

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G17-21

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY APPROVING AMENDMENT TO
LOAN AGREEMENT WITH THE INTERIOR GAS UTILITY TO
COVER DUE DILIGENCE COSTS**

WHEREAS, the Alaska Industrial Development and Export Authority (the “Authority”) previously made a loan to the Interior Gas Utility (“IGU”);

WHEREAS, the loan to IGU was made under the Authority’s sustainable energy transmission and supply development (“SETS”) program, and the SETS loan was a part of the Interior Energy Project that the Authority is pursuing;

WHEREAS, the SETS loan to IGU is documented in the Amended and Restated Loan Agreement dated as of April 2, 2015, as recently amended pursuant to Resolution No. G17-14 to expand the scope of the loan to include IGU’s utility integration costs;

WHEREAS, IGU has requested that the scope of the existing SETS loan be further modified so as to permit loan proceeds to be used to pay for costs IGU incurred in performing due diligence work regarding its potential acquisition of Pentex Alaska Natural Gas Company, LLC from the Authority, which acquisition will facilitate the integration of the two Fairbanks area natural gas utilities, IGU and Fairbanks Natural Gas, LLC;

WHEREAS, the Authority’s approval of an HB 105 plan for the Interior Energy Project allows the Authority to legally consider modifying the existing SETS loan as IGU has requested;

WHEREAS, modifying the SETS loan as requested is in conformance with the governing statutes of the Authority’s SETS program; and

WHEREAS, IGU's due diligence work was in furtherance of the potential integration of two Fairbanks area natural gas utilities, which serves the goals of the Interior Energy Project;

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:


Section 1. The Authority is authorized and directed to modify the existing SETS loan to IGU so as to permit up to \$350,000 in IGU's due diligence expenses in evaluating its potential acquisition of Pentex Alaska Natural Gas Company, LLC to be paid from the SETS loan proceeds. To qualify for payment from the SETS loan proceeds, IGU's due diligence expenses must be appropriately documented.

Section 2. The Executive Director is authorized to negotiate and execute a loan modification agreement and all other documents and instruments that the Executive Director determines are necessary or convenient to carrying the purposes of this resolution.

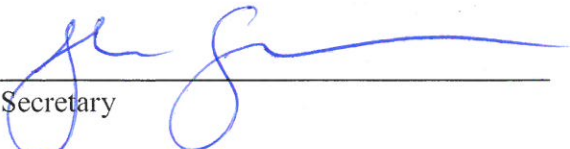
Dated at Anchorage, Alaska, this 7th day of December 2017.



ATTEST
[SEAL]



Chair



Secretary