

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Act of 1934

Date of Report (Date of earliest event reported) July 14, 2020 (July 9, 2020)

CHUGACH ELECTRIC ASSOCIATION, INC.

(Exact name of registrant as specified in its charter)

Alaska

(State or other jurisdiction of incorporation)

33-42125

(Commission File Number)

92-0014224

(IRS Employer Identification No.)

5601 Electron Drive, Anchorage, AK

(Address of Principal's Executive Offices)

99518

(Zip Code)

Registrant's telephone number, including area code: **(907) 563-7494**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Section 1 – Entry into a Material Definitive Agreement

Item 1.01 Entry into a Material Definitive Agreement.

On July 9, 2020, Chugach Electric Association, Inc. (“Chugach”) and the Municipality of Anchorage (“MOA”) entered into Amendment No. 3 to the Asset Purchase and Sale Agreement (“APA Amendment No. 3”), Amendment No. 3 to the Eklutna Power Purchase Agreement (“PPA Amendment No. 3”), Amendment No. 3 to the Payment in Lieu of Taxes Agreement (“PILT Amendment No. 3”), collectively “the Third Amendments”, as well as the BRU Fuel Agreement Termination Agreement (“BRU Termination Agreement”). The original agreements to which the Third Amendments pertain have been conditionally approved by the Regulatory Commission of Alaska (“RCA”) and were previously filed with the SEC with Chugach’s Annual Report on Form 10-K for the year ended December 31, 2018. The original BRU Fuel Agreement to which the BRU Termination Agreement pertains was also filed as an exhibit to that Form 10-K report.

The Amendments incorporate changes to the agreements as required by the RCA’s order dated May 28, 2020. APA Amendment No. 3 removes provisions regarding Chugach’s commitment not to raise base rates as a result of the acquisition, extends the time to close from 120 days to 160 days after RCA approval, removes references to the BRU Fuel Agreement, requires the MOA to provide certain copies of easements, reduces the upfront payment by \$10.0 million from \$767.8 million to \$757.8 million, eliminates any upward price adjustment if Municipal Light & Power’s (“ML&P”) net book value of purchased assets is greater than \$715.4 million, recognizes a \$36.0 million rate reduction account to be funded by the MOA for the benefit of ML&P legacy customers, and extends the APA termination date to October 31, 2020. PPA Amendment No. 3 recognizes Chugach’s right to set-off payments to the extent the MOA does not fulfill its obligations required in the stipulation and removes references indicating the PPA is a power purchase agreement under Alaska statute. PILT Amendment No. 3 requires that beginning no later than January 1, 2024, costs incurred by Chugach as a result of the PILT Agreement shall be recovered through base rates charged to all Chugach customers. The BRU Fuel Agreement Termination Agreement terminates the BRU Fuel Agreement.

Item 9.01 – Financial Statements and Exhibits

Exhibit No.	Description
10.82.3	Amendment No. 3 to Asset Purchase and Sale Agreement between the Registrant and the Municipality of Anchorage, Alaska dated effective July 9, 2020
10.83.3	Amendment No. 3 to Eklutna Power Purchase Agreement between the Registrant and the Municipality of Anchorage, Alaska dated effective July 9, 2020
10.84.3	Amendment No. 3 to Payment in Lieu of Taxes Agreement between the Registrant and the Municipality of Anchorage, Alaska dated effective July 9, 2020
10.85.1	BRU Fuel Agreement Termination Agreement between the Registrant and the Municipality of Anchorage, Alaska dated effective July 9, 2020

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 14, 2020

CHUGACH ELECTRIC ASSOCIATION, INC.

By: _____


Lee D. Thibert
Chief Executive Officer

*Execution Version***AMENDMENT NO. 3 TO ASSET PURCHASE AND SALE AGREEMENT**

THIS AMENDMENT NO. 3 TO ASSET PURCHASE AND SALE AGREEMENT, dated as of the 9th day of July, 2020 (this "**Amendment**"), between the Municipality of Anchorage, Alaska, a political subdivision organized under the laws of the State of Alaska ("**Seller**"), and Chugach Electric Association, Inc., a not-for-profit electric cooperative corporation organized under the laws of the State of Alaska ("**Buyer**").

