

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

**REGULAR BOARD OF DIRECTOR'S MEETING**  
**AGENDA ITEM SUMMARY**

**October 22, 2008**

**ACTION REQUIRED**

**AGENDA ITEM NO: XI.A.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Renewal of the \$7.5 million CoBank Line of Credit that expires on October 31, 2008

**DISCUSSION**

The \$7.5 million line of credit facility was renewed with CoBank in October, 2007. Expiration of this line of credit is October 31, 2008.

CoBank's loan committee has approved this one year extension.

Attached is Amendment RI0214S01D to the Amended and Restated Promissory Note and Committed Revolving Credit Supplement No. RI0214S01C which extends the term of the commitment up to and including October 31, 2009. Except for the change of date, the Supplement, including all amendments thereto continue in full force and effect as written.

The extension was reviewed by the Finance Committee on October 8, 2008 and the Finance committee recommended the Board of Directors approve the extension.

**MOTION**

Move that the Board of Directors' approve the extension of the existing \$7.5 million line of credit with CoBank up to and including October 31, 2009.



P.O. Box 5110  
Denver, Colorado 80217  
5500 South Quebec Street  
Greenwood Village, Colorado 80111  
Phone: (303) 740-4000  
Fax: (303) 694-5851 (Closing Dept.)

October 10, 2008

Mr. Michael R. Cunningham, CFO  
CHUGACH ELECTRIC ASSOCIATION, INC.  
P.O. Box 196300  
Anchorage, Alaska 99519-6300

Dear Mr. Cunningham:

Enclosed are the documents that amend your revolving line of credit with CoBank. It is important that these documents be executed by an officer authorized by your board resolution and who has signed on the most recent incumbency certificate (a copy with the authorized titles and signatures highlighted is included). Please return the documents to CoBank by the last business day prior to October 31, 2008.

You are welcome to expedite the processing of this transaction by faxing the signed documentation to Loan Processing Closing, provided that all such documentation (bearing the ORIGINAL ink signatures) is promptly mailed to CoBank at the address shown below. The fax number for Loan Processing Closing is (303) 694-5851. .

The following document is enclosed and is required to be returned:

**Amendment RI0214S01D to the Amended and Restated Promissory Note and Committed Revolving Credit Supplement No. RI0214S01C.** Please review the agreement and have it signed by an officer authorized by your board resolution.

Additionally enclosed are the following documents:

1. **Incumbency Certificate.** Complete only if authorized officers have changed since the last Incumbency Certificate was submitted to CoBank. Please have all authorized officers sign and have the Corporate Secretary or Assistant Secretary complete the certification.
2. **Notice To Borrower.** Please keep this notice with your records.


If these documents are acceptable to you, please have them signed by an authorized officer and return to CoBank. A self-addressed envelope has been included for returning the executed documents to Loan Processing Closing, CoBank, ACB, 5500 South Quebec Street, Greenwood Village, Colorado 80111.

If you have any questions regarding the documents, please don't hesitate to contact me at (800) 542-8072 (ext. 02020) or Todd Telesz at 800-542-8072 (ext. 04327). We will send you a

Mr. Michael R. Cunningham  
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copy of the agreement(s) after we have approved and countersigned the documentation. Thank you for your continued patronage and support of CoBank.

Sincerely,

  
Susan Gulinson  
Documentation Specialist

Enclosures

CoBANK, ACB  
INCUMBENCY CERTIFICATE

The undersigned, as Secretary of the Company named below, hereby certifies that the following persons are the current, duly elected or appointed Officers enumerated in applicable Resolutions of the Company's Board of Directors and that the following are the specimen signatures of those Officers:

OFFICERS

NOTE: INSERT THE NAMES AND OBTAIN THE SIGNATURES OF ONLY THOSE OFFICERS AUTHORIZED BY THE RESOLUTION REFERRED TO ABOVE.

<p style="text-align: center;"><b>CHAIRMAN</b></p> <p style="text-align: center;"><u>E. Vazquez</u> Signature</p> <p style="text-align: center;"><u>Elizabeth Vazquez</u> TYPE or PRINT Name</p>	<p style="text-align: center;">_____ Signature</p> <p style="text-align: center;">_____ TYPE or PRINT Name</p>
<p style="text-align: center;"><b>CHIEF EXECUTIVE OFFICER</b></p> <p style="text-align: center;"><u>William R. Stewart</u> Signature</p> <p style="text-align: center;"><u>William R. Stewart</u> TYPE or PRINT Name</p>	<p style="text-align: center;">_____ Signature</p> <p style="text-align: center;">_____ TYPE or PRINT Name</p>
<p style="text-align: center;"><b>CHIEF FINANCIAL OFFICER</b></p> <p style="text-align: center;"><u>Michael R. Cunningham</u> Signature</p> <p style="text-align: center;"><u>Michael R. Cunningham</u> TYPE or PRINT Name</p>	<p style="text-align: center;">_____ Signature</p> <p style="text-align: center;">_____ TYPE or PRINT Name</p>
<p style="text-align: center;"><b>SECRETARY</b></p> <p style="text-align: center;"><u>Alex Gimarc</u> Signature</p> <p style="text-align: center;"><u>Alex Gimarc</u> TYPE or PRINT Name</p>	<p style="text-align: center;">_____ Signature</p> <p style="text-align: center;">_____ TYPE or PRINT Name</p>
<p style="text-align: center;">_____ Signature</p> <p style="text-align: center;">_____ TYPE or PRINT Name</p>	<p style="text-align: center;">_____ Signature</p> <p style="text-align: center;">_____ TYPE or PRINT Name</p>

