

Upon Recording, Return To:

James J. Bertrand, Esq.
Stinson Leonard Street LLP
50 South Sixth Street, Suite 2600
Minneapolis, MN 55402

TO BE RECORDED IN THE ANCHORAGE RECORDING DISTRICT

PROTECTIVE PARTIAL RELEASE BY
U.S. BANK NATIONAL ASSOCIATION
AS TRUSTEE
TO
CHUGACH ELECTRIC ASSOCIATION, INC.
FROM LIEN OF
THE SECOND AMENDED AND RESTATED INDENTURE OF TRUST
DATED AS OF JANUARY 20, 2011
AS AMENDED AND SUPPLEMENTED

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, Chugach Electric Association, Inc., an Alaska electric cooperative (the "Company"), executed and delivered as of January 20, 2011, to U.S. Bank National Association, as Trustee, a certain Second Amended and Restated Indenture of Trust, as amended and supplemented (hereinafter called the "Indenture"); and

WHEREAS, the Company has entered into that certain Eklutna Power Purchase Agreement dated as of December ___, 2018 (the "Power Purchase Agreement") between the Company and the Municipality of Anchorage, a political subdivision organized under the laws of the State of Alaska ("Seller"), pursuant to which the Company will purchase the Power (as defined in the Power Purchase Agreement) produced by that portion of the Eklutna Hydroelectric Project owned by Seller and designated in the Power Purchase Agreement as the "Chugach Portion;" and

WHEREAS, solely as a precaution in the event that the Power Purchase Agreement should be construed as a secured financing such that the Company shall be deemed to have acquired title to the Chugach Portion at any time (other than by exercise of an express purchase option granted under the terms of the Power Purchase Agreement), Purchaser has granted to

Seller a protective security interest in and to the Collateral as defined in the Power Purchase Agreement; and

WHEREAS, it has been certified by the Company to the Trustee in accordance with the Indenture that the Collateral is not to become subject to the lien of the Indenture and that the Company will remain capable of complying with the requirements of Section 14.14 of the Indenture (the "Officers' Certificate Relating to Excludable Property (Eklutna PPA Collateral)"), and the Trustee is in receipt of such certificate; and

WHEREAS, Section 6.10 of the Indenture provides that upon receipt of the Officers' Certificate Relating to Excludable Property (Eklutna PPA Collateral), the Trustee shall execute and deliver a release to be recorded, registered or filed evidencing that such Excludable Property is not subject to the lien of the Indenture.

NOW, THEREFORE, U.S. Bank National Association, in consideration of the premises, and pursuant to the authority vested in it as Trustee under the Indenture, does hereby release, remise and quitclaim unto the Company all the right, title and interest of such Trustee in and to the properties described in Attachment A attached hereto.

TO HAVE AND TO HOLD the property hereby released and remised to the Company, its successors and assigns (but only to the extent that such property is adjudged at any time in the future to be property of the Company, its successors and assigns), to its and their own proper use, benefit and behoof forever, free, clear and discharged of and from any and all liens and claims under and by virtue of the Indenture.

FURTHER PROVIDED, that the Company is authorized to file a financing statement amendment (including a copy of this partial release) on behalf of the Trustee in the appropriate offices of the State of Alaska that deletes the properties described in Attachment A attached hereto from the description of collateral subject to the security interest of the Indenture.

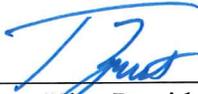
PROVIDED, HOWEVER, that nothing herein contained shall be construed to affect the residue of the security held by the Trustee, by virtue of the Indenture, or to release the payment of any part of the moneys, principal and interest, thereby secured and that may now remain unpaid.

The recitals herein contained are made on representation of the Company and the Trustee assumes no responsibility in respect thereof. This release is executed by the Trustee without any covenant or warranty of title, or any other covenant, warranty or representation, either expressed or implied, on its part, and shall be without recourse against the Trustee in any event whatsoever.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, U.S. Bank National Association has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents on this 20th day of December, 2018.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

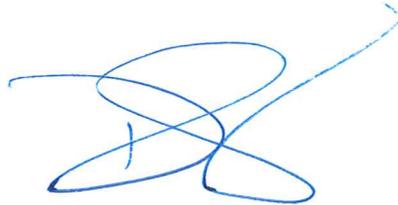
By 
Vice President

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 20th day of December, 2018, before me, a Notary Public in and for the State of Washington, personally appeared Thomas Zrust, to me known to be the Vice President of U.S. Bank National Association, the national banking association that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said national banking association for the uses and purposes therein mentioned and on oath stated that s/he was authorized to execute said instrument on behalf of said national banking association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.