RECITALS

WHEREAS, Buyer and Seller entered into that certain Asset Purchase and Sale Agreement, dated as of December 28, 2018 (the "**Original Agreement**"); capitalized terms used in this Amendment, if not otherwise defined herein, shall have the meanings set forth in the Original Agreement, as amended or modified pursuant to this Amendment or any Previous Amendment (as so amended or otherwise modified, the "**Asset Purchase Agreement**");

WHEREAS, pursuant to Section 10.10 of the Asset Purchase Agreement, Buyer and Seller may amend, modify or supplement the Original Agreement upon the execution and delivery of a written agreement executed by the Parties;

WHEREAS, the Regulatory Commission of Alaska on May 28, 2020 issued Order No. U-18-102(44)/ U-19-020(39)/ U-19-021(39), *Order Accepting Stipulation in Part, Subject to Conditions; Transferring and Issuing Certificates of Public Convenience and Necessity, Subject to Conditions; Addressing Beluga River Unit Management, Gas Transfer Prices, and Third Party Sales Gas Pricing; and Requiring Filings* (the "**Final Order**"); and

WHEREAS, the Parties desire to make certain amendments to the Asset Purchase Agreement as provided in this Amendment.

NOW, THEREFORE, pursuant to Section 10.10 of the Asset Purchase Agreement Section III.B.3 of the Stipulation (as defined in Article I of the Asset Purchase Agreement as amended pursuant to this Amendment), and the Final Order, and in consideration for the premises and agreements in the Stipulation and as hereinafter set forth, the Parties, intending to be legally bound, agree as follows:

1. New Definitions. The following definitions are hereby added to Article I of the Asset Purchase Agreement:

"**Rate Reduction Account**" means an account created and funded by Seller with a cash balance of \$36,000,000 on the Closing Date.

"**Stipulation**" means the Stipulation Resolving All Issues entered into by and among Seller, Buyer, Providence Health & Services, the Federal Executive Agencies, Matanuska Electric Association, Inc., Homer Electric Association, Inc., Alaska Energy Authority, and ENSTAR Natural Gas Company, a Division of SEMCO Energy, Inc. dated October

25, 2019, and accepted and approved, subject to conditions, by the RCA in the Final Order.

2. Revised Definitions. The following definitions in Article I of the Asset Purchase Agreement are hereby amended and restated in their entirety as follows:

“Ancillary Documents” means the Bill of Sale, the Assignment and Assumption Agreement, Deeds, Assignment and Assumption of Leases, Real Property Interest Assignments, the PILT Agreement, the Eklutna Power Purchase Agreement, the BRU Transfer Documents, and the other agreements, instruments and documents required to be delivered at the Closing.

“Ordinance” means Ordinance No. 2018-1(S) of the Anchorage Assembly.

“Proposition 10” means the ballot proposition presented to voters of Seller in connection with the Ordinance.

“Transferred Cash” means (A) cash in the Rate Reduction Account and (B) customer deposit cash or cash accounts, cash, cash equivalents, and securities (in each case to the extent constituting restricted assets and, in the case of cash contractually restricted in connection with Debt, to the extent not used by Seller to defease or repay the Closing Debt), including any such assets collected for payments in lieu of taxes, including pursuant to AMC 26.10.025 or held under or pursuant to ML&P’s debt documents or representing the proceeds of bonds, deferred regulatory liability for gas sales funds, future gas purchases regulatory liabilities, underlift accounts and asset retirement obligation funds managed by ML&P or Seller, any decommissioning funds, utility underground requirements including those set forth in AS 42.05.381(h), (i), and (j) and AMC 21.07.050 and AMC Title 21 undergrounding funds, and any other cash collected from ratepayers for obligations assumed by Buyer including customer deposits. Exhibit J sets forth the Transferred Cash (other than the Rate Reduction Account) and separately identifies any cash contractually restricted in connection with Debt which will be used by Seller to defease or repay the Closing Debt, in each case as if the Closing had occurred as of December 31, 2017.

