

SECOND AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This Second Amendment to Amended and Restated Loan Agreement (the "Amendment") is made effective as of the 13th day of December, 2017, by and between the **ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY** (the "Authority") and the **INTERIOR ALASKA NATURAL GAS UTILITY, which is also known as the INTERIOR GAS UTILITY** (the "Borrower").

The parties recite that:

A. On April 2, 2015, the Authority and the Borrower entered into an Amended and Restated Loan Agreement (the "Loan Agreement") and Related Documents, which provided for a Loan from the Authority to the Borrower.

B. Effective as of October 6, 2017, the Authority and the Borrower amended the Loan Agreement regarding the Scope of Work.

C. The Authority and the Borrower desire to further modify the Loan Agreement with respect to the Scope of Work for which loan proceeds may be advanced and expended and to extend the Line Time Period.

NOW, THEREFORE, in consideration of the promises and mutual covenants of the parties, the parties agree as follows:

1. **Capitalized Terms.** Any capitalized term used in this Amendment that is not defined in this Amendment shall have the same meaning as given it in the Loan Agreement.

2. **Extension of Maturity.** Simultaneously with this Amendment, the Authority and the Borrower have entered into an LLC Membership Purchase and Sale Agreement and a Financing Agreement (collectively, the "Agreements"), each with an Effective Date of December 13, 2017. The closing of the Agreements is to take place within thirty (30) days after all conditions precedent set forth in the Agreements have been satisfied or waived and in no event after May 31, 2018. As a result of the expected closing of the Agreements, the following amendments are made to the Loan Agreement and Related Documents:

2.1 The defined term "Event of Default" shall be deleted and replaced with the following definition:

"Event of Default" means those events as described in Section 8.1 of this Agreement. The following events shall not be considered an Event of Default under this Agreement: (i) if by no later than May 31, 2018, a liquefied natural gas supply in sufficient

quantities and on conditions acceptable to Borrower for its business is not available to Borrower; or, (ii) if Borrower, pursuant to Section 4.1, elects not to execute the Term Note.

2.2 The Line Time Period as defined in the Loan Agreement is extended to May 31, 2018, or the date upon which the Agreements are terminated or cancelled for failure to close, whichever first occurs.

2.3 The Maturity Date referenced in Section 3.1.1 and as defined in the Line of Credit Note is extended to May 31, 2018, or the date upon which the Agreements are terminated or cancelled for failure to close, whichever first occurs.

2.4 The date for conversion to a Term Note as provided in Section 4.2 of the Loan Agreement is extended to June 1, 2018, or the date upon which the Agreements are terminated or cancelled for failure to close, whichever first occurs. To comply with this date change, Section 4.2 is further modified to change all referenced dates to dates which are advanced by the same period as the extension of the Maturity Date.

2.5 In the event that the Borrower does not convert the Line of Credit Note to a Term Note, the ninety (90) days period for transfer and assignment of the Project under Section 4.1 shall commence on the end of the Line Time Period as extended by this Amendment.

3. **Amendment to Exhibit B.** The first page of Exhibit B to the Loan Agreement, entitled "Scope of Work," is hereby amended to add a new sentence which provides as follows:

The Scope of Work shall also include Borrower's expenses, up to a maximum amount of Three Hundred Fifty Thousand Dollars (\$350,000), incurred in connection with performing due diligence to investigate or evaluate Borrower's acquisition of Pentex Alaska Natural Gas Company, LLC, and the financing of that acquisition as described in the Agreements.

4. **Borrower's Representations and Warranties.** Borrower re-affirms, as of the effective date of this Amendment, all of the representations and warranties made to the Authority in Section 2 of the Loan Agreement.

5. **No Knowledge of Default.** Consistent with Section 8.2.1 of the Loan Agreement, Borrower confirms that, as of the effective date of this Amendment, Borrower has no knowledge of any Event of Default under the Loan Agreement, or any event which with notice or lapse of time or both would become an Event of Default.

6. **No Other Changes.** Except as modified by this Amendment, all other terms and provisions of the Loan Agreement and the Related Documents remain unchanged, are hereby ratified and confirmed, and remain in full force and effect.

7. **Counterparts.** This Amendment may be signed in counterparts all of which when taken together shall constitute one and the same document. Signature pages for this Amendment may be delivered and exchanged by electronic means, which shall be effective for purposes of binding the parties to this Amendment.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to Loan Agreement to be executed by their duly authorized representatives as of the effective date stated above.

AUTHORITY:

**THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY**, a public
corporation of the State of Alaska

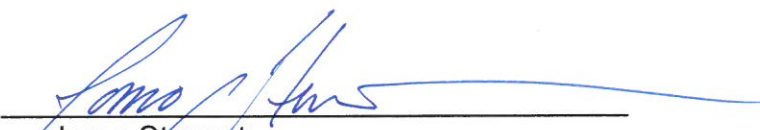
December 13, 2017

By: 
John Springsteen
Its: Executive Director

BORROWER:

**THE INTERIOR ALASKA NATURAL GAS
UTILITY d/b/a INTERIOR GAS UTILITY**, a
public corporation and an instrumentality of the
Fairbanks North Star Borough

December 13, 2017

By: 
Jomo Stewart
Its: General Manager