**LEGISLATIVE SUMMARY SHEET**
**Tracking No.** 0194-17

**DATE:** May 24, 2017

**TITLE OF RESOLUTION:** AN ACTION RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES AND THE NAVAJO NATION COUNCIL; APPROVING THE REPLACEMENT LEASE BETWEEN THE NAVAJO NATION AND SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY D/B/A NV ENERGY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES; LEASE AMENDMENT NO.1 TO EXISTING LEASE; APPROVAL OF RESTRICTIVE COVENANTS RELATED TO ASH DISPOSAL AREA AND SOLID WASTE LANDFILL AND POND SOLIDS; WAIVER OF SOVEREIGN IMMUNITY

**PURPOSE:** This legislation approves the Replacement Lease for the Navajo Generating Station to take effect December 2019, approves an Amendment to the current, existing lease for the Navajo Generating Station, approves restrictive covenants for the ash disposal area, solid waste landfill and pond solids at the NGS site, and waives the Navajo Nation's sovereign immunity on issues related to court action, and an agreement not to regulate the Lessees.

**NOTE: the waiver of Sovereign Immunity will require a 2/3rds vote of the full Council.**

**This written summary does not address recommended amendments as may be provided by the standing committee. The Office of Legislative Counsel requests each committee member to review the proposed resolution in detail.**

5-DAY BILL HOLD PERIOD: SNOTAH
Website Posting Time/Date: 10:05pm 5/24/2017
Posting End Date: 5/29/2017
Eligible for Action: 5/30/2017

Health, Education & Human Services Committee
THENCE
Resources & Development Committee
THENCE
Budget & Finance Committee
THENCE
Naa'bik'íyáti' Committee
THENCE
Navajo Nation Council

PROPOSED NAVAJO NATION COUNCIL RESOLUTION

**23rd NAVAJO NATION COUNCIL -- Third Year, 2017**

INTRODUCED BY

(Prime Sponsor)

TRACKING NO. 0194-17

AN ACTION

RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES AND THE NAVAJO NATION COUNCIL; APPROVING THE REPLACEMENT LEASE BETWEEN THE NAVAJO NATION AND SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY D/B/A NV ENERGY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES; LEASE AMENDMENT NO.1 TO EXISTING LEASE; APPROVAL OF RESTRICTIVE COVENANTS RELATED TO ASH DISPOSAL AREA AND SOLID WASTE LANDFILL AND POND SOLIDS; WAIVER OF SOVEREIGN IMMUNITY

**Section One. Authority**

A. The Navajo Nation established the Health, Education and Human Services Committee (HEHSC) as a Navajo Nation Council standing committee with the power to ensure compliance and implementation of laws and policies of the Navajo Nation relating to health, social services, education, general government services and human services. 2 N.N.C. §§ 400 (A), 401 (B)(2).

B. The Navajo Nation established the Resources and Development Committee as a Navajo Nation Council standing committee to exercise oversight authority over

economic and community development for the following purpose: to oversee regulation of activities on Navajo Nation lands for disposition or acquisition of resources, surface disturbance, or alternation of the natural state of the resource, including the enforcement and administration of application Navajo Nation and federal laws, regulations, guidelines, and administrative procedures in the development and use of resources as a good steward. 2 N.N.C. §§ 500(A), (C)(2).

C. The Navajo Nation established the Budget and Finance Committee as a standing committee of the Navajo Nation Council and empowered the Committee to coordinate and review all fiscal, financial and investment activities of the Navajo Nation and its enterprises, as well as other agencies, federal, state, regional and private, expending or seeking to expend funds within the Navajo Nation or for the benefit of the Navajo People. 2 N.N.C. §§ 300(A), 301(B)(5).

D. Pursuant to 2 N.N.C. §164 (A)(9), a proposed resolution that requires final action by the Navajo Nation Council shall be assigned to the Naabik'íyáti' Committee before it is heard by the Navajo Nation Council.

E. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C §102 (A).

**Section Two. Findings**

A. The Navajo Generating Station (NGS), located in LeChee Chapter, provides electricity to customers in Arizona and Nevada by operating a 2,250 megawatt power station burning low sulfur bituminous coal from the Peabody Western Coal Company's Kayenta Mine and employs more than 400 full-time employees, more than 90% of whom are Navajo. *See* www.ngspower.com.

