



December 22, 2014

Chris Brown
Vice President, Alaska Regional Manager
MWH Americas, Inc.
1835 Bragaw St # 350
Anchorage, AK 99508

Dear Chris:

I am responding to the e-mail that you sent to AIDEA Board Chair Dana Pruhs on December 15, 2014 about a possible extension of the December 30, 2014 deadline established in the Concession Agreement for the satisfaction of the conditions precedent to financial closing. The idea of an extension was also mentioned at the AIDEA Board meeting of December 16.

At this point, AIDEA has no desire to deviate from the existing provisions of the Concession Agreement. As a result, AIDEA encourages Northern Lights Energy LLC (NLE) and MWH to complete all the efforts necessary to fulfill the conditions precedent so that financial closing can be achieved by the existing December 30, 2014 deadline.

If the conditions precedent to financial closing can't be satisfied by the December 30, 2014 deadline, then AIDEA will be evaluating how best to proceed, which, among other options, could include the Board considering a one-time extension of the Concession Agreement from the current deadline of December 30, 2014 to March 30, 2015, premised upon the modification of certain terms and conditions.

These would include:

- (1) Effective as of December 31, 2014, the Concession Agreement is modified and amended to make the concession granted to NLE non-exclusive.
- (2) Effective as of December 31, 2014, the Concession Agreement is modified and amended so that NLE's contractor must provide its final price proposal by no later than January 31, 2015, with AIDEA's satisfaction with the contractor's final price proposal being made a condition precedent to financial closing.
- (3) Effective as of December 31, 2014, the Concession Agreement is modified and amended so that the TSAs with the three Fairbanks utilities must be completed by no later than February 28, 2015, with AIDEA's satisfaction with the prices and other terms contained in the TSAs being made a condition precedent to financial closing.

- (4) Effective as of December 31, 2014, the Concession Agreement is modified and amended so that AIDEA's satisfaction with the Base Case Financial Model is a condition precedent to financial closing. Section 2.7 of the Concession Agreement on Financial Model Disputes would not apply prior to the Closing Date.
- (5) Effective as of December 31, 2014, MWH and NLE would agree that neither of them has any basis for asserting any claim or action against the State of Alaska, or AIDEA, or their respective agents or contractors, relating to the Concession Agreement or its extension under the conditions outlined in this letter.
- (6) Neither MWH nor NLE shall be entitled to recover from AIDEA for any portion of the costs either incurs after December 30, 2014 except for as provided under section 2.17 of the Concession Agreement in working to fulfill the conditions precedent to financial closing set out in the Concession Agreement.
- (7) Effective as of December 31, 2014, section 2.4(e) of the Concession Agreement shall no longer apply.
- (8) The Concession Agreement will be revised and modified by mutual consent consistent with the intent of any extension, with all conforming changes required to properly implement the changes described above.

If these terms and conditions are of interest to MWH and NLE, please so advise so that AIDEA may proceed if the December 30, 2014 deadline is not met.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ted Leonard', with a large, stylized loop at the end.

Ted Leonard
Executive Director