



Record in the Kotzebue Recording District

**RIGHT-OF-WAY EASEMENT FOR SHUNGNAK TO KOBUK
ELECTRICAL TRANSMISSION LINE**

KNOW ALL MEN BY THESE PRESENTS that NANA REGIONAL CORPORATION, INC., an Alaska corporation with its address being P.O. Box 49 Kotzebue, AK 99752 (hereinafter “Grantor”) for valuable consideration does hereby grant unto the ALASKA ENERGY AUTHORITY, a public corporation of the State of Alaska, with its address being 813 West Northern Lights Blvd. Anchorage, AK 99503 (hereinafter “Grantee”), and to its successors and assigns, a right-of-way easement upon the Grantor’s surface estate and portions of the subsurface estate only to the extent necessary for installation of electrical transmission and/or distribution , situated in the Kotzebue Recording District, Second Judicial District, State of Alaska, and more particularly described as follows and as shown in the attached Exhibit A:

Easement shall be 20’ in width, except at transmission line angle points where this easement shall have no less than a 50’ radii from such points and from a point 500’ east of Bernhardt Lake where the easement shall be 40’ in width.

The location of this easement will be within the following described property:

Sections 4 & 9, Township 17 North, Range 8 East, Kateel River Meridian

Section 3, Township 17 North, Range 9 East, Kateel River Meridian

Sections 25, 33, 34, 35 and 36, Township 18 North, Range 8 East, Kateel River Meridian

Sections 29, 30, 32, 33 and 34, Township 18 North, Range 9 East, Kateel River Meridian

Excepting the portions of the subsurface estate necessary for installation of electrical transmission and/or distribution, this right-of-way easement shall not include any rights to the subsurface estate of the lands that are subject to the Easement (the “Easement Lands”), with the term subsurface as defined in the Alaska Native Claims Settlement Act, 43 USC § 1601 *et seq.* (1971) (as amended). The rights to those portions of the subsurface estate as part of the Easement Lands necessary for installation of electrical transmission and/or distribution are for the purpose of this right-of-way only and does not convey any mineral rights to the Grantee. The Grantor reserves all such subsurface rights in and to the subsurface estate of the Easement lands including the right to explore for or develop the minerals, sand and gravel, and oil and gas under such Easement Lands, subject to the terms herein.

The purpose of this right-of-way easement (hereinafter may be referred to as the “Easement”) is for the Grantee's installation, construction, reconstruction, relocation, and maintenance, repair, operation,

improvement of, and updates to, an electrical transmission and/or distribution line or system upon, including, but not limited to, poles, towers, wires, guys, anchors, supporting apparatus, and such other structures as the Grantee may now or shall from time to time deem necessary.

The Grantor hereby covenants to the Grantee that the Grantor has good title to the above Easement Lands and covenants that the Grantee shall have quiet and peaceable possession thereof; and shall have a free and unrestricted right to the Easement to install, construct, reconstruct, relocate, and maintain, repair, operate, improve and update an electrical transmission and/or distribution line or system.

The term of the Easement will expire twenty-five (25) years after date of execution, or at such time that it is jointly determined by the Grantor and Grantee that the line has ceased its useful function. This Easement may be extended by mutual written consent between the Grantor and Grantee.

The rights granted to Grantee under the Easement do not include any rights to the subsurface estate of Grantor's lands (which subsurface estate is part of the lands, including surface and subsurface estates, hereinafter referred to as "NANA Lands") as provided in ANCSA [43 U.S.C. §§ 1601et seq. (1971) (as amended)], including no rights to the subsurface estate under the Easement lands except as provided herein. Grantor reserves all rights, except as otherwise provided herein, in and to the subsurface estate of the NANA Lands; and, reserves all rights to explore for and develop the minerals, sand and gravel, and oil and gas under the Easement Lands, subject to the terms herein.

Except as is specifically provided herein, the subsurface estate is the dominant estate with respect to the use of the surface estate of the Easement Lands. The Easement and the use of the lands subject to the Easement are subservient to the subsurface estate of the NANA Lands, except as provided herein. Should some portion of the Grantor's surface and subsurface estate of the NANA Lands, outside of the Easement Lands, need to be used to access and/or install the electrical transmission line and/or distribution line or system, Grantee must request prior written consent of Grantor for such use of the NANA Lands, which consent may not be unreasonably withheld.

Should the subsurface estate of the Easement Lands be developed, or should Grantor decide to develop the subsurface estate of such lands, then Grantor may require Grantee to realign the Easement to an area which is satisfactory to Grantor so that the Easement does not interfere with an existing or proposed development of the subsurface estate. Should development of the subsurface estate require realignment of the Easement, Grantor will pay for the cost of such realignment of the Easement and the relocation of any improvements constructed on the Easement.

