



Interior Gas Utility

Board of Directors Work Session

May 15, 2018

4:00 – 6:00PM

100 Cushman Street, Ste. 501, Fairbanks, Alaska

AGENDA

I. Call to Order

- Roll call
- Approval of Agenda
- Public Comment – *limited to three minutes*

II. New Business

- Resolution 2018-03: Authorization for the General Manager to Execute Final Closing Documents relative to Pentex Purchase (PSA) and IEP Financing (FA) pg 2-4
- Board Information Memorandum 2018-03: Final Investment Decision on PSA/FA – First Reading pg 5-15

III. Unfinished Business

- PSA/FA Disclosure Schedule Due Diligence Review pg 16-50
- PSA/FA Conditions Precedent Status Update pg 51-58
- IEP Update pg 59-63

Possible executive session to discuss matters that if discussed in public would violate IGU's non-disclosure agreements and/or matters involving ongoing negotiations which if immediately known would clearly have an adverse effect on IGU finances.

V. Other Business

- Next Agenda
 - PSA/FA Disclosure Schedule Due Diligence Review
 - PSA/FA Conditions Precedent Status Update
 - IEP Update
 - Other

VI. Director Comments

VII. Adjournment

Resolution 2018-04



Introduce on: May 15, 2018

Approved on:

RESOLUTION # 2018-04

A RESOLUTION AUTHORIZING THE GENERAL MANAGER OF THE INTERIOR GAS UTILITY TO EXECUTE FINAL CLOSING DOCUMENTS FOR THE PURCHASE OF PENTEX ALASKA LLC FROM THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

WHEREAS, the Fairbanks North Star Borough through Ordinance 2012-52 titled *An Ordinance Acquiring an Areawide Natural Gas Utility Power By Transfer From The Cities of Fairbanks And North Pole, Establishing the Interior Alaska Natural Gas Utility and Providing For Its Management* to action to create an areawide natural gas utility empowered to ensure its citizens affordable access to natural gas and/or propane; and

WHEREAS, the Interior Alaska Natural Gas Utility (IGU) 6-Year Plan dated May 20, 2014, states that the IGU mission is to provide low cost, clean burning, natural gas to the most people in the Fairbanks North Star Borough as soon as possible; and

WHEREAS, IGU Board through approval of Resolution 2017-06 titled *A Resolution Authorizing the General Manager of The Interior Gas Utility to Execute a Purchase & Sales and Finance Agreement with the Alaska Industrial Development and Export Authority for the Acquisition of Pentex and Financing of Development of the Interior Energy Project* authorized the General Manager to execute the LLC Membership Purchase Sale Agreement (PSA) and other related agreements with the Alaska Industrial Development and Export Authority (AIDEA) and for the financing of the development of the Interior Energy Project; and

WHEREAS, the Fairbanks North Star Borough, through Ordinance 2017-25 titled *An Ordinance Amending FNSBC 11.04.020 Management of the Interior Alaska Natural Gas Utility*, took action clarifying the IGU enabling ordinance to expressly provide IGU with the power to borrow money, retroactive to the date of enactment; and further resolved that IGU has the authority to borrow money and, as evidence of that borrowing, to enter into loan agreements and issue bonds, notes or other obligations, and may pledge any of its assets or revenues to pay or secure the payment of any such borrowing; and

WHEREAS, the PSA for the acquisition of Pentex and financing of development of the Interior Energy Project was executed by the IGU General Manager and Executive Director of the AIDEA on December 13, 2017; and

WHEREAS, the Regulatory of Alaska has granted an order to the joint filing by AIDEA and IGU for the transfer of the controlling interest in Fairbanks Natural Gas, LLC (FNG), a wholly owned subsidiary of Pentex, to IGU. This order was granted on April 30, 2018 under Docket U-18-001, and authorizes the transfer of the Certificate of Public Convenience and Necessity (Certificate) No. 514 issued to FNG upon acquisition by IGU; and

WHEREAS, the IGU and AIDEA have satisfactorily fulfilled and/or waived the conditions precedent as required by the PSA, and other agreements necessary for the Closing of the sale of the AIDEA LLC Membership of Pentex to IGU.

NOW, THEREFORE, BE IT RESOLVED BY THE IGU BOARD OF DIRECTORS AS FOLLOWS:

The General Manager is authorized to execute the Closing documents for the LLC Membership Purchase of Pentex Alaska Natural Gas Company, LLC from the Alaska Industrial Development and Export Authority.

Pamela Throop - Chair, IGU Board of Directors

Date

David J. Prusak- Secretary to the IGU Board of Directors

Date

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Board Information Memorandum 2018-03

Interior Gas Utility
BOARD INFORMATION MEMORANDUM
No. 2018 – 03
DRAFT

Meeting Date: May 29, 2018

From: Jomo Stewart, General Manager

Subject: Recommendation to Approve Resolution No. 2018-03 Authorizing the General Manager to Execute the Final Closing Documents for the Purchase of Pentex Alaska, LLC., from the Alaska Industrial Development & Export Authority.

Management recommends the Interior Gas Utility (IGU), under the conditions outlined in Resolution No. 2018-04, finalize acquisition of the sole membership interest in Pentex Alaska Natural Gas Company (Pentex), LLC., from the Alaska Industrial Development & Export Authority (AIDEA) and acceptance of funding to advance construction of necessary Interior Energy Project (IEP) infrastructure subject to the terms and conditions of the attached LLC Membership Purchase and Sale Agreement (PSA) and Interior Energy Project (IEP) Financing Agreement (FA) and associated agreements (hereafter referred to as the “Agreements”). Specifically, Resolution No. 2018-04, appended to this Memorandum as Attachment ___, authorizes the General Manager to execute Closing documents in culmination of the process to acquire Pentex.

Project Description and Summary:

The “Interior Energy Project” is a community-based, State supported initiative to increase availability of natural gas in the Fairbanks North Star Borough and environs through construction of expanded natural gas liquefaction, transportation, storage, regasification and distribution infrastructure, delivered to the community and customers under a “benefit-maximization” not-for-profit public utility model under local control. Interior Energy Project also refers to the State of Alaska funding package, administered by AIDEA, appropriated and authorized to finance said development, and the unification and integration of local natural gas distribution utilities.

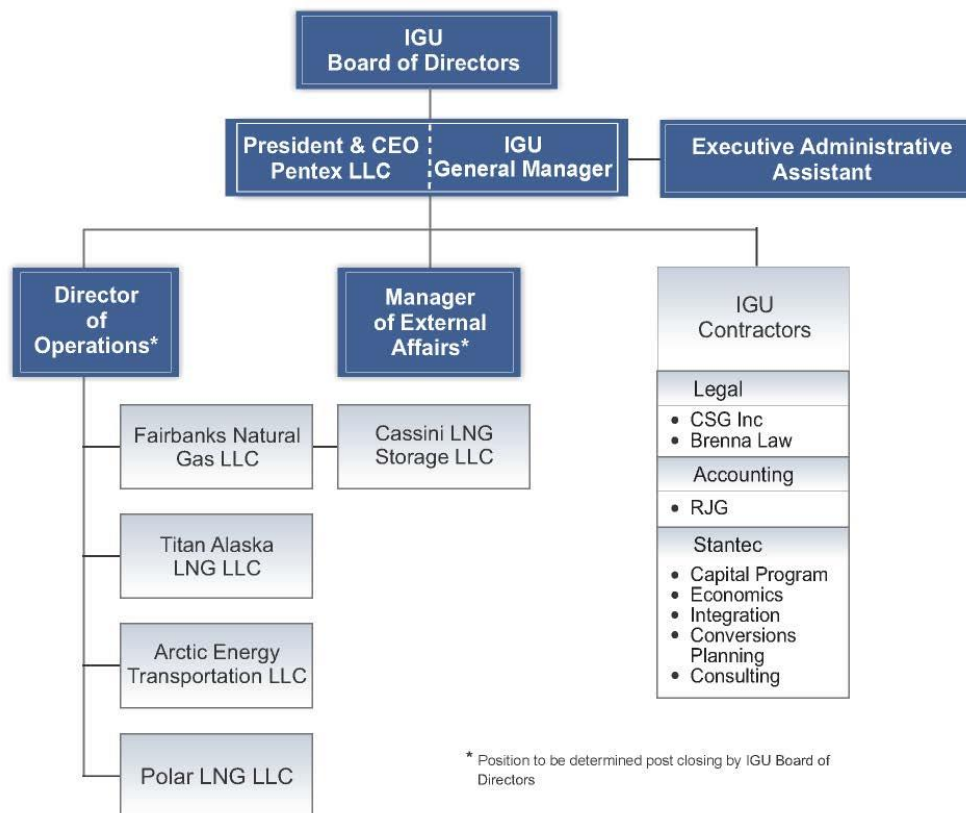
The Goal of the IEP, as established by the community and adopted by the IGU as its Mission, is to “bring low-cost energy to as many residents and businesses of Interior Alaska as possible, as quickly as possible” and thereby, by making cheaper, cleaner-burning natural gas more available, stabilize the local energy economy and help improve Air Quality within the EPA PM 2.5 Non-Attainment Area.

To achieve a unified base-of-development for pursuit of the goal (ostensibly the firmest and most efficient foundation for such a pursuit), the IEP calls for the purchase of Pentex by IGU and the integration of same under a single corporate structure.

Utility integration planning commenced in the Spring of 2017 and culminated in the creation of the IGU/Pentex Integrated Natural Gas Utility Transition Plan adopted by the IGU Board of Directors April 17, 2018. In the immediate term, the utility integration plan will entail:

- Replacement of the AIDEA Board of Directors with the IGU Board of Directors as the directive and oversight body for Pentex and its subsidiaries;
- Modification of the AIDEA/Pentex Operating Agreement, and other AIDEA-focus agreements, to be an IGU/Pentex Operating Agreement;
- Elimination of duplicative services;
- Extension of IGU Policies to Pentex where appropriate; and
- Unification of the two utility chief executive positions into the single position of General Manager of IGU/President & CEO of Pentex – with the appointment of the current Pentex President & CEO, long-time chief executive of the operating utility, to that role

Subsequent modification of the corporate structure, personnel makeup and operations of IGU/Pentex is countenanced by the Integration & Transition Plan but are to occur over time as circumstances require or the IGU Board, as ownership and governance body, desires.



Graphic 1

To achieve the expansion of natural gas supplies delivered to and through the FNSB, improve service and advance toward achievement of project goals, the IEP allows for the construction of new, larger or expanded natural gas liquefaction, transportation, storage, regasification and distribution infrastructure. Specifically, the scope of work includes:

- Safety, reliability and capacity upgrades to the existing Titan I LNG production facility

- Construction &/or installation of two (Titan II and Titan III) 3 billion cubic feet per year (Bcf/y) LNG production trains
- Purchase of additional high-capacity LNG transportation trailers and equipment
- Construction of a 5.25 million gallon LNG storage and balance-of-plant facility to service the Fairbanks system
- Construction &/or installation of LNG storage, regas and balance-of-plant facility to service the North Pole system
- Upgrades to safety, reliability and operations at existing utility facilities
- Construction of natural gas peak-shaving facility or facilities
- Installation of natural gas distribution mains and feeder lines to complete infill of the Fairbanks system
- Installation of gas distribution mains and feeder lines to complete Phase 2 and Phase 3 of the North Pole system
- Installation of service lines and meters
- Establishment (through membership interest purchase) of a single, unified and integrated investment-grade utility providing secure, reliable and cost-effective service under a not-for-profit public-utility corporate operating model
- Establishment and operation of utility-offered customer conversion and onboarding program(s) and service(s)

Much of the funds to make these transactions and developments possible were appropriated by the State of Alaska in 2013, in the form of a blended-financial package of grants, low-interest loans and bonds totaling \$332.5 million dollars. Additional State funding, in the form of an LNG Storage Reimbursement (up to \$15 million dollars per facility), has also been authorized in statute. Finally, additional capital is expected to come from a blend of further commercial financing (bonds or borrowing), state and federal grants where available, state and federal loans if beneficial, and project revenues.

Purchase & Sale Agreement and Financing Agreement

The Purchase & Sale Agreement and Financing Agreement define, at high level, the scope, schedule and budget for the IEP moving forward and are the contracts which will command deployment and repayment of the State appropriated, AIDEA-administered funds as they are spent to a) purchase Pentex Alaska, LLC (parent company of Fairbanks Natural Gas) from AIDEA and unify Fairbanks and North Pole's natural gas utilities under local control, and b) develop the expanded natural gas liquefaction, transportation, storage, regasification and distribution infrastructure needed to bring more gas to more residents and businesses across our community.

Though the specific repayment terms for any bonds sold for the project will be determined by the market, the PSA and FA define the repayment terms for the \$125 million dollars of State of Alaska appropriated SETS loans in the funding package. The basic repayment terms under the AIDEA SETS loan under the Financing Agreement call for a 15 year deferral period (no interest

or principal payments, no interest accruing) followed by a 35 year amortization period at an interest rate of .25%.

Basic IEP SETS Loan Terms

Item	Deferment	Repayment Term	Total Loan Term	Interest Rate	Annual Debt Service
SETS Loan Terms	15 yrs	35 yrs	50 yrs	0.25%	\$3.73 m

Graphic 2

These basic loan terms, however, are dependent on the level of demand the IEP has achieved by close of year 15 and may, at IGU's election, be amended to include an addition five-year deferral of principal payments. Termed within the Financing Agreement as the "Demand Deferral Period", and based on the CardnoEntrix forecast of a 50% conversion-rate estimate culminating in 5.29Bcf of sales in 2032, this mechanism allows IGU to:

- Elect to make interest-only payments for five years
- Base subsequent repayments on a 35yr amortization schedule, with balance due at end of 50yr term

Election of the Demand-Based Deferral will allow IGU to make payments of \$312,500 for years 16-20 as oppose to the \$3.73 million which would otherwise be required, and maintain for years 21-50 a \$3.73 million payment schedule should continued reduced-payments also be required. As the total loan term is fixed at 50 years, election to make repayments under a 35 year amortization schedule will result in a balloon payment at end of term.

Basic IEP SETS Loan Terms & SETS with Demand Deferral

Item	Deferment	Repayment Term	Total Loan Term	Interest Rate	Annual Debt Service
SETS \$125 million Loan	15 yrs	35 yrs	50 yrs	0.25%	\$3.73 m
SETS \$125 million Loan	20 yrs	30 yrs	50 yrs	0.25%	\$3.73 m

Graphic 3

Net Present Value (NPV) analyses have been performed to assess the benefit to the IEP of both the negotiated basic SETS loan terms and negotiated SETS loan terms with demand deferral using a 4% discount rate – market rate for tax-exempt financing for public utilities. Per the analysis, the NPV of the \$125 million SETS loan without demand-deferral is \$38.7 million. The NPV of the SETS loan with five-year demand-deferral, followed by 35 year amortization schedule and balloon payment, is \$32.8 million.

As noted earlier in the Project Summary, the above described development, transactions and financing terms are meant to support, either immediately or through continuing effort, achievement of the IEP goals and fulfillment of the IGU mission.

Combined Utility Financial Forecast and Pro Forma

To gauge the proximity to which the project plan may come to achieving the goals of the IEP, multiple analyses have been performed using the Agreed Financial Model (a robust and reactive financial model allowing for generation of pro forma as well as performance of extensive sensitivity analyses) with ever more refined inputs. Modeling to underpin the initial purchase decision (December 5, 2017) was performed under a range of scenarios from Base Case (best available current data, including currently contracted cost of feed gas [\$7.72/mcf], extrapolated into the future), to Low Gas Case (same basic parameters but with a feed gas price of \$6/mcf), to a stress-test No Growth Case (assuming all capital investments, and associated debt, but supported by no sales beyond those currently made by FNG [750Mcf/y]).

