

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

June 15, 2005

ACTION REQUIRED

AGENDA ITEM IX. A.

- Information Only
- Motion
- Resolution
- Executive Session
- Other

TOPIC

CoBank Short Term Line of Credit Renewal

DISCUSSION

The attached resolution renews the Chugach short-term line of credit facility with CoBank. The line of credit is utilized for large expenditures incurred during the year.

CEO'S RECOMMENDATION

Motion: The Board of Directors hereby approves the resolution to renew the line of credit with CoBank.

WHEREAS, Chugach Electric Association, Inc., an Alaska electric cooperative (“Borrower”), under its articles of incorporation, bylaws, or other organizational documents has full power and authority to borrow money and to secure the same with its own property and property delivered to it for marketing or otherwise; and

WHEREAS, the Board of Directors has determined that it is in the best interests of the Borrower for the Borrower to enter into a Master Loan Agreement (the “Loan Agreement”) with CoBANK, ACB, a federally chartered instrumentality of the United States (“CoBank”), to establish a revolving credit facility pursuant to which CoBank may make one or more loans or other financial accommodations to Chugach in the aggregate principal amount of up to Twenty Million Dollars (\$20,000,000.00);

WHEREAS, the obligations of the Borrower under the Loan Agreement will be evidenced by a Promissory Note and Consolidating Committed Revolving Credit Supplement in favor of CoBank (the “Note”);

WHEREAS, all prerequisite acts and proceedings preliminary to the adoption of this Resolution have been taken and done in due and proper form, time and manner;

NOW, THEREFORE, BE IT RESOLVED, that the execution and delivery of the Loan Agreement and the Note in the forms provided by CoBank, and consummation by the Borrower of any and all transactions contemplated thereby, are hereby authorized, approved, ratified and confirmed.

RESOLVED FURTHER, that each of the Chief Executive Officer and Chief Financial Officer (“Officers”) of the Borrower, acting jointly or alone, is authorized and empowered to obtain for and on behalf of the Borrower from time to time, from CoBank, a loan or loans or other financial accommodations (including, without limitation, letters of credit, note purchase agreements and bankers acceptances) pursuant to the Loan Agreement (collectively, a “Loan”) under this Resolution; and for such purposes: (1) to execute such application or applications (including exhibits, amendments and/or supplements thereto) as may be required for all borrowings under the Loan Agreement; (2) to obligate the Borrower to pay such rate or rates of interest chargeable under the Loan Agreement as the Officers so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by CoBank; (3) to obligate the Borrower to such other terms and conditions as the Officers so acting shall deem proper; (4) to obligate the Borrower to make such investments in CoBank as required by CoBank under the Loan Agreement; (5) to execute and deliver to CoBank or its nominee all such written documents and instruments as may be required by CoBank in regard to or as evidence of any Loan made pursuant to the terms of this Resolution; (6) to pledge, grant a security interest or lien in, or assign all equity that the Borrower may now own or hereafter acquire in CoBank as security for any or all obligations (past, present and/or future) of the Borrower to CoBank; (7) to reborrow from time to time, subject to the provisions of this Resolution, all or any part of the amounts repaid to CoBank on any Loan made pursuant hereto (whether for the same or a different purpose); (8) to execute and deliver to CoBank an Electronic Commerce Master Service Agreement, a separate Service Agreement for each different service requested by the Borrower, and such other agreements, addenda, documents or instruments as may be required by CoBank in the event that the Borrower elects to use CoBank’s electronic banking system (the “System”); (9) to execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that the Borrower elects to use any services or products related to the Loan that are offered by CoBank now or in the future, including without limitation an automated clearing house (ACH) service; (10) to direct and delegate to designated employees of the

Borrower the authority to direct, by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein or any property of the Borrower at any time held by CoBank; and (11) to delegate to designated employees of the Borrower the authority to request by telephonic or written means or electronically, if the Borrower has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees. In the absence of any direction or delegation authorized in (10) or (11) above, all existing directions an/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, that each of the Officers is hereby authorized, acting jointly or alone, to: (1) establish a Cash Investment Services Account at CoBank; (2) make such investments therein as any Officer shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Borrower the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, that each of the Officers is hereby authorized, acting jointly or alone, to do and/or cause to be done, from time to time, all things which may be necessary and/or proper for the carrying out of the terms of these Resolutions.

RESOLVED FURTHER, that any Officer is hereby authorized and directed to cast the ballot of the Borrower in any and all proceedings in which the Borrower is entitled to vote for the selection of a member of CoBank's board of directors or for any other purpose on account of Borrower's equity interest in CoBank.

RESOLVED FURTHER, that the authority hereby granted shall apply with equal force and effect to the successors in office of the Officers herein named.

RESOLVED FURTHER, That the Chief Financial Officer, Chief Executive Officer, or Secretary of the Borrower is hereby authorized and directed to certify to CoBank a copy of these Resolutions, the names of the present Officers above referred to, and if and when any change is made in the personnel of any said Officers, the fact of such change and the name of the new Officers. CoBank shall be entitled to rely on any such certification until a new certification is actually received by CoBank.