

RESOLUTION

12 01 18

**Asset Purchase Agreement for the
Acquisition of Anchorage Municipal Light & Power**

WHEREAS, on October 24, 2018, the Chugach Electric Association, Inc. ("Chugach") Board of Directors authorized the Chief Executive Officer to execute and deliver, subject to the Board's determination that certain conditions have been satisfied, the Asset Purchase Agreement ("APA"), the Eklutna Power Purchase Agreement, the Beluga River Unit Fuel Agreement, and the Payment in Lieu of Taxes Agreement (collectively, the "Transaction Agreements") by and among Chugach and the Municipality of Anchorage (Resolution No. 10 01 18);

WHEREAS, the conditions to signing the Transaction Agreements identified in the October 24, 2018 Resolution are: 1) Receipt of satisfactory 2017 Municipal Light & Power ("ML&P") audited financial statements and current interim financial statements; 2) Completion of the Disclosure Schedules as defined in the Asset Purchase Agreement; 3) Determination of no known material negative impact to ML&P having occurred; and, 4) Receipt of Assembly approval of the Transaction Agreements substantially in the form as provided to the Chugach Board on October 24, 2018;

WHEREAS, Chugach received ML&P's 2017 audited financial statements and Independent Auditor's Report on December 18, 2018 and Chugach management has determined to its satisfaction that there have been no significant or unexpected changes in ML&P's asset balances, no new disclosures of adverse events, and no identified going concerns;

WHEREAS, the Independent Auditor's Report issued on ML&P's 2017 financial statements states that they present fairly, in all material respects, the respective financial position of the Electric Utility Fund, as of December 31, 2017 and 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America;

WHEREAS, the APA requires the Municipality of Anchorage to provide Chugach with quarterly interim financial statements prior to close of the transaction as follows: (1) no later than January 31, 2019, for the quarter ended March 31, 2018; (2) no later than March 31, 2019, for the quarter ended June 30, 2018; and (3) no later than May 31, 2019, for the quarter ended September 30, 2018;

WHEREAS, the APA provides that Chugach's receipt of such updated financial statements is a condition to Chugach's obligation to close the transaction;

WHEREAS, the APA requires that all updated financial statements be prepared in accordance with generally accepted accounting principles ("GAAP") and be materially consistent with ML&P's 2017 audited financial statements;

WHEREAS, Chugach management has recommended that execution of the Transaction Agreements prior to receipt of ML&P's 2018 interim financial statements is reasonable considering ML&P's recent financial performance as reflected in the 2017 audited financial statements, and recent affirmation of ML&P's A+ rating by Fitch Ratings, and Chugach's rights and protections contained in the APA;

WHEREAS, Chugach management has represented that the Disclosure Schedules identified in the Asset Purchase Agreement are substantially complete to Chugach's satisfaction in all material respects and will be fully completed prior to execution of the Transaction Agreements;

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WHEREAS, Chugach is not aware of any material negative impacts to ML&P having occurred that would compromise or materially impact the transaction;

WHEREAS, on December 4, 2018, the Anchorage Assembly authorized through Ordinance 2018-89 the sale of substantially all the assets of ML&P to Chugach as provided in the Transaction Agreements substantially in the form as provided to the Chugach Board of Directors on October 24, 2018; and

WHEREAS, Chugach management has represented that total combined utility net savings exceed the \$110 million identified in the initial economic analysis as referenced in the October 24, 2018, Board Resolution.

NOW THEREFORE BE IT RESOLVED, the Board of Directors authorizes the Chief Executive Officer to execute and deliver the Asset Purchase Agreement without substantive changes from the form attached hereto as Exhibit A;

BE IT FURTHER RESOLVED, the Board of Directors authorizes the Chief Executive Officer to execute and deliver the Eklutna Power Purchase Agreement without substantive changes from the form attached hereto as Exhibit B;

BE IT FURTHER RESOLVED, the Board of Directors authorizes the Chief Executive Officer to execute and deliver the Payment in Lieu of Taxes Agreement without substantive changes from the form attached hereto as Exhibit C;

BE IT FURTHER RESOLVED, the Board of Directors authorizes the Chief Executive Officer to execute and deliver the Beluga River Unit Fuel Agreement without substantive changes from the form attached hereto as Exhibit D;

BE IT FURTHER RESOLVED, that the Transaction Agreements attached hereto as Exhibits A, B, C and D shall remain confidential and only be made publicly available by Chugach upon agreement with the Municipality of Anchorage; and,

BE IT FURTHER RESOLVED, that following execution and delivery of the Transaction Agreements, the Chief Executive Officer be, and hereby is, authorized and empowered to take such further action and to execute and deliver (or delegate the execution and delivery of) all such further agreements, certificates, instruments and documents, in the name and on behalf of Chugach; to pay or cause to be paid all expenses; to take all such other actions as the Chief Executive Officer shall deem necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by, and the intent and purposes of, the foregoing resolutions; and that any and all such actions heretofore or hereafter taken by the Chief Executive Officer hereby are, adopted, affirmed, approved, and ratified in all respects as the act and deed of Chugach Electric Association, Inc.

CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 19th day of December, 2018; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 19th day of December, 2018.


Secretary