Print name: _____



Notary Public in and for the State of Washington, residing at

Seattle

My commission expires: 4/17/19

ATTACHMENT A

DESCRIPTION OF RELEASED PROPERTY

All right, title and interest of the Company in and to the following:

The Chugach Portion (as defined in the Power Purchase Agreement) of the Eklutna Hydroelectric Project, as further described in Attachment B, including all of the following: all equipment, buildings, generators, inverters, step-up transformers, output breakers, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for construction, operation, maintenance, generation and delivery of Power, and any Power attributable to such interest (except as and to the extent that such Power is delivered to the Company at the Delivery Point in accordance with the Power Purchase Agreement), and all proceeds thereof.

ATTACHMENT B

**[INSERT SAME FACILITY DESCRIPTION THAT WILL BE EXHIBIT B TO THE
POWER PURCHASE AGREEMENT]**

Eklutna Purchase Agreement
Exhibit A

August 2, 1989
Page 1 of 2

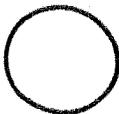
Lands, Easements and Rights-of-Way

Exhibit A consists of this narrative (pages 1 and 2 of 2) and the map prepared by BLM, signed and dated February 3, 1989.

This exhibit describes and displays present land status for the Eklutna Hydroelectric Project and describes in general terms the conveyances of land and land rights contemplated in the purchase agreement.

1. BLM - managed lands and military lands used for Eklutna Project for which BLM is to provide APAD rights-of-way sufficient for operation, maintenance, repair and replacement of Eklutna facilities, such rights-of-way to be assigned by APAD to the Purchasers.

Legend Symbols and Description.



Withdrawals. Refers to approximately 863 acres of public lands withdrawn for Eklutna at the "Intake Area," "Power Tunnel," "Eklutna Powerplant" and "Anchorage Substation." The total acreage is comprised of the following land:

- a. Approximately 320 acres withdrawn for the "Power Tunnel" under Public Land Order 1231 dated September 28, 1955.
- b. Approximately 230 acres utilized for the "Intake Area" and approximately 60 acres for a portion of "Eklutna Powerplant" as described by ANCSA 3(e) determination AA-51183 dated July 30, 1986.
- c. Approximately 243 acres utilized for "Eklutna Powerplant" as described by ANCSA 3(e) determination AA-42534 dated September 1, 1982.
- d. Approximately 10 acres withdrawn for "Anchorage Substation" under Secretarial Order dated April 4, 1952.



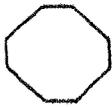
State Land-R/W. Refers to rights-of-way across State-selected lands covering the transmission line east of "Eklutna Powerplant" to the Knik River.



Military Land-R/W. Refers to rights-of-way across military lands used for Eklutna transmission lines.

Eklutna Purchase Agreement
Exhibit A

August 2, 1989
Page 2 of 2



Acquired-3(e). Refers to approximately 2.5 acres of acquired land used for "Reed Substation" as described by ANCSA 3(e) determination AA-45155 dated July 30, 1985.

2. ANCSA 17(b) Easements.

Map symbol:



Native Land - 17(b) Easements.

Refers to rights-of-way that are reserved for portions of the 115KV transmission line, access roads and other Eklutna facilities located on Native corporation lands, and exist as easement reservations in the ANCSA conveyances to the Native corporations pursuant to Section 17(b) of ANCSA. These easements will not be altered by the sale of Eklutna and the Purchasers may use these easements for their intended purposes.

3. APAd Acquired Land and Easements.

Refers to land and easements acquired by the Bureau of Reclamation (predecessor of APAd) during construction of Eklutna and now controlled by APAd. APAd will assign the land and easements to the Purchasers.

Legend Symbols and Description:



Acquired. Refers to approximately 0.8 acres of land owned by APAd at Palmer Substation.



Acquired-Easements. Refers to approximately 33 easements across private lands acquired by the Bureau of Reclamation (predecessor of APAd) and now held by APAd.

4. Other Easements on Private Land.

Map [Symbol]:

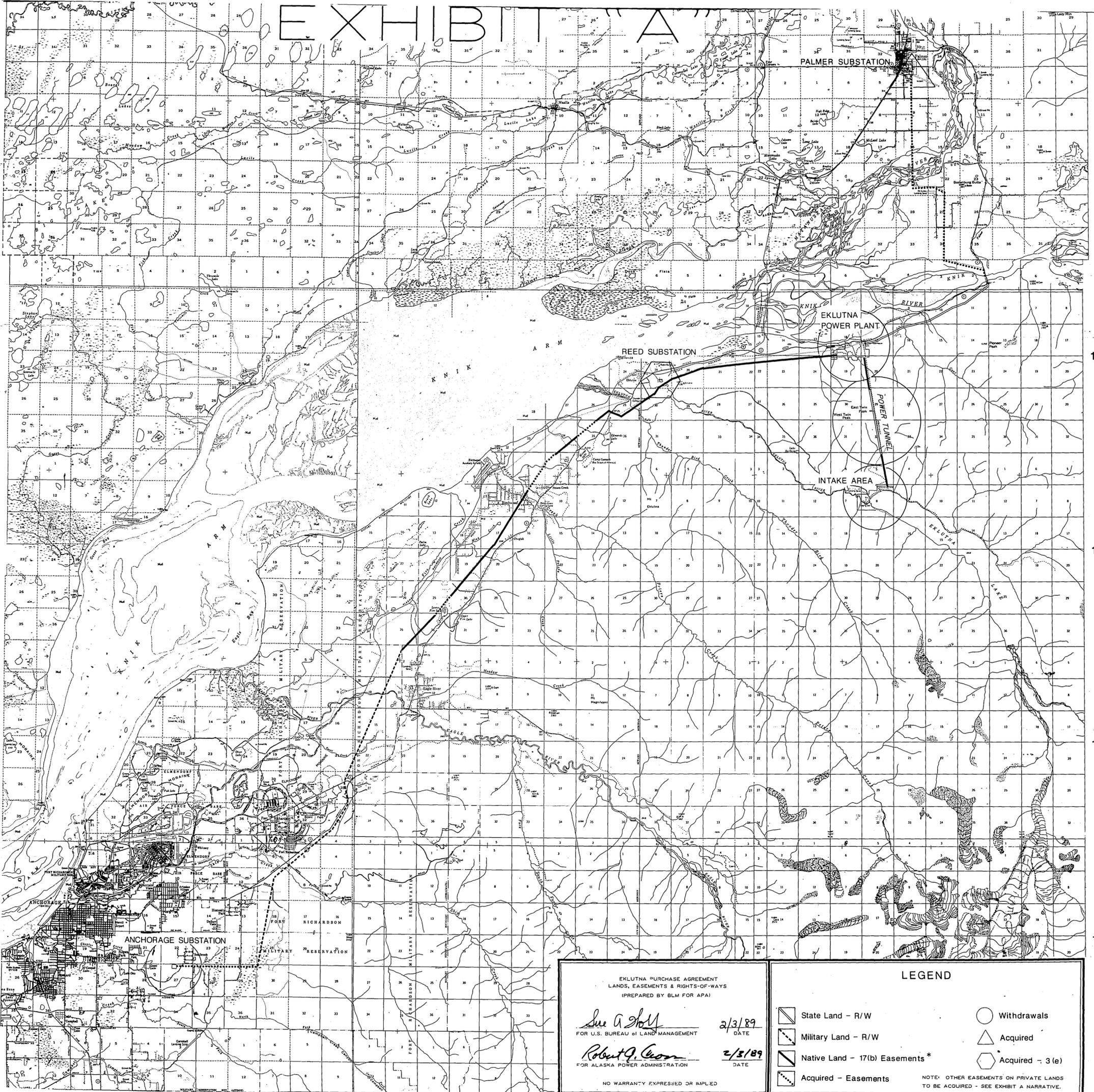
Note: Other Easements on Private Lands To Be Acquired - See Exhibit A Narrative

Refers to approximately two hundred and fifty (250) parcels of private land located along the 115KV transmission line, many of which require title curative action for purposes of perfecting assignable easement rights or rights-of-way for the Purchasers. APAd shall be responsible for acquiring assignable easement rights or rights-of-way across these lands, for subsequent assignment to Purchasers.

5. Reservoir.

Eklutna Lake as designated on the map is the reservoir described in the body of the Agreement.

EXHIBIT A



<p>EKLUTNA PURCHASE AGREEMENT LANDS, EASEMENTS & RIGHTS-OF-WAYS (PREPARED BY BLM FOR AFA)</p> <p><i>Sue A. Kelly</i> FOR U.S. BUREAU OF LAND MANAGEMENT DATE: 2/3/89</p> <p><i>Robert Q. Coon</i> FOR ALASKA POWER ADMINISTRATION DATE: 2/5/89</p> <p>NO WARRANTY EXPRESSED OR IMPLIED</p>		<p>LEGEND</p> <table border="0"> <tr> <td></td> <td>State Land - R/W</td> <td></td> <td>Withdrawals</td> </tr> <tr> <td></td> <td>Military Land - R/W</td> <td></td> <td>Acquired</td> </tr> <tr> <td></td> <td>Native Land - 17(b) Easements*</td> <td></td> <td>Acquired - 3 (e)</td> </tr> <tr> <td></td> <td>Acquired - Easements</td> <td></td> <td></td> </tr> </table> <p><small>NOTE: OTHER EASEMENTS ON PRIVATE LANDS TO BE ACQUIRED - SEE EXHIBIT A NARRATIVE.</small></p>			State Land - R/W		Withdrawals		Military Land - R/W		Acquired		Native Land - 17(b) Easements*		Acquired - 3 (e)		Acquired - Easements		
	State Land - R/W		Withdrawals																
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