B. The Navajo Nation entered into a lease for the operation of NGS with Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District, and Tucson Gas and Electric Company, (NGS Partners); the term of the lease begins in 1969 and continues to December, 2019, a period of 50 years. *See*

Indenture of Lease, Navajo Units 1, 2 and 3 (September 1969) attached as **Exhibit B**.

C. In July 2013 the Navajo Nation approved *Amendment No. 1 to the Indenture Lease Effective December 23, 1969 Between the Navajo Nation and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Electric Power Company*, which extended the term of the Existing Lease and consent to renewal or extension of 323 rights-of-way and easements through December 2044. Amendment No. 1 was not executed by the NGS owners. *See* CJY-40-13 (Rescinding CAP-21-13) attached as **Exhibit C**.

D. The Navajo Nation and the NGS Partners have negotiated the Replacement Lease between the Navajo Nation and Salt River Project Agricultural Improvement and Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company d/b/a NV Energy, and Department of Water and Power of City of Los Angeles, which address matters related to the retirement of NGS and remediation of the NGS site, the disposition of related buildings, structures, and facilities located on the leased premises, the long-term environmental monitoring of certain facilities on the leased premises and the operation and maintenance of transmission facilities located on the leased premises. The Replacement Lease is attached as **Exhibit A**.

E. Retirement means the removal of NGS assets, excluding the Navajo Nation retained assets, and restoration of the surface of the NGS site.

F. Remediation means the closure, monitoring and other related activities required to take place on the NGS site, including but not limited to, monitoring and remediation of the perched water; closure in place and monitoring of the Ash Landfill; interim maintenance of repurposed and new ponds; remediation of solid waste, pond solids, and coal combustion residuals as necessary; remediation of specified structures and materials through closure in place; and continuation of remediation and monitoring begun during the NGS Retirement Period.

G. The term of the Replacement Lease will begin on December 23, 2019 for 35 years, ending on December 22, 2054. The Leased Premises contain two tracts:

(1) Tract A is the land associated with NGS and its related facilities; and (2) Tract B is the leased land associated with the NGS transmission facilities. The Replacement Lease allows for a one-time thirty-five (35) year lease renewal for Tract B. No renewal for Tract A is allowed.

H. Retirement of the NGS Site shall occur between December 23, 2019 and December 23, 2024 (also referred to as the "NGS Retirement Period"). Retirement shall include the removal of NGS assets, excluding any assets the Navajo Nation has the option to keep, and restoration of the surface of the NGS Site. This work shall be done in accordance with the Navajo Project Retirement Guidelines (or "Retirement Guidelines"), which were developed jointly by the Navajo Nation and the NGS Owners to provide the framework for the Retirement activities. The Retirement Guidelines will be used as a basis for a more elaborate Retirement Plan to be developed by the NGS Owners. A joint Consultation Group shall be developed between the NGS Owners and the Navajo Nation that will ensure open communication and information sharing during the retirement process. The Retirement Guidelines are included with the Replacement Lease.

I. The Retirement Guidelines also cover remediation activities related to the NGS Site, which include monitoring and remediation of perched water and the closure, monitoring, and maintaining of certain items that will be closed in place on the NGS Site, which are the Ash Landfill, a solid waste landfill and certain ponds.

J. The total rental payments from the NGS Partners to the Navajo Nation shall be $110,040,989 as inducement for the Navajo Nation to enter into the Replacement Lease term of 35 years for the entire leased premises and to consent to one or more § 323 grants for portions of or the entire leased premises.

K. The Navajo Nation has the right to keep certain NGS assets under Exhibit 9 of the Existing Lease. Under the Replacement Lease, the Navajo Nation has the option to also keep additional assets. The Exhibit 9 assets and these additional assets are collectively referred to as the Navajo Nation Retained Assets and the Navajo Nation shall have until December 22, 2018 to determine which assets it wishes to retain. The Navajo Nation

has pre-identified certain NGS assets it wishes to retain in order to spur economic development. These assets are:

1. A railroad track and related facilities valued at $120,000,000;
2. Lake Pump Facility, electrical distribution lines from the 230kV switchyard and the 230kV Switchyard valued at $41,000,000;
3. Fences and equipment making up the Air Monitoring Station; and,
4. $18,132,500 to be paid in equal installments over three (3) years beginning January 1, 2020.