Since the original decision to enter the Pentex Purchase & Sale and IEP Financing Agreements, further refinement of the IEP Capital Improvement Plan (both in costing of components and scope) has occurred and additional financial modeling has been performed.

The Capital Improvement Plan currently in use by IGU contains several adjustments when compared to the “capital stack” included in the Financing Agreement. These adjustments include: addition of the North Slope Pad asset transfer; accrued return to the AIDEA Revolving Fund to May 31, 2018; addition of construction work recommended for performance to Pentex storage and liquefaction assets by IGU due diligence; general (and, in the case of the Tria Road LNG Storage project currently under construction, specific) refinement to construction budget estimates; and revision of labor cost estimates to reflect the Little Davis Bacon Act.

2018-2031 Capital Improvement Plan (placeholder)

Item	Amount (\$)	Totals (\$)
LNG Supply		\$ 75,487,000
Proposed Titan 2 LNG Plant	\$ 48,987,000	
Proposed Titan 3 LNG Plant	\$ 26,500,000	
Transportation		\$ 4,745,000
Large Capacity LNG Trailers	\$ 4,745,000	
Storage and Vaporization		\$ 58,676,000
FBKS 5.25 mgal Storage Facility	\$ 47,016,000	
NP 150kgal Storage Facility	\$ 11,660,000	
Acquisition and Due Diligence		\$83,631,400
Pentex, LLC Acquisition	\$ 61,286,400	
North Slope Pad	\$ 15,060,000	
CHI Due Diligence Work Items	\$ 7,285,000	
Distribution		\$ 136,090,200
IGU - Distribution Infrastructure (Ph 1-3)	\$ 91,197,600	
Expansion/Infill	\$ 23,000,000	
Future Peak Shaving Plant	\$ 2,000,000	
New Services and Meters	\$ 19,892,600	
Program Management and Conversion		\$ 15,040,000
Program Management	\$ 11,860,000	
Customer Conversion Program	\$ 3,180,000	
Total		\$ 373,669,600

As noted above, financial modeling to underpin the Final Investment Decision has been performed. For the Base-Case, some of the data, assumption and factoring sets used include: the terms of the Pentex/Hilcorp natural gas contract (\$7.72/mcf escalated after year 3 at a fixed rate per annum); the negotiated financing terms within the PSA/FA; best available information regarding the cost to purchase, construct and operate the PSA/FA-described expanded plant (updated Capital Improvement Plan); estimated costs of operation of the combined utility (based on historical Pentex cost of operations and industry-based cost increase projections); and a CardnoEntrix-based conversion rate. A Low Gas Cost Case (\$6.00/mcf escalated after year 3 at a fixed rate per annum) was also performed, to show the impact of lower cost natural gas supply on system performance, rates to consumers and combined utility finances.

As with previous analyses, financial modeling in support of FID, under Base Case, has taken a conservative approach in its assumptions regarding variables like cost of feedstock, cost of capital, scope of development, timing of development and deployment of funds, customer conversion rates, etc. Assuming, for modeling purposes, only continued use of Hilcorp-priced feedstock ((\$7.72/mcf escalated after year 3 at a fixed rate per annum), a 35% residential conversion rate (70% for commercial), a \$373.7 million total investment in project and plant (\$42 million above PSA/FA capital plan baseline) within analysis period (20 years), and bonding and borrowing under standard commercial terms, Base Case results indicate the combined utility will generate sufficient operating revenues to: meet its Operating Expense requirements; meet its debt service and debt service coverage requirements; and accrue cash and cash reserve balances sufficient to support direct utility investment in service improvements &/or expansions, or borrowing to invest in same.

Full results of both the Base Case and Low Gas Cost Case financial modeling, information regarding the principal considerations and assumptions used in their performance, and expanded discussion of capital work items are provided in the Financial Forecast and Pro Forma Report appended to this Memorandum as Attachment__. A breakout of the adjustments to the Capital Improvement Plan relative to the capital program imbedded in the PSA/FA is included as Attachment__.

Disclosure Schedule Due Diligence

As with the financial modeling, due diligence was performed in advance of the decision to execute the Pentex Purchase and IEP Financing Agreements to ascertain whether or not the acquired corporate asset, Pentex, could provide a sound base-of-system from which IGU can continue service to the community's existing natural gas customer-base and serve as a foundation upon which to grow and expand service. This due diligence encompassed not only assessments of the physical assets of Pentex, but an assessment of the corporation itself, including legal and economic & managerial review and review of its current and historical operations.

Asset due diligence was performed by IGU lead-consultant, Stantec Engineering, along with PDC Inc. Engineers and CHI Engineering, and entailed both site visits and inspections of the Pentex physical infrastructure, review of data and reports relative to past and current operation of that infrastructure, and discussions with the operators of the infrastructure.

Physical due diligence included:

- Inspection and assessment of the local natural gas distribution network
- Inspection and assessment the liquefied natural gas (LNG) production facility at Pt. McKenzie
- Inspection and assessment of the local LNG storage facilities

Data-based due diligence included:

- Review of reports and filings in the AIDEA and Pentex Data Rooms
- Survey of PHMSA website, annual reports, and enforcement cases and corrective actions
- Environmental, health and safety (EHS) compliance review
- Regulatory and regulatory-filing compliance review

Products of this effort included reports relative to the local distribution infrastructure, LNG storage assets and Titan 1 LNG facility. Additionally, within the asset due diligence effort category, an Environmental, Health and Safety Program Review was produced.

Legal due diligence was performed by Brena, Bell & Clarkson (BBC). Relative to Pentex, BBC due diligence entailed review of active and historical documents and information made available by AIDEA and housed in (a) an electronic “Smart Room” site originally populated for AIDEA’s due-diligence efforts in its purchase of Pentex, and thereafter supplemented by AIDEA; and (b) an electronic “Sharepoint” team site maintained by IGU contractor NewGen Strategies. BBC also formulated questions resulting from its document review that were directed to AIDEA’s designated Pentex representative.

Pentex-related information reviewed by BBC included all material contracts relative to gas purchase and sales, transportation agreements, LNG trailer leases/purchases, real property leases and the CEO employment contract. Further information reviewed included materials relative to human resources, environmental, health & safety, PHMSA, corporate finances, limited liability company entity documentation for each of Pentex’s subsidiaries, intra-corporate standing authorizations, extra-corporate powers of attorney and other miscellaneous items. BBC also made inquiry regarding the status of any legal matters, past, ongoing or anticipated. Additionally, BBC reviewed materials on subjects related to the Pentex acquisition like the North Slope Pad.

BBC reviewed the Pentex purchase and IEP financing transaction documents to ascertain how they might be impacted by matters outstanding with Pentex and liabilities related to matters outstanding with Pentex might be mitigated for IGU within the PSA/FA.

Like the asset due diligence reports, a legal due diligence report was produced, provided to the Board and reviewed thereby.

Economic and Managerial due diligence review was conducted by NewGen Strategies & Solutions and described, in some detail, in a report outlining the organizational, governance, management, operations and financial profile of Pentex Alaska, LLC. That report, having been reviewed by the IGU Board, and subsequently certified by all parties as suitable for public viewing, was appended in full to Board Memorandum 2017-02, the General Manager's report in support of execution of the PSA and FA.

IGU due diligence has continued since the decision meeting of December 5, 2017, as staff and management have conducted investigations relative to the PSA/FA Disclosure Schedules and supplemental submissions to the Disclosure Schedules. Said Schedules encompass disclosures by Seller of information relative to the acquired corporation(s) ranging from Pentex's: status of accounts, and ongoing financial position and condition; real, personal and real estate property interests, and their status or condition; contractual and legal obligations &/or liabilities; regulatory (including environmental) status &/or exposures; etc. With the exception of select items, Disclosure Schedule due diligence, as with the previous effort, was conducted by respective team members per their subject matter expertise.

Though information regarding all Disclosure Schedules has been provided to the Directors in the form of an itemized, annotated Matrix, a specific request of the Board, per IGU Resolution 2017-06R, regards discussion of the acceptability of the Schedules and the information provided therein, and that they be alerted if there have been, intervening between its actions on the PSA/FA, any occurrences of Material Adverse Effect to their knowledge. In furtherance to this request, on May 3, 2018, the General Manager sent an inquiry to all the members, or contacts for members, of the disclosure schedule due diligence team asking them to:

- 1) Advise the General Manager and the Board if they had discovered or ascertained through their investigations anything which, in their professional opinion would encourage them, or under their professional ethic require them, to recommending that IGU not Close on the Pentex purchase.
- 2) Advise the General Manager and the Board if, to their knowledge, any instances of Material Adverse Effect or Breach have occurred.

These in addition to making specific notation of things IGU should look out for or work on moving forward, particularly if they differed from those already listed in previous wholistic due diligence or the preliminary disclosure schedule due diligence performed in the days preceding the meeting of December 5.

As to the later, though there have been accidents (as the tragic no-fault accident on the Parks Highway involving a Pentex trailer under contract haulage), other unfortunate incidental happenings (occurred but abated hazardous materials spill at Titan), actions by a State agency compromising fulfillment of a Conditions Precedent, and no action has been taken by either

Seller or Pentex, corporations or personnel, which constitute an occurrence of Material Adverse Effect or contractual Breach. Additionally, though Disclosure Schedule Due Diligence has identified some items which will require further action, and issues which will require continuing attentiveness, the General Manager has received no indication from the reviewers that they have discovered or ascertained through their investigations anything which, in their professional opinions would encourage them, or under their professional ethic requires them, to recommending IGU not Close on the Pentex purchase. Nor has he, himself, found such an item, instance or occurrence.

Conditions Precedent to Close

Another Board request in IGU Resolution 2017-06R regards the Conditions Precedent to Close. Specifically, Resolution 2017-06R requires that the FID Memorandum provide the “status of the Conditions Precedent of the PSA and whether or not they have been satisfied.” The General Manager and legal counsel confirm that, save for one item, the Conditions Precedent to Close have been satisfied. The outstanding item regards the North Slope Pad.

Per Financing Agreement Section 7.8, Transfer of the North Slope Pad, for the Condition Precedent to be satisfied, AIDEA must have executed and deliver to IGU all documents necessary to transfer the North Slope Pad to IGU and the Department of Natural Resources (DNR) must have approved the transfer to IGU. To effectuate this result, per Section 5.9 of the Pentex Purchase and Sale Agreement, AIDEA, with IGU assistance, was to, within fifteen days after the effective date, apply to the Alaska Department of Natural Resources for approval of:

- (1) the transfer of the North Slope Pad Right-of-Way Lease from AIDEA to IGU;
- (2) the transfer of AIDEA’s interest in the Material Sales Contract referenced in Section 1.31, from AIDEA to IGU;
- (3) amendments to the North Slope Pad Right-of-Way Lease expanding the purposes for which the subject property may be used to include general industrial, commercial, business, and oil & gas related uses consistent with those permitted under Alaska Department of Natural Resources leases in the Deadhorse area; and
- (4) any subleases of the North Slope Pad Right-of-Way Lease, or any portion thereof, the negotiation of which was commenced prior to the Closing.

However, though AIDEA did, in a timely manner, make the promised application and requests, DNR has told AIDEA that DNR believes AIDEA’s lease for the North Slope Pad cannot remain as a right-of-way lease under the Right-of-Way Leasing Act, AS 38.35. According to DNR, AIDEA’s lease for the North Slope Pad needs to be a competitively bid lease under the Alaska Land Act, AS 38.05, in order for the lease to be assignable to IGU and for a portion of the North Slope Pad to be subleased to Prudhoe Bay Chemical, LLC.

AIDEA is in discussions with DNR about the possibility of converting the existing right-of-way lease into a competitively bid lease. However, if such a conversion can be achieved at all, it cannot be achieved prior to the deadline for the Closing Date stated in Section 8.1 of the LLC Membership Purchase and Sale Agreement (May 31, 2018).

The General Manager has worked with representatives of both DNR and AIDEA to define a forward process that both a) offers the highest possible likelihood of allowing AIDEA/IGU to secure the asset and b) maximize the value to IGU of that asset. The plan of action and signed agreements of parties are appended as Attachments ____, ____ and _____. Therefore, the General Manager recommends waiving Condition Precedent 7.8, transfer of the North Slope Pad.

Conclusion & Recommendation

The Interior Energy Project goal and the Interior Gas Utility mission are one and the same: to bring low-cost, clean burning natural gas to as many residents and businesses of Interior Alaska as possible, as quickly as possible. And in doing so, to help diversify and stabilize our local energy economy, improve the competitiveness of our commerce, improve the quality of our air, and improved the quality of life and financial prospects of all those who live here.

Management, with the assistance of IGU's diligent, professional and highly competent staff, has reviewed the herein-described information and materials. After a great deal of scrutiny and effort on the part of himself and staff, has determined to a sufficient level of confidence that he may Recommend Approval of Resolution No. 2018-03.

