

RESOLUTION

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Memorandum of Understanding between Chugach Electric Association, Inc. and Matanuska Electric Association, Inc.

WHEREAS, the Anchorage Assembly approved Resolution AR No. 2017-235 on June 13, 2017 urging Chugach Electric Association, Inc. (Chugach), the Municipality of Anchorage (MOA), and Anchorage Municipal Light & Power (ML&P) to initiate substantive steps to explore merger opportunities;

WHEREAS, on January 9, 2018, the Anchorage Assembly approved resolution AR No. 2018-21 that stated its expectations for Chugach to work with Matanuska Electric Association, Inc. (MEA) to ensure MEA customers within the MOA benefit from cost savings and power reliability in connection with Chugach's purchase of ML&P;

WHEREAS, on January 23, 2018, the Anchorage Assembly approved Ordinance AO No. 2018-1(S), finding the sale of ML&P to Chugach is in the public interest and submitting to Anchorage voters a charter amendment authorizing the assets and business of ML&P to be sold to Chugach;

WHEREAS, on April 3, 2018, the voters in the Municipal election approved the ballot proposition authorizing the MOA to move forward on the activities that could lead to a sale of ML&P assets to Chugach;

WHEREAS, Chugach and the MOA have negotiated four transaction agreements entitled, "Asset Purchase Agreement", "Eklutna Power Purchase Agreement", "Payment in Lieu of Taxes Agreement", and "BRU Fuel Agreement";

WHEREAS, on October 24, 2018, the Chugach Board of Directors authorized Chugach's Chief Executive Officer to sign the four transaction agreements upon certain conditions being met, and these agreements are expected to be signed by December 31, 2018;

WHEREAS, On November 4, 2018, Chugach and MEA entered into a non-binding Memorandum of Understanding that identify the terms and conditions consistent with Resolution AR No. 2018-21;

WHEREAS, Chugach and MEA negotiated an Operating and Exchange Agreement (Agreement) consistent with the terms and conditions of the non-binding Memorandum of Understanding dated November 29, 2018.;

WHEREAS, the obligations of Chugach and MEA incorporated in the Agreement are subject to and conditioned upon (1) the successful closing of Chugach's acquisition of ML&P; and (2) the receipt of all necessary regulatory approvals;

WHEREAS, Chugach management has recommended that the Chugach Board of Directors authorize the Chief Executive Officer to execute the Operations and Exchange Agreement substantially in the form attached hereto as Exhibit A; and,

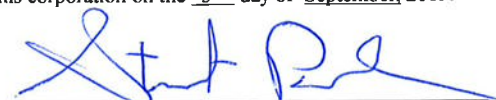
WHEREAS, the Chugach Board of Directors has reviewed all materials, information, and recommendations provided to it by Chugach management and has determined that the transactions encompassed by the Operations and Exchange Agreement satisfy the expectations of Anchorage Assembly resolution AR No. 2018-21.

NOW THEREFORE BE IT RESOLVED, the Board of Directors authorizes the Chief Executive Officer to execute and deliver the Operations and Exchange Agreement substantially in the form attached hereto as Exhibit A;

CERTIFICATION

I, Stuart Parks, 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 3rd day of September, 2019; 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 on the 3rd day of September, 2019.


Secretary