“Upfront Payment” means \$757,800,000.

3. BRU Fuel Agreement.

(a) The fourth recital is hereby deleted in its entirety and replaced with the following: “WHEREAS, as an integral part of the transactions contemplated hereby, Seller and Buyer have entered into the Eklutna Power Purchase Agreement and the PILT Agreement (as defined below) as of the date hereof;”

(b) The definition of “BRU Fuel Agreement” is hereby deleted in its entirety.

(c) Section 6.06(f)(A)(iv) is hereby deleted in its entirety and replaced by the following: “the pass-through of BRU costs of production (payments under the PILT

Agreement, the Eklutna Power Purchase Agreement and the cost of production pass-through to be recovered as Buyer operating expenses (with no margin added to the payment amount)),”

- (d) The second-to-last sentence of Section 6.06(f) is hereby deleted in its entirety and replaced by the following: “In addition, Buyer and Seller will use commercially reasonable efforts to cooperate and advocate to obtain an order from the RCA approving, as part of the transactions to be consummated hereby, recovery by Buyer in future rates of the costs associated with consummating the transactions.”

4. Amendment to Section 2.05(d). Section 2.05(d) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

- (d) minus the absolute value of the Net Book Value Adjustment if the Net Book Value Adjustment is a negative number; *provided* that, if the Net Book Value Adjustment is a positive number, the Purchase Price shall not be adjusted to reflect the Net Book Value Adjustment or any portion thereof.

5. Amendment to Section 3.01. The language of Section 3.01 of the Asset Purchase Agreement is hereby amended by substituting “within one hundred and sixty (160) days after RCA Approval is received” for “within one hundred and twenty (120) days after RCA Approval is received.”

6. Amendment to Section 6.16(a). Section 6.16(a) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

- (a) [Reserved.]

7. Amendment to Section 6.21. Section 6.21 of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

Section 6.21. [Reserved.]

8. Amendment to Section 6.29(a). Section 6.29(a) of the Asset Purchase Agreement is hereby deleted in its entirety and replaced with the following:

- (a) Seller shall, not later than 90 days after RCA Approval, provide Buyer with copies of all easements granted to Seller prior to 2002 and copies of all documents described in Section 4.18(j) that were not provided or otherwise made available to Buyer in accordance with the provisions of Section 4.18(j) prior to the date of this Agreement, in each case to the extent that such materials are recorded in Seller’s Laserfiche database.

9. Addition of Section 6.32. The following is hereby added to the Asset Purchase Agreement as a new Section 6.32:

Section 6.32. Use of Funds in Rate Reduction Account. Buyer shall prudently manage funds in the Rate Reduction Account for the benefit of customers in the ML&P legacy service area to ensure the principal balance and any interest realized on the deposits are properly invested, accounted for, and ultimately credited back to customers in the ML&P legacy service area. The funds in the Rate Reduction Account shall be used by Buyer for the exclusive purpose of providing rate reductions to customers in the ML&P legacy service area in accordance with Section III.B.2.c of the Stipulation.

10. Amendment to Section 9.01(b)(ii). Section 9.01(b)(ii) of the Asset Purchase Agreement is hereby deleted in its entirety and is replaced with the following:

(ii) any of the conditions set forth in Section 7.01 or Section 7.02 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by October 31, 2020, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements, or conditions hereof to be performed or complied with by it prior to the Closing; or

11. Amendment to Section 9.01(c)(ii). Section 9.01(c)(ii) of the Asset Purchase Agreement is hereby deleted in its entirety and is replaced with the following:

(ii) any of the conditions set forth in Section 7.01 or Section 7.03 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by October 31, 2020, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements, or conditions hereof to be performed or complied with by it prior to the Closing; or