Prepared & Submitted: Jomo Stewart, General Manager

Disclosure Schedule Due Diligence

INTERIOR GAS UTILITY DUE DILIGENCE FOR PURCHASE OF PENTEX, LLC

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
3.5 CONSENTS REQUIRED		
1. The approval of the Regulatory Commission of Alaska to the change in control of Fairbanks Natural Gas, LLC.	Tony Guerriero 05/08/2018	Tony: Application filed with the RCA on 1/5/18, requesting expedited consideration. Surprised that AIDEA did not include in this Schedule 3.5 the Consents required from DNR regarding ANS Pad – ROW Lease. RCA approval obtained in Order U-18-001(2) – (04-30/2018).
<p>2. Per Supplement to Disclosure Schedule dated 5/2/18</p> <p>In addition to all of the other matters previously listed on Disclosure Schedule 3.5, the transfer of the North Slope Pad (including the Material Sales Contract) requires the approval of the Alaska Department of Natural Resources (DNR) as is contemplated in Section 5.9 of the LLC Membership Purchase and Sale Agreement.</p> <p>AIDEA applied to DNR for approval of the change in use of the North Slope Pad from an LNG production plant to a methanol production plant, as is contemplated under the proposed Sublease with Prudhoe Bay Chemical, LLC. AIDEA consulted with IGU regarding the terms of the propose Sublease. AIDEA also requested DNR approve the transfer of North Slope Pad to IGU. DNR has informed AIDEA that DNR will not approve the change in use required for the proposed Sublease with Prudhoe Bay Chemical, LLC, and DNR has informed AIDEA that DNR will not approve the transfer of the North Slope Pad to IGU.</p> <p>DNR has told AIDEA that DNR believes AIDEA’s lease for the North Slope Pad cannot remain as a right-of-way lease under the Right-of-Way Leasing Act, AS 38.35. According to DNR, AIDEA’s lease for the North Slope Pad needs to be a competitively bid lease under the Alaska Land Act, AS 38.05, in order for the lease to be assignable to IGU and for a portion of the North Slope Pad to be subleased to Prudhoe Bay Chemical, LLC. AIDEA is in discussions with DNR about the possibility of converting the existing right-of-way lease into a competitively bid lease. If such a conversion can be achieved at all, the conversion cannot be achieved prior to the deadline for the Closing Date stated in Section 8.1 of the LLC Membership Purchase and Sale Agreement (May 31, 2018).</p>	Tony Guerriero/Jomo Stewart 5/03/2018	<p>IGU must consider options available as a result of the failure of this condition precedent, including:</p> <ul style="list-style-type: none"> (1) Waiver of the condition; (2) Renegotiate the PSA and waive the condition; (3) Terminate the PSA.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
3.6 FINANCIAL AND YEAR-TO-DATE REPORTS		
1. Pentex FY18 Financials - 9-30-2017.pdf	Brown Thornton / 03302018	Review complete
2. FY2017 Audit - LETTER TO THOSE CHARGED WITH GOVERNANCE - August 23 2017.pdf	Brown Thornton / 03302018	Review complete
3. FY2017 Audit - COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS - August 23 2017.pdf	Brown Thornton / 03302018	Review complete; potential areas of improvement noted by auditor are not material
4. FY2017 Audit - CONSOLIDATING FINANCIAL STATEMENTS (Compact file).pdf	Brown Thornton / 05042018	Review complete; included review of Management's Discussion and Analysis section, financial statements, and notes to consolidating financial statements. Auditor noted a change in accounting cycle from calendar year to fiscal year ending June. Other items include a \$1.3 million increase in cash balance to \$5.4 million, amortization of the gas plant acquisition adjustment (for excess portion of AIDEA's purchase price over underlying asset book value), and positive outlook relative to future FNG-IGU combined operations. Auditor did not identify any deficiencies in internal control that were considered to be material weaknesses.
5. (New Item) Pentex FY2018 Financial Statement – 6 Months Ended December 31, 2017	Brown Thornton / 05042018	Received updated financial statements from Dan Britton; review is complete
6. (New Item) Pentex FY2018 Financial Statement – 8 Months Ended February 28, 2018	Brown Thornton / 05042018	Received updated financial statements from Dan Britton; review is complete
3.8(a) REAL ESTATE INTERESTS		
<u>OWNED</u>		
1. Real property as listed in the attached title commitment from Yukon Title Company, Inc. dated April 13, 2015.	Zane Wilson	Zane: AIDEA's preliminary commitments reviewed and do not contain any unanticipated issues. FNG line of credit increased to \$60,500,000.00 for storage buildout. For IGU to obtain title insurance we need FMV estimates and review of actual title policy.
2. Real property as listed in the attached title commitment from First American Title Insurance Company dated April 17, 2015.	Zane Wilson	See 3.8(a).
3. Real property as listed in the attached title commitment from First American Title Insurance Company dated April 16, 2015.	Zane Wilson	See 3.8(a).
<u>LEASED</u>		

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
4. Option and Lease Agreement between Arctic Energy Transportation, LLC and Fisher's Fuel, Inc., dated September 3, 2011, as amended.	Zane Wilson	Tony: See summary of lease in BBC Due Dil Report of 9-19-17, at section V.B., p. 10; BBC recommends the IGU determine whether term of lease has been extended and if so, new termination date.
5. 3408 International. Commercial Lease between Fairbanks Natural Gas, LLC and Debenham Family Limited Partnership, dated May 10, 2013 as amended.	Zane Wilson	Tony: See summary of lease in BBC Due Dil Report of 9-19-17, at section V.C., p. 10
3.8(b) PERSONAL PROPERTY		
1. See list entitled "Schedule of Personal Property - \$50,000 or greater."	Zane Wilson	Zane: David and Jomo have partially addressed and will complete.
3.8(c) CLEAR TITLE EXCEPTIONS		
1. All of the encumbrances affecting title to the real property as listed in the attached title commitment from Yukon Title Company, Inc. dated April 13, 2015. (For Fairbanks Natural Gas, LLC real property).	Zane Wilson	See 3.8(a).
2. All of the encumbrances affecting title to the real property as listed in the attached title commitment from First American Title Insurance Company dated April 17, 2015. (For Titan Alaska LNG, LLC real property).	Zane Wilson	Tony: This title commitment lists a 2014 deed of trust in favor of AIDEA to secure \$15M loan to FNG; this lien should be reconveyed/terminated as part of the AIDEA/IGU closing.
3. All of the encumbrances affecting title to the real property as listed in the attached title commitment from First American Title Insurance Company date April 16, 2015. (For Titan and FNG real property).	Zane Wilson	Tony: This title commitment lists a 2014 deed of trust in favor of AIDEA to secure \$15M loan to FNG; this lien should be reconveyed/terminated as part of the AIDEA/IGU closing.
4. Security interest under Commercial Security Agreement, dated May 19, 2014, between Fairbanks Natural Gas, LLC, as Borrower, and the Alaska Industrial Development and Export Authority, as Secured Party.	Zane Wilson	Rene: Notes for principal amount of \$15M superseded by amendment executed on 1/1/18 (See #29). Secured by Tracts C&D Tanana Levee Industrial Park, Lots 6-11, Block 6 Metro Industrial Airpark AND all personal and fixture property of every kind and description except LNG and natural gas and related AR.
5. Lien and security interest under the Deed of Trust, Security Agreement and Fixture Filing, dated May 19, 2014, made by Fairbanks Natural Gas, LLC, as Trustor, to First American Title Insurance Company, as Trustee, and for the benefit of the Alaska Industrial Development and Export Authority, as Beneficiary.	Zane Wilson	Tony: This 2014 deed of trust in favor of AIDEA to secure \$15M loan to FNG should be reconveyed/terminated as part of the AIDEA/IGU closing.
6. Rights and interests under the Assignment of Contracts, Agreements, Licenses and Permits, dated May 19, 2014, by Fairbanks Natural Gas, LLC, as Borrower, and the Alaska Industrial Development and Export Authority, as Lender.	Zane Wilson	This 2014 assignment in favor of AIDEA to secure \$15M loan to FNG should be terminated as part of the AIDEA/IGU closing.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
7. Security interest created under Combination Loan and Security Agreement between Wells Fargo Equipment Finance, Inc. and Fairbanks Natural Gas, LLC, dated January 2, 2013, as assigned from Fairbanks Natural Gas, LLC to Titan Alaska LNG, LLC, pursuant to the Assignment and Assumption Agreement, dated September 24, 2013.	Zane Wilson	Zane-loan amount \$502,494.00 at 3.9%(\$9,231.53 per month, 60 month term)-loan on a “truck”, Exhibit A describing collateral appears to relate to 2 Kenworth Tractors listed in “Schedule of Encumbered Personal Property”.
8. Security interest created under Combination Loan and Security Agreement between Wells Fargo Equipment Finance, Inc. and Titan Alaska LNG, LLC, dated May 27, 2016.	Zane Wilson	Zane:Wells Fargo Loan dated May 27, 2016 -loan amount \$343,220.00 at 4.15% (\$4,715.14 per month, 84 month term) secured by Heil Model 5 Axle LNG Trailer
9. Security interest created under Combination Loan and Security Agreement between Wells Fargo Equipment Finance, Inc. and Titan Alaska LNG, LLC, dated August 25, 2017.	Zane Wilson	Rene: Wells Fargo Loan dated August 25, 2017—loan amount of \$1,012,478.88 at 4.48% (\$12,053.32 per month, 84 month term) secured by 3 2018 Heil Trailers
10. Security interests affecting title to the personal property listed on the attached “Schedule of Encumbered Personal Property.”	Zane Wilson	Rene: List of 7 items with Wells Fargo as secured party. Appears to match up with the 4 Heil Trailers secured in #8 and #9 above; two LNG Kenworth Tractors secured in #7 above; and the 2013 250 Truck Ford Crew Cab secured in Material Contract #5. .
3.08(c) Clear Title Exceptions (Listed in 3/8/2018 Disc. Schedule Supplement)		
1. Commitment for Title Insurance from First American Title Insurance Company, dated February 5, 2018, covering real property of Titan Alaska LNG, LLC and Fairbanks Natural Gas, LLC.	Tony Guerriero 4/18/2018	Identifies what appear to be typical easements and rights-of-way on FNG and Titan real properties. Also identifies deed of trust in favor of AIDEA on FNG owned parcel securing FNG obligation of \$60,500,000.
2. Search Report on Arctic Energy Transportation, LLC, for Delaware and Alaska, by Unisearch, dated February 26, 2018.	Tony Guerriero 4/18/2018	Search report reflects no UCC Financing Statements or tax liens
3. Search Report on Cassini LNG Storage, LLC, for Delaware and Alaska, by Unisearch, dated February 26, 2018.	Tony Guerriero 4/18/2018	Search report reflects no UCC Financing Statements or tax liens

DISCLOSURE SCHEDULE / ITEM			LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
4. Search Report on Fairbanks Natural Gas, LLC, for Delaware and Alaska, by Unisearch, dated February 26, 2018.			Tony Guerriero 4/18/2018	Reflects: (1) AIDEA has a lien on all FNG personal property assets a collateral for FNG obligations to AIDEA; and (2) Per Supplement to Disclosure Schedule dated 3/8/2018 the obligation underlying the UCC Financing Statement filed May 29, 2015, naming Fairbanks Natural Gas, LLC, as debtor, and Construction Machinery Industrial, LLC, as secured creditor, has been satisfied. Fairbanks Natural Gas, LLC no longer possesses the equipment listed as the collateral in this filing (Atlas Copco compressor). The creditor has provided Fairbanks Natural Gas, LLC with a termination for this UCC filing (attached), but apparently the termination has not been submitted to the UCC Central Office. Recommend that IGU request FNG-AIDEA to have termination filed.
5. Search Report on Pentex Alaska Natural Gas Company, LLC, for Delaware and Alaska, by Unisearch, dated February 26, 2018.			Tony Guerriero 4/18/2018	Search report reflects no UCC Financing Statements or tax liens
6. Search Report on Polar LNG, LLC, for Delaware and Alaska, by Unisearch, dated February 26, 2018.			Tony Guerriero 4/18/2018	Search report reflects no UCC Financing Statements or tax liens
7. Search Report on Titan Alaska LNG, LLC, for Delaware and Alaska, by Unisearch, dated February 26, 2018.			Tony Guerriero 4/18/2018	Search report reflects no UCC Financing Statements or tax liens
3.9 GOOD CONDITION EXCEPTIONS				
1. Following is the list of equipment or aspect of the structures that is not in good condition and repair (ordinary wear and tear excepted):			Jomo Stewart	Old equipment which, having been replace by new hardware, is no longer in use but had yet been removed from the active/functional equipment list. Active/functional list to be updated.
<u>Asset #</u>	<u>Description</u>	<u>Orig Book Value</u>		
9-1	Computer	\$1,500		
10-1	Computer – Server	\$2,500		
38-1	CBSW HandHelds	\$5,335		
55-1	Computer	\$1,403		
61-1	Laptop Computer	\$1,975		
65-1	Computer – SSI	\$818		
66-1	Laptop Computer – Engineering	\$3,011		
68-1	Computer – SSII	\$1,409		

DISCLOSURE SCHEDULE / ITEM			LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
92-1	Computer	\$1,500		
94-1	Laptop Computer 2008 – Engineering	\$2,174		
101-1	Computer – Accounting	\$981		
107-1	Computer	\$587		
2. Other defects, deficiencies or matters are listed or described in: Physical Inspection Due Diligence Report prepared by HDR/MEI for AIDEA dated May 8, 2015 (for Titan Alaska LNG, LLC), and Physical Inspection Due Diligence Report prepared by HDR/MEI for AIDEA dated May 13, 2015 (for FNG Storage and Regasification Facilities).			David Prusak	Items in the 2015 HDR/MEI reports were reviewed and addressed previously by CHI in their report. Reviewed and addressed previously by CHI.. See PDC-IGU LNG Asset Inspection Report dated June 9, 2017.
3. Other defects, deficiencies or matters are listed or described in:			David Prusak	
“PDC – IGU LNG Asset Inspection Report” prepared by CHI Engineering Services, Inc., dated June 9, 2017;			David Prusak	Reports in hand, issued to IGU
“Structural Evaluation of Existing LNG Facility Assets” of “Due Diligence Inspection Report for IGU FINAL” prepared by PDC Inc. Engineers, dated December 2016;			David Prusak	Reports in hand, issued to IGU
“LNG Environmental Health and Safety Program Review” prepared by MWH/Stantec dated March 28, 2017; and			David Prusak	Reports in hand, issued to IGU
“Evaluation: Natural Gas Distribution Assets” of “Due Diligence Inspection Report for IGU FINAL” prepared by Stantec, undated.			David Prusak	Reports in hand, issued to IGU

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
<p>4. Other defects identified by Supplement to Disclosure Schedule dated 5/2/18</p> <p>Asset T-22 – LNG Tanker Trailer VIN 5DDKM5355J1008619 with inner vessel number P43104</p> <p>Asset T-21 – LNG Tanker Trailer VIN 5DDKM5355J1008618 with inner vessel number P43102</p>	<p>David Prusak/Bruce Robson</p>	<p>Per Supplemental Disclosure: In January 2018, Titan Alaska LNG, LLC discovered a loss of vacuum on one of the new Heil Trailers. Upon further investigation, it was determined the loss of vacuum was caused by an internal tank leak causing methane to leak into the annular space. The dealer and manufacturer arranged shipping of the unit to Seattle where it was examined at Western Cascade. Western Cascade investigating the source of the leak but was not able to locate the source of the leak.</p> <p>These units should be fully covered by manufacturer warranty and all costs associated with repair should be covered. On April 26, 2018, a representative of the manufacturer informed Titan in an email that the trailers were to be shipped to a repair facility in Calgary, Alberta. The representative also stated that “Heil and GasCon are going to cover all costs associated with getting these units repaired and back on the road.”</p> <p>These two units were part of an order for three trailers. Titan received delivery of the three trailers in August of 2017. Given that two of three units manufactured near the same time experienced leaks, it may be necessary to have the third unit investigated once a root cause of the leak is determined.</p> <p>Jomo: Per Britton, this has been confirmed as resulting from a Manufacturer defect. Manufacturer warranteeing repairs in full – is paying to cost of repair as well as shipment of trailers to and from repair.</p>

