

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**BOARD MEETING**  
**AGENDA ITEM SUMMARY**

October 16, 2002

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.A.**

           Information Only  
  X   Motions  
  X   Resolution  
           Executive Session  
           Other

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**TOPIC**

Renewal of NRUCFC Revolving Line of Credit borrowing agreement.

**DISCUSSION**

The existing five-year line of credit borrowing agreement between Chugach and NRUCFC expires in October 2002. This resolution renews that agreement for an additional five years.

**OPTIONS**

1. No Action, table – existing agreement will expire, eliminating a source of short term borrowing for Chugach.
2. Delay – same as one above.
3. Disapprove – same as one above.
4. Approve – will insure continuation of Chugach’s ability to access NRUCFC’s short term funds, if necessary.
5. Modify – N/A. Negotiations have taken place to insure a workable agreement between the parties. The Finance Committee reviewed major points of the agreement at the October 9, 2002 meeting.

**GENERAL MANAGER'S RECOMMENDATION**

Motion 1: Approve the attached resolution renewing the revolving line of credit agreement.

RESOLVED, that the Borrower renew a line of credit authorizing borrowing from the National Rural Utilities Cooperative Finance Corporation (“CFC”) in the amount which shall not at any one time exceed Fifty Million Dollars (\$50,000,000) (“the Line of Credit Amount”), for a term of Sixty months, subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting, a copy of which is attached hereto (the “Agreement”)

RESOLVED, that the General Manager or Chief Financial Officer of the Borrower are authorized to execute the Agreement on behalf of the Borrower.

RESOLVED, that it is the intent of the Board that upon execution and delivery of the Agreement to CFC, and when executed by CFC, the agreement shall constitute a valid and binding agreement between CFC and the Borrower, enforceable in accordance with its terms;

RESOLVED, that CFC shall be entitled to rely upon the direction of such officer or employee of Borrower as CFC reasonably believes is authorized on behalf of the Borrower to request and receive funds pursuant to the Agreement; and,

RESOLVED, that the General Manager and Chief Financial Officer are authorized to take all other actions they deem advisable to carry out the purpose of these resolutions.