The Grantee acknowledges that the Easement Lands shall be available for subsistence and traditional uses by shareholders of NANA and their family members.

The Grantee acknowledges and understands that the Grantee shall be responsible for the installation, construction, reconstruction, relocation, and maintenance, repair, operation, improvement of, and updates to the electrical transmission and/or distribution line or system. The Grantee acknowledges and agrees that the Grantor shall not be responsible for these above-described activities, improvements and updates, or uses of the installation, relocation, and maintenance of the electrical transmission and/or distribution line or system.

Grantee, its agents, contractors and subcontractors will maintain all portions of the Easement affected thereby in good condition and in compliance with all applicable laws, rules, ordinances, orders and regulations of governmental agencies and authorities, and consistent with prudent utility practice. Grantee shall take all commercially reasonable measures to mitigate and control soil erosion associated with any

facilities of the electrical transmission line. Grantee shall restore the surface of the Easement to substantially its original condition after any construction, reconstruction, maintenance and/or removal of the electrical transmission line. No herbicides will be used in the construction and maintenance of this Easement.

The Grantee, or its successors and assigns, shall be responsible for the removal of the powerline at such time that Grantor and the Grantee, or its successors and assigns, jointly determine that the powerline has no further useful function as an electrical transmission line.

Grantee shall take reasonable security and safety measures to reduce the risk that its activities and construction, operation, and removal of its electrical transmission line will cause damage, injury or death to people, animals or other property including Grantor's NANA Lands. The obligation and expense for any and all fencing and other security and safety measures with respect to the electrical transmission line shall be the sole responsibility of Grantee. At no time shall any persons connected in any way with Grantee or any of the electrical transmission line be permitted to hunt upon the Grantor's NANA Lands or Easement Lands, excepting the reserved rights of shareholders of NANA and their family members to have the Easement Lands made for subsistence and traditional uses.

Grantee shall cause construction, operation and maintenance crews, contractors, and subcontractors to conduct fire safety training for the purpose of preventing any of Grantees activities or the electrical transmission line from causing fires upon the Easement Lands and Grantor's NANA Lands. Grantee shall maintain on the Easement Lands (or in the immediate vicinity thereof as permitted by Grantor's consent) during all periods of construction, shovels, fire extinguishers and other equipment which is climate appropriate to extinguish any fires. Upon request of Grantor, Grantee shall provide Grantor with a copy of all written fire safety training materials provided to its agents and employees.

Grantee shall require its contractors, subcontractors and agents working on the Easement Lands to indemnify, defend, protect, and hold harmless Grantor from any claim for damage, action, suit, proceeding, loss, cost, liability, deficiency, fine, penalty, punitive or other exemplary damages, and expense (including without limitation, attorneys and consultants fees, investigation and laboratory fees, court costs, and litigation expenses), or any liability of any kind, based on (a) the presence of any substance, material or waste which is now or hereafter classified as hazardous or toxic ("Hazardous Materials") in, under, on or about the Easement Lands that are brought or permitted to be brought onto the Easement Lands by such contractor, subcontractor or agent of Grantee; (b) the violation by such contractor, subcontractor or agent of Grantee of any federal, state or local law, ordinance or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, migration off of, above or under Easement Lands to any other lands, waterways or other properties, transportation or presence of Hazardous Materials, or that is regulated under current or future federal, state or local laws or regulations (collectively, "Environmental Laws"), on, above or under the Easement Lands.

Grantee shall not remove or use any timber, sand and gravel, rock, or mineral material of any kind located on the Easement Lands, without the prior written consent of Grantor which consent may be withheld by Grantor in its sole discretion. Nothing herein shall limit the right of Grantor to sell such items to Grantee or to a third party.

Grantee shall keep the Easement Lands free and clear of all liens and claims of liens for labor and services performed on said lands, and materials, supplies or equipment furnished to the Easement Lands in connection with Grantees use of said lands pursuant to this Easement; provided, however, that if Grantee wishes to contest any such lien, Grantee shall, within thirty (30) days after it receives notice of the filing of such lien, remove such lien from the Easement Lands pursuant to applicable law and give Grantor written

notice thereof or cause a bond for at least 150% of the amount of the disputed Lien Claim to be issued in favor of Grantor to protect Grantor from damage resulting from the lien during the entire time of any proceeding in which Grantee is contesting the lien. If Grantee fails to cause any such lien to be timely removed, and if Grantee fails to stay the execution of any judgment or to pay such judgment thereon, Grantor shall have the right (but not the obligation) to pay or otherwise discharge, stay or prevent the execution of any such judgment or lien or both or declare Grantees obligations under this Easement or the Easement granted hereunder to be in default. Promptly upon demand, Grantee shall reimburse Grantor for all sums paid by Grantor under this provision (including Grantor's costs and expenses and attorneys' fees), together with interest thereon at the rate of twelve percent (12%) per annum (or, if lower, the highest rate allowed at law) from the date incurred until paid by Grantee in full.