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
5. Other defects identified by Supplement to Disclosure Schedule dated 5/2/18 In January of 2018, Fairbanks Natural Gas, LLC detected a reduction in glycol temperature feeding the LNG vaporizer at the Tria road storage site. Trouble-shooting detected a methane concentration in the glycol causing a vapor lock resulting in pump cavitation and reduced flow. The cause is believed to be a minor leak in the shell and tube heat exchanger of the vaporizer. The vaporizer has remained in service through venting of any methane that would cause cavitation. FNG has scheduled Jaffa Construction, an ASME certified repair contractor from Fairbanks, to complete the repair on May 15, 2018. The estimated cost of repair is under \$10,000.00 and anticipated to be completed within 3 days.	David Prusak/Bruce Robson	Repair will need to be verified once complete.
6. Other defects, deficiencies or matters (per Supplement to Disclosure Schedule dated 5/2/18) listed or described in: Excel spreadsheet of “due diligence-based work items” prepared by Chris Hosford of CHI Engineering Services, Inc.	David Prusak/Bruce Robson	Items are included in report under PDC on file with IGU.
3.11 CONTESTED ACCOUNTS RECEIVABLE		
None	None	
3.12 MATERIAL CONTRACTS		Brown and Tony to coordinate previous review with Zane
1. Option and Lease Agreement between Arctic Energy Transportation, LLC and Fisher’s Fuel, Inc., dated September 3, 2011, as amended.	Zane Wilson	Tony: See summary of lease in BBC Due Dil Report of 9-19-17, at section V.B., p. 10; BBC recommends the IGU determine whether term of lease has been extended and if so, new termination date. Rene: Britton 4/5/18 lt. advises that AET has not terminated the lease, all extensions have continued and Lease is in force as outlined by the agreement.
2. Firm Transportation Service Agreement between Titan Alaska LNG, LLC and Enstar Natural Gas Company, dated August 28, 2013.	Zane Wilson	Tony: Under this agreement, which expires July 31, 2018, natural gas purchased by Titan from Cook Inlet sources is transported on ENSTAR’s pipelines to Titan’s LNG plant. Jomo: Per Britton, contract under automatic renewal. No action required.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
3. Natural Gas Sale Agreement between Fairbanks Natural Gas, LLC and CIRI Alaska Tourism Corporation, dated effective as of April 1, 2011, as assigned from Fairbanks Natural Gas, LLC to Titan Alaska LNG, LLC.	Zane Wilson	Under this agreement for LNG to Talkeetna Lodge, which has an initial term of June 1, 2016, through May 31, 2017, and renews for annual terms thereafter unless terminated by either party, the pricing formula is indexed to ANS West Coast crude. Pricing ranges between \$16.75 and \$17.50/Mcf.
4. Combination Loan and Security Agreement between Wells Fargo Equipment Finance, Inc. and Fairbanks Natural Gas, LLC, dated January 2, 2013, as assigned from Fairbanks Natural Gas, LLC to Titan Alaska LNG, LLC, pursuant to the Assignment and Assumption Agreement, dated September 24, 2013.	Zane Wilson	Zane:Should be paid off as of January 1, 2018. Britton lt. 4/5/18 confirms paid as agreed.
5. Combination Loan and Security Agreement between Wells Fargo Equipment Finance, Inc. and Fairbanks Natural Gas, LLC, dated May 20. 2013.	Zane Wilson	Zane:On Ford 550 Truck, 5.75% interest Should be paid off May, 2018.
6. Combination Loan and Security Agreement between Wells Fargo Equipment Finance, Inc. and Titan Alaska LNG, LLC, dated May 27. 2016.	Zane Wilson	Zane:Loan amount \$343,220 at 4.15% (\$4,715.14 per month, 84 month term) Loan on 1, 2015 Heil Trailer.
7. Combination Loan and Security Agreement between Wells Fargo Equipment Finance, Inc. and Titan Alaska LNG, LLC, dated August 25, 2017.	Zane Wilson	Zane:Loan amount \$343,220 at 4.15% (\$4,715.14 per month, 84 month term) Loan on 1, 2015 Heil Trailer.
8. Gas Sale and Purchase Agreement between Titan Alaska LNG, LLC, and Hilcorp Alaska, LLC, dated July 1, 2013.	Zane Wilson	Under this agreement, which expires March 31, 2018, Titan purchases natural gas from Hilcorp. Gas prices range from \$6.60 in 2013 to \$8.03 in 2018 for base gas, \$8.25 to \$10.04 for swing gas, and \$9.90 to \$12.05 for emergency gas.
9. Gas Sale and Purchase Agreement between Titan Alaska LNG, LLC and Hilcorp Alaska, LLC (Titan-02), dated August 1, 2017.	Zane Wilson	Hilcorp begins delivering under this Agreement upon the expiration of the Agreement described immediately above.
10. Letter Agreement for Gas Sale and Purchase Agreement Line of Credit and Prepayment Requirement between Titan Alaska LNG, LLC, and Hilcorp Alaska, LLC, dated July 17, 2013.	Zane Wilson	Zane:Hilcorp extends \$650,000 line of credit, any monthly delivery in excess of \$650,000 line of credit require prepayment.
11. 2013 Fuel Service Agreement between Fairbanks Natural Gas, LLC and Fairbanks Memorial Hospital 2013.	Zane Wilson	Rene: This 2013 document exercises an extension of the agreement for one additional year. Also have a 2014 extension.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
12. Letter amendment to Large Volume Interruptible Service Agreement pricing between Fairbanks Natural Gas, LLC and Fairbanks Memorial Hospital, dated June 13, 2016.	Zane Wilson	Reduces price pursuant to FNG's Schedule F—Large Volume Interruptible Service Agreement to the following price per Mcf determined on a monthly basis: 18/MCF (Rack Oil Price \$2.80) subject to a floor of \$16.50 Mcf and a ceiling of \$19.50/MCF.
13. Amended Large Volume Interruptible Service Agreement between Fairbanks Natural Gas, LLC and University of Alaska, dated September 1, 2007.	Zane Wilson	Rene: Initial term ended 6/30/12 but automatically renews annually under same terms subject to 90 day notification prior to close of annual term. No minimum gas purchase requirement.
14. Letter amendment to Large Volume Interruptible Service Agreement pricing between Fairbanks Natural Gas, LLC and University of Alaska, dated March 7, 2016.	Zane Wilson	Zane: Price calculated monthly based on "Rack Oil Price" and can range from \$16.50/Mcf to \$19.50/Mcf.
15. Letter agreement to move FNSB and FNSBSD to Interruptible Large rate class dated February 8, 2016.	Zane Wilson	Zane: Lower price if minimum usage limits met. Price calculated monthly based on "Rack Oil Price" and can range from \$16.50/Mcf to \$19.50/Mcf.
16. LNG Transportation Agreement by and between Titan Alaska LNG, LLC and Big State Logistics, Incorporated, dated November 1, 2015.	Zane Wilson	Under this agreement, which automatically renews for a one-year period from July through June, Big State transports LNG to FNG facilities in Fairbanks. Per-load truck rates are Pt. MacKenzie to Talkeetna (200 miles round) = \$565; Pt. MacKenzie to Fairbanks (740 miles round) = \$2,075; Conoco LNG Plant to Fairbanks (1050 miles round) = \$2,960; Fuel escalation/de-escalation for prices above \$3.50/gal or below \$3.25/gal. This agreement was assigned by Big State to Husky Haulers on March 25, 2015. A new Agreement between Titan and Big State, effective November 1, 2015, has the same pricing as indicated above. Additional pricing added for LNG-powered tractors for which Titan provides LNG fuel: Pt. Mackenzie to Talkeetna \$350; and Pt. MacKenzie to Fairbanks - \$1,245.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
17. LNG Transportation Agreement by and between Titan Alaska LNG, LLC and Sourdough Express, Incorporated, dated March 10, 2015.	Zane Wilson	Under this agreement, which automatically renews for one-year terms until terminated, Sourdough transports LNG to FNG facilities in Fairbanks. Per-load truck rates are: Pt. MacKenzie to Talkeetna (200 miles round) = \$1,100; Pt. MacKenzie to Fairbanks (740 miles round) = \$2,500; Conoco LNG Plant to Fairbanks (1050 miles round) = \$3,500; Fuel escalation/de-escalation for prices above \$3.50/gal or below \$3.25/gal.
18. Trailer Interchange Agreement by and between Titan Alaska LNG, LLC and Weaver Bros., Inc., dated March 11, 2015.	Zane Wilson	Under this agreement, effective until terminated by either party, Titan and Weaver Brothers can exchange trailers for logistical convenience.
19. Loan Agreement by and between Fairbanks Natural Gas, LLC and AIDEA, dated May 19, 2014, as amended, and accompanying agreements listed on Disclosure Schedule 3.19, Interested Party Contracts.	Zane Wilson	Zane: Debt increased per 1/11/18 amendments to maximum line of credit of \$60,500,000.00. Maturity date extended to January 1, 2020. 0% interest unless in default. If gas storage facility tax credit payment received balloon payment of 10% of credit received due in 60 days of receipt. Secured by DOT on real property.
20. Employment Agreement by and between Fairbanks Natural Gas, LLC and Dan Britton, dated October 17, 2016.	Zane Wilson	Tony: See summary of Agreement in BBC Due Dil Report of 9-19-17, at section IV.B., p. 7-8
21. Deferred Compensation Agreement by and between Fairbanks Natural Gas, LLC and Dan Britton, dated December 11, 2013 as amended.	Zane Wilson	Tony: See summary of Agreement in BBC Due Dil Report of 9-19-17, at section IV.C., p. 8. Since both this and the subsequent Deferred Compensation Agreement are both listed I assume that the subsequent agreement did not supersede this one. Jomo: Britton has two DCA's and both are active. The first DCA is legacy from Harrington ownership. It is fully vested but was amended proximate to change of ownership to AIDEA to extended date of payout 5yrs (2020?). Second DCA was established under AIDEA. Per Britton it will vest upon change of ownership to IGU and will be distributed 10 days after change of control. Recommend further review, and discussion with Britton, with Zane.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
22. Deferred Compensation Agreement by and between Fairbanks Natural Gas, LLC and Dan Britton, dated September 30, 2015.	Zane Wilson	Tony: See summary of Agreement in BBC Due Dil Report of 9-19-17, at section IV.C., p. 8
23. Firm LNG Sales and Purchase Agreement between Titan Alaska LNG, LLC and Fairbanks Natural Gas, LLC, dated January 1, 2014.	Zane Wilson	Tony: Under this "all-requirements" GSA, which expires March 31, 2018, FNG purchases LNG from Titan, with an automatic one-year extension if not terminated. The LNG price paid by FNG is comprised of five elements: (1) average cost of gas; (2) energy cost component for electric power used in liquefaction; (3) efficiency component for gas used and lost during liquefaction and transportation; (4) third-party transportation charges; and (5) other costs of owning and operating LNG Facility and LNG trailer fleet (i.e., capital costs, operating costs, depreciation, payroll). Recommend that IGU find out from Dan Britton whether this will be renewed? This contract provides FNG with its only source of gas. Rene: Britton letter of 4/5/18 confirms that neither Titan nor FNG has terminated the agreement therefore it has been automatically renewed pursuant to agreement terms.
24. Interruptible LNG Transportation Agreement between Titan Alaska LNG, LLC and Fairbanks Natural Gas, LLC, dated January 1, 2014.	Zane Wilson	Under this agreement, which expires March 31, 2018, Titan transports LNG to FNG. The price for each shipment is \$635 plus trucking costs. Agreement originally for shipping LNG from Kenai and is largely inapplicable.
25. Small Enterprise License Agreement (Small Utility) between Fairbanks Natural Gas, LLC and Environmental Systems Research Institute, Inc., dated July 15, 2015.	Zane Wilson	Rene: 3 year ESRI software agreement (Small Utility Term Enterprise License and Arc GIS online user pack) Effective 8/7/2015 ending 8/7/2018. Requires written notification of ownership change. Jomo: Per Britton, attaches to FNG so, with Pentex still direct owner, will not require notification. May require notification if Pentex and subs dissolved into IGU.
26. Purchase Order # 13428 from Fairbanks Natural Gas, LLC, dated June 18, 2015, to Geo North Consulting in the amount of approximately \$115,375.	Zane Wilson	Zane: PO # 13428, dated June 18, 2015 from Geo North Consulting For GIS Phase 2.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
27. Utility Agreement, dated June 3, 2015, between Fairbanks Natural Gas, LLC and City of Fairbanks.	Zane Wilson	Rene: Agreement for FNG to pay installation costs and assume legal liability for natural gas utility lines requested by FNG and installed through City's construction contract for 2015/16 Cushman St. Reconstruction Project. Britton lt. of 4/5/18 advises that FNG has paid all obligations as agreed and not aware of any further obligations.
28. Cost Reimbursement Agreement, dated October 18, 2017, between Fairbanks Natural Gas, LLC, Cassini LNG Storage, LLC, and the Alaska Industrial Development and Export Authority.	Zane Wilson	Zane: Provides for \$1,500,000 in direct cost reimbursement for front end engineering and design work on large LNG storage tank. Money from FY 2014 capital budget.
29. Amendments to Loan Agreement dated January 1, 2018 between Seller and FNG (includes Line of Credit Note and Deed of Trust).	Zane Wilson	Zane: Debt increased per 1/11/18 amendments to maximum line of credit of \$60,500,000.00. Maturity date extended to January 1, 2020. 0% interest unless in default. If gas storage facility tax credit payment received balloon payment of 10% of credit received due in 60 days of receipt. Secured by DOT on real property.
3.12 MATERIAL CONTRACTS (Listed in 3/13/2018 Disc. Schedule Supplement)		
1. Amendment to Loan Agreement, dated effective as of January 1, 2018, between Seller and Fairbanks Natural Gas, LLC.	Tony Guerriero 4/18/2018	Memorializes amendment to AIDEA/FNG loan agreement, increasing principal amount of loan from \$15 million to \$60.5 million
2. Amended and Restated Line of Credit Note, dated effective as of January 1, 2018, by Fairbanks Natural Gas, LLC, payable to Seller or order.	Tony Guerriero 4/18/2018	Memorializes amendment to AIDEA/FNG Line of Credit Note, increasing principal amount of loan from \$15 million to \$60.5 million
3. Amendment to Deed of Trust, dated effective as of January 1, 2018, made by Fairbanks Natural Gas, LLC, as Trustor, to First American Title Insurance Company, as Trustee, for the benefit of Seller, as Beneficiary.	Tony Guerriero 4/18/2018	Memorializes amendment to deed of trust in favor of AIDEA on FNG owned parcel securing FNG obligation of \$60,500,000.
3.13(b) MATERIAL PERMITS AND LICENSES		
1. Hazardous Materials Certificate of Registration for Registration Year(s) 2016-2019, Reg. No. 062016 552 041YA, issued June 20, 2016 to Titan by the U.S. Department of Transportation.	David Prusak	Certificate is valid, renewal of previous certificate for 2013-2016. Certificate will need renewal in 2019.
2. Air Quality Control Operating Permit No. AQ0855TVP02 Revision 2 for the Titan Alaska LNG, LLC LNG Plant No. 1, issued by the State of Alaska Department of Environmental Conservation, Revision 2 effective April 25, 2014.	David Prusak	Air Quality Control Operating Permit No. AQ0855TVP03, Revision 3, was issued 14 October 2016. Permit expires 14 October 2021.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
3. Operator Identification Number 39092 issued February 5, 2014 by U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration to Titan Alaska LNG.	David Prusak	OPID 39092 is listed as active for Titan Alaska by PHMSA. No further action needed
4. Operator ID 99128 issued by U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration to Titan Alaska LNG. Mandatory Land Use Permit No. 170220100401 issued July 21, 2010 by the Matanuska-Susitna Borough Planning and Land Use Department	David Prusak	OPID 99128 is listed by PHMSA as active for Fairbanks Natural Gas (FNG), not Titan Alaska LNG. Mandatory Land Use Permit No. 170220100401 issued July 21, 2010 by the Matanuska-Susitna Borough Planning and Land Use Department is in hand, supplied to IGU. No further action needed.
5. Right of Way permits (See Right of Way Permits 1.pdf provided by Pentex).	David Prusak	An overview and spot check of various permits and/or easements issued have been confirmed that they exist. Some ROW permits still under review.
6. Sage 50 Premium Accounting software license agreement.	TBD	
7. Continental Utility Solutions, Inc. (CUSI) software license agreement.	TBD	
8. Special Permit - U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) docket PHMSA-2013-0181, related to 125,000 barrel liquefied natural gas storage facility at 2942 Tria Road, Fairbanks, Alaska.	David Prusak	Permit was issued 13 May 2014, valid for five years, until May 2019. A request for permit renewal has been submitted to PHMSA, no response from PHMSA at this time.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
<u>COMPLIANCE WITH LAWS</u>		