L. On December 23, 2019 and for 35 years the Navajo Nation will receive 300 megawatts of the 500kV transmission use and capacity on the Southern Transmission System and 200 megawatts of the 500kV transmission use and capacity on the Western Transmission System, in addition, the NGS Partners shall fund the operation and maintenance for a 10 year period beginning December 23, 2019 to December 22, 2029.

M. The Replacement Lease, attached as **Exhibit A**, requires specific action from the Navajo Nation, including but not limited to:

1. The Navajo Nation will consent to the NGS Partner's application to the Secretary of the Interior for rights-of-way and easements of tribal lands for the power plant operation and associated operation needs under 25 U.S.C. § 323. *See* Section 2(C).
2. The Navajo Nation agrees lease rental payments, identified in paragraph J above, are in lieu of all taxes, assessments, levies, imposts, exactions or charges of any kind made or imposed by the Navajo Nation; the Navajo Nation covenants that it will not tax or assess any rights, property or activity associated with the past generation of electricity at the NGS Site. *See* Section 10.
3. The Navajo Nation will identify and retain certain assets within the leased premise and acknowledges the NGS Partners have not made or will not make any representation of warranty, express or implied, with respect to the identified property; the Navajo Nation accepts the property As-Is. *See* Section 9 & 11(F).

4. The Navajo Nation agrees that 1,500 acre feet of water out of the 50,000 acre feet annually allocated to the State of Arizona, pursuant to Article III(a)(I) of the Upper Colorado River Basin Compact, shall be available to the NGS Partners during the Retirement period. The Salt River Project holds certificates of water right from Arizona and once the NGS water allotment is no longer necessary the Salt River Project will request termination of the certificates of water right. Salt River Project will support the Navajo Nation's efforts to acquire the use of a portion of the 50,000 acre-feet annually allocated to Arizona. Salt River Project will also provide technical assistance to the Navajo Nation to assist the Nation with the diversion of up to 950 acre-feet of water per year from Lake Powell for the benefit of LeChee and other Navajo communities in the vicinity of NGS. *See* Section 14.
5. The Navajo Nation agrees, should any NGS Partner default on rental payments or other monies due the Navajo Nation, or should the Navajo Nation default for nonpayment of monies owed to the NGS Partners, either party may apply for injunctive relief, collect payment of monies due, and get enforcement of compliance from the defaulting party in a federal or state court. *See* Section 17.
6. The Navajo Nation agrees, for any claims, disputes or other matters in question not pertaining to default for monies owed, the parties will resolve the claim, dispute or other matter in question through, first, Informal Consultation, next, Mediation, then Judicial Review. Judicial Review shall be in federal or state court. *See* Section 18.
7. The Navajo Nation agrees that Navajo preference in employment will apply; recognizing the need for critical or specialized skills will require selecting the most qualified person. *See* Section 22.
8. The Navajo Nation agrees that the Navajo Nation will not directly or indirectly regulate or attempt to regulate the NGS Partners relative to the leased premises or activities that are the subject of the Replacement Lease. *See* Section 26.

9. The Navajo Nation consents to a waiver of sovereign immunity for any action in any court of the United States or in any Arizona court for default or other claims or disputes. *See* Section 19.
10. The Navajo Nation waives any right to a trial by jury in litigation directly or indirectly arising out of, under or in connection to the Replacement Lease. *See* Section 46.
11. The Navajo Nation agrees to waive and release each of the NGS Partners of any claim or claims the Navajo Nation has, or may have, under the Existing Lease for damage resulting from the NGS Partner's operation or ownership of the Navajo Generating Station; however, the Navajo Nation reserves and retains the right to bring certain claims under the Comprehensive Environmental Response, Compensation, and Liability Act, also known also as Superfund, and the Resource Conservation and Recovery Act, in federal court for response cost or equitable relief but not for resource damage related to the closures in place. *See* Section 36.

N. The Parties must also execute, and the Secretary must approve, Restrictive Covenants related to the "closures in place" located on the NGS site, which are the Ash Disposal Area, the solid waste landfill and pond solids.

