROVIDE A COMPLETED FORM W-9 MAY RESULT IN THE TWENTY-EIGHT PERCENT (28%) BACK UP WITHHOLDING PURSUANT TO THE JOBS AND GROWTH TAX RELIEF RECONCILIATION ACT OF 2003 AND BROKER REPORTING REQUIREMENTS. THE FORM W-9 MAY BE OBTAINED FROM THE INTERNAL REVENUE SERVICE.**

DATED this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

By \_\_\_\_\_  
\_\_\_\_\_ as Trustee

**SCHEDULE E**

**NOTICE OF DEFEASANCE OF  
THE FOLLOWING REVENUE BONDS OF THE ALASKA INDUSTRIAL DEVELOPMENT AND  
EXPORT AUTHORITY**

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY,**

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Maturity Date ( )	Principal Amount \$	Interest Rate %	Redemption Date ( )	Redemption Price %	CUSIP No.

NOTICE IS HEREBY GIVEN to the holders of the above captioned Bonds, as set forth in the table above (collectively, the "Defeased Bonds") that there has been deposited with \_\_\_\_\_, as Escrow Agent, moneys and direct obligations of the United States of America, as permitted by the Amended and Restated Revolving Fund Bond Resolution No. G90-2E, adopted on January 15, 2010 (the "Master Resolution") and pursuant to Revolving Fund Series Resolution No. \_\_\_\_\_, adopted on \_\_\_\_\_, \_\_\_\_\_, the principal of and interest on which, when due, will provide moneys which is sufficient (as confirmed by \_\_\_\_\_, the verification agent) and available to pay the redemption price of, and interest to become due on the Defeased Bonds, prior to the maturity on the date as set forth above. The Trustee has been irrevocably instructed to redeem on the above mentioned redemption date the Defeased Bonds at the redemption prices (expressed as a percentages of the principal amount of the Defeased Bonds to be redeemed), plus accrued interest to the date of redemption.

No representation is made as to the correctness of CUSIP numbers either as printed on the Defeased Bonds or as contained herein and reliance may be placed only on the identification numbers contained herein or printed on the Defeased Bonds.

On the redemption date, there shall become due and payable, upon presentation and surrender of the Defeased Bonds at the designated corporate trust office of \_\_\_\_\_, or its successor, the above-mentioned redemption price, together with interest accrued on the Defeased Bonds to such redemption date, and, from and after the redemption date, interest on the Defeased Bonds shall cease to accrue. On the Redemption Date, the above-mentioned redemption price, together with interest accrued on the Defeased Bonds to the redemption date, will be paid from moneys and proceeds received from direct obligations of the United States of America heretofore deposited with \_\_\_\_\_, as Trustee.



The Defeased Bonds are deemed paid in accordance with Section 1201 of the Master Resolution.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2019.

By \_\_\_\_\_  
\_\_\_\_\_  
as Trustee

**ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY**

**RESOLUTION NO. G19-20**

**A RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY AUTHORIZING THE DEFEASANCE AND  
REDEMPTION OF THE OUTSTANDING REVOLVING FUND BONDS  
OF THE AUTHORITY; AUTHORIZING THE EXECUTION OF  
ESCROW AGREEMENTS IN CONNECTION THEREWITH;  
DELEGATING CERTAIN AUTHORITY TO THE EXECUTIVE  
DIRECTOR, THE CHIEF FINANCIAL OFFICER, AND THE ASSISTANT  
SECRETARIES; AND PROVIDING FOR RELATED MATTERS.**

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**WHEREAS**, the Alaska Industrial Development and Export Authority (“Authority”), pursuant to Title 44, Chapter 88, of the Alaska Statutes, as amended (“Act”), and pursuant to Amended and Restated Revolving Fund Bond Resolution No. G90-2E, adopted by the Authority on January 15, 2010 (“Master Resolution”), and pursuant to Revolving Fund Bond Series Resolution No. G10-01, adopted by the Authority on January 15, 2010 (“Series 2010A Resolution”) issued its Revolving Fund Refunding Bonds, Series 2010A (“2010A Refunding Revolving Fund Bonds”);

**WHEREAS**, the 2010A Refunding Revolving Fund Bonds were issued to effect the current refunding of the Authority’s Revolving Fund Refunding Bonds, Series 2008A and Series 2008B;

**WHEREAS**, as of September 15, 2019, the outstanding principal amount of the 2010A Refunding Revolving Fund Bonds is \$29,475,000; and

**WHEREAS**, the proceedings authorizing the issuance of the 2010A Refunding Revolving Fund Bonds provide that the Authority may defease, and redeem on and after April 1, 2020, such Bonds;

**WHEREAS**, the Authority, pursuant to the Act, the Master Resolution, and pursuant to Revolving Fund Bond Series Resolution No. G10-26, adopted by the Authority on December 3, 2010 (“Series 2010B Resolution,” and together with the Series 2010A Resolution, the “Series Resolutions”), issued its Revolving Fund Bonds, Series 2010B (Private Activity – Non-AMT) (“2010B Revolving Fund Bonds,” and together with the 2010A Revolving Fund Bonds, the “Bonds”);

**WHEREAS**, the 2010B Revolving Fund Bonds were issued to finance the construction of the wastewater facility used in connection with the Goose Creek Corrections Center;

**WHEREAS**, as of September 15, 2019, the outstanding principal amount of the 2010B Revolving Fund Bonds is \$10,245,000;

**WHEREAS**, the proceedings authorizing the issuance of the 2010B Revolving Fund Bonds provide that the Authority may defease, and redeem on and after April 1, 2021, such Bonds;

**WHEREAS**, it is hereby determined to be in the best interest of the Authority to defease and redeem all of the outstanding Bonds, subject to the terms and conditions stated in the Master Resolution and the Series Resolutions;

**WHEREAS**, provisions shall be made for the defeasance and redemption of the outstanding Bonds herein authorized pursuant to an escrow agreement (“Escrow Agreement”) among the Authority and trustee of such Bonds which shall be in substantially the form presented to and made part of the records of this meeting; and

**WHEREAS**, it appears that the instrument above referred to, which is now before the members of the Authority, is in appropriate form and is an appropriate instrument for the purposes intended.

**NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, AS FOLLOWS:**

Section 1. The Authority hereby authorizes the use of available funds of the Authority for the purpose of defeasing and redeeming the outstanding Bonds (“Defeased Obligations”).

The Executive Director or the Chief Financial Officer shall select the Defeased Obligations to be defeased, from available funds of the Authority, together with investment earnings thereon, equal to the maturity amount of the Defeased Obligations, plus accrued interest on the Defeased Obligations to their first available redemption date.

Section 2. That the form and content of the Escrow Agreement be and the same hereby is, in all respects authorized, approved, and confirmed, and the Executive Director or the Chief Financial Officer of the Authority be and they hereby are in all respects severally authorized, empowered, and directed to execute and deliver the final Escrow Agreement for each series of Bonds for and on behalf of the Authority to the trustee, including necessary counterparts, in the form now presented at this meeting, but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all changes, modifications, additions, or deletions thereto from the form.


Section 3. That the Executive Director, the Chief Financial Officer or any Assistant Secretary of the Authority or any other person authorized by the Authority be and each of them are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents, opinions or other papers and perform all such other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

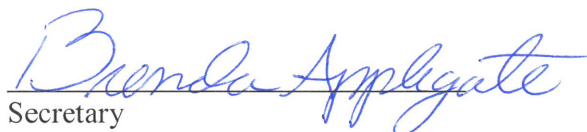
Section 4. That this Resolution does hereby incorporate by reference as though fully set out herein the provisions of the Act and the documents hereinabove referenced as presented to this meeting.

Section 5. That this Resolution shall become effective immediately upon its passage and approval.

DATED at Anchorage, Alaska, this 18<sup>th</sup> day of September, 2019.



  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Secretary

Chief Financial Officer  
Acting Executive Director/Secretary