12. Exhibit O. Exhibit O to the Asset Purchase Agreement is hereby deleted in its entirety.

13. Effective Date of this Amendment. Except as expressly provided herein and the letter agreements dated March 8, 2019 and March 15, 2019, Amendment No. 1 to the Asset Purchase Agreement dated as of September 27, 2019, and Amendment No. 2 to the Asset Purchase Agreement dated as of October 28, 2019 (the "**Previous Amendments**"), the Original Agreement and the Previous Amendments are not amended, supplemented, modified, revised or otherwise affected by this Amendment. This Amendment shall be deemed effective and in full force and effect as of the date first written above. On and after the date hereof, each reference in the Asset Purchase Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Original Agreement or the Previous Amendments, shall mean and be a reference to the Asset Purchase Agreement and each reference to the Asset Purchase Agreement in any other agreements, documents or instruments executed and delivered pursuant to or in connection with the Asset Purchase Agreement shall be deemed to mean and be a reference to the Asset Purchase Agreement as amended by this Amendment and the Previous Amendments.

14. Binding Effect. This Amendment shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

15. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Alaska, without reference to conflicts of laws principles that would result in the application of the laws of any other jurisdiction.

16. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above by their respective officers and officials thereunto duly authorized.

MUNICIPALITY OF ANCHORAGE,
ALASKA

DocuSigned by:
By William D. Falsey
98E00F3F5BCA4D0

Name: William D. Falsey
Title: Municipal Manager

CHUGACH ELECTRIC ASSOCIATION,
INC.

By Lee D. Thibert

Name: Lee D. Thibert
Title: Chief Executive Officer

AMENDMENT NO. 3 TO EKLUTNA POWER PURCHASE AGREEMENT

This AMENDMENT NO. 3 TO EKLUTNA POWER PURCHASE AGREEMENT, dated as of the 9th day of July, 2020 (this “**Eklutna PPA Amendment**”), is made and entered into by and between (i) **CHUGACH ELECTRIC ASSOCIATION, INC.**, an Alaska not-for-profit electric cooperative corporation (“**Purchaser**”), and (ii) the **MUNICIPALITY OF ANCHORAGE**, a political subdivision organized under the laws of the State of Alaska (“**Seller**”). Purchaser and Seller are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, Purchaser and Seller entered into that certain Eklutna Power Purchase Agreement dated as of December 28, 2018 (the “**Eklutna PPA**”);

WHEREAS, the Regulatory Commission of Alaska on May 28, 2020 issued Order No. U-18-102(44)/ U-19-020(39)/ U-19-021(39), *Order Accepting Stipulation in Part, Subject to Conditions; Transferring and Issuing Certificates of Public Convenience and Necessity, Subject to Conditions; Addressing Beluga River Unit Management, Gas Transfer Prices, and Third Party Sales Gas Pricing; and Requiring Filings* (the “**Final Order**”);

WHEREAS, Section 15.7 of the Eklutna PPA provides that Purchaser and Seller may amend the Eklutna PPA upon the execution and delivery of a written agreement executed by each Party; and

NOW, THEREFORE, pursuant to Section 15.7 of the Eklutna PPA, Section III.E of the Stipulation (as defined in Exhibit A as amended pursuant to this Eklutna PPA Amendment), and the Final Order, and in consideration for the premises and agreements in the Stipulation and as hereinafter set forth, the Parties, intending to be legally bound, agree as follows:

1. Revision to Section 8.2. Section 8.2 of the Eklutna PPA is hereby amended by the addition of a new subsection (C) reading in its entirety as follows:

(C) If (i) Seller has not, on or before the fifth anniversary of the Closing (as defined in the Asset Purchase Agreement) (the “**Expenditure Deadline**”), received an appropriation of funds from the Assembly of Seller in the amount of \$15 million for purposes of the planning, permitting, design, and construction (including any required demolition of existing structures) of the Alaska Center for Treatment, all as provided in Section III.E of the Stipulation (such purposes, the “**Required Use**”), or such appropriation ceases, at any time prior to the expenditure by Seller of the full amount of such \$15 million for the Required Use, to remain in full force and effect, (ii) such funds have not, on or before the Expenditure Deadline, been deposited into a dedicated fund for use only for the Required Use, or any such funds (other than any of such funds that have been expended for the Required Use) cease, at any time prior to the expenditure by Seller of the full amount of such \$15 million for the Required Use,

to remain in such dedicated fund, (iii) one or more contracts requiring payment by Seller of the entire unexpended amount of such funds for the Required Use has not, on or before the Expenditure Deadline, been awarded by Seller pursuant to Title 7 of Anchorage Municipal Code, or (iv) Seller has not, on or before the Expenditure Deadline, become, or Seller ceases, at any time prior to the expenditure by Seller of the full amount of such \$15 million for the Required Use, to remain, a party to such contract or contracts, then Purchaser shall offset against any amounts due to Seller under this PPA any portion of such \$15 million amount that has not been spent by Seller for the Required Use.

2. Revision to Section 15.3. Section 15.3 of the Eklutna PPA is hereby deleted in its entirety and replaced as follows:

Section 15.3. Compliance with Laws. Each Party shall at all times comply with all Applicable Laws; *provided, however*, that any non-compliance with Applicable Law that, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder shall not be deemed to be a breach of this PPA. Each Party shall promptly disclose to the other any material violation of any Applicable Laws arising out of or in connection with the Facility and this PPA.

3. Revision to Section 15.11. Section 15.11 of the Eklutna PPA is hereby amended to delete in its entirety the sentence that was added at the end thereof by Section 1 of Amendment No. 1 to the Eklutna PPA, dated as of September 27, 2019.

4. Amendment of Exhibit A. Exhibit A to the Eklutna PPA is hereby amended to add the following new defined terms:

“**Expenditure Deadline**” has the meaning set forth in Section 8.2(C).

“**Stipulation**” means the Stipulation Resolving All Issues entered into by and among Seller, Purchaser, Providence Health & Services, the Federal Executive Agencies, MEA, Homer Electric Association, Inc., Alaska Energy Authority, and ENSTAR Natural Gas Company, a Division of SEMCO Energy, Inc. dated October 25, 2019, and accepted and approved, subject to conditions, by the RCA on May 28, 2020 in the Final Order.

“**Required Use**” has the meaning set forth in Section 8.2(C).

5. Effective Date and Incorporation of Terms of Eklutna PPA. This Amendment shall be deemed effective as of the Effective Date as defined in Exhibit A to the Eklutna PPA and, without in any way limiting the effect of the amendment set forth in Section 1 of this Amendment, shall be subject to all the terms and conditions of the Eklutna PPA.

6. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, e-mail or other means of

electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the date first written above by their respective officers and officials thereunto duly authorized.

MUNICIPALITY OF ANCHORAGE,
ALASKA

DocuSigned by:
By William D. Falsey
98E00F3F5BCA4D0...

Name: William D. Falsey
Title: Municipal Manager

CHUGACH ELECTRIC ASSOCIATION,
INC.

By Lee D. Thibert
Name: Lee D. Thibert
Title: Chief Executive Officer

AMENDMENT NO. 3 TO PAYMENT IN LIEU OF TAXES AGREEMENT

THIS AMENDMENT NO. 3 TO PAYMENT IN LIEU OF TAXES AGREEMENT, dated as of the 9th day of July, 2020 (this "**Amendment**"), between the Municipality of Anchorage, Alaska, a political subdivision organized under the laws of the State of Alaska ("**Municipality**"), and Chugach Electric Association, Inc., a not-for-profit electric cooperative corporation organized under the laws of the State of Alaska ("**Chugach**").