O. The parties to the Replacement Lease are not bound by the Replacement Lease until all parties have signed and delivered the lease; however, the Replacement Lease and Supplemental Agreement are void if not signed by the Navajo Nation on or before July 1, 2017. *See* Section 31.

**Section Three. Amendment No. 1 to Existing Lease**

A. The Existing Lease is amended to state that any removal and restoration activities (as those terms are used in the Existing Lease) related to NGS, all related facilities and the equipment of the Lessees, shall be governed exclusively by the Retirement Guidelines.

B. The Navajo Nation agrees that, among other things, it will not, directly or indirectly, regulate or attempt to regulate the Lessees in the construction, maintenance,

operation, removal, restoration, remediation, or monitoring of NGS, any related facilities and equipment or the transmission systems. *See* Amendment No. 1 to Existing Lease, Section 26.

C. The Lessees, except for Los Angeles who sold its NGS ownership interest in NGS to Salt River Project, have agreed to provide assurances of a minimum coal royalty payment due to the Navajo Nation. The total assurances being guaranteed to the Nation for the 2018 and 2019 calendar years will be $39,012,562.

**Section Four. Restrictive Covenant**

A. There will be two Restrictive Covenants in relation to the NGS site: The Restrictive Covenant for the Ash Disposal Areas addresses the fact that the Lessees will close in place material on, in and under an Ash Disposal Area located within the leased premises. The Restrictive Covenant for the solid waste landfill and the pond solids addresses the fact that the Lessees will close in place material on, in and under a solid waste landfill and certain ponds located on the NGS site. There will be certain restrictions as to the use of the lands covered under these Restrictive Covenants in perpetuity whereby use of the lands shall not disturb the integrity of the final cover, liner(s), or any other component, or monitoring system related to these closures in place.

B. The Lessees will have the right to enforce the Restrictive Covenants on any person who is found to be in violation of its terms. The Lessees agree to first notify the Navajo Nation government of any alleged violation and the Navajo Nation government will have ninety (90) days to cure the violation, unless the violation poses an imminent threat to health, safety or the environment. If the Navajo Nation government fails to cure the violation, the Lessees may then take action in accordance with the terms of the Restrictive Covenant.

**Section Five. Waiver of Sovereign Immunity, Agreement Not to Regulate, Applicable Law**

A. Waiver of Sovereign Immunity. The Replacement Lease, the Restrictive Covenant for the Ash Disposal Area and the Restrictive Covenant for the Solid Waste Landfill and Pond Solids each contain a waiver of sovereign immunity. In approving these documents, the Navajo Nation will be agreeing to the waiver of sovereign immunity for any action in any court of the United States or in any Arizona court for default or other claims or disputes that arise between the Parties in accordance with the terms of these documents.

B. Navajo Nation's Agreement Not to Regulate Lessees. The Replacement Lease, the Restrictive Covenant for the Ash Disposal Area and the Restrictive Covenant for the Solid Waste Landfill and Pond Solids each contain language that the Navajo Nation agrees that the Navajo Nation will not directly or indirectly regulate or attempt to regulate the Lessees relative to the leased premises or activities that are the subject of Section 26 of the Replacement Lease.

C. Applicable Law. The activities covered under the Replacement Lease, the Restrictive Covenant for the Ash Disposal Area and the Restrictive Covenant for the Solid Waste Landfill and Pond Solids shall be governed exclusively by federal law or, if federal law does not apply, the laws of the State of Arizona.

**Section Six. Rescinding CJY-40-13**

The Navajo Nation hereby rescinds CJY-40-13, *Rescinding CAP-21-13 and Recommending and Approving Amendment No. 1 to the Indenture of Lease Effective December 23, 1969 Between the Navajo Nation and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District.*

**Section Seven. Approval**

A. The Navajo Nation approves the Replacement Lease between the Navajo Nation and Salt River Project Agricultural Improvement and Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company dba

NV Energy, and Department of Water and Power of City of Los Angeles in the form attached as **Exhibit A**.

B. The Navajo Nation hereby recommends and approves the Amendment No. 1 to the Existing Lease between the Navajo Nation and APS, Los Angeles, Nevada, Salt River Project, and Tucson and deems it in the best interest of the Navajo Nation to approve the Amendment No. 1 to the Existing Lease.

C. The Navajo Nation hereby approves the Restrictive Covenant for the Ash Disposal Area and deems it in the best interest of the Navajo Nation to approve this restrictive covenant.

