

**BYLAWS
OF THE
ALASKA ENERGY AUTHORITY**

ARTICLE I - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be "Alaska Energy Authority."

Section 2. Seal. The seal of the Authority shall be circular in form and mounted upon a metal disc suitable for impressing the same upon paper. About the upper periphery of the seal shall be the name of the Authority, in the center of the seal shall be an outline of the State of Alaska, on the lower periphery shall be the words (date formed) and immediately above the date shall be the words "corporate seal."

Section 3. Offices of the Authority. The principal office of the Authority shall be located in the Municipality of Anchorage, Alaska. The Authority may have such other offices as the Board may designate or as the business of the Authority may require from time to time.

Section 4. Fiscal Year. The fiscal year of the Authority shall be the same as the fiscal year of the State of Alaska.

ARTICLE II - BOARD OF DIRECTORS AND OFFICERS

Section 1. Board Members. Repealed 8/12/93 Resolution 1993-06. The members of the board of directors of the Alaska Industrial Development and Export Authority (AIDEA) recognize the provisions of Chapter 18, SLA 1993 establishing them as members of the board of directors of the Alaska Energy Authority (AEA) and accept office as the board of directors of AEA. The chair and vice chair of AIDEA shall serve as chair and vice chair of the board of directors of AEA.

Section 2. Oath and Disclosure. Each director before entering upon his/her duties shall take and subscribe to an oath to perform the duties of his/her office faithfully, impartially and justly to the best of his/her ability. A record of the oath shall be filed in the Office of the Governor. Each director is required to file a disclosure statement with the Alaska Public Offices Commission.

Section 3. Chair. The Chair of the Board shall preside at all meetings of the Board. Except as otherwise authorized by resolution of the Board, the Chair and the Executive Director shall submit such recommendations and information to the Board as they may consider proper concerning the business, affairs, and policies of the Authority.

Section 4. Vice Chair. The Vice Chair of the Board shall perform the duties of the Chair in the absence or incapacity of the Chair.

Section 5. Executive Director-Secretary-Treasurer. (a) The Board shall appoint an Executive Director. The Executive Director shall be the Secretary-Treasurer of the Authority. The Executive Director shall, subject to review by the members of the Authority, in general supervise and control the business and affairs of the Authority, and shall perform all duties

incident of the office of Executive Director and such other duties as the members of the Authority may prescribe from time to time.

(b) As Secretary, the Executive Director shall:

1. Keep the records of the Authority;
2. Keep a record of the proceedings of the Board in a journal of proceedings to be kept for such purposes;
3. Act as Secretary of the meetings of the Board and record all votes;
4. Provide that all meetings of the Board are electronically recorded;
5. Provide for the standardization of all applications, forms, books and records of the Authority;
6. Keep in safe custody the seal of the Authority and shall have power to affix the seal to all contracts and instruments authorized to be executed by the Authority; and
7. Perform all other duties incident to his or her office.

(c) As Treasurer, the Executive Director is authorized to:

1. Have the care and custody of all funds of the Authority;
2. Deposit Authority funds in such banks as he or she may select;
3. Invest corporate funds as directed by statute;
4. Disburse monies for all Authority expenses and obligations; and
5. Have annual audits made of the books of account of the Authority.

(d) As Treasurer, the Executive Director is directed to:

1. Keep regular books of accounts of all financial transactions of the Authority, recording receipts and expenditures.
2. Render such reports and accounting as required by the Board.

(e) The Board, by a majority vote at a regularly called or specially called Board meeting, may by resolution assign to some other person or persons all or part of the above enumerated duties of the Executive Director and Secretary-Treasurer of the Board, or authorize the Executive Director to delegate all or part of the above enumerated duties to some other person or persons, and may give said person or persons, an appropriate title including that of Deputy Director, Assistant Secretary, or Assistant Secretary-Treasurer.

Section 6. Contracts. Repealed 2/8/01 Resolution 2001-02.

Section 7. Loans. Repealed 2/8/01 Resolution 2001-02.

Section 8. Checks. Repealed 2/8/01 Resolution 2001-02.

Section 9. Deposits. Repealed 2/8/01 Resolution 2001-02.

Section 10. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Board or the By-Laws or policies and procedures of the Authority.

Section 11. Election or Appointment. Repealed 8/12/93 Resolution 1993-06.

Section 12. Vacancies. When the office of the Secretary-Treasurer of the Board and Executive Director of the Authority becomes vacant the Board shall appoint a successor as provided in Section 5 of this Article.

Section 13. Additional Personnel. Repealed 2/8/01 Resolution 2001-02.

Section 14. Selection of Management Personnel. Repealed 8/12/93 Resolution 1993-06.

Section 15. Conflicts of Interest. If any board member, employee, consultant, advisor, counselor other agent of the Authority or the Alaska Industrial Development and Export Authority shall be a party to a lease or contract under consideration by the Authority, or shall have a direct ownership or equity or debt interest or other financial interest in a firm, partnership, corporation or association which is a proposed party to a lease or contract under consideration by the Authority, he or she shall so state in writing to the Authority at the time of initial consideration of the proposed lease or contract and shall thereafter take no part in the Authority's consideration of the lease or contract.

Section 16. Legal Indemnification.

(a) This section applies to all officers, directors, and employees with respect to claims arising out of acts or events occurring during and in the course of employment or service with the Authority.

(b) If the Executive Director, with the advice of the Attorney General, determines that an employee did not engage in conduct beyond the scope of the employee's authority or in conduct which constituted willful misconduct or gross negligence in the performance of the employee's duties, the Authority shall provide for the legal defense of the employee in any civil legal action brought against the employee as a result of the performance of the employee's duties. Any determination with respect to the conduct of the Executive Director or a board member shall be made by the board of Directors.