<p>1. See compliance matters listed or described in: Physical Inspection Due Diligence Report prepared by HDR/MEI for AIDEA dated May 8, 2015 (for Titan Alaska LNG, LLC) and Physical Inspection Due Diligence Report prepared by HDR/MEI for AIDEA dated May 13, 2015 (for FNG Storage and Regasification Facilities).</p> <p>Per Supplement to Disclosure Schedule dated 5/2/18: On March 12, 2018, Fairbanks Natural Gas, LLC received a letter from the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) relating to the 2016 PHMSA Notice of Probable Violation with a Proposed Compliance Order. A copy of the March 12, 2018 letter is attached. FNG intends to seek a waiver from the requirements of 49 CFR § 193.2173, which is identified as an option in the PHMSA letter.</p>	<p>David Prusak</p>	<p>Tony: PHMSA issued a warning letter, dated August 26, 2016, regarding probable violations, that was followed by a Notice of Probable Violation (NPV) and Proposed Compliance Order, dated September 16, 2016 (PHMSA File CPF 5-2016-3005). Under the Proposed Compliance Order, FNG is required to provide documentation of compliance within ninety (90) days. BBC made inquiry to AIDEA regarding the status of this matter and on March 24, 2017, and Dan Britton provided the following reply:</p> <p><u>Response:</u> FNG responded to the Warning Letter and received acknowledgement of response from PHMSA. FNG responded to the Notice of Probable Violation and received a subsequent notice of inadequate response, dated December 7, 2016. FNG responded to the Notice of Inadequate Response on December 21, 2016. PHMSA issued a letter dated May 16, 2017, which states that correspondences and actions inadequately addressed PHMSA's concerns and required submittal of adequate modifications to the issues within ninety-days. FNG requested in a letter dated August 16, 2017 for an extension to the May 16, 2017 deadline to November 15, 2017 to respond to PHMSA; PHMSA approved the extension per a letter dated October 16, 2017. FNG followed up with a letter dated October 25, 2017 addressing the outstanding concerns and FNG's intended goal of resolution by the November 15, 2017 deadline.</p> <p>PHMSA issued a letter dated March 12, 2018 stating that the actions and responses still do not adequately address the concern raised in their initial NOPV/PCO dated September 16, 2016 under Item No. 1 and has provided FNG 90-days from this letter to respond.</p> <p>Jomo: Per Britton, draft response has been produced and is awaiting finalization for transmission</p> <p>See same discussion in Section 3.16(b), Environmental Liabilities, Section B, Certain Matters, Item 8.</p>
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DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
		Please see the documents associated with this matter uploaded to the Smart Room: 2.6.4.3 2016. Documents since December 2016 are on file with IGU.
2. Other compliance matters are listed or described in:	David Prusak	
"PDC – IGU LNG Asset Inspection Report" prepared by CHI Engineering Services, Inc., dated June 9, 2017;		Reports in hand, issued to IGU
"Structural Evaluation of Existing LNG Facility Assets" of "Due Diligence Inspection Report for IGU FINAL" prepared by PDC Inc. Engineers, dated December 2016;		Reports in hand, issued to IGU
"LNG Environmental Health and Safety Program Review" prepared by MWH/Stantec dated March 28, 2017;		Reports in hand, issued to IGU
"LNG Environmental Health and Safety Program Review" prepared by MWH/Stantec dated March 28, 2017;		Reports in hand, issued to IGU
"Due Diligence Report, Economic and Management Review" prepared by NewGen Strategies & Solutions, dated June 12, 2017.		Reports in hand, issued to IGU
3.14 LEGAL PROCEEDINGS		
1. Fairbanks Natural Gas, LLC is a party to a proceeding before the Alaska Labor Relations Agency entitled "International Brotherhood of Electrical Workers, Local No. 1547, Petitioner, vs. Fairbanks Natural Gas, Respondent." The case number is ALRA Case No. 17-1700-RC. The case concerns IBEW's efforts to represent certain employees of Fairbanks Natural Gas, LLC. Fairbanks Natural Gas, LLC moved to dismiss the case for lack of jurisdiction, which motion was denied. Fairbanks Natural Gas, LLC filed an administrative appeal to the Anchorage Superior Court. The administrative appeal is case number 3AN-17-08359CI. Briefing on the administrative appeal is currently in progress.	Zane Wilson	Tony: Recommend that Jomo and Zane meet with FNG counsel to discuss matter status and strategy, including potential up and down sides, and cost. Zane: Spoke with defense counsel Howard Trickey. NLRB denied motion to dismiss as it ruled AIDEA was a public employer. Right to premature appeal not challenged by IBEW. Case currently stayed until sale to IGU closes (or fails). Upon close anticipate IBEW will dismiss current case and file petition against IGU. IGU a public employer.
2. A contractor's truck hauling LNG to FNG in a trailer owned by Titan was involved in a fatality accident on November 27, 2017 when the truck struck a person who was on the roadway. It is unknown at this time whether any litigation involving Titan or FNG will occur, or whether a claim against Titan or FNG may be made, regarding this accident.	Zane Wilson	Zane: Reviewed police report of incident. Road blocked by 3 snow machines and stopped car owned by the deceased. Any liability to IGU unlikely (act by contractor and facts do not support liability) but possible.
3.16(b) ENVIRONMENTAL LIABILITIES		
A. ENVIRONMENTAL REPORTS PROVIDED:	David Prusak	
<i>Titan Alaska LNG, LLC Real Property:</i>		

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
1. June 2005, Environmental Site Assessment, Tracts 31A and 31B, Point MacKenzie Development Subdivision, Wasilla, Alaska performed by Travis/Peterson Environmental Consulting, Inc.	David Prusak	Liabilities listed in the June 2005 ESA are described in earlier reports on file with IGU.
2. October 13, 2005, Baseline Site Assessment Report, Point MacKenzie Northern Eclipse Liquid Natural Gas Plant Facility, Tracts 31A and 31B, Point MacKenzie Development Subdivision, Wasilla, Alaska, by SECOR International Incorporated.	David Prusak	Liabilities listed in the October 2005 baseline ESA are described in earlier reports on file with IGU.
3. October 9, 2007, letter from State of Alaska Dept. of Environmental Conservation to Fairbanks Natural Gas, regarding Engine Oil Spill at the LNG Processing Plant at Ayrshire Road, Big Lake, Spill # 04239900101 and SGS Environmental Services Alaska Division Level II Laboratory Data Report dated June 20, 2007.	David Prusak	<p>Case closed by ADEC SPAR division on 31 January 2008 and transferred to Contaminated Sites division. CS conditionally closed the site (cleanup complete) on 5 April 2011, with institutional controls:</p> <ol style="list-style-type: none"> 1. Advance approval before transporting soil or groundwater offsite. 2. Report to ADEC every five years (2016, 2021) or as soon as they become aware of any change in land ownership or use. 3. Remediate contaminated soil if it becomes accessible. 4. No movement or use of contaminated soil that would result in a violation of ADEC water quality standards <p>ADEC sent a reminder letter for item 2 on 12 April 2016.</p> <p>2007 letter and report in hand, issued to IGU.</p> <p>Response to ADEC reminder letter in 2016 not found (Britton made aware of letter – to follow up with Prusak).</p> <p>Change in land ownership is to trigger a reporting to ADEC.</p>
4. November 2, 2007 letter from Alaska Soil Recycling to State of Alaska Dept. of Environmental Conservation regarding soil disposal.	David Prusak	Letter in hand, issued to IGU. Case closed.
5. September 16, 2009 letter from State of Alaska Dept. of Environmental Conservation to Northern Eclipse, LLC regarding Review of the file for Northern Eclipse LNG Plant Engine Oil Leak, Big Lake, and Request for a Work Plan for Further Site Characterization and Summary of Work Completed to Date.	David Prusak	Report in hand, issued to IGU. ADEC file 2202.38.010. Case closed.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
6. August 13, 2010, letter of Stantec Consulting Corporation to State of Alaska Dept. of Environmental Conservation, regarding Letter Report of Soil Characterization Reports.	David Prusak	Report in hand, issued to IGU. Case closed.
7. December 6, 2010, Soil Remediation Report for Point MacKenzie Liquid Natural Gas Plant Facility ADEC File No.: 2265.38.037, Tracts 31A and 31B, Point MacKenzie Development Subdivision, Wasilla, Alaska, from Stantec Consulting Corporation.	David Prusak	Report in hand, issued to IGU. Case closed.
8. February 3, 2011, letter of Stantec Consulting Corporation to State of Alaska Dept. of Environmental Conservation, regarding Contaminant Fate and Transport Evaluation – SESOIL, Point MacKenzie Liquid Natural Gas Plant Facility, Tracts 31A and 31B, Point MacKenzie Development Subdivision, Wasilla, Alaska.	David Prusak	Report in hand, issued to IGU. Case closed.
9. February 22, 2011, letter of Stantec Consulting Corporation to State of Alaska Dept. of Environmental Conservation, regarding Transmittal of Soil Remediation Report and Contaminant Fate and Transport Evaluation (SESOIL) Report for Fairbanks Natural Gas Facility, Point MacKenzie Liquid Natural Gas Plant Facility, Tracts 31A and 31B, Point MacKenzie Development Subdivision, Wasilla, Alaska.	David Prusak	Report in hand, issued to IGU. Case closed.
10. March 14, 2011, letter from State of Alaska Dept. of Environmental Conservation to Fairbanks Natural Gas, regarding Decision Document; Point MacKenzie Northern Eclipse Liquid Natural Gas (LNG) Plant Cleanup Complete with Institutional Controls Determination.	David Prusak	Report in hand, issued to IGU. Note: this letter is superseded and replaced by the 5 April 2011 letter listed as Item #11.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
11. April 5, 2011, letter from State of Alaska Dept. of Environmental Conservation to Fairbanks Natural Gas, regarding Point MacKenzie Fairbanks Natural Gas Liquid Natural Gas (LNG) Plant Cleanup Complete with Institutional Controls Determination.	David Prusak	<p>Reference Item #3 above:</p> <p>Case closed by ADEC SPAR division on 31 January 2008 and transferred to Contaminated Sites division. CS conditionally closed the site (cleanup complete) on 5 April 2011, with institutional controls:</p> <ol style="list-style-type: none"> 1. Advance approval before transporting soil or groundwater offsite. 2. Report to ADEC every five years (2016, 2021) or as soon as they become aware of any change in land ownership or use. 3. Remediate contaminated soil if it becomes accessible. 4. No movement or use of contaminated soil that would result in a violation of ADEC water quality standards <p>ADEC sent a reminder letter for item 2 on 12 April 2016. Response to ADEC reminder letter in 2016 not found. Change in land ownership is to trigger a reporting to ADEC.</p>
12. March 3, 2011, letter from State of Alaska Dept. of Environmental Conservation Division of Air Quality to Fairbanks Natural Gas, regarding January 12, 2005 Compliance Order by Consent (COBC) No. 04-288-50-35136 Closure letter, File No. 2265.16.001 For Air Quality Control Permitting concerns.	David Prusak	Report in hand, issued to IGU.
13. April 22, 2011, letter of Alaska National Insurance Company to FNG regarding TEG Air and Bulk Asbestos sampling conducted on April 4, 2011.	David Prusak	Report in hand, issued to IGU. Results indicated no detectable TEG concentrations. No asbestos detected in five bulk samples. No further action necessary.
14. Limited Phase II Environmental Site Assessment, Tract 31B, Point Mackenzie Development Subdivision, Wasilla, Alaska prepared by Shannon & Wilson, Inc., dated June 24, 2015.	David Prusak	Liabilities listed in the June 2015 Phase II ESA are described in earlier report.
15. Executive Summary Limited Phase II Environmental Site Assessments, Wasilla and Fairbanks, Alaska prepared by Shannon & Wilson, Inc., dated June 24, 2015.	David Prusak	Liabilities listed in the June 2015 Phase II ESA are described in earlier report.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
16. September 15, 2015, letter from State of Alaska Dept. of Environmental Conservation to Titan Alaska, LLC regarding Air Quality Full Compliance Evaluation Report for Titan Alaska, LLC, Liquid Natural Gas Plant No. 1, Permit No. AQ0855TVP02 Rev 2, File No. 2265.16.001 Enforcement Tracking No. 2015-R0731-37-0001.	David Prusak	Titan was found out of compliance for late reporting and failure to complete an initial compliance demonstration source test on EU IDs 1 and 2 by the April 17, 2014 NESHAP Subpart ZZZZ deadline. Titan corrected the violation by completing the required source testing on October 2, 2014. ADEC letter of 17 September 2015 indicated no further regulatory action.
<i>Fairbanks Natural Gas, LLC Real Property:</i>		
17. June 23, 1997, Phase I Environmental Site Assessment, Lots 6-11, Block 6, Metro Industrial Airpark, Fairbanks, Alaska prepared by Nortech Environmental & Engineering Consultants.	David Prusak	Liabilities listed in the June 1997 Phase I ESA are described in earlier reports.
18. May 24, 2006, Phase I Environmental Site Assessment, Tax Lots 2906 and 2912, Township 1S, Range 1W, Section 29, Fairbanks, Alaska prepared by Nortech Environmental Engineering& Industrial Hygiene Consultants.	David Prusak	Liabilities listed in the May 2006 Phase 1 ESA are described in earlier report.
19. January and February 1998, Drinking Water Analysis Reports prepared by Northern Testing Laboratories, Inc.	David Prusak	Report in hand, issued to IGU.
20. January 6, 2011, letter from State of Alaska Dept. of Environmental Conservation to Fairbanks Natural Gas, LLC regarding Cleanup Completion Determination.	David Prusak	Letter in hand, issued to IGU. ADEC determined that remaining contamination does not pose an unacceptable risk to human health or the environment and closed the case as "Cleanup Complete" with no institutional controls required.
21. September 3, 2010, letter from Stantec Consulting Corporation to State of Alaska Dept. of Environmental Conservation, regarding Letter Report of Soil Characterization Reports for Fairbanks Natural Gas, Lots 6 through 11 of Block 6, Metro Industrial Park, Fairbanks, Alaska.	David Prusak	Letter in hand, issued to IGU. No further action at this time.
22. February 22, 2011, letter of Stantec Consulting Corporation to USEPA Region 10, regarding Transmittal of Soil Remediation Report for Fairbanks Natural Gas Facility, Fairbanks, Alaska (for septic system removal).	David Prusak	Report in hand, issued to IGU. No further action needed.
23. Certification of RCRA Exempt Status from OIT, Inc. dated September 3, 2010 (for soil remediation).	David Prusak	Certification in hand, issued to IGU. No further action needed.
24. Limited Phase II Environmental Site Assessment, Tracts C and D, Tanana Levee Industrial Park, Fairbanks Alaska prepared by Shannon & Wilson, Inc., dated June 24, 2015.	David Prusak	Liabilities listed in the June 2015 Phase II ESA are described in earlier report.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
25. Executive Summary Limited Phase II Environmental Site Assessments, Wasilla and Fairbanks, Alaska prepared by Shannon & Wilson, Inc., dated June 24, 2015.	David Prusak	Liabilities listed in the June 2015 Phase II ESA are described in earlier report.
26. Limited Removal Action, Tracts C and D, Tanana Levee Industrial Park, Fairbanks, Alaska prepared by Shannon & Wilson, Inc., dated September 14, 2015.	David Prusak	Document described and reviewed in earlier reports. Site closed by ADEC on 30 September 2015 with standard conditions (see B.4, below).
B. CERTAIN MATTERS:		
1. An estimated 150 gallons of engine lube oil was released beginning in January 2004 from oil pan penetrations covered with gasketed bolted plates on the BTB compressor #2 on the Owned Real Property, which release was reported in July 1, 2005, and for which the environmental reports and materials identified in items A.1-11 (above) relate, including the Cleanup Completion letter (item A.11 above).	David Prusak	Reports in hand, issued to IGU. ADEC has issued a "Cleanup Complete" determination. No further action needed at this time.
2. In mid-2013, in connection with selecting appropriate emission control equipment in compliance with the requirements stipulated in Titan's Title V operating permit as well as Subpart ZZZZ (the most current version of the 2010 Reciprocating Internal Combustion Engines (RICE) National Emission Standards of Hazardous Air Pollutants (NESHAP), which final rule had become effective in January 2013), Titan was made aware that the two engines that were permitted under the operating permit as rich-burn actually operate as lean-burn. As a result of this discrepancy, Titan needed a minor modification to its operating permit to retrofit the two engines to operate using a lean-burn configuration, which modification it requested from Alaska Department of Environmental Conservation (ADEC) on September 12, 2013. In recognition that both engines needed to operate during the peak production season (in order that FNG could fulfill its obligations to customers during the peak season), Titan requested an extension for compliance with Subpart ZZZZ by letter dated October 14, 2013. The EPA Region 10 requested additional information on February 3, 2014, which Titan provided on March 7, 2014. On April 4, 2014, the EPA Region 10 denied the compliance extension. Titan objected to the denial and requested reconsideration by letter dated April 22, 2014. The revision to the operating permit was issued by ADEC effective April 25, 2014. On July 2, 2014, Titan informed the EPA Region 10 that the engine conversions and emissions control equipment were completed. In letter dated August 20, 2014, ADEC approved Titan's proposed source test plan, which had been submitted on July 17, 2014. ADEC reiterated Titan's non-compliance with	David Prusak	ADEC conducted a compliance evaluation covering the period October 1, 2013 through June 30, 2015 with an on-site inspection conducted on September 16, 2015. Titan was found out of compliance for late reporting and failure to complete an initial compliance demonstration source test on EU IDs 1 and 2 by the April 17, 2014 NESHAP Subpart ZZZZ deadline. Titan submitted an extension request for the required source testing to the EPA on October 14, 2013 (Smart Room File 13). EPA issued a denial letter for a compliance deadline extension requested by Titan. Titan corrected the violation by completing the required source testing on October 2, 2014. ADEC letter of 17 September 2015 indicated no further action. Titan did not submit the Second Half 2013, First Half 2014, First Half 2015 Facility Operating Reports, and the 2013 Annual Compliance Certification (ACC) to ADEC by their respective deadlines. Titan subsequently submitted the reports late (refer to Smart Room File 2.3). No further regulatory action by ADEC was noted.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
certain permit conditions in the Air Quality Full Compliance Evaluation Report, dated September 17, 2015.		ADEC issued a new Title V air permit (AQ0855TVP03) in October 2016.
3. A former garage on the east side of the Owned Real Property burned to the ground in December 2009, which may have resulted in the release of Hazardous Materials that had been stored in such facility, although environmental reports subsequent to the fire have not identified any reportable environmental contamination.	David Prusak	The post environmental report has indicated that there is no apparent environmental issues outstanding that is reportable and accepted.
4. Diesel range organics concentrations exceeding the most stringent Method Two cleanup levels and residual range organic concentrations exceeding the ADEC maximum allowable concentration were measured in surface samples collected at Tracts C and D, Tanana Levee Industrial Park, Fairbanks, Alaska as part of the Limited Phase II Environmental Site Assessment of the Fairbanks site in 2015. The impacted soil was removed, transported, and disposed, and the excavated areas backfilled with clean imported fill material, as summarized in the Limited Removal Action, Tracts C and D, Tanana Levee Industrial Park, Fairbanks, Alaska prepared by Shannon & Wilson, Inc., dated September 14, 2015.	David Prusak	ADEC decision letter of 30 September 2015 closed the site from further cleanup, subject to standard conditions identified in earlier studies. Standard conditions are: 1. ADEC approval to transport soil or groundwater offsite 2. No movement or use of contaminated soil that would result in a violation of ADEC water quality standards. No further action needed at this time other than compliance with the standard conditions.
5. Titan received a notice of amendment letter dated August 30, 2017 from the US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding amendments to Titan's procedures. Titan submitted its amended procedures on October 5, 2017. October 30, 2017 Titan received a closure letter from PHMSA closing the notice of amendment and thanking Titan for its cooperation.	David Prusak	PHMSA CPF 5-2017-0014M 30 October 2017 closure letter states no further action necessary, case closed. Letter located on PHMSA website, not in Smart Room.
6. Fairbanks Natural Gas (FNG) received a notice of amendment letter dated August 19, 2016 from the US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding amendments to FNG's procedures. FNG submitted its amended procedures on September 23, 2016. November 16, 2016 FNG received a closure letter from PHMSA closing the notice of amendment and thanking FNG for its cooperation.	David Prusak	PHMSA CPF 5-2016-3003M. 19 August 2016 PHMSA letter in hand, issued to IGU. Letter covers NFPA 59A requirement for manually venting LNG during emergencies. 16 November 2016 PHMSA closure letter in hand, issued to IGU. No further action necessary.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
<p>7. Fairbanks Natural Gas (FNG) received a warning letter dated August 16, 2016 from the US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding probable violations of the Pipeline Safety Regulations. FNG submitted its response on September 29, 2016. December 19, 2016 FNG received an acknowledgement letter from PHMSA stating it had received FNG's response and the contents of the response would be reviewed during subsequent inspections.</p>	David Prusak	<p>PHMSA CPF 5-2016-3004W Warning letter dated 26 August (not 16 August) 2016 located in the Smart Room (File 2.6.4.3) 29 September 2016 letter located in the Smart Room (File 2.6.4.3) 19 December 2016 PHMSA letter located in the Smart Room (File 2.6.4.3) Recommend reviewing warning letter prior to next PHMSA inspection.</p>
<p>8. Fairbanks Natural Gas (FNG) received a notice of probable violation and proposed compliance order dated September 16, 2016 from the US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding probable violations of the Pipeline Safety Regulations. FNG submitted its response on October 14, 2016. December 07, 2016 FNG received an inadequate response letter from PHMSA stating it had received FNG's response and an item in the response did not adequately address PHMSA's concern. December 19, 2016 FNG received a correction to December 7, 2016 inadequate response letter from PHMSA correcting a transposition of a quoted regulation and also giving FNG the opportunity to respond to the December 7, 2016 inadequate response letter. FNG submitted a response on December 21, 2016 addressing the item PHMSA addressed as inadequate. May 16, 2017 FNG received an inadequate response letter from PHMSA stating it had received FNG's response and an item in the response continued to not adequately address PHMSA's concern and requires further attention. October 25, 2017 FNG again responded to the inadequate response letter with further refinement. FNG is awaiting a response from PHMSA on its latest response letter dated October 25, 2017.</p> <p>Per Supplement to Disclosure Schedule dated 5/2/18: On March 12, 2018, Fairbanks Natural Gas, LLC received a letter from the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) relating to the 2016 PHMSA Notice of Probable Violation with a Proposed Compliance Order. A copy of the March 12, 2018 letter is attached. FNG intends to seek a waiver from the requirements of 49 CFR § 193.2173, which is identified as an option in the PHMSA letter.</p>	David Prusak/Bruce Robson	<p>PHMSA CPF 5-2016-3005 – Action Still Open Reports in hand, issued to IGU. 16 September 2016 PHMSA letter located in Smart Room (File 2.6.4.3) 14 October 2016 FNG letter located in Smart Room (File 2.6.4.3) 07 December 2016 PHMSA letter located in Smart Room (File 2.6.4.3) 19 December 2016 PHMSA letter located in Smart Room (File 2.6.4.3) 21 December 2016 FNG letter located in Smart Room (File 2.6.4.3) Copies of PHMSA letters dated May 16, 2017, October 16, 2017 and March 12, 2018 as well as FNG letters dated August 16, 2017 and October 25, 2017 are on file with IGU.</p> <p>Reference details presented under 3.13(b) MATERIAL PERMITS AND LICENSES, COMPLIANCE WITH LAWS item 1. above regarding PHMSA CPF 5-2016-3005.</p>
9. Other matters are listed or described in:		