D. The Navajo Nation hereby approves the Restrictive Covenant for the Solid Waste Landfill and Pond Solids and deems it in the best interest of the Navajo Nation to approve this restrictive covenant.

E. The Navajo Nation hereby recognizes that the Navajo Nation Division of Economic Development shall incur costs related to economic development of the NGS site and in the vicinity of the NGS site prior to the Effective Date of the Replacement Lease. These costs are related to the hiring of a Commercial Developer and interns/temporary workers. The Navajo Nation Division of Economic Development shall be reimbursed up to $257,500 related to this economic development to be paid within 60 days after the Nation receives its first lease payment under the Replacement Lease.

F. Any Surrender under the Replacement Lease shall be approved by the Navajo Nation President in accordance with the Replacement Lease terms and in consultation with appropriate Navajo Nation departments and programs, including the Division of Natural Resources and the Navajo Nation Environmental Protection Agency.

G. The Navajo Nation provides its consent to any modifications of any 323 Grant related to any relevant Surrender that may be done under the Replacement Lease, as long as the Surrender has been done in accordance with the Replacement Lease.

**Section Eight. Navajo Nation Requests for BIA Waivers and Exceptions under 25 C.F.R. Part 162 and Part 169**

A. In accordance with 25 C.F.R. § 162.426(b) and 25 C.F.R. § 169.118(b), the Navajo Nation has determined that the varying compensation and non-monetary compensation the Navajo Nation will receive under the Replacement Lease in relation to both the Leased Premises and in providing the Navajo Nation's consent for any § 323 Grants Lessees shall obtain in relation to the Replacement Lease is in the Navajo Nation's best interest.

B. The Navajo Nation hereby requests a waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following: 25 C.F.R. §§162.014(a)(2) and 162.014(b) and 25 C.F.R. 169.9(b), finding such waivers to be in the Navajo Nation's best interest and hereby stating:

1. The Navajo Nation affirmatively waives the application of the laws of the Navajo Nation, and agrees to the application of federal law and, where federal law does not apply, the laws of the State of Arizona. *See* Replacement Lease, Section 3.
2. The Navajo Nation affirmatively waives the jurisdiction of the Navajo Nation courts and agrees that: (1) the remedies in Sections 17 and 18 of the Replacement Lease are the exclusive remedies to address Disputes among the Parties and claimed breaches of the Replacement Lease; and (2) the federal courts, and, where federal law does not apply, the Arizona state courts, and no other courts, shall have exclusive jurisdiction to consider and decide Disputes or claimed breaches of the Replacement Lease, as provided in Sections 17 and 18 of the Replacement Lease.
3. The Navajo Nation affirmatively waives and consents to the waiver of sovereign immunity from suit by the Lessees. *See* Replacement Lease at Section 19.
4. The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees. *See* Replacement Lease at Section 26.

C. The Nation hereby gives its consent to the Secretary's waiver and making of exceptions to the following, which the Navajo Nation determines to be in its best interest:

1. The waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following, in relation to the Replacement Lease and the Navajo Nation's consent for the 323 Grants contained in the Replacement Lease:

   a. 162.413(d)(1): The Navajo Nation deems the waiver of the requirement that the Replacement Lease require Lessees to hold the United States and the Navajo Nation harmless from any loss, liability, or damages resulting from the Lessees' use or occupation of the Leased Premises to be in the Navajo Nation's best interest.

   b. 162.413(d)(2): The Navajo Nation deems the waiver of the requirement that the Replacement Lease require Lessees indemnify the United States and the Navajo Nation against all liabilities or costs relating to the use, handling, treatment, removal, storage, transportation, or disposal of hazardous materials, or the release or discharge of any hazardous material from the Leased Premises that occurs during the Lease Term, regardless of fault, with the exception that the Lessees are not required to indemnify the Navajo Nation for liability or cost arising from the Navajo Nation's negligence or willful misconduct is in the Navajo Nation's best interest.

   c. 162.449(b): The Navajo Nation has determined that the waiver of the consent requirements or obtaining BIA's approval of any assignment of the Replacement Lease is in the Navajo Nation's best interest.

   d. 169.120(b): The Navajo Nation has determined that waiver of the requirement that NGS Owners be required