Grantee, at its sole expense, shall comply in all material respects with valid laws, ordinances, statutes, orders and regulations of any governmental agency applicable to the electrical transmission line. Grantee shall have the right in its sole discretion, to contest by appropriate legal proceedings, brought in its name, the validity or applicability to the Easement Lands or to the electrical transmission line of any law, ordinance, statute, order, regulation, property assessment or the like now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity. Grantor shall reasonably cooperate in such contest, at no expense to Grantor. Any such contest or proceeding shall be controlled and directed by Grantee, but Grantee shall protect Grantor from the failure of Grantee to observe or comply with the contested law, ordinance, statute, order, regulation or property assessment.

The Grantee hereby waives, relinquishes, discharges, and releases the Grantor, its subsidiaries, affiliates, officers, directors, shareholders, employees, agents, contractors, invitees, and attorneys (collectively "NANA") from any and all claims, loss, expense and liability for damages from death, personal injury, damage, or loss of property resulting from the Grantee's use of the Easement or Easement Lands, including but not limited to any claims which arise or result from Grantee's negligence or the intentional acts of subsistence and traditional uses by shareholders of NANA and their family members.

To the fullest extent not prohibited by applicable law, the Grantee shall require its contractors, subcontractors and agents working on the Easement Lands to indemnify, defend, and hold harmless NANA from and against any and all claims, loss, liabilities, lawsuits, damages, and costs of whatsoever nature arising out of or resulting from the use of the Easement or Easement lands or related activities thereon by such contractors, subcontractors and agents of Grantee.

The Grantee shall maintain in force during the term of this Easement and shall require any and all contractor(s), subcontractor(s) and agent(s) hired to install, construct, reconstruct, relocate, or maintain , repair, operate, make improvement of, and updates to, the electrical transmission line and/or distribution line or system, the following types and limits of insurance coverage:

a. Workers' Compensation Insurance and Occupational Disability Insurance in compliance with the requirements of laws of the State of Alaska, including coverage for Employer's Liability with a limit of not less than \$100,000 each accident, \$100,000 per disease and employee, and \$500,000 disease aggregate

b. Commercial General Liability Insurance of not less than \$1,000,000 per occurrence for bodily injury and property damage, combined single limit;

c. Automobile liability insurance for all owned, hired, and non-owned vehicles of not less than \$1,000,000 for each occurrence, combined limit for bodily injury and property damage;

The Grantee shall provide the Grantor with a certificate of insurance and is to name the Grantor as an additional insured as respects commercial general liability and automobile liability, and provide to the Grantor certificates of insurance for the above policies within ten (10) days of the issuance of this Easement. All insurance policies required in this section shall contain a waiver of subrogation clause in favor of the Grantor. The Grantee shall give the Grantor thirty (30) days' notice of cancellation or material change in the Grantee's insurance policies, of which the Grantor is entitled to receive certified copies of such policies.

Grantee shall pay all real property taxes, if any, which may be assessed on the Easement Lands or the electrical transmission line as the result of this Easement or the Easement and the rights granted thereunder.

Along with the right, privilege and authority to construct, reconstruct, maintain, repair, operate, improve, and update upon or under the above-described lands and/or in, upon or under all streets, roads, or highways abutting said lands, an electric transmission and/or distribution line or system, including but not limited to, poles, towers, wires, guys, anchors, supporting apparatus, and such other structures as the Grantee may now or shall from time to time deem necessary, together with a right-of-way easement, the Grantee is granted the following rights:

1. To provide ingress and egress to said lands;
2. To cut, trim, remove, and control the growth of, by machinery or otherwise, trees, shrubs, and other vegetation within the Easement and dangerous trees outside the Easement which in the judgment of Grantee, might interfere with, threaten, or endanger the operation and maintenance of said line or system;
3. To clear and keep the Easement Lands free from fences, buildings, pavements, or other structures which, in the judgment of Grantee, might interfere with, threaten, or endanger the operation and maintenance of the electrical transmission line or system or may increase the safety risks to the Grantor or its lands; and,
4. To license, permit or otherwise agree to the joint use or occupancy of the electrical transmission line or system by any other person, firm or corporation for telephone, electrification, or utility purposes, upon the prior written authorization of Grantor, which consent will not be unreasonably withheld, in any event, Grantee shall not be released of its obligations hereunder.

