



**Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES**

Monday, June 19, 2017

Anchorage, Fairbanks, and Juneau, Alaska

1. CALL TO ORDER

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on June 19, 2017, at 10:00 a.m. A quorum was established.

2. ROLL CALL: BOARD MEMBERS

Members present: Chair Dana Pruhs (Public Member); Elaine Brown (Public Member); and Dan Kennedy (Public Member).

Members present via teleconference: Vice-Chair Russell Dick (Public Member); Jerry Burnett (Deputy Commissioner, Department of Revenue [DOR]); and Gary Wilken (Public Member).

3. ROLL CALL: STAFF, PUBLIC

AIDEA Staff present: John Springsteen (CEO/Executive Director); Brenda Applegate (Chief Financial Officer); Mark Davis (Chief Infrastructure Development Officer); Jim Hemsath (Project Development & Asset Management Director); Karsten Rodvik (External Affairs Officer); Linda Senn (Human Resources Manager); Sherrie Siverson (Executive Assistant); and Krin Kempainen (Admin Assistant).

Public present: Mark Gardiner (PFM Group Consulting); and Jerry Juday (Department of Law).

4. PUBLIC COMMENTS

There were no public comments.

5. NEW BUSINESS

5A. Executive Session – Mustang Operations Center (MOC1)

MOTION: Mr. Kennedy moved to go into Executive Session to discuss confidential and financial information related to the Mustang Operations Center (MOC1). Motion seconded by Mr. Wilken.

Members joined the meeting during Executive Session: Fred Parady (Deputy Commissioner, Department of Commerce, Community, and Economic Development [DCCED])

The Board entered Executive session at 10:03 a.m. Participants included board members Dana Pruhs, Russell Dick (via teleconference), Elaine Brown, Jerry Burnett (via teleconference), Dan Kennedy, Fred Parady (via teleconference), and Gary Wilken (via teleconference). AIDEA staff and guests invited to join the session: John Springsteen, Brenda Applegate, Mark Davis, and guests, Mark Gardiner, and Jerry Juday.

The Board reconvened its regular meeting at 12:02 p.m. Chair Pruhs stated no formal action was taken on the matters discussed in executive session.

Mr. Springsteen proposed a new resolution, Resolution No. G17-06, relating to the Mustang Development Project and Mustang Road LLC. Mr. Springsteen read the draft resolution into the record.

Resolution No. G17-06, Resolution of the Alaska Industrial Development and Export Authority
Relating to the Mustang Development Project and Mustang Road LLC

WHEREAS, the Board of the Alaska Industrial Development and Export Authority (the "Authority") previously approved participating in the Mustang Oil Field development with Brooks Range Petroleum Corporation ("BRPC") through two development finance projects under AS 44.88.172, with one project being the construction of the Mustang road and pad and the other project being the development of an oil processing facility;

WHEREAS, the Authority's participation in the Mustang road and pad is through partial ownership of Mustang Road LLC, an Alaska limited liability company, with the owners of BRPC being the other owners of the limited liability company;

WHEREAS, the Authority has the opportunity to acquire all of the membership interests in Mustang Road LLC and doing so will give the Authority control over the Mustang road and pad, which can serve as critical infrastructure for the State of Alaska;

WHEREAS, having the Authority acquire 100% of Mustang Road LLC will improve the economics of the Mustang projects and may free up capital that can be deployed in the overall development of the Mustang Oil Field; and

WHEREAS, the Staff of the Authority and its financial advisor, PFM Group Consulting LLC, have recommended that the Authority acquire 100% of the membership interests in Mustang Road LLC.

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

Section 1. The Authority is authorized to acquire 100% of the membership interests in Mustang Road LLC, and the Authority is authorized to accept the selling members' interests in Mustang Road LLC in satisfaction of the selling members' obligations to pay the Authority for its investment in the limited liability company.

Section 2. The Executive Director is authorized to apply to the State of Alaska Department of Natural Resources, and to take all actions necessary, including soliciting advice from the local governments affected by the project, for Mustang Road LLC, under the Authority's 100% ownership, to gain, have and maintain control over the Mustang road and pad.

Section 3. The Executive Director is authorized to sign all contracts and other documents, and to take all other actions, necessary or expedient in fulfilling the purposes of this Resolution.

Dated at Anchorage, Alaska, this 19th day of June 2017.

MOTION: Mr. Wilken moved to approve Resolution No. G17-06, Relating to the Mustang Development Project and Mustang Road LLC. Motion seconded by Deputy Commissioner Parady.

Deputy Commissioner Parady stated he feels this Resolution is the best action AIDEA can take at this point in time. He wants everyone to note that given the complexity and fluidity of this situation a further session may be required ahead of the regularly scheduled June 29, 2017, meeting. He encouraged the Chair to take that into consideration. Assuming the issues being worked on continue to gestate in the interim. Deputy Commissioner Parady looks forward to further steps to be mapped out by the team.

Mr. Wilken asked for the section relating to consulting the North Slope Borough be re-read. Chair Pruhs read section 2. of the resolution. Mr. Wilken thanked Chair Pruhs.

The motion was approved with members Pruhs, Dick, Brown, Burnett, Kennedy, Parady, and Wilken voting yea.

6. DIRECTOR COMMENTS

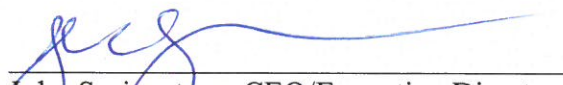
Mr. Springsteen said the next regularly scheduled board meeting is Thursday, June 29, 2017.

7. BOARD COMMENTS

Mr. Pruhs said he would like to thank Mr. Springsteen, Mr. Gardiner, Mr. Davis, and Mr. Juday who have worked on this, we appreciate all the hard work. Obviously, there are some deliverables before now and the June 29, 2017 board meeting. As things go, we look forward to what will happen next. We may or may not need to meet before the meeting and if we do, it may be as informal as a work session.

8. ADJOURNMENT

There being no further business of the Board, the meeting adjourned at 12:09 p.m.



John Springsteen, CEO/Executive Director
Secretary-Treasurer