DISCLOSURE SCHEDULE / ITEM		LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS																																																																																																																														
“PDC – IGU LNG Asset Inspection Report” prepared by CHI Engineering Services, Inc., dated June 9, 2017;		David Prusak	Reports in hand, issued to IGU																																																																																																																														
“Structural Evaluation of Existing LNG Facility Assets” of “Due Diligence Inspection Report for IGU FINAL” prepared by PDC Inc. Engineers, dated December 2016;		David Prusak	Reports in hand, issued to IGU																																																																																																																														
“LNG Environmental Health and Safety Program Review” prepared by MWH/Stantec dated March 28, 2017;		David Prusak	Reports in hand, issued to IGU																																																																																																																														
“Evaluation: Natural Gas Distribution Assets” of “Due Diligence Inspection Report for IGU FINAL” prepared by Stantec, undated; and		David Prusak	Reports in hand, issued to IGU																																																																																																																														
“Due Diligence Report, Economic and Management Review” prepared by NewGen Strategies & Solutions, dated June 12, 2017.		David Prusak	Reports in hand, issued to IGU																																																																																																																														
Per Supplement to Disclosure Schedule dated 5/2/18: Other matters are listed or described in: Excel spreadsheet of “due diligence-based work items” prepared by Chris Hosford of CHI Engineering Services, Inc.		David Prusak	Items are included in report under PDC on file with IGU.																																																																																																																														
10. Fairbanks Natural Gas received a letter dated November 9, 2017 from the State of Alaska Department of Environmental Conservation. The letter relates to the City of Fairbanks Regional Fire Training Center Burn Pit and alleged contamination by perfluorooctane sulfonate from the use of fire extinguishing foam. The letter requests information from Fairbanks Natural Gas. Fairbanks Natural Gas responded with a letter dated November 20, 2017.		David Prusak	FNG response indicates no use of AFFF (PFOS source) at the facility and no liability in connection with PFOS groundwater contamination at the facility. No further response indicated.																																																																																																																														
11. Titan has reported spills since January 2015 as documented in the attached spill reports and as summarized in the table below: <table><tr><th>2015</th><th></th><th></th><th>2016</th><th></th><th></th><th>2017</th><th></th><th></th></tr><tr><th></th><th>Spills reported</th><th>Amount reported</th><th></th><th>Spills reported</th><th>Amount reported</th><th></th><th>Spills reported</th><th>Amount reported</th></tr><tr><td>Jan</td><td>None</td><td></td><td>Jan</td><td>None</td><td></td><td>Jan</td><td>None</td><td></td></tr><tr><td>Feb</td><td>None</td><td></td><td>Feb</td><td>Yes</td><td>3 Gallons</td><td>Feb</td><td>None</td><td></td></tr><tr><td>Mar</td><td>None</td><td></td><td>Mar</td><td>None</td><td></td><td>Mar</td><td>Yes</td><td>0.75 Gallons</td></tr><tr><td>Apr</td><td>Yes</td><td>0.5 Gallons</td><td>Apr</td><td>None</td><td></td><td>Apr</td><td>None</td><td></td></tr><tr><td>May</td><td>None</td><td></td><td>May</td><td>Yes</td><td>3 Gallons</td><td>May</td><td>None</td><td></td></tr><tr><td>Jun</td><td>None</td><td></td><td>Jun</td><td>None</td><td></td><td>Jun</td><td>None</td><td></td></tr><tr><td>Jul</td><td>None</td><td></td><td>Jul</td><td>None</td><td></td><td>Jul</td><td>None</td><td></td></tr><tr><td>Aug</td><td>None</td><td></td><td>Aug</td><td>None</td><td></td><td>Aug</td><td>None</td><td></td></tr><tr><td>Sep</td><td>None</td><td></td><td>Sep</td><td>None</td><td></td><td>Sep</td><td>None</td><td></td></tr><tr><td>Oct</td><td>Yes</td><td>0.5 Quart</td><td>Oct</td><td>None</td><td></td><td>Oct</td><td>None</td><td></td></tr><tr><td>Nov</td><td>None</td><td></td><td>Nov</td><td>None</td><td></td><td>Nov</td><td>Yes</td><td>~100 Gal.</td></tr><tr><td>Dec</td><td>None</td><td></td><td>Dec</td><td>None</td><td></td><td>Dec</td><td>None</td><td></td></tr></table>		2015			2016			2017				Spills reported	Amount reported		Spills reported	Amount reported		Spills reported	Amount reported	Jan	None		Jan	None		Jan	None		Feb	None		Feb	Yes	3 Gallons	Feb	None		Mar	None		Mar	None		Mar	Yes	0.75 Gallons	Apr	Yes	0.5 Gallons	Apr	None		Apr	None		May	None		May	Yes	3 Gallons	May	None		Jun	None		Jun	None		Jun	None		Jul	None		Jul	None		Jul	None		Aug	None		Aug	None		Aug	None		Sep	None		Sep	None		Sep	None		Oct	Yes	0.5 Quart	Oct	None		Oct	None		Nov	None		Nov	None		Nov	Yes	~100 Gal.	Dec	None		Dec	None		Dec	None		David Prusak	Spill #16239904601 (2/15/2016) – Closed Spill #17239933101 (11/27/2017) – Listed as open, last activity 11/29/2017. Jomo: With change of season, Pentex to perform further remediation and then contact ADEC to ascertain its desired next steps. Other spills are not listed in the ADEC spills database. Other spill not listed in Item 11: Spill #18309901401 (1/14/2018) – 20 gallons glycol at FNG Boiler Room. Case closed by ADEC on 3/1/2018.
2015			2016			2017																																																																																																																											
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Apr	Yes	0.5 Gallons	Apr	None		Apr	None																																																																																																																										
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Jun	None		Jun	None		Jun	None																																																																																																																										
Jul	None		Jul	None		Jul	None																																																																																																																										
Aug	None		Aug	None		Aug	None																																																																																																																										
Sep	None		Sep	None		Sep	None																																																																																																																										
Oct	Yes	0.5 Quart	Oct	None		Oct	None																																																																																																																										
Nov	None		Nov	None		Nov	Yes	~100 Gal.																																																																																																																									
Dec	None		Dec	None		Dec	None																																																																																																																										
3.16(d) ENVIRONMENTAL CONTAINMENT																																																																																																																																	
1. See items listed in Discussion Schedule 3.16(b) above.		David Prusak	See discussion on individual items above.																																																																																																																														
3.16(e) HAZARDOUS SUBSTANCE DISCHARGES																																																																																																																																	
1. See items listed in Discussion Schedule 3.16(b) above.		David Prusak	See discussion on individual items above.																																																																																																																														