(c) An employee must request the legal defense services available under this section in writing within five (5) working days of service on the employee of a summons and complaint. The date of the request shall be the date of postmark if mailed or the date of delivery if conveyed by some other means. The request must be made to the Executive Director or, in the event the Executive Director or a board member requests such services, to the Board of Directors. Failure to submit a written request within the required five working days relieves the Authority of any obligation under this section.

(d) The Authority shall have the right to select the attorney who represents an employee.

(e) Attorneys provided by the Authority will only undertake to defend an employee and will not assert any counterclaims or cross claims on the employee's behalf without the prior written approval of the Authority.

(f) Except as otherwise provided herein, the Authority will pay any judgment rendered against an employee if it has provided legal services to the employee pursuant to this section.

(g) If a court of competent jurisdiction determines that the employee acted beyond the scope of the employee's authority or with willful misconduct or gross negligence, then the Authority shall have no liability to indemnify the employee for any judgment entered against the employee. In such case, any judgment entered against the employee will be borne by the employee.

(h) An employee shall not be indemnified for any judgment or award of punitive damages.

(i) If a court judgment is entered in an employee's favor and the losing plaintiff appeals, the Authority shall continue to defend throughout the appeal process. If a judgment is entered against the employee in the trial court and the Authority is obligated to indemnify against such judgment under this section, the Authority may determine whether an appeal on behalf of the employee is in its best interest. If such a determination is made, the Authority will continue to provide representation for the employee throughout the appeal. If the Authority determines that an appeal would not be in its best interest, the Authority will have no obligation to provide representation for the employee on appeal.

ARTICLE III - BOARD MEETINGS

Section 1. Annual Board Meeting. Repealed 2/28/95 Resolution 1995-01.

Section 2. Regular Board Meetings. The Board shall hold regular meetings at such times and places as may be established by resolution of the Board, but in the absence of such designation then at a place and on a date as fixed by the Chair. The members of the Board shall have at least five days prior notice of regular meetings; designation of date, time, and place of meeting at the previous regular meeting constitutes sufficient notice to members of the Board. If the members not present have signed a Waiver of Notice and Consent, then any and all business may be transacted even though notice of the meeting is not provided to Board members.

Section 3. Special Board Meetings. Special meetings may be called upon request of the Chair or upon the request of any two members of the Board for the purpose of transacting any business designated in the call. The call for a special meeting may be wired, faxed or mailed to the business or home address of the members of the Board at least 48 hours prior to the date of such special meeting. Reasonable notice shall be provided to the public for any special meeting. At such special meeting no business shall be considered other than as designated in the call, but if the members not present have signed a Waiver of Notice and Consent to Meeting, a quorum otherwise being present, any and all business may be transacted at such special meeting.

Section 4. Public Notice of Meetings. Not less than five days before each meeting, the Authority will give public notice of the time, place, and subject of the meeting.

Section 5. Board Information. For each Board of Directors' meeting, the Executive Director and staff shall prepare a packet of information including an agenda, action items, informational items, resolutions, and other information pertinent to the meeting.

Section 6. Executive Sessions. Executive sessions may be held in accordance with the procedures and with respect to the expected subjects as set forth in, and in accordance with, AS 44 62.310.

Section 7. Quorum. The powers of the authority are vested in the Directors, and three Directors of the Authority constitute a quorum. Action may be taken and motions and resolutions adopted by the Authority at any meeting by the affirmative vote of at least three Directors. A vacancy in the Directorship of the Authority does not impair the right of a quorum to exercise all the powers and perform all the duties of the Authority.

Section 8. Order of Business. Repealed 2/8/01 Resolution 2001-02.

Section 9. Voting. Each member of the Board shall have the right to cast one vote on any question voted upon during any meeting. Only those members present, or those persons duly appointed to attend in their absence, may vote.

The voting on all questions coming before the Board shall be by roll call, and the "yeas" and "nays" shall be entered upon the minutes of such meeting providing any dissenting votes are cast. Otherwise resolutions may be shown as unanimous.

ARTICLE IV – RECORDS

Section 1. Custody. The books and records of the Authority, including all applications for financing and all contracts with third parties, including consultants, financial advisors and bond counsel, shall be maintained in the offices of the Authority.

Section 2. Public Inspection. All books and records of the Authority, unless privileged, are available for public inspection during regular office hours at the offices of the Authority. The Authority will provide copies of books and records on request, but may charge a reasonable fee for this service which fee may include the cost of employee time and overhead. Books and records need not be reproduced in the exact form or medium in which they are stored, however, any alteration in the form or medium shall not change the substantive content of the information contained in the books or records.

ARTICLE V- AMENDMENTS

Section 1. Amendments to By-Laws. The By-Laws of the Authority shall be amended only with the approval of at least three of the members of the Board at a regular or special Board meeting, but no such amendment shall be adopted at a special Board meeting unless all Board members are present or have been given at least 48 hours written or wired notice thereof, as required by Article III, and a copy of the amendment(s) has been previously given to all of the members of the Board of the Authority.

AMENDMENTS

1. Alaska Power Authority By-Laws, original 1978.
2. Resolution 1981-6 of the Alaska Power Authority Board of Directors.
3. Resolution 1993-06 of the Alaska Energy Authority.
4. Resolution 1995-01 of the Alaska Energy Authority.
5. Resolution 2001-02 of the Alaska Energy Authority.
6. Resolution 2008-02 of the Alaska Energy Authority.