Date this 17th day of October, 20 07

Change of address?  Yes  No

Alex Gimarc Alex Gimarc  
Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
P. O. Box 196300  
Anchorage, Alaska 99519-6300

Annual Meeting Month: April

Phone: (907) 563-7494  
Fax No: (907) 562-0027

**AMENDMENT TO THE AMENDED AND RESTATED  
PROMISSORY NOTE AND COMMITTED REVOLVING CREDIT SUPPLEMENT**

**THIS AMENDMENT** is entered into as of October 9, 2008, between **CoBANK, ACB** (“CoBank”) and **CHUGACH ELECTRIC ASSOCIATION, INC., Anchorage, Alaska** (the “Company”).

**BACKGROUND**

CoBank and the Company are parties to an Amended and Restated Promissory Note and Committed Revolving Credit Supplement No. RI0214S01C dated as of October 10, 2007 (such agreement, as previously amended, is hereinafter referred to as the “Supplement”). CoBank and the Company now desire to amend certain sections of the Supplement. For that reason, and for valuable consideration (the receipt and sufficiency of which are hereby acknowledged), CoBank and the Company agree that the following sections of the Supplement are hereby amended to read as follows:

- 1. Section 3 of the Supplement is hereby amended and restated to read as follows:

**SECTION 3. Term.** The term of the Commitment shall be from the date hereof, up to and including October 31, 2009, or such later date as CoBank may, in its sole discretion, authorize in writing.

- 2. Except as set forth in this amendment, the Supplement, including all amendments thereto, shall continue in full force and effect as written.

**IN WITNESS WHEREOF**, the parties have caused this amendment to be executed by their duly authorized officers as of the date shown above.

**CoBANK, ACB**

**CHUGACH ELECTRIC ASSOCIATION, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



CoBANK, ACB  
INCUMBENCY CERTIFICATE

The undersigned, as Secretary of the Company named below, hereby certifies that the following persons are the current, duly elected or appointed Officers enumerated in applicable Resolutions of the Company's Board of Directors and that the following are the specimen signatures of those Officers:

OFFICERS

NOTE: INSERT THE NAMES AND OBTAIN THE SIGNATURES OF ONLY THOSE OFFICERS AUTHORIZED BY THE RESOLUTION REFERRED TO ABOVE.

CHIEF FINANCIAL OFFICER	
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name

CHIEF EXECUTIVE OFFICER	
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name
_____ Signature	_____ TYPE or PRINT name

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Change of address?  Yes  No

\_\_\_\_\_  
Secretary



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
P.O. Box 196300  
Anchorage, Alaska 99519-6300

Annual Meeting Month: \_\_\_\_\_

Phone: (907) 563-7494  
Fax No: (907) 562-0027

## NOTICE TO BORROWER

THE FOLLOWING DISCLOSURE RELATES TO THE AT RISK NATURE OF THE EQUITY INVESTMENT REQUIRED AS A CONDITION TO AN EXTENSION OF CREDIT. PLEASE READ THESE MATERIALS CLOSELY WHEN EVALUATING THE PROPOSED CREDIT TERMS.

You have received, or the bank has made available to you, the bank's most recent annual report, the most recent quarterly report, a copy of the Bylaws, and a copy of the current Capital Plan.

As a condition to the extension of credit, borrowers are required to own equity in the bank. Equity ownership requirements are established by the board of directors from time to time as set forth in the Capital Plan. Currently the Capital Plan requires each active stockholder to own a minimum investment of the bank's capital of \$1,000 or 2 percent of the loan, whichever is less. After this minimum level is achieved, all future capitalization requirements will be made through retained patronage earnings and no additional out-of-pocket equity purchases beyond the initial investment will be required. Equity of owners whose current investment is above target level will be available for retirement until the target equity level is reached. The Capital Plan may be amended from time to time by the board of directors. Such amendments may increase the amount of capital required to be invested to maintain a loan.

Equity will be retired and patronage distributions will be made in accordance with the Bylaws and Capital Plan, as may be amended from time to time. ALL EQUITY IN THE BANK: (1) IS RETIREABLE ONLY AT THE DISCRETION OF THE BOARD OF DIRECTORS AND THEN ONLY IF MINIMUM CAPITAL STANDARDS ESTABLISHED BY LAW ARE MET; AND (2) IS AN INVESTMENT IN THE BANK THAT IS AT RISK AND SHOULD NOT BE CONSIDERED EQUIVALENT TO A COMPENSATING BALANCE. AT PRESENT, THE BANK MEETS ITS MINIMUM CAPITAL STANDARDS AND KNOWS OF NO REASON WHY IT SHOULDN'T CONTINUE TO MEET THOSE STANDARDS ON THE BANK'S NEXT EARNINGS DISTRIBUTION DATE.