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS									
3.16(f) UNDERGROUND STORAGE TANKS											
None	None										
3.17(a) EMPLOYEE BENEFIT PLANS											
1. Health insurance through United Health sponsored by Associated General Contractors.	Mark Premo/Bruce Robson	<p>Regarding this item and items 2 & 3 below should include a review of documents and discussion with Dan Britton (or other knowledgeable FNG/Titan employees) sufficient to understand: (1) the types of coverages available under the subject insurance plans; (2) who is eligible to participate in these plans, and who does participate (employee & employee family insurance census); (3) who pays for the plans (i.e., % split between employer and employee); and (4) for 2016 and 2017 what was FNG/Titan share of the cost for its contribution to this insurance coverage.</p> <p>Robson: 1) Coverage options include: Employee Only, Employee + Spouse, Employee + Children, and Family. This includes preventative, Basic and Major services; 2) Eligibility is for all Full-Time employee and covered dependents; 3) Plan is paid for by the employer and employee dependent upon the options selected – coverage can include Medical, Dental/Vision, as well as Life/Short Term Disability and Long-Term Disability; 4) FNG/Titan's share for contributions for insurances for 2016/2017 was:</p> <table> <tr> <td></td><td>2016</td><td>2017</td></tr> <tr> <td>FNG LLC</td><td>\$ 72,089</td><td>\$ 77,637</td></tr> <tr> <td>Titan Alaska LLC</td><td>\$ 28,623</td><td>\$ 25,511</td></tr> </table> <p>(Plan year is May through April)</p>		2016	2017	FNG LLC	\$ 72,089	\$ 77,637	Titan Alaska LLC	\$ 28,623	\$ 25,511
	2016	2017									
FNG LLC	\$ 72,089	\$ 77,637									
Titan Alaska LLC	\$ 28,623	\$ 25,511									
2. Dental and vision insurance through United Health.	Mark Premo/Bruce Robson	Robson: Reference Item 1. above									

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
3. Group life, short-term disability and long-term disability insurance through Unum.	Mark Premo/Bruce Robson	Robson: Reference Item 1. above

<p>4. Fairbanks Natural Gas 401(k) Saving and Retirement Plan.</p>	<p>Mark Premo/Bruce Robson</p>	<p>Regarding this item and item 5 below should include a review of documents and discussion with Dan Britton (or other knowledgeable FNG/Titan employees) sufficient to understand: (1) who administers the plans, who controls/maintains the funds, and who has authority to direct investments; (2) who is eligible to participate in these plans, and who does participate (employee census); (3) how are the 401(k)'s funded – does the employer have a contribution obligation, and if so, what is the obligation; can the employer contribution be changed (up or down) and if so, how; and (4) for 2016 and 2017 what were FNG's and Titans annual contribution amounts. It is my understanding from previous due diligence on the 401(k)'s that FNG and Titan match up to four percent of employee contributions.</p> <p>Robson: Per the current 401(K) docs in the SmartRoom, updated 2015 (no newer documents are available at this time as programs are under negotiation) indicates:</p> <p>1) Trustees: Daniel W. Britton and Wesley G.W. Smith; 3rd Party Services manages plan: "Pension Plan Specialists PC, 805 Broadway, Suite 600, Vancouver WA"; Funds Maintained with "John Hancock" ; Investments directed by: a) "Individual employee is responsible for directing their contributions and the companies safe harbor match contribution." and b) "The Trustees have the Authority to select investment vehicles/funds and where the vehicles/funds are maintained."</p> <p>2) (a) All active employees are eligible to participate; (b) the current employees participating are:</p> <p>Fairbanks Natural Gas, LLC</p> <p>Daniel Britton Zach Dameron Brendan Kern Wesley Smith Bryan Watson Vanessa Weinand</p>
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DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS									
		<p>Titan Alaska LNG, LLC James Branch Doug Jammes Nathan Myers James Lorenz</p> <p>3) The plan is funded both by the employee and a match by FNG (as appropriate) with elections withheld at every pay period and deposited. [the plans in the SmartRoom indicate FNG's match is up to a maximum of 4% based on equivalency of the participants contribution. (Article IV, Section 4.1)]</p> <p>4) FNG/Titan's contribution for 2016/2017 was:</p> <table data-bbox="1350 602 1898 704"> <tr> <td></td><td>2016</td><td>2017</td></tr> <tr> <td>FNG LLC</td><td>\$ 28,768</td><td>\$ 29,474</td></tr> <tr> <td>Titan Alaska LLC</td><td>\$ 16,553</td><td>\$ 15,847</td></tr> </table> <p>(Plan year is January through December) Reference the financials for accumulated contributions.</p>		2016	2017	FNG LLC	\$ 28,768	\$ 29,474	Titan Alaska LLC	\$ 16,553	\$ 15,847
	2016	2017									
FNG LLC	\$ 28,768	\$ 29,474									
Titan Alaska LLC	\$ 16,553	\$ 15,847									
5. Titan Alaska LNG 401(k) Saving and Retirement Plan.	Mark Premo/Bruce Robson	Robson: Reference Item 4 above details (1) through (4).									
6. Deferred Compensation Agreement with Daniel Britton dated December 11, 2013 as amended.	Tony Guerriero	Tony: This item and item 7 below, along with Dan's employment agreement with FNG are discussed on pages 7 – 9 of BBC's Legal Due Diligence Report of September 17, 2017. BBC recommends that Jomo and Tony or Zane/Rene have a meeting with Dan to discuss the deferred compensation agreements to make sure that the parties' rights and obligations under the deferred compensation agreements are clearly understood.									
7. Deferred Compensation Agreement with Daniel Britton dated September 30, 2015.	Tony Guerriero	See comments to item 6 above.									

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
8. Temporary Work Schedule with Zach Dameron.	Tony Guerriero	Jomo: Account Manager - Previous full-time employee working remote from Anchorage under reduced salary/hours/benefits package while spouse receives professional training. Anticipated to return to Fairbanks and full/full/full upon completion of necessary leave from FBX
3.17(b) PROCEEDINGS INVOLVING EMPLOYEES		
<p>1. Fairbanks Natural Gas, LLC is a party to a proceeding before the Alaska Labor Relations Agency entitled "International Brotherhood of Electrical Workers, Local No. 1547, Petitioner, vs. Fairbanks Natural Gas, Respondent." The case number is ALRA Case No. 17-1700-RC. The case concerns IBEW's efforts to represent certain employees of Fairbanks Natural Gas, LLC. Fairbanks Natural Gas, LLC has moved to dismiss the case for lack of jurisdiction, which motion was denied. Fairbanks Natural Gas, LLC filed an administrative appeal to the Anchorage Superior Court. The administrative appeal is case number 3AN-17-08359CI. Briefing on the administrative appeal is currently in progress.</p> <p>Per Supplement to Disclosure Schedule dated 5/2/18: With respect to the administrative appeal to the Alaska Superior Court in case number 3AN-17-0835CI, Disclosure Schedule 3.17(b) is supplemented to note that the Superior Court entered an order staying further proceedings in the administrative appeal. The order staying further proceedings was dated December 26, 2017.</p>	Zane Wilson	<p>Jomo Stewart to assist in review.</p> <p>Tony: Recommend that Jomo and Zane meet with FNG counsel to discuss matter status and strategy, including potential up and down sides, and cost.</p> <p>Zane: Spoke with defense counsel Howard Trickey. NLRB denied motion to dismiss as it ruled AIDEA was a public employer. Right to premature appeal not challenged by IBEW. Case currently stayed until sale to IGU closes (or fails). Upon close anticipate IBEW will dismiss current case and file petition against IGU. IGU a public employer.</p>
3.19 INTERESTED PARTY CONTRACTS		Coordinate with Tony & Brown
1. Loan Agreement, dated May 19, 2014, between Fairbanks Natural Gas, LLC, as Borrower, and the Alaska Industrial Development and Export Authority, as Lender. The Loan Agreement is expected to be amended in December 2017 to provide additional funds for the construction of an LNG storage facility in Fairbanks. The Loan Agreement is also expected to be amended in December 2017 to extend the maturity date on the line of credit.	Zane Wilson	Tony: Loan to be paid off at time of AIDEA/IGU closing.
2. Line of Credit Note, dated May 19, 2014, in the principal amount of \$15 million, made by Fairbanks Natural Gas, LLC payable to the Alaska Industrial Development and Export Authority or to order. The maturity date on the line of credit is expected to be extended in December 2017.	Zane Wilson	Tony: Loan to be paid off at time of AIDEA/IGU closing.
3. Commercial Security Agreement, dated May 19, 2014, between Fairbanks Natural Gas, LLC, as Borrower, and the Alaska Industrial Development and Export Authority, as Secured Party.	Zane Wilson	See discussion at 3.12#19 and 3.8(c)(4)

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
4. Deed of Trust, Security Agreement and Fixture Filing, dated May 19, 2014, made by Fairbanks Natural Gas, LLC, as Trustor, to First American Title Insurance Company, as Trustee, and for the benefit of the Alaska Industrial Development and Export Authority, as Beneficiary.	Zane Wilson	Tony: This 2014 deed of trust in favor of AIDEA to secure \$15M loan to FNG should be reconveyed/terminated as part of the AIDEA/IGU closing.
5. Assignment of Contracts, Agreements, Licenses and Permits, dated May 19, 2014, by Fairbanks Natural Gas, LLC, as Borrower, and the Alaska Industrial Development and Export Authority, as Lender.	Zane Wilson	Tony: This 2014 assignment in favor of AIDEA to secure \$15M loan to FNG should be reconveyed/terminated as part of the AIDEA/IGU closing.
6. Cost Reimbursement Agreement, dated October 18, 2017, between Fairbanks Natural Gas, LLC, Cassini LNG Storage, LLC, and the Alaska Industrial Development and Export Authority.	Zane Wilson	
3.21 (a) INSURANCE COVERAGES		
1. Workers Compensation and Employer Liability Insurance, policy number 17C WS 60050, through Alaska National Insurance Company. Per Supplement to Disclosure Schedule dated 5/2/18: The Workers Compensation and Employers Liability Insurance Policy with Alaska National Insurance Company has been renewed under policy number 18C WS 60050, with a policy period of March 1, 2018 to March 1, 2019.	Zane Wilson	Zane: a) Alaska National expires 3/1/2019 b) \$1,000,000.00 each accident c) Covers FNG, Arctic and Titan, not Cassini or Pentex. d) policy subject to year-end premium adjustments based on actual payroll.
2. Commercial General Liability Insurance, policy number 17C LS 60050, through Alaska National Insurance Company. Per Supplement to Disclosure Schedule dated 5/2/18: The Commercial General Liability Insurance Policy with Alaska National Insurance Company has been renewed under policy number 18C LS 60050, with a policy period of March 1, 2018 to March 1, 2019.	Zane Wilson	Zane: a) Alaska National, expires 3-1-19 b) Covers FNG, Arctic and Titan, not Cassini or Pentex c) \$1,000,000.00 each occurrence limit, \$2,000,000.00 aggregate limit d) excludes failure to supply gas unless failure results from sudden and accidental injury to property used to produce, process, or transmit same. e) policy subject to year end premium adjustment based on sales.
3. Liability Insurance, policy number 1000171074-09, through Liberty Mutual Insurance Company. Per Supplement to Disclosure Schedule dated 5/2/18: Property coverage insurance policy, insuring against physical loss or damage, with Liberty Surplus Insurance Corporation, policy number to be determined, with limits of \$15 million, and a policy period of March 1, 2018 to March 1, 2019.	Zane Wilson	Zane: a) Liberty Mutual b) Property loss insurance, business interruption, expires 3-1-19 c) FNG, Titan and Arctic named insureds.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
<p>4. Business Automotive Insurance, policy number, 17C AS 60050, through Alaska National Insurance Company.</p> <p>Per Supplement to Disclosure Schedule dated 5/2/18: The Business Automotive Insurance Policy with Alaska National Insurance Company has been renewed under policy number 18C AS 60050, with a policy period of March 1, 2018 to March 1, 2019.</p>	Zane Wilson	<p>Zane: a) Alaska National, expires 3-1-19</p> <p>b) FNG, Arctic and Titan named insureds</p> <p>c) \$1,000,000.00 BI limit.</p>
<p>5. Commercial Excess Liability, policy number NHA242019, through RSUI Indemnity Company.</p> <p>Per Supplement to Disclosure Schedule dated 5/2/18: The Commercial Excess Liability Policy with RSUI Indemnity Company has been renewed under policy number NHA244420, with a policy period of March 1, 2018 to March 1, 2019.</p>	Zane Wilson	<p>Zane: a) RSUI, expires 3-1-19</p> <p>b) \$10,000,000.00 limit</p> <p>c) FNG only insured</p> <p>d) excludes coverage for failure to supply gas.</p>
<p>6. Per Supplement to Disclosure Schedule dated 5/2/18: Fairbanks Natural Gas, LLC has obtained a Completed Value Builder's Risk Policy on the large LNG storage tank construction project now underway. The policy was issued by Liberty Surplus Insurance Corporation, under policy number 5LA7FBKCP001, with a policy period of February 12, 2018 to October 31, 2019.</p>	Zane Wilson	
<p>7. Per Supplement to Disclosure Schedule dated 5/2/18: ERISA Fidelity Bond, insuring Titan Alaska LNG 401(k) Savings and Retirement Plan, issued by Hartford Fire Insurance Company, with a bond period from March 1, 2016 until cancel, and limits of \$200,000.</p>	Zane Wilson	
<p>8. Per Supplement to Disclosure Schedule dated 5/2/18: Policy 52BDDBC4001, issued by The Hartford, insuring the Fairbanks Natural Gas 401(k) Savings and Retirement Plan, Pentex Alaska Natural Gas, LLC, and Fairbanks Natural Gas, LLC.</p>	Zane Wilson	
<p>The premiums owed for the insurance policies listed in items 1 and 2 above are based on estimates of payroll or sales for the policy period and are subject to year-end adjustments, either increasing or decreasing the premium owed for such policy period, based on the actual payroll or sales for such policy period.</p>		
<p>3.21(b) INSURANCE CLAIMS</p>		
<p>1. See attached insurance claim history.</p>		Zane: Clean unless noted otherwise.
<p>1.1. 2009-2017 LIU Loss Run Fairbanks.pdf</p>	Zane Wilson	
<p>1.2. AUTO LR 2015-2017.pdf</p>	Zane Wilson	
<p>1.3. GL LR 2015-2017.pdf</p>	Zane Wilson	Zane: 9/15 drill/flood with \$39,598.61 loss.
<p>1.4. LossRun-nha242019.pdf</p>	Zane Wilson	

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
1.5. WC LR 2015-2017.pdf	Zane Wilson	Zane: 3/16 to 3-17 -3 claims, \$260,820 in expenses incurred. 3-15 to 3/16-2 claims, \$14,548.69 in expenses incurred. Generally, slip and falls, lifting injuries.
2. A contractor's truck hauling LNG to FNG in a trailer owned by Titan was involved in a fatality accident on November 27, 2017 when the truck struck a person who was on the roadway. It is unknown at this time whether a claim may be made against Titan or FNG regarding this accident.	Zane Wilson	Zane: Reviewed police report of incident. Road blocked by 3 snow machines and stopped car owned by the deceased. Any liability to IGU unlikely (act by contractor and facts do not support liability) but possible. Rene: We have inquired about any notice to insurance carrier of possible claim. Rene: Britton 4/5/18 lt. advises that Broker Hale verbally discussed with carrier who advised not necessary to consider any contingent liability at this time.
3.22 ABSENCE OF CHANGES		
None	None	

NOTE TO REVIEWERS – PLEASE DOCUMENT REVISIONS AS SHOWN BELOW AND RETURN ANY UPDATES/EDITS TO TONY GUERRIERO (aguerriero@brenalow.com)

