

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

**SPECIAL BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**October 8, 2008**

**ACTION REQUIRED**

**AGENDA ITEM NO. VI.A.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

---

**TOPIC**

Approval of resolution authorizing Chugach to enter into a Credit Agreement with National Rural Utilities Cooperative Finance Corporation (N.R.U.C.F.C.), KeyBank N.A., and certain other lenders for a \$300 million revolving credit liquidity facility to support issuance of Commercial Paper.

**DISCUSSION**

At the June 25, 2008 Regular Board of Directors meeting a motion was passed to approve the establishment of an interim financing arrangement with N.R.U.C.F.C. and KeyBank to provide up to \$300 million in credit support to Chugach's commercial paper borrowing program. The commercial paper borrowings will be used to refinance certain redeemed bonds, refinance maturing "bullet" debt (pending favorable market conditions) and capital expansion projects.

Subsequently, on August 26, 2008, Chugach management and members of the Board of Directors met with N.R.U.C.F.C., KeyBank and other lending institutions to present the interim financing concept and gain other lending institutions' participation in the credit facility. CoBank and USBank have agreed to participate by providing up to \$25 million and \$20 million, respectively.

The Credit Agreement governing the unsecured revolving credit facility has been negotiated by Chugach management and counsel with N.R.U.C.F.C and KeyBank and their counsel. CoBank and USBank have reviewed the agreement.

The terms of the Credit Agreement were reviewed by the Chugach Finance Committee at its October 8, 2008 meeting. The Finance Committee recommends passage of the attached resolution authorizing Chugach management to execute the Credit Agreement.

Execution of the Credit Agreement is scheduled for October 10, 2008.

**MOTION**

Move that the Board of Directors adopt the attached resolution authorizing the Chief Executive Officer, Chief Financial Officer, and Controller to execute the Credit Agreement and thereafter to take actions on behalf of Chugach thereunder.

## RESOLUTION

### BOARD OF DIRECTORS RESOLUTIONS RELATING TO \$300,000,000 SENIOR REVOLVING CREDIT FACILITY

WHEREAS, Chugach Electric Association, Inc., an Alaska electric cooperative (the “Company”), currently intends to establish a commercial paper program under which the Company would sell short-term unsecured promissory notes (“Commercial Paper”) to certain qualified institutional buyers (within the meaning of SEC Rule 144A), accredited investors (within the meaning of SEC Regulation D) or other purchasers meeting such qualifications as may be established pursuant to a commercial paper dealer agreement to be entered into between the Company and a dealer selected by the Company;

WHEREAS, the Company intends that its Commercial Paper be rated by one or more nationally recognized rating agencies;

WHEREAS, the Company has engaged National Rural Utilities Cooperative Finance Corporation (“CFC”) and KeyBank National Association (“KeyBank” and, together with CFC in such capacity, the “Joint Lead Arrangers”) to arrange and syndicate a \$300 million senior unsecured revolving credit facility (the “Credit Facility”) to be used as a liquidity facility to support the issuance by the Company of Commercial Paper in the event of a disruption in the commercial paper market;

WHEREAS, the terms and conditions of the Credit Facility are set forth in that certain Credit Agreement, expected to be entered into on or about October 10, 2008, by and among the Company, the Lenders party thereto (including the Joint Lead Arrangers) (the “Lenders”) and CFC, as Administrative Agent and Syndication Agent (the “Credit Agreement”), a copy of which has been provided to the Board of Directors of the Company. Certain information relating to the Credit Facility and the Company is also contained in a Confidential Information Memorandum dated as of [August 20], 2008, a copy of which has been provided to the Board of Directors;

WHEREAS, loans under the Credit Facility may be requested by the Company pursuant to one or more Borrowing Requests and evidenced by promissory notes (the “Notes”), interest rate elections with respect to such loans may be effected pursuant to one or more Interest Election Requests, and the Company may consent to assignment of one or more of such loans pursuant to an Assignment and Assumption, in each case using forms substantially similar to those attached as exhibits to the Credit Agreement;

WHEREAS, the Company has the power and authority to enter into, deliver and perform its obligations under the Credit Agreement, the Notes and any and all other documents, instruments and agreements necessary or desirable in connection therewith (collectively the “Loan Documents”); and

WHEREAS, it is in the best interests of the Company to enter into, deliver and perform its obligations under the Credit Agreement and the other Loan Documents;

THEREFORE, BE IT RESOLVED THAT:

1. The Company is hereby authorized to execute, deliver and perform its obligations under the Credit Agreement and the other Loan Documents.

2. The execution and delivery of the Credit Agreement and the other Loan Documents, and completion by the Company of the transactions contemplated thereby, are hereby authorized, approved, ratified and confirmed.

3. The Company is hereby authorized to take all such further actions, to execute and deliver all agreements, instruments and documents relating to, contemplated by or necessary or desirable in connection with the Credit Agreement and the other Loan Documents and to pay all fees and expenses contemplated by the Credit Agreement and the other Loan Documents or which shall be incurred in connection therewith or which are otherwise necessary, proper or advisable in connection therewith.

4. The Chief Executive Officer, Chief Financial Officer and Controller of the Company (each a "Particular Officer") be, and each of them acting alone is, hereby authorized on behalf of the Company to execute and deliver the Credit Agreement, the Notes (in such denominations and maturities, and at such rates of interest, as such Particular Officer deems to be in the best interest of the Company) and Interest Election Requests, and each Particular Officer and any other officer of the Company (collectively with the Particular Officers, the "Authorized Officers") be, and each of them acting alone is, hereby authorized on behalf of the Company to execute and deliver each other Loan Documents, including but not limited to, in the case of the Particular Officers, those specifically described above, in each case in the name and on behalf of the Company, on such terms and conditions and in such form deemed necessary or desirable and approved by such Authorized Officer, and with such changes and modifications thereto as the Authorized Officer may in such officer's discretion approve, which approval shall be conclusively evidenced by the execution of such documents, instruments and agreements; and any action taken by any Authorized Officer prior to the date of these resolutions that is otherwise within the authority of these resolutions, including, without limitation, the execution of any documents, instruments or agreements prior to the date hereof, is hereby approved, ratified and confirmed.

5. Each Authorized Officer be, and each of them acting along is, hereby authorized on behalf of the Company to execute and deliver to Lender and to counsel to the Company such forms of certificates and other documents as may be necessary or desirable in connection with the Loan, the Loan Documents or any opinion of counsel to be provided in connection therewith.

6. Each Authorized Officer be, and each of them acting alone is, hereby authorized and directed to take all such further action, to execute and deliver such further agreements, instruments and documents in writing and to do all such other acts and things as in the Authorized Officer's opinion may be necessary or desirable in the name and on behalf of the Company to give effect to the foregoing resolutions, which opinion shall be conclusively evidenced by the taking of such further actions, the execution and delivery of such further documents, instruments and agreements and the doing of such other acts and things.

DATED this 8<sup>th</sup> day of October, 2008.

I, Alex Girmac, do hereby certify that I am that I am 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 8<sup>th</sup> day of October, 2008; 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 8<sup>th</sup> day of October, 2008.

---

Secretary