RECITALS

WHEREAS, Chugach and Municipality entered into that certain Payment in Lieu of Taxes Agreement, dated as of December 28, 2018 (the "**Original PILT Agreement**");

WHEREAS, capitalized terms used in this Amendment, if not otherwise defined herein, shall have the meanings set forth in the Original PILT Agreement, as amended or modified to date or pursuant to this Amendment (as so amended or modified, the "**PILT Agreement**");

WHEREAS, the Regulatory Commission of Alaska on May 28, 2020 issued Order No. U-18-102(44)/ U-19-020(39)/ U-19-021(39), *Order Accepting Stipulation in Part, Subject to Conditions; Transferring and Issuing Certificates of Public Convenience and Necessity, Subject to Conditions; Addressing Beluga River Unit Management, Gas Transfer Prices, and Third Party Sales Gas Pricing; and Requiring Filings* (the "**Final Order**");

WHEREAS, pursuant to Section 3.08 of the Original PILT Agreement, Chugach and Municipality may amend, modify or supplement the Original PILT Agreement upon the execution and delivery of a written agreement executed by each party thereto; and

WHEREAS, the Chugach and Municipality desire to make certain amendments to the PILT Agreement as provided in this Amendment.

NOW, THEREFORE, pursuant to Section 3.08 of the Original PILT Agreement and the Final Order, and in consideration for the premises and agreements hereinafter set forth, the parties hereto, intending to be legally bound, agree as follows:

1. Revisions. Section 2.02 and Section 2.12 of the PILT Agreement are hereby deleted in their entirety and replaced as follows:

Section 2.02 [Reserved.]

Section 2.12 [Reserved.]

2. Addition. A new Section 2.13 is hereby added to the PILT Agreement, which in its entirety reads as follows:

Section 2.13. PILT Payments. Beginning not later than January 1, 2024, or as otherwise ordered by the Commission, costs incurred by Chugach as a result of this Agreement shall be recovered through base rates charged to all Chugach ratepayers.

3. Effective Date of this Amendment. Except as expressly provided herein, the PILT Agreement is not amended, supplemented, modified, revised or otherwise affected by this Amendment. This Amendment shall be deemed effective and in full force and effect as of the date first written above. On and after the date hereof, each reference in the PILT Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the PILT Agreement, shall mean and be a reference to the PILT Agreement and each reference to the PILT Agreement in any other agreements, documents or instruments executed and delivered pursuant to or in connection with the PILT Agreement shall be deemed to mean and be a reference to the PILT Agreement as amended by this Amendment.

4. Binding Effect. This Amendment shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

5. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Alaska, without reference to conflicts of laws principles that would result in the application of the laws of any other jurisdiction.

6. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first written above by their respective officers and officials thereunto duly authorized.

MUNICIPALITY OF ANCHORAGE,
ALASKA

DocuSigned by:
By William D. Falsey
98E00F3E5BCA4D0...

Name: William D. Falsey
Title: Municipal Manager

CHUGACH ELECTRIC ASSOCIATION,
INC.

By Lee D. Thibert

Name: Lee D. Thibert
Title: Chief Executive Officer

BRU FUEL AGREEMENT TERMINATION AGREEMENT

This BRU Fuel Agreement Termination Agreement (this “**Agreement**”), dated as of July 9, 2020, is made and entered into between Municipality of Anchorage, Alaska, a political subdivision organized under the laws of the State of Alaska (“**Municipality**”), and Chugach Electric Association, Inc., a not-for-profit electric cooperative corporation organized under the laws of the State of Alaska (“**Chugach**”).

RECITALS

WHEREAS, Municipality and Chugach have entered into that certain Asset Purchase and Sale Agreement dated as of December 28, 2018 (as amended from time to time, the “**Asset Purchase Agreement**”), pursuant to which Chugach will acquire substantially all of the assets of Municipality’s electric utility referred to as Municipal Light and Power (“**ML&P**”).

WHEREAS, in connection with the Asset Purchase Agreement, Chugach and Municipality entered into the BRU Fuel Agreement dated as of December 28, 2018 (the “**Original BRU Agreement**”) and effective upon the Closing as stated therein.

