



Interior Gas Utility

Board of Directors Work Session & Special Board Meeting

May 22, 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. Special Board Meeting

- Air Quality Stakeholder Group – Selection of IGU Representative

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III. New Business

- Resolution 2018-05: Extension of IGU Policies 5 & 6 to Pentex Alaska LLC
- Amendment of Pentex Agreements to Reflect IGU Ownership

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IV. Unfinished Business

- IEP Update
- PSA/FA Disclosure Schedule Due Diligence Review – Session 2
- PSA/FA Conditions Precedent Status Update
- Pentex Closing – Discussion of outstanding Director questions or concerns
- Review LNG Asset Due Diligence Report

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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 Final Review
 - PSA/FA Conditions Precedent – Approve as Satisfied or Waive
 - Board Information Memorandum 2018-04: Final Investment Decision on PSA/FA
 - Decision on Resolution 2018-04: Authorization for the General Manager to Execute Final Closing Documents relative to Pentex Purchase (PSA) and IEP Financing (FA)
 - Resolution 2018-05: Extension of IGU Policies 5 & 6 to Pentex
 - IEP Update
 - Other

VI. Director Comments

VII. Adjournment

Air Quality Stakeholder Group

Move that _____ be authorized to serve as the representative of IGU on the community Air Quality Stakeholder Group.



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

Extension of IGU Policies to Pentex



Introduced on: May 22, 2018

Approved on:

RESOLUTION # 2018-05

A RESOLUTION EXTENDING AND MAKING APPLICABLE TO PENTEX ALASKA LLC AND ITS SUBSIDIARIES, AND THEIR MANAGERS, EMPLOYEES AND AFFILIATES, THE IGU ETHICS & CONFLICTS OF INTEREST AND PROCUREMENT POLICIES

WHEREAS, April 4, 2017, the IGU Board of Directors approved IGU Policy 5 – Ethics & Conflicts of Interest establishing guidelines by which Interior Gas Utility (IGU) Directors, employees and affiliates conduct themselves in a manner which avoids conflicts of interest which may result in embarrassment, decreased productivity, monetary loss or inappropriate use of IGU’s name or property; and

WHEREAS, June 6, 2017, the IGU Board of Directors approved IGU Policy 6 – Procurement establishing the policy for conducting procurement of supplies, services, construction and professional services for IGU; and

WHEREAS, IGU is acquiring the sole membership interest of Pentex Alaska LLC. and, therefore, will be have ownership and oversight responsibilities relative to Pentex and its subsidiaries, and their managers, employees & affiliates.

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

1. IGU Policy 5 - Ethics & Conflicts of Interest and IGU Policy 6 - Procurement are hereby extended and made applicable to Pentex Alaska LLC and its subsidiaries, and their managers, employees & affiliates; and

2. The extension of IGU Policy 5 and IGU Policy 6 shall be effective immediately upon Closing on the Pentex Purchase and IEP Financing Agreements, and IGU’s acquisition of the sole membership interest of Pentex Alaska LLC.

Pamela Throop - Chair, IGU Board

Date

David Prusak- Secretary to the IGU Board of Directors

Date

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INTERIOR GAS UTILITY POLICY

Policy N0. 05

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Subject: Ethics and Conflicts of Interest

Effective Date: July 7, 2015

Revision Date: 4/4/2017

I. OBJECTIVE

To provide guidelines by which Interior Gas Utility (IGU) Directors, employees and affiliates conduct themselves in a manner which avoids conflicts of interest which may result in embarrassment, decreased productivity, monetary loss or inappropriate use of IGU's name or property.

II. POLICY

- A. Directors shall comply with the Board adopted *Code of Ethics for the IGU Board*.
- B. Employees shall not engage, either directly or indirectly, in partisan political activities as representatives of IGU.
- C. Employees may promote and support the enactment and enforcement of federal and state legislative, regulatory and administrative rules, laws and regulations which encourage the lowest cost service to customers consistent with sound management and wise use of resources.
- D. Employees shall not sell, distribute or provide gas, supplies or related services to other employees or the general public outside of their employment.
- E. An employee may have another job in addition to the job he or she holds with IGU as long as the "second" job does not create a conflict of interest in their IGU position, as determined by IGU. The employee must notify management or the General Manager, and obtain written approval for the "second" job prior to accepting the "second" job. A "second" job cannot interfere in any way with their employment with IGU. The "second" job shall not adversely affect the employee's performance, hours of work, ability to meet overtime requirements or the reputation of IGU.
- F. Any product, procedure, process, intellectual property or invention developed by an employee(s) on IGU's premises, during the employee's work time or using IGU owned equipment or materials shall be the sole and exclusive property of IGU.