Revision Reference	Name	Date
IGU Due Dil Table 19Mar2018 chw.docx	Bruce Robson	3/29/2018
IGU Due Dil Table 30Mar2018 v1.doc	Brown Thornton	3/30/2018
IGU Due Dil Table 3-30-18doczdw.docx	Zane Wilson	3/30/2018
IGU Due Dil Table 3-30-18doczdw.docx	Rene Broker's 4-3-18 update to Zane's version above	4/03/2018
IGU Due Dil Table.2018-04-18.docx	Tony Guerriero	4/18/2018
IGU Due Dil Table.2018-04-18.docx	Bruce Robson	4/25/2018
GU Due Dil Table.2018-04-18-r1.docx	Bruce Robson	5/03/2018
IGU Due Dil Table.2018-04-18-r2.docx	Brown Thornton	5/04/2018
IGU Due Dil Table.ZANE-RENE 5.7.18 docx	Rene Broker & Zane Wilson	5/08/2018
IGU Due Dil Table.2018-05-08.docx	Tony Guerriero	5/08/2018
IGU Due Dil Table.2018-05-09.docx	Bruce Robson	5/09/2018
IGU Due Dil Table.2018-05-09.Highlighted.docx	Tony Guerriero	5/09/2018
IGU Due Dil Table.2018-05-09.Highlighted.docx	Bruce Robson	5/09/2018
IGU Due Dil Table.2018-05-09.Highlighted.docx	Rene Broker	5/09/2018
IGU Due Dil Table.2018-05-09.Highlighted.docx	Jomo Stewart	5/10/2018

Status Conditions Precedent

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
PURCHASE OF PENTEX / FINANCING TO IGU

CLOSING CHECKLIST

ABBREVIATIONS:

Alaska Industrial Development and Export Authority:	AIDEA
Attorney General's Office (Jerry Juday):	AG
Arctic Energy Transportation, LLC:	AET
Birch Horton Bittner & Cherot:	BHBC
Brena, Bell & Clarkson:	BBC
Cassini LNG Storage, LLC:	CLS
CSG, Inc. (Zane Wilson):	CSG
Department of Natural Resources:	DNR
Fairbanks Natural Gas, LLC:	FNG
Fairbanks North Star Borough:	FNSB
Interior Alaska Natural Gas Utility:	IGU
Pentex Alaska Natural Gas Company, LLC:	PENTEX
Polar LNG, LLC:	PL
Regulatory Commission of Alaska:	RCA
Titan Alaska LNG, LLC:	TAL

As of May 10, 2018

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
1. LLC Membership PSA	BHBC	IGU AIDEA	Y	N
2. Assignment of Membership Interests (Section 3.1)	BHBC	IGU AIDEA	Draft 3/21/17 Reviewed and approved for use by IGU GM 5/9/18	N
3. Organizational Documents (Section 3.2)				
Pentex	AIDEA	AIDEA		N
FNG	AIDEA	AIDEA		N
CLS	AIDEA	AIDEA		N
AET	AIDEA	AIDEA		N
PL	AIDEA	AIDEA		N
TAL	AIDEA	AIDEA		N
4. AIDEA Resolution Authorizing Transaction (Sections 3.3 and 8.2)	AIDEA	AIDEA		N

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
5. Disclosure Schedules; Approval of IGU of Supplements to Disclosure Schedules	AIDEA	AIDEA IGU	Part of Closing action per IGU Res 2017-02 Supp Disc 3.8(c) provided 3/6/18 Supp Disc 3.12/3.19 provided 3/13/18 Supp Disc 3.5/3.9/3.13(b)/3.16(b)/3.17(b)/3.21(a) provided 5/2/18	N
6. Evidence of Good Standing of IGU (Section 4.1)	IGU	IGU	IGU is a public corporation and a traditional certificate of good standing cannot be obtained.	N
7. IGU Resolution Authorizing Transaction (Section 4.2)	IGU-Rene	IGU	Drafted Draft to IGU Board 5/10/18	N
8. IGU Closing Approval (Conditions Satisfied/Waived)	IGU-Tony	IGU	NS Pad not to be satisfied. On list to consider for waiver	N

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
9. AIDEA Closing Approval (Conditions Satisfied/Waived)	AIDEA	AIDEA		N
10. RCA Approval of Transaction (Section 5.8)	BBC	BBC	Application Granted 4/30/18	N
11. Transfer of North Slope Pad ROW Lease and Consent of DNR (Sections 5.9 and 8.2)	AG	IGU AIDEA DNR	DNR voicing inability to grant assignment with attached sub-lease. Proposing to pursue alternative: rebid lease under applicable statute. AIDEA in lead in attempt to secure asset and maximize value of asset; committed to passing thru any accrued value to Project. List as CP to consider for waiver	Y
12. Assignment and Assumption of Material Sales Contract (Sections 5.9 and 8.2) or a substitute therefor	AG	IGU AIDEA DNR	Not Assignable to IGU on same terms; IGU to negotiate replacement	N
13. Certificate of AIDEA Executive Director Confirming Resolutions and Authority (Section 8.2)	AIDEA	AIDEA		N

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
14. Closing Certificate (Section 8.2)	AIDEA	AIDEA		N
15. Legal Opinion AIDEA Counsel (Section 8.2)	BHBC AG	BHBC AG		N
16. Certificate of IGU General Manager Confirming Resolutions and Authority (Section 8.3)	IGU-Tony	IGU	Draft 5/02/18 Approved for use 5/9/18	N
17. Closing Certificate (Section 8.3)	IGU-Tony	IGU	Draft 5/02/18 Approved for use 5/9/18	N
18. Legal Opinion of IGU Counsel (Section 8.3)	Zane-Rene CSG	Zane-Rene CSG		N
19. Financing Agreement	BHBC	IGU AIDEA	Y	N
20. Term Loan Note (Exhibit A)	BHBC	IGU		N
21. Closing Certificate of IGU (Section 7.3.1)	IGU-Tony	IGU		N
22. Closing Certificate of AIDEA (Section 7.3.2)				N
23. Legal Opinion of AIDEA Counsel (Section 7.4)	BHBC AG	BHBC AG		N
24. Legal Opinion of IGU Counsel	Zane-Rene CSG	Zane-Rene CSG		N
25. Closing Certificate of IGU	IGU	IGU	Duplicate?	N

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
26. Commercial Security Agreement (Section 10.1)	BHBC	IGU		N
27. UCC Financing Statements	BHBC	IGU FNG		Y
28. Amendment to Deed of Trust Delivered in Connection with IGU Existing Loan (Section 10.2)	BHBC	IGU		Y
29. Amendment to Deed of Trust Delivered in Connection with FNG Existing Loan (Section 10.2)	BHBC	FNG		Y
30. Security Assignment of LNG Storage Tax Credits (Form approved by State of Alaska) (Section 10.3)	BHBC	IGU FNG State		Y
31. Assignment of Permits, Licenses, and Contracts (Section 10.4)	BHBC	IGU Pentex FNG TAL AET CLS PL		Y
32. UCC Searches (Delaware/Alaska)	BHBC		2/14/18	N
33. Certificates of Good Standing (all acquired companies)	AIDEA			N

As of May 10, 2018

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
34. Title Reports (real property collateral)	AIDEA		Updated Commitment dated 2/5/18	N
35. Demand For Payoff showing amounts due as of Closing Date on each IGU & FNG loan to be paid off with loan proceeds, along with itemized statement showing each element of total amounts due	AIDEA	AIDEA		N
36. Calculation of Purchase Price as of the Closing Date	AIDEA	AIDEA		N
37.				
38.				
39.				
40.				
41.				
42.				

IEP Update



AIR QUALITY STAKEHOLDERS GROUP



Mission Statement and Responsibilities

MISSION STATEMENT

The Stakeholder Group's objective is to identify, evaluate and recommend community-based solutions to bring the area into compliance with federal air quality standards for fine particulates (PM_{2.5}).

RESPONSIBILITIES OF INDIVIDUAL STAKEHOLDERS

- Address the problem and consider possible solutions;
- Speak as one voice for the people or interest you represent;
- Communicate with those you represent between meetings – taking information to them, and bringing their concerns and information back to the Stakeholder Group;
- Consider the broad interests of all Fairbanks North Star Borough residents who may be affected by poor air quality and the range of possible solutions;
- Listen respectfully to all views; and
- Work to find compromises among the Stakeholders Group members.

DEVELOPING AN UNDERSTANDING OF THE ISSUE

This will require members to review and digest information about:

- The conditions producing elevated PM_{2.5} concentrations;
- The emission sources located within the community and their relative contributions;
- The contributions from precursor emissions to elevated concentrations; and
- The control measures available to reduce emissions and their collective impact on concentrations throughout the nonattainment area (i.e., not just at the monitors).

EVALUATION OF SOLUTIONS

The Stakeholder Group is encouraged to request information addressing these issues and to consider controls/solutions that have been identified in ADEC's Best Available Control Measure (BACM) analyses, along with controls/solutions that have not been

identified in the BACM analysis. The Stakeholder Group will be required to develop and adopt a set of ground rules to guide their discussion and decision-making process.

RECOMMENDATIONS

The findings of the Stakeholder Group will be in the form of recommendations to the FNSB Assembly and ADEC identifying the controls required to demonstrate continued progress toward attainment of the ambient PM_{2.5} standards. Control measures will be prioritized by overall support and effectiveness, i.e. the controls listed first would have the most support from the Stakeholder Group and show the highest relative contribution towards attainment of the ambient PM_{2.5} standards. The Stakeholder Group should operate with the goal of reaching consensus, meaning that all members could support or live with the Stakeholder Group recommendations.

Draft rules for consideration and adoption at the first meeting:

- Official consensus will be defined as the total number of individual voting stakeholders in attendance minus 1.
- In the event the Stakeholder Group cannot meet official consensus, a two thirds majority of stakeholders in attendance will be required and the dissenting opinion(s) will be noted and included as part of the Stakeholder Group's final recommendations.

COMMITMENTS

The Stakeholder Group is expected to initiate meetings the week of June 3, 2018. The meeting schedule will consist of five to six full meetings which will run from 8:00 am to 5:00 pm. Meeting dates are provided on the attached schedule. Working groups will be established at the first full meeting and will convene between the full meetings. Regular meetings of the Stakeholder Group will cease after the recommendations are made. Stakeholders will be required to have a proxy and between the two will be allowed up to one (1) excused absence from the full meetings, after which an alternate stakeholder will be identified. Teleconferencing and videoconferencing will be available to accommodate stakeholder's schedules.



AIR QUALITY STAKEHOLDERS GROUP



VOTING STAKEHOLDER SEATS

Group	Stakeholder Seat	Prospective Organization	# of Seats	Criteria
Community Member	Wood Heating Community		2	Reside in the Fairbanks or North Pole Air Quality Control Zone (AQ CZ). Rely on wood or pellet as a sole source of heat, use as primary heat source, or supplement on a regular basis. Previously demonstrated interest in the topic. Ability to represent the interests of the wood burning community.
	Electrostatic Precipitator (ESP)		1	Reside in the Fairbanks or North Pole AQ CZ. Possess working knowledge of ESPs in residential applications. Previously demonstrated interest in the topic. Ability to represent the interests of ESP installation and use on residential solid fuel burning appliances.
	Coal Heating Community		1	Reside in the Fairbanks or North Pole AQ CZ. Rely on coal as primary heat source. Previously demonstrated interest in the topic. Ability to represent the interests of coal heating in a residential or light industrial setting.
	Low-Income Representative		1	Represent low income households. Member of Fairbanks Housing Homeless Coalition. Ability to represent the interests of low income residents.
	Fairbanks Regional Rep.		1	Reside in the Fairbanks AQ CZ. Preference given to residents located in a hot spot within the Fairbanks AQ CZ, e.g. Dale Road or Hamilton Acres area. Previously demonstrated interest in the topic. Ability to represent the interests of effected residents in Fairbanks.
	North Pole Regional Rep.		1	Reside in the North Pole AQ CZ. Previously demonstrated interest in the topic. Ability to represent the interests of effected residents in North Pole.
	Senior Representative		1	A resident over the age of 65 within the Fairbanks or North Pole AQ CZ. Previously demonstrated interest in the topic. Ability to represent the interests of the senior community.
Refiner	Refinery	Andeavor	1	Employee or board of Andeavor. Authorized to represent interests of Andeavor.
	Refinery	Petro Star Inc.	1	Employee or board of Petro Star Inc. Authorized to represent interests of Petro Star Inc.
Military	Army	Fort Wainwright US Army Garrison	1	Representative of Ft. Wainwright. Authorized to represent the interests of Ft. Wainwright.
	Air Force	Eielson Air Force Base	1	Representative of Eielson Air Force Base. Authorized to represent interests of Eielson Air Force Base.
Point Source	Point Source	University of Alaska Fairbanks (UAF) Power Plant	1	Employee or board of UAF. Authorized to represent the interests of UAF Power Plant.
	Point Source	Golden Valley Electric Association (GVEA) Zehnder Facility	1	Employee or board of GVEA. Authorized to represent the interests of GVEA Zehnder.
	Point Source	GVEA North Pole Power Plant	1	Employee or board of GVEA. Authorized to represent the interests of GVEA North Pole.
	Point Source	Doyon Utilities	1	Employee or board of Doyon Utilities. Authorized to represent the interests of Doyon Utilities.
	Point Source	Aurora Energy, LLC.	1	Employee or board of Aurora Energy LLC. Authorized to represent the interests of Aurora Energy LLC.
Industry	Business Community	Greater Fairbanks Chamber of Commerce	1	Member of the Greater Fairbanks Chamber of Commerce. Authorized to represent the interests of the Greater Fairbanks Chamber of Commerce.
	Real Estate Community	Greater Fairbanks Board of Realtors	1	Member of the Greater Fairbanks Board of Realtors. Authorized to represent interests of the Greater Fairbanks Board of Realtors.
	Business Community	Downtown Association Fairbanks	1	Member of the Downtown Association Fairbanks. Authorized to represent the interests of Downtown Association Fairbanks.
	Business Community	Fairbanks Economic Development Corporation (FEDC)	1	Member of FEDC. Authorized to represent the interests of FEDC.
	Natural Gas Industry	Interior Gas Utility (IGU)	1	Employee or board of IGU. Authorized to represent the interests of IGU.

VOTING STAKEHOLDER SEATS

Group	Stakeholder Seat	Prospective Organization	# of Seats	Criteria
Industry Cont.	Tourism Industry	Explore Fairbanks	1	Employee or board of Explore Fairbanks. Authorized to represent the interests of Explore Fairbanks.
	Banking Community		1	Employee or board of banking industry. Ability to represent interest of banking industry.
	Wood Supplier		1	Employee or board of cordwood supply industry. Ability to represent interest of cordwood supply industry.
	Union	Central Labor Union	1	Member or representative of Central Labor Union. Authorized to represent the interest of the Central Labor Union.
	Retail Community		1	Employee or board of local retail company. Ability to represent the interests of retailers. Previously demonstrated interest in the topic.
Academia	Science		1	Documented professional experience in applied sciences relating to chemistry, atmospheric science, or related field. Previously demonstrated interest in the topic.
	Economist		1	Documented professional experience in economics. Previously demonstrated interest in the topic.
Transportation	Transportation	Fairbanks Metropolitan Area Transportation System (FMATS)	1	Employee or board of FMATS. Authorized to represent the interests of FMATS
NGO	Environmental	Citizens for Clean Air (CCA), Fairbanks	1	Member of CCA. Authorized to represent the interests of CCA.
	Environmental	Northern Alaska Environmental Center	1	Employee or board member of Northern Alaska Environmental Center. Authorized to represent the interests of the Northern Alaska Environmental Center.
	Health	American Lung Association (ALA), Fairbanks	1	Member of ALA Fairbanks. Authorized to represent the interests of ALA Fairbanks.

Total Voting Members

33

Non voting Members

Group	Stakeholder
Government	ADEC
	FNSB
	FNSB Assembly
	APCC
	EPA

Media

Media	Print
	Radio
	TV