It is FURTHER UNDERSTOOD THAT THE FAILURE OF THE GRANTEE, its successors or assigns, to exercise any of the rights herein granted shall not be construed as a waiver or abandonment of the right thereafter at any time and from time to time to exercise any or all of such rights. The Grantor does covenant that it is the owner of the Easement Lands and with good title and covenants that the Grantee will have quiet and peaceable possession thereof with free and unrestricted right to the Easement Lands for the above-stated purpose.

Grantee will use due diligence in attempting to maintain the right-of-way as a private easement, and herewith agrees to take all steps reasonably calculated to ensure that access in and to the Easement lands will be restricted to the agents, officers, and assigns of Grantee, and further to take those steps reasonably practicable in an attempt to obviate the creation of a public easement, or otherwise conferring any right upon the general public to travel upon all or any portion of said roadway.

The Grantor reserves the right to record this right-of-way easement pursuant to the provisions of AS 34.15.340(a)(6).

All notices or other communications required or permitted by this Easement, including payments to Grantor, shall be in writing and shall be deemed given when personally delivered to Grantor or Grantee, as applicable, or in lieu of such personal service, five (5) days after deposit in the United States mail, first

class, postage prepaid, certified return receipt requested; or the next business day if sent by reputable overnight courier, provided receipt is obtained and charges prepaid by the delivering Party, or the next business day if by electronic means to the address provided below, provided a confirmation of the receipt of the electronic message has been received. Any notice shall be addressed as follows:

To GRANTOR:

NANA Regional Corporation, Inc.
P.O. Box 49
Kotzebue, Alaska 99752
Attn: Elizabeth Cravalho
Email: elizabeth.cravalho@nana.com

With a Copy to:

Land Department
NANA Regional Corporation, Inc.
909 West 9th Avenue
Anchorage, Alaska 99501
Attn: Jeff Nelson
Email: jeff.nelson@nana.com

With a Copy to:

Corporate Counsel
NANA Regional Corporation, Inc.
909 West 9th Avenue
Anchorage, Alaska 99501
Attn: Marla Quick
Email: marla.quick@nana.com

To GRANTEE:

Alaska Energy Authority
813 West Northern Lights Boulevard
Anchorage, Alaska 99503
Attn: Kirk Warren
Email: kwarren@akenergyauthority.org

With a Copy to:

Alaska Energy Authority
813 West Northern Lights Boulevard
Anchorage, Alaska 99503
Attn: Ryan Garner

Email: rgarner@akenergyauthority.org

With a copy to:

Department of Law
1031 West 4th Avenue, Suite 200
Anchorage Alaska 99501
Attn. Stefan Saldanha

Email: stefan.saldanha@alaska.gov

Notwithstanding anything herein to the Easement, in no event shall the total amount of monetary damages recoverable against the Grantor exceed the amount of the payment to the Grantor herein; provided, such shall not be construed to limit a party's rights to specifically enforce performance by the Grantor of the Grantor's covenants in this Easement.

This Easement granted to Grantee hereunder shall inure to the benefit of and be binding upon Grantor and Grantee and any assignee, and their respective, transferees, successors and assigns, and all persons claiming under them, to the extent permitted under the Easement, excluding this section.

Grantor shall have no ownership or other interest in the electrical transmission line installed on the Easement Lands, and Grantee may remove any or all of the electrical transmission line as provided in this Easement.

Nothing contained herein is intended to create or shall be construed to create an association, a partnership, joint venture or other entity among and between Grantor and Grantee.

This Easement shall be governed by the laws of the State of Alaska, and venue for any lawsuit brought regarding this Easement shall be brought in the Superior Court for the Third Judicial District at Anchorage Alaska. In the event that a suit or other action is instituted to interpret or enforce the terms of this Easement or to rescind this Easement, the prevailing party shall be entitled to recover from the other party such sums or the court may determine to be reasonable attorney's fee at trial, on any appeal and on any petition for review.

In the event of any breach or threatened breach of this Easement by either Party, the other Party, or their successors and assigns, shall have the right to sue for damages and/or for specific performance and/or to enjoin such breach or threatened breach, the Parties agreeing for themselves, their successors and assigns that failure of either Party to perform its obligations hereunder will cause irreparable damage to the other Party. In no event shall a waiver by either Party of the right to seek relief under this paragraph constitute a waiver of any other or further violation.