- G. Employees shall not engage in any outside activity which creates, has the realistic potential of creating, or has the appearance of creating a conflict of interest with the employee's duties or which is contrary to the interests of IGU.
- H. No employee shall knowingly use IGU property, funds or position for personal gain.
- I. Confidential information obtained in the course of an employee's duties may not be used for financial gain to the employee or be, in any other way or for any other purpose, disclosed.
- J. Every Director, employee and close affiliate of IGU is expected to avoid situations which might realistically be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all of the circumstances and conditions that might be or have the potential of being a conflict of interest.

III. RESPONSIBILITY

- A. The General Manager shall be responsible for enforcing employee compliance with this policy.

INTERIOR GAS UTILITY POLICY

Policy NO. 06

Page 1 of 2

Subject: Procurement

Effective Date:

June 6, 2017

Revision Date:

I. OBJECTIVE

- A. To establish the policy for conducting procurement of supplies, services, construction and professional services for IGU.

II. POLICY

- A. IGU procurements will be conducted in accordance with the IGU Procurement Manual.

III. RESPONSIBILITIES

A. The Board shall:

- (1) Authorize the award of contracts that exceed the limits of the General Manager's delegation of authority prior to the General Manager executing the contract.
- (2) Receive and consider formal written appeals of protest decisions or appeals of contractor claim decisions of the General Manager when the General Manager is acting as the Procurement Officer.

B. The General Manager shall:

- (1) Develop and maintain the IGU Procurement Manual.
- (2) Annually conduct a comprehensive review of the Procurement Manual, review the Procurement Manual with the Board, present to the Board proposed changes to the Procurement Manual, and solicit Board input on the Procurement Manual and proposed changes.
- (3) Conduct IGU procurement in accordance with the IGU Procurement Manual.
- (4) Delegate, as necessary, procurement authority in writing to qualified employees or agents of IGU.
- (5) Maintain procurement records.

- (6) Ensure contractors perform in accordance with the terms and conditions of their contract with IGU.

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. 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.
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.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
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.
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: <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. 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. Jomo: Per Britton, a response has been produced and will be transmitted to PHMSA the week of May 21.</p>
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DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
		See same discussion in Section 3.16(b), Environmental Liabilities, Section B, Certain Matters, Item 8. 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.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
3.16(b) ENVIRONMENTAL LIABILITIES		
A. ENVIRONMENTAL REPORTS PROVIDED:	David Prusak	
<i>Titan Alaska LNG, LLC Real Property:</i>		
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.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
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.
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	Reference Item #3 above: 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: <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 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.
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.
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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="1346 597 1898 699"> <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		
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. Per Supplement to Disclosure Schedule dated 5/2/18: With respect to the administrative appeal to the Alaska Superior Court in case number 3AN-17-08359CI, 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.	Zane Wilson	Jomo Stewart to assist in review. 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.
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
4. Business Automotive Insurance, policy number, 17C AS 60050, through Alaska National Insurance Company. 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.	Zane Wilson	Zane: a) Alaska National, expires 3-1-19 b) FNG, Arctic and Titan named insureds c) \$1,000,000.00 BI limit.
5. Commercial Excess Liability, policy number NHA242019, through RSUI Indemnity Company. 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.	Zane Wilson	Zane: a) RSUI, expires 3-1-19 b) \$10,000,000.00 limit c) FNG only insured d) excludes coverage for failure to supply gas. e) David Hale (insurance agent) recommends IGU increase limit to \$25,000,000.00.
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.	Zane Wilson	Zane: a) \$45,000,000.00 in physical loss or damage to insured property coverage for FNG, with lower sublimits depending on the nature of the loss. b) No coverage for delayed start up.
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.	Zane Wilson	Zane: Disclosure accurately sets forth this information.
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.	Zane Wilson	Zane: Disclosure accurately sets forth this information.
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.		
3.21(b) INSURANCE CLAIMS		
1. See attached insurance claim history.		Zane: Clean unless noted otherwise.
1.1. 2009-2017 LIU Loss Run Fairbanks.pdf	Zane Wilson	
1.2. AUTO LR 2015-2017.pdf	Zane Wilson	
1.3. GL LR 2015-2017.pdf	Zane Wilson	Zane: 9/15 drill/flood with \$39,598.61 loss.