WHEREAS, the Municipality and Chugach wish to terminate the Original BRU Agreement in its entirety as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I TERMINATION MATTERS

Section 1.01 Termination Agreement. The Original BRU Agreement is hereby terminated effective as of the date hereof without any liability whatsoever on the part of either party under or in connection with the Original BRU Agreement or for or as a result of such termination. Neither party shall have any further rights or obligations under the Original BRU Agreement. Chugach shall incorporate any BRU-related provisions from the Regulatory Commission of Alaska’s Order U-18-102(44)/U-19-020(39)/U-19-021(39) as necessary into Chugach’s Operating Tariff.

ARTICLE II MISCELLANEOUS

Section 2.01 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the

recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 2.01):

If to Municipality:

Municipality of Anchorage
632 W. 6th Avenue, Suite 850
Anchorage, AK 99501
E-mail: william.falsey@anchorageak.gov
Attention: William D. Falsey, Municipal Manager

with a copy to:

Municipality of Anchorage
632 W. 6th Avenue, Suite 850
Anchorage, AK 99501
E-mail: rebecca.windtpearson@anchorageak.gov
Attention: Rebecca A. Windt Pearson, Municipal Attorney

and a copy to:

K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158
E-mail: eric.freedman@klgates.com
Attention: Eric E. Freedman

If to Chugach:

Chugach Electric Association, Inc.
5601 Electron Drive
Anchorage, AK 99518
E-mail: Lee_Thibert@chugachelectric.com
Attention: Lee D. Thibert, Chief Executive Officer

with a copy to:

Chugach Electric Association, Inc.
5601 Electron Drive
Anchorage, AK 99518
E-mail: Matthew_Clarkson@chugachelectric.com
Attention: Matthew C. Clarkson, General Counsel

and a copy to:

Stinson LLP
Suite 2600
50 South Sixth Street
Minneapolis, MN 55402
E-mail: james.bertrand@stinson.com
Attention: James J. Bertrand

Section 2.02 Interpretation. For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections and Exhibits means the Articles, Sections and Exhibits attached to this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Section 2.03 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 2.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 2.05 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter, including the Original BRU Agreement.

Section 2.06 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed, except that Chugach may assign this Agreement to any Affiliate or any Person that acquires all or substantially all of its assets, whether by merger, asset purchase or otherwise. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 2.07 No Third-party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 2.08 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing

and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 2.09 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Alaska, without regard to conflict of law principles that would result in the application of the laws of any other jurisdiction.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE SUPERIOR COURT OF THE STATE OF ALASKA IN IN THE THIRD JUDICIAL DISTRICT, LOCATED IN ANCHORAGE, ALASKA, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURT AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER

THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 2.09(c).

Section 2.10 Specific Enforcement. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity. The parties acknowledge and agree that (a) the parties shall be entitled to an injunction, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereto, without proof of damages, this being in addition to any other remedy to which they are entitled under this Agreement and (b) the right to specific enforcement is an integral part of the transactions contemplated by this Agreement and without that right, neither Municipality nor Chugach would have entered into this Agreement. Each party agrees that it will not oppose the granting of specific performance and other equitable relief on the basis that the other parties have an adequate remedy at law or that an award of specific performance is not an appropriate remedy for any reason at law or equity. The parties acknowledge and agree that any party seeking an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 2.10 shall not be required to provide any bond or other security in connection with any such injunction.

Section 2.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this BRU Fuel Termination Agreement to be executed as of the date first written above by their respective officers and officials thereunto duly authorized.

MUNICIPALITY OF ANCHORAGE,
ALASKA

DocuSigned by:
By William D. Falsey
98E00F3F5BCA4D0
Name: William D. Falsey
Title: Municipal Manager

CHUGACH ELECTRIC ASSOCIATION,
INC.

By Lee D. Thibert
Name: Lee D. Thibert
Title: Chief Executive Officer