Notwithstanding anything to the contrary in this Easement, in no event shall the total amount of any monetary damages recoverable against Grantor exceed the total amount of any payment from Grantee to

Grantor; provided, this provision shall not limit or be construed to limit a Party's rights to specifically enforce performance by Grantor of the Grantor's covenants contained in this Easement.

If any event or dispute arising out of or relating to this Easement and resulting in litigation or arbitration between or affecting the Parties hereto, the prevailing Party shall be entitled to reasonable attorneys' fees and costs.

This Easement does not create, and shall not be constructed as creating, any rights enforceable by any person not a party to this Easement.

All of the rights conferred to Grantee hereunder may be assigned, sold (for not more than total amount paid by Grantee to Grantor at the time of the sale, unless Grantor consents to a different amount), conveyed or otherwise disposed of by Grantee upon the prior written authorization of Grantor, which consent will not be unreasonably withheld, in any event, Grantee shall not be released of its obligations hereunder. Should Grantee wish to transfer or assign ("transfer") some or all of its rights hereunder, it shall notify Grantor and provide Grantor with all documentation regarding Grantee's proposed transfer, including the consideration paid for such transfer, including all rights or property which may be conveyed or granted in exchange for Grantee's rights hereunder. Upon the receipt of such information, and other information regarding the transfer as Grantor may request, Grantor shall have ninety (90) days to review the information and notify Grantee as to whether it consents to the transfer. If Grantor does not consent to the transfer, it shall notify Grantee as to the reason for its withholding its consent.

All understandings and agreements are merged herein, and no provision hereof may be waived except in a writing signed by the party to be charged with such waiver.

If any provision of this Easement or the application thereof to any person or circumstance be held in a final and non-appealable decision by a court of competent jurisdiction to be either invalid, void or unenforceable, such invalidity shall not affect other provisions or applications of this Easement which can be given effect without the invalid provision or application, and to this end the provisions of this right-of-way are declared to be severable.

The provisions hereof apply to and are binding upon the heirs, executors, administrators, successors, and assigns of the parties. The representations, warranties and covenants herein shall survive the closing.

This Easement may be executed in counterparts and in duplicate originals, each of which shall be deemed an original, and all of which together shall constitute a single document.


This Easement shall not be construed more strongly against one party than the other. Each party warrants that it has had the opportunity to consult with legal counsel before the execution of the right-of-way easement.

This right-of-way easement supersedes the right-of-way easement dated October 11, 1991, and recorded in the Kotzebue Recording District under Book 0040, Pages 541-553.

Signature Page

IN WITNESS WHEREOF, the undersigned has affixed his/her signature hereto to 24th day of November, 2020

NANA REGIONAL CORPORATION, INC.
P.O. BOX 49
KOTZEBUE, ALASKA 99752

By: 

Its: Vice President of Lands

ALASKA ENERGY AUTHORITY
813 WEST NORTHERN LIGHTS BLVD
ANCHORAGE, ALASKA 99503

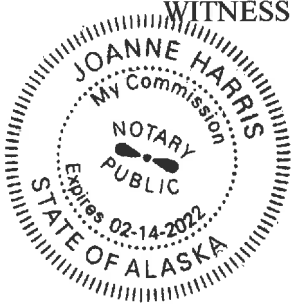
By: 

Its: Executive Director

STATE OF ALASKA)
)ss.
2nd JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 24th day of November, 2020, before me, the undersigned Notary Public, personally appeared Elizabeth Crowlles, to me known and known to me to be the Vice President of Lands of NANA Regional Corporation, Inc., the Grantor named in the foregoing Right-of-Way, and he/she acknowledged to me that he/she had in his/her official capacity aforesaid, executed the foregoing as the free act and deed of the said Grantor for the uses and purposes therein stated.

WITNESS my hand and notarial seal the day and year last written.

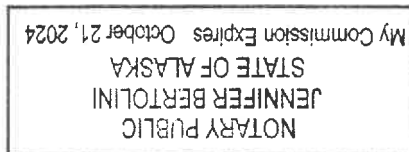


Joanne Harris
Notary Public in and for Alaska
My Commission Expires: 2/14/2022

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 5th day of January, 2021, before me, the undersigned Notary Public, personally appeared Curtis Thayer, To me known and known to me to be the Executive Director of AEA, named in the foregoing Right-of-Way, and he/she acknowledged to me that he/she had in his/her official capacity aforesaid, executed the foregoing as the free act and deed of the said corporation for the uses and purposes therein stated.

WITNESS my hand and notarial seal the day and year last written.



Jennifer Bertolini
Notary Public in and for Alaska
My Commission Expires: 10/21/2024

After Recording Return to:

Land Department
NANA Regional Corporation
909 West 9th Avenue
Anchorage, Alaska 99501