DISCLOSURE SCHEDULE / ITEM	LEAD REVIEWER / DATE	COMMENTS / EXCEPTIONS
1.4. LossRun-nha242019.pdf	Zane Wilson	
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.2018-05-10.Highlighted.docx	Jomo Stewart	5/10/2018
IGU Due Dil Table.2018-05-16.Highlighted.docx	Zane Wilson	5/16/2018

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 17, 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 Dated 12/13/17	N
2. Assignment of Membership Interests (Section 3.1)	BHBC	IGU AIDEA	Draft 3/21/17 Reviewed and approved for use by IGU 5/9/18 Final For Execution with corrected dates of 5/17/18	N
3. Organizational Documents (Section 3.2)				
Pentex	AIDEA	AIDEA	DE Cert 5/16/18	N
FNG	AIDEA	AIDEA	AK Cert 5/16/18	N
CLS	AIDEA	AIDEA	DE Cert 5/16/18 AK Cert 5/16/18	N
AET	AIDEA	AIDEA	DE Cert 5/16/18 AK Cert 5/16/18	N
PL	AIDEA	AIDEA	DE Cert 5/16/18 AK Cert 5/16/18	N
TAL	AIDEA	AIDEA	DE Cert 5/16/18 AK Cert 5/16/18	N
4. AIDEA Resolution Authorizing Transaction (Sections 3.3 and 8.2)	AIDEA	AIDEA	Resolution G17-16A, adopted December 7, 2017	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	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	No longer required as IGU is a public corporation and there is no traditional Cert of Good Standing; will rely on IGU attorney's opinion letter	N
7. IGU Resolution Authorizing Transaction (Section 4.2)	CSG	IGU	First Reading 5/15/18 Revised draft completed	N
8. IGU Closing Approval (Conditions Satisfied/Waived)	BBC	IGU	In process	N
9. AIDEA Closing Approval (Conditions Satisfied/Waived)	BHBC	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	Assignment is not possible under current ROW Lease; condition precedent must be waived; parties negotiating acceptable post-closing undertaking	---

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
12. Assignment and Assumption of Material Sales Contract (Sections 5.9 and 8.2) or a substitute therefor	AG	IGU AIDEA DNR	Contract cannot be assigned or assumed; parties negotiating acceptable post-closing undertaking	---
13. Certificate of AIDEA Executive Director Confirming Resolutions and Authority (Section 8.2)	AIDEA	AIDEA	Final 5/17/18 provided to IGU	N
14. Closing Certificate (Section 8.2)	AIDEA	AIDEA	Final 5/17/18 provided to IGU	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	IGU	Draft 5/2/18 Approved for use 5/9/18	N
17. Closing Certificate (Section 8.3)	IGU	IGU	Draft 5/2/18 Approved for use 5/9/18	N
18. Legal Opinion of IGU Counsel (Section 8.3)	BBC CSG	BBC CSG	Draft 5/2/18 Approved 5/17/18	N
19. Financing Agreement	BHBC	IGU AIDEA	Y Dated 12/13/17	N
20. Term Loan Note (Exhibit A)	BHBC	IGU	Draft 5/17/18	N
21. Closing Certificate of IGU (Section 7.3.1)	IGU	IGU		N

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/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	CSG	CSG	Draft complete and under review	N
25. Closing Certificate of IGU	IGU	IGU		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

As of May 17, 2018

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
32. UCC Searches (Delaware/Alaska)	BHBC		2/14/18	N
33. Certificates of Good Standing (all acquired companies)	AIDEA		5/16/18	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 and 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. Conditions contained in Final Transition Plan	IGU		NOT Necessary for in advance of Closing	N
Operating Agreement	IGU		In Process	N
Britton Employment Agreement	IGU		In Process	N

As of May 17, 2018

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
Stewart Employment Agreement	IGU			N
Policy Recommendations	IGU		Adoption of Policy Nos. 06 and 07 as policy of Pentex; effective as of Closing - Resolution 2018-05 in Packet	N
Financial System	IGU		Pending	N
Roll Out Plan to Existing Pentex Employees	IGU		Plan outline drafted (IGU/Stantec). Sent to Britton 5/17/18	N
Legal Services for Pentex	IGU CSG		Under discussion - In process	N
Update Insurance Coverage	IGU		Discussion w/Hale and Pentex 5/16/18. Plan for combined utility coverage in place	N
Hire PT Executive Administrative Assistant	IGU		Pending	N

As of May 17, 2018

DOCUMENT OR TASK	RESPONSIBLE PARTY	SIGNED OR PROVIDED BY	STATUS? COMPLETED?	TO BE RECORDED (Y/N)
Billing Format/FNG Name Change	IGU		Execution of name change to be approved and directed by the IGU Board prior to Closing	N