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RESOLUTION**Discounting Capital Credits**

WHEREAS, Chugach Electric Association, Inc. (Chugach) has developed a plan to pay discounted capital credits to former members before normal retirements; and

WHEREAS, Chugach has received a Private Letter Ruling from the Internal Revenue Service stating the discounted capital credits retirement plan does not jeopardize Chugach's tax-exempt status; and

WHEREAS, Chugach's bylaws require Board approval of capital credit retirements; and

WHEREAS, early payments of capital credits include payments to estates of deceased patrons; and

WHEREAS, at the November 26, 2016, Regular Board of Directors' Meeting, the Board of Directors approved making early payments of capital credits to former members and estates who request early retirements under the plan in the actual discounted amount, not to exceed \$250,000 in cash payments for 2017.

WHEREAS, due to an increase in demand as a result of an increase in communication, Chugach has paid \$247,794.78 year-to-date and has \$13,975.62 awaiting payment.

WHEREAS, the plan provides that the amount available for discounted capital credit payments to former members can be increased or decreased at the discretion of the Board of Directors; and

WHEREAS, the Board of Directors has determined that increasing the amount available under the plan by \$25,000 in cash payments for 2017 will not impair the financial condition of the Association; and

NOW THEREFORE, BE IT RESOLVED, Chugach increase the amount available under the plan for early payments of capital credits to former members and estates who request early retirements under the plan in the actual discounted amount, by \$25,000 in cash payments for 2017.

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BE IT FURTHER RESOLVED, before receiving a payment under this plan, any member with an outstanding electric debt will be required to first pay the outstanding debt or acknowledge the capital credit payment will be reduced by the amount necessary to satisfy the outstanding debt.

BE IT FURTHER RESOLVED, any payments under the plan for 2017 will be in accordance with Board Policy 304.

CERTIFICATION

I, James Henderson, 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 23rd day of August, 2017; 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 23rd day of August, 2017.


Secretary