



Official Minutes
ALASKA AEROSPACE CORPORATION
Board of Directors Meeting December 1, 2016
AAC Corporate Office – Anchorage, Alaska

1. Call to Order

Chairman Dr. Robert McCoy called the meeting of the Board of Directors of the Alaska Aerospace Corporation (AAC) to order at the Alaska Aerospace Corporate Offices in Anchorage Alaska on December 1, 2016 at 9:05 a.m.

2. Roll Call

Roll call was taken and a quorum established. The following Board members were present:

- Dr. Robert McCoy; Chairman, University of Alaska Fairbanks Geophysical Institute
- Lindsay Knight; Owner, Kodiak Athletic Club
- Robert Doehl, Deputy Commissioner DMVA
- Lee Ryan; Vice President, Ryan Air
- Representative Louise Stutes (Alaska State Legislature), Non-Voting
- Senator Gary Stevens (Alaska State Legislature), Non-Voting

Via Telephone:

- Dr. James Johnsen, President, University of Alaska Statewide System
- Dr. Ronald M. Segal; Director, Systems Engineering at CSU
- Thomas Walters; Owner, Maritime Helicopters

Also present were Craig E. Campbell, President and CEO; Mark J. Greby, Sr. Vice President and COO; Judith Godin, Finance Division Lead; John W. Cramer, Finance and Administration; Barry King, Director Range Operations; Barbara Bruggenkamp, Administrative Support; Leila Kimbrell, Legal Counsel, Birch Horton Bittner & Cherot. Attending from the public was Russell Sell, PRL Logistics.

CAMBELL announced the meeting would be recorded excluding Executive Session.

3. Approval of the Agenda

McCOY asked for a motion to approve the agenda. Knight motioned, Ryan seconded, roll call vote was taken and the agenda was approved.

4. Approval of the Minutes

McCOY asked for a motion to approve the minutes of the August 12, 2016 Board Meeting. Knight moved to approve, seconded by Ryan. Hearing no objections, minutes were approved as written.

5. Old Business

a. *None*

6. New Business

a. *Selection of Vice Chairman*

McCOY nominated Lindsay Knight as Vice Chairman, seconded by Ryan. Roll call vote was called and passed unanimously. McCoy congratulated Knight as the new Vice Chairman adding the board appreciates his enthusiasm and participation.

b. *Annual Alaska Public Officials Commission (APOC) Financial Disclosure Form Filing Deadline – March 15, 2017*

APOC has found that there are a number of boards and commissions whose members are not filing the annual financial disclosure. Campbell reminded members serving on state government boards of filing requirements.

c. *Review of Alaska Open Meetings Law*

KIMBRELL summarized the Open Meeting Act, specifically serial communications. Example, members of the board discussing board business while jointly traveling to and from meetings. Kimbrell reiterated being very precise about what is appropriate to discuss in executive and leaving for the public meeting those matters that should be discussed in public.

d. *Notice of Appeal to Board of the Spacecraft Assembly and Transfer (SCAT) facility Door Installation Contract filed by Door Tech, LLC (setting schedule for Board decision, AAC regulation 1.070)*

CAMPBELL reported Door Tech has filed a notice of appeal for the selection of the SCAT contract. Kimbrell added the appeal was timely filed under the regulations, and February 13 the board will be required to issue a final decision.

7. President and Chief Executive Officer Report

a. Rocket Lab USA 2017 Contract Update

CAMPBELL reported that AAC has signed a contract to provide the Range Safety and Telemetry System (RSTS) to support Rocket Lab in New Zealand. It was anticipated that Rocket Lab would have four launches in 2016. Due to routine “new vehicle” internal issues, they have not yet launched. AAC has negotiated a contract for RSTS and launch team services for \$2.3M for 2017 launches, and are now in negotiations to launch from Alaska. Campbell noted this is the first commercial non-government contract we have with outside money.

b. Planet Labs/BlackBridge Contract Update

CAMPBELL described the relationship that was established with BlackBridge for the exclusive distribution and resale of imaging from the RapidEye constellation. When Planet Labs (now named Planet) bought BlackBridge, it relationship significantly. Planet has small satellites and believe RapidEye is obsolete. They then made a generous offer to give free data to the global community, and the dynamics changed significantly. There was no longer a market for RapidEye sales and the value of our contract changed. When we asked to renegotiate and they saw it was no longer favorable to our position, we agreed to terminate the contract with no penalties on either side.

CAMPBELL believes Planet Labs has a different business plan and may be interested in using PSCA for their launches.

c. Kodiak Island Borough Assembly Presentation: September 1, 2016

CAMPBELL briefed the Kodiak Island Borough Assembly on activities at PSCA. Including Missile Defense Agency, Rocket Lab, and Vector – everything we believe that is going to happen. Their questions primarily focused around access to Fossil Beach and privatization.

d. Hilo Working Group Meeting: September 21, 2016

A meeting was held to encourage the Hawaiians and their leadership to get engaged. We are moving forward to find a site and meet market demand. It is a very good site for launching equatorial. Rocket Lab attended to let the Hawaiians know there is serious interest to launch from Hawaii and Rocket Lab needs equatorial launches. We were there to stress to Hawai'i that we are interested in being a launch site operator with both equatorial and polar capability. We agreed the first process is public engagement so that the public understands what we are doing. We then can learn if there are issues before we start the environmental process. The Hawaii Economic development board will be leading that effort and we will support as necessary. There are significant challenges, so we reinforced the need for Hawaiian leadership. We will provide the expertise, but we will not be the lead.

RYAN asked if there was consideration of launch sites further south. Campbell said yes, however that would be Paradise Park and the State Park and Recreation Area. These would be areas that would not be environmentally or culturally available to the project.

e. Hawaii Aerospace Summit: October 4-6, 2016

The Office of Aerospace Development invited us to their summit. This year Dr. McCoy and Campbell both served on panels to address commercial space and how it is being developed. AAC also had a booth, and several students came by as part of the STEM Education events.

Prior to the summit, Campbell met with Governor Ige as part of a delegation to demonstrate what small commercial space can do for Hawaii and the overarching interests we all have. Campbell believes Governor Ige is a supporter of aerospace and would like to see it happen.

f. Hawaii/Alaska Joint Focus Group Meeting: October 6, 2016

The group started a number of years ago when AAC had a memorandum agreement with Hawaii to start looking on ways to collaborate. Our interest has evolved into how to get equatorial launch capability to Hawaii and what partnerships are required. It was agreed that the next step is to start the public engagement and community outreach plan.

g. Saipan Strategic Economic Development Council Presentation: October 25, 2016

CAMPBELL met with Governor Torres, who was very encouraging about us bringing our operation to Saipan. The next step taken was meeting with the Economic Development Council, and business and government leaders of the Commonwealth of the Northern Marianas Islands. They get together every 60 days to discuss opportunities on the island, and they endorse or not endorse certain projects. Campbell did not ask for a formal vote at this time, it was a conceptual and information briefing so they could get the idea of what we are planning.

We have applied for and received a temporary authorization for a land use permit to survey the 10 acres and begin environmental evaluations. We then asked for approval, and we expect this will move much faster than Hawaii. Campbell is optimistic and believes the Economic Development Council, Governor, and Senate are very encouraged. He believes this could be our primary choice based on the customer needs and cost of operations.

CAMPBELL said he hired Rim Architects from Anchorage for peer review. They also have an office in Guam and are licensed in Saipan.

h. DC Congressional Visit: November 16-17, 2016

CAMPBELL and Cramer traveled to Washington DC to see where the DoD federal appropriation for spaceport infrastructure is in the 2017 budget. We asked for \$5M, and it is in the Senate budget proposal. In March, they are expected to pass the budget with the Defense Authorization money appropriated, and we may see money in July. We are asking only for site upgrades. This appropriation is not yet in the House version. However, Congressman Young assured AAC that he has the relationship with the House and is fairly certain the House will accept the Senate version for that line. We also talked about the status of the MDA contract and commercial launch opportunities.

AAC hopes to get our Congressional Delegation to start moving the appropriation through the staff process by baselining it in the President-elect's budget as a capital flow to the site.

CAMPBELL and Cramer then met with Representatives from Guam and Saipan. Campbell has traveled to Saipan three times and has met with the Governor and Economic Development Council. Campbell gave them a comprehensive briefing and both expressed a lot of interest.

8. Senior Vice President and Chief Operations Officer Report

a. FY2015 Federal Appropriations Final Report

We received over \$2.5M from Federal Appropriations for site improvements. Most of the money was spent on the Range Safety and Telemetry System. We installed high-speed launch video systems, upgraded video conferencing, and site security system improvements.

b. Vector Space Systems Contract Update

AAC has signed a contract with Vector Space Systems, working toward a P20 launch testing their second stage motor. We expect to do that launch in the first quarter of CY 2017.

c. United Kingdom Space Agency PSCA Visit: October 10, 2016

AAC is supporting the United Kingdom to assess and possibly develop a launch site in the UK. It is speculative consulting work at no financial risk to AADC. Campbell and Greby visited the potential site in the UK and their senior members came to PSCA.

CAMPBELL said the UK government initially sent out a request for proposals to build a Spaceport in the UK. The UK then went to the space agency and FAA to learn the regulations. AAC will first help with what they need on regulations and compliance, then

offer consultant services on how they would launch out of Scotland. Lockheed Martin has a lot of interest in this.

c. Business Development Pursuits

We have the Vector Space Systems feasibility study contracts for their P-20 and Vector 1 Pathfinder.

We are developing launch support contracts for three “New Space” light-lift launchers. They all have funding available to support missions in the near future.

One company visited our site mid-November, and we are starting contractual talks with them for launches to start in late 2017.

9. Director Range Operations Report

a. PSCA Reconstruction Status Report

The commissioning and testing has been completed. There are a few minor punch list items we are working through. Final cost to Davis Constructors was \$20.23M. With change orders considered, we came in within 3% of the original budget.

SCAT Construction completion is anticipated in January, 2017.

b. MDA THAAD Program Update

AAC has signed an Indefinite Delivery/Indefinite Quantity (IDIQ) for \$80M over a five year period.

Proposals and work for Task Orders are ongoing and on schedule for missions in May/June time frame.

c. Rocket Lab USA New Zealand Operations Update

The AAC Range Safety and Telemetry System is at the Mahia launch site in New Zealand. We are waiting on a firm launch date, expected launch no earlier than January 30. Rocket Lab is completing additional testing before we make plans to travel to the site.

d. FAA Commercial Launch Team Certification Update

AAC submitted a draft and our qualification program in September and have comments back we are working on. We expect by early 2017 to have approval for the qualification program of the commercial launch team. We are asking for FAA approval for AAC to select, train, and certify commercial flight safety officers and launch teams. They first will approve our approach, then we can find the people.

10. Financial and Administrative Report

a. FY16 Budget Status

CRAMER reported we are on budget at 29% spent, and 33% of the year complete.

b. FY17 Federal Funding Request

Federal Funding Request for 2017 is ongoing, and we have language in the National Defense Authorization Act – NDAA in the Senate.

c. Reconstruction Insurance Report

CRAMER reported AAC is nearing a settlement meeting with the insurance carriers, and hope to negotiate in the area of \$34.5M.

CAMPBELL said vendors were paid at 30 days. The insurance payments may not come for 45 – 50 days; we have been funding the reconstruction and being reimbursed. We have paid most of the \$34.5. By February we hope that we will have this closed out.

d. Armed Services Board of Contract Appeals September 16, 2016 Decision

CRAMER reported in the past that the Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA) would not close out audits due to the looming PERS Relief funding issues. Through our legal counsel and Armed Services Contract Board of Appeals, they ruled “we did not have to pay it back”. We never billed them for \$302K, and it helps us in 2008 to 2012 because all of the contracts in those years have no money value left on them. We will accept the decision and close out the four years. Campbell added we wanted the agency to accept it as a ruling for all, past and future audits.

CRAMER said a draft of the financials should be available within two weeks from BDO. With reconstruction, it was more detailed this year.

e. Reconstruction Insurance Report

AAC is doing well with the funding, and things are progressing nicely. There will be discussions with the insurance company soon.

f. Procurement Report

Since last July, we have had 151 procurement actions valued \$5.7M.

11. Executive Session

CAMPBELL, President and CEO read the requested for Executive Session:

I request that the Chair now entertain a motion that the Board of Directors convene in Executive Session to discuss the following topics:

- **Property Purchase Discussion** – to discuss confidential negotiations regarding terms of purchase and sale of property considered in Resolution #16-03, of which the immediate knowledge would have an adverse effect on the financial matters of AAC [AS 44.62.310(c)(1)]
- **MDA THAAD Executive Report** – to discuss matters within the contract required by law to be kept confidential, matters involving consideration of records that are not subject to public disclosure and involving trade secrets [AS 44.62.310(c)(3), (4), AS 26.27.130, and AAC regulation 1.220]
- **MDA Foreign Program** – to discuss matters within the contract required by law to be kept confidential, matters involving consideration of records that are not subject to public disclosure and involving trade secrets [AS 44.62.310(c)(3), (4), AS 26.27.130, and AAC regulation 1.220]
- **PACOM Small Satellite Dedicated Range Proposal** – to discuss matters involving consideration of records that are not subject to public disclosure and involving trade secrets [AS 44.62.310(c)(3), (4), AS 26.27.130, and AAC regulation 1.220]
- **Aurora Launch Services, LLC Revised Business Plan Discussion** - to discuss confidential strategic business plan related to Resolution #16-04, of which the immediate knowledge would have an adverse effect on the financial matters of AAC [AS 44.62.310(c)(1), AS 26.27.130, and AAC regulation 1.220]
- **ENSCO Joint Venture Proposal** – to discuss confidential negotiations regarding agreement considered in Resolution #16-06, of which the immediate knowledge would have an adverse effect on the financial matters of AAC [AS 44.62.310(c)(1)]

McCOY asked for a motion to convene in executive session to discuss the topics requested by the President and CEO.

KNIGHT moved, seconded by Doehl that the Board of Directors convene in Executive Session. The session shall include such members of the Corporation staff as the Chair may designate.

A Roll Call vote was taken and passed at 11:52 AM. The Executive Session shall last approximately 3 hours. Thus, the public session of this Board meeting shall resume in this room at approximately 3:00 PM.

KNIGHT motioned, seconded by Ryan, hearing no objection the Board of Directors came out of Executive Session at 3:00 p.m. to return to Public Session.

12. Resolutions for Action

CAMPBELL said he had four resolutions to bring to the board as follows:

Resolution #16-03AM:

A Resolution Authorizing the President and CEO or the Senior Vice President and COO to proceed with acquiring property in the vicinity of Narrow Cape, Kodiak, Alaska by Alaska Aerospace Corporation to provide a close proximity lodging capability for both employees and contractors when working at the Pacific Spaceport Complex – Alaska in an amount not to exceed \$350,000.

WHEREAS, Alaska Aerospace Corporation (AAC) operates the Pacific Spaceport Complex – Alaska (PSCA) at Narrow Cape within the Kodiak Island Borough, Alaska; and

WHEREAS, AAC's headquarters staff resides in the Municipality of Anchorage, resulting in the need for lodging facilities when working at PSCA; and

WHEREAS, AAC employs a number of contractors to support operations and sustainment of the PSCA, with most living outside the Kodiak area; and

WHEREAS, In the past twelve months AAC paid \$13,450.00 for 220 room nights in Kodiak for both staff and contractors to AAC; and

WHEREAS, Many periods of travel for AAC employees and contractors to PSCA include extended stays, occasionally exceeding a week; and

WHEREAS, AAC is experiencing growth in launch contracts from the PSCA which is expected to increase the amount of time that employees and contractors not from Kodiak will be required to be at the PSCA; and

WHEREAS, It has been determined that purchasing a residential building in the Pasagshak area would reduce the cost of lodging, reduce the travel time between Kodiak and the launch site on a daily basis, which results in about a twenty percent reduction in travel expenses to Kodiak for the Corporation annually; and

WHEREAS, There is a residential building in the Pasagshak area that is currently on the market, a residence that AAC has been renting the past year for use by employees and contractors; and

WHEREAS, The use of this residence has already saved AAC approximately \$33,400.00; and

WHEREAS, The owner of the property has agreed to sell the property to AAC for a price not to exceed \$350,000; and

WHEREAS, The purchase and use of this property by AAC is projected to save in excess of \$50,000 annually; and

WHEREAS, AAC has entered into a Letter of Intent to purchase the property and made an earnest money deposit \$5,000 as a preliminary expression of general intentions and is intended for the eventual preparation of purchase of the property, pending Board of Directors approval.

THEREFORE, BE IT RESOLVED, that the Board authorizes the Alaska Aerospace Corporation (AAC) President and Chief Executive Officer or Senior Vice President and Chief Operating Officer to enter into contracts for the purchase of the residential property located at 41984 Furin Way, Kodiak, Alaska, together with all improvements and buildings located at this property, legally described as Lot 1, Block 2, Pasagshak River Subdivision, according to Plat 75-17. Located within the Kodiak Recording District, Third Judicial District, State of Alaska in an aggregate amount not to exceed \$350,000.

BE IT RESOLVED, Approval is contingent on the ability to transfer the asset to another subsidiary of AAC. If unable to transfer, the resolution would not be passed and would require the resolution to be presented to the board again.

KNIGHT moved to approve as amended, second by Ryan. Roll call vote was taken and the motion approved as amended.

Resolution #16-04 AM:

A Resolution approving a business plan for the purpose of implementing low-cost launch services capability for space-related economic growth and authorizing Alaska Aerospace Corporation (AAC) to initiate all actions necessary to form a limited liability company as a wholly-owned subsidiary of AAC to create a new competitive commercial entity of AAC, and for other lawful purposes, and amending Resolution #16-01 to change the name of the limited liability company to Aurora Launch Services, LLC.

WHEREAS, Alaska Aerospace Corporation (AAC) is a public corporation of the State of Alaska which was established by Alaska statute; and

WHEREAS, Alaska statute specifically states that AAC was created to pursue “space-related economic growth thereby ensuring a stable and dynamic research and business climate ... in the state;” and

WHEREAS, Alaska statute 26.27.100(a)(10) authorizes AAC to “create...space business incubators...and space-related initiatives;” and

WHEREAS, Alaska statute 26.27.100(a)(17) states that AAC may “undertake to finance or develop a space-related project with any agency...or private entities;” and

WHEREAS, AAC management has aggressively pursued business development opportunities to diversify the company into launch services, range services, imaging data sales, and earth station downlink capabilities; and

WHEREAS, the Board previously passed Resolution #15-06 at the November 12, 2015 board meeting recommending to Governor Walker that AAC be transitioned to a public-private partnership model; and

WHEREAS, at the February 11, 2016 Board meeting, the Board unanimously passed Resolution #16-01 authorizing the creation of an AAC wholly-owned subsidiary to be named Polaris Launch Company for the purpose of implementing a new low-cost launch services capability for space-related economic growth and to improve the entrepreneurial atmosphere in the state; and

WHEREAS, AAC senior management developed a comprehensive Business Plan for the new launch services company and recommends that it be renamed Aurora Launch Services, LLC; Aurora being known as “the polar light” as seen in both the northern and southern latitudes. In ancient Roman mythology, Aurora is the goddess of the dawn, renewing herself every morning to fly across the sky, announcing the arrival of the sun. Likewise, Aurora Launch Services represents the dawn of a new commercial space launch concept that will sweep across the industry and transform commercial launch operations. Known as the *aurora borealis* in the north and *aurora australis* in the south, it also signifies Aurora Launch Services vision of providing global launch services to the commercial market; and

WHEREAS, the Board has reviewed and concurs with the Aurora Launch Services Business Plan, dated December 2016 laying out the business model for creating the new launch services company in compliance with this plan; and

WHEREAS, it is the intent of the Board that Aurora Launch Services, LLC, shall be established pursuant to the laws of the State of Alaska as a wholly-owned subsidiary of AAC for the purposes set forth above, and for all other lawful purposes.

THEREFORE, BE IT RESOLVED, that Resolution #16-01 is amended to change the name of the wholly-owned subsidiary of AAC authorized therein from Polaris Launch Company to Aurora Launch Services, LLC.

BE IT FURTHER RESOLVED, that the Board approves the Aurora Launch Services, LLC Business Plan and authorizes AAC to proceed with the formation of Aurora Launch Services, LLC, pursuant to the laws of the State of Alaska, as a wholly-owned subsidiary of AAC, for the purposes set forth in this resolution.

BE IT FURTHER RESOLVED, that each of the President and CEO or the Senior Vice President and COO hereby is authorized, empowered and directed to do all such acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of this resolution.

BE IT RESOLVED, Staff will present the revised final version of the business plan before this resolution is executed.

KNIGHT moved to approve Resolution 16-04 as amended, second by Ryan. Roll call vote was taken and the motion approved as amended.

Resolution #16-05:

A Resolution authorizing each the Alaska Aerospace Corporation (AAC) President and Chief Executive Officer or Senior Vice President and Chief Operating Officer to enter into contracts in an aggregate amount not to exceed \$250,000 for the preliminary survey, property appraisal, initial site design, site engineering and permitting processes for potential development of an equatorial launch facility to support the small satellite commercial launch market.

WHEREAS, Launches from the Pacific Spaceport Complex – Alaska (PSCA) are limited to polar orbits; and

WHEREAS, Polar orbits consist of less than one half the commercial demand for satellites, with equatorial orbits comprising the primary market; and

WHEREAS, The emerging small satellite launch vehicle market is rapidly developing and will require both polar and equatorial orbit launch capabilities; and

WHEREAS, Providing equatorial orbital launch capabilities would enhance AAC's ability to serve all orbital requirements of its customers and potential customers thereby increasing the competitiveness of AAC and result in economic opportunity for Alaska-based space-related businesses and employment opportunities for Alaskans in its operation in the small satellite launch vehicle market world-wide; and

WHEREAS, The AAC Board of Directors passed Resolution #15-07 on November 12, 2015 authorizing the AAC to proceed with evaluating equatorial orbit launch capabilities that support the small satellite market; and

WHEREAS, AAC provided the Board with an initial equatorial site selection evaluation at the May 12, 2016 board meeting; and

WHEREAS, AAC reported to the Board at the August 12, 2016 meeting that the site selection evaluation had concluded the most viable locations included Hawaii, Guam, Saipan, and Tinian; and

WHEREAS, AS 26.27.100(17) authorizes AAC to undertake to finance or develop space-related projects with agencies or authorities of other states, foreign governments, or private entities; and

WHEREAS, AAC staff has conducted site visits to all four of the most viable equatorial launch sites and concluded that the Saipan site provides the greatest opportunity to develop a low cost commercial launch facility within the time frame needed to support the emerging small satellite launch market; and

WHEREAS, AAC has conducted preliminary consultations with the government of the Commonwealth of the Northern Mariana Islands (CNMI), as well as presenting the concept to the Saipan Economic Development Council (SEDC) and;

WHEREAS, AAC has developed an initial Saipan Marpi Point Launch Facility Project Description and Proposal to initiate development activities in Saipan; and

WHEREAS, AAC staff has also worked with the Hawaii Island Economic Development Board (HIEDB), the Hawaii Office of Aerospace Development, the University of Hawaii – Space Flight Laboratory, the Hawaii Aerospace Advisory Council (HAAC), the Pacific International Space Center for Exploration Services (PISCES), and a local land owner to refine a potential launch site on the Big Island of Hawaii, as this location also provides an excellent capability to launch into equatorial orbit; and

WHEREAS, AAC is concurrently working with the HIEDB to produce an implementation strategy for developing a commercial launch site on the Big Island of Hawaii; and

WHEREAS, In order to more accurately identify the optimum location for an equatorial launch site, AAC now requires the services of local engineers, surveyors, appraisers, and regulatory experts to better refine the development costs and processes.

THEREFORE, BE IT RESOLVED, that the Board authorizes each the Alaska Aerospace Corporation (AAC) President and Chief Executive Officer (CEO) or Senior Vice President and Chief Operating Officer (COO) to enter into contracts in an aggregate amount not to exceed \$250,000 for the preliminary survey, property appraisal, initial site design, site engineering and permitting processes for potential development of an equatorial launch facility to support the small satellite commercial launch market.

BE IT FURTHER RESOLVED, that each of the President and CEO or the Senior Vice President and COO hereby is authorized, empowered and directed to do all such acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of this resolution.

KNIGHT moved to approve Resolution 16-05, second by Ryan. Roll call vote was taken the motion was approved.

Resolution #16-06 - Tabled:

A Resolution authorizing Alaska Aerospace Corporation to create a joint venture with ENSCO for world-wide marketing and operations of the Range Safety and Telemetry System (RSTS).

WHEREAS, The Alaska Aerospace Corporation (AAC) owns and operates the Range Safety and Telemetry System (RSTS), which provides telemetry receipt and recording and command destruct transmission capability, and

WHEREAS, AAC management has been in discussions with ENSCO, a Florida based aerospace company, concerning potential business structures that could provide financial benefits to both companies by world-wide utilization of the RSTS, and

WHEREAS, AAC has visited the ENSCO facility and met with senior management of the firm to review the mutual interests of forming a joint venture (JV), which may be in the form of a limited liability company in which AAC and ENSCO each have membership interests, and concluded that a JV would be in the best interest of AAC; and

WHEREAS, AAC has done the due diligence of proceeding with the JV and concluded that a market exists for commercial range safety and telemetry services that could be met by the services offered through a joint venture with ENSCO; and

WHEREAS, The AAC Board of Directors passed Resolution #16-02 on February 11, 2016 authorizing AAC to negotiate the terms of a JV agreement with ENSCO to market and operate the RSTS on a world-wide basis; and

WHEREAS, Legal counsel from both AAC and ENSCO have developed a JV agreement establishing the terms and conditions of the JV, a draft of which has been presented to the Board in executive session for consideration, the form and content of which is before this meeting; and

WHEREAS, The JV agreement confirms that the RSTS shall remain an AAC asset and that AAC's interest in the JV is equitably represented in the parties' respective ownership interests in the JV; and

WHEREAS, this new JV would provide benefits to AAC by increasing the use of the RSTS, employing Alaskans in the operation of the RSTS world-wide, and allowing for lower launch costs at PSCA which would increase the competitiveness of PSCA for commercial launches.

THEREFORE, BE IT RESOLVED, that the form and content of the JV agreement between AAC and ENSCO that now is before this meeting is in all respects authorized, approved, and confirmed, and each of the President and CEO or the Senior Vice President and COO hereby is authorized, empowered and directed to execute and deliver the JV agreement to ENSCO on behalf of AAC, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all

changes, modifications, additions or deletions therein from the form and content of said document now before this meeting.

FURTHER RESOLVED, that each of the President and CEO or the Senior Vice President and COO hereby is authorized, empowered and directed to do all such acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of this resolution, for establishing a JV between ENSCO and AAC, including without limitation forming a limited liability company in which AAC and ENSCO each have membership interests, for the purposes of marketing and operating the RSTS worldwide.

A Resolution authorizing Alaska Aerospace Corporation to create a joint venture with ENSCO for world-wide marketing and operations of the Range Safety and Telemetry System (RSTS).

WHEREAS, The Alaska Aerospace Corporation (AAC) owns and operates the Range Safety and Telemetry System (RSTS), which provides telemetry receipt and recording and command destruct transmission capability, and

WHEREAS, AAC management has been in discussions with ENSCO, a Florida based aerospace company, concerning potential business structures that could provide financial benefits to both companies by world-wide utilization of the RSTS, and

WHEREAS, AAC has visited the ENSCO facility and met with senior management of the firm to review the mutual interests of forming a joint venture (JV), which may be in the form of a limited liability company in which AAC and ENSCO each have membership interests, and concluded that a JV would be in the best interest of AAC; and

WHEREAS, AAC has done the due diligence of proceeding with the JV and concluded that a market exists for commercial range safety and telemetry services that could be met by the services offered through a joint venture with ENSCO; and

WHEREAS, The AAC Board of Directors passed Resolution #16-02 on February 11, 2016 authorizing AAC to negotiate the terms of a JV agreement with ENSCO to market and operate the RSTS on a world-wide basis; and

WHEREAS, Legal counsel from both AAC and ENSCO have developed a JV agreement establishing the terms and conditions of the JV, a draft of which has been presented to the Board in executive session for consideration, the form and content of which is before this meeting; and

WHEREAS, The JV agreement confirms that the RSTS shall remain an AAC asset and that AAC's interest in the JV is equitably represented in the parties' respective ownership interests in the JV; and

WHEREAS, this new JV would provide benefits to AAC by increasing the use of the RSTS, employing Alaskans in the operation of the RSTS world-wide, and allowing for lower launch costs at PSCA which would increase the competitiveness of PSCA for commercial launches.

THEREFORE, BE IT RESOLVED, that the form and content of the JV agreement between AAC and ENSCO that now is before this meeting is in all respects authorized, approved, and confirmed, and each of the President and CEO or the Senior Vice President and COO hereby is authorized, empowered and directed to execute and deliver the JV agreement to ENSCO on behalf of AAC, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said document now before this meeting.

FURTHER RESOLVED, that each of the President and CEO or the Senior Vice President and COO hereby is authorized, empowered and directed to do all such acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of this resolution, for establishing a JV between ENSCO and AAC, including without limitation forming a limited liability company in which AAC and ENSCO each have membership interests, for the purposes of marketing and operating the RSTS worldwide.

RYAN moved to approve Resolution 16-06, second by Walters. Walters then moved to table Resolution 16-06, seconded by Knight. Roll call vote was taken the motion was approved to table.

13. Any Other Matters to Properly Come Before the Board

None

14. Public Comments

None

15. Board Member Comments

Board members are looking forward to the direction AAC is going.

16. Proposed Future Board Meeting Dates

a. February 23, 2017 (Juneau)

b. May 25, 2017 (Anchorage)

17. Adjournment

A motion was made by Knight, seconded by Abel to adjourn, hearing no objections the meeting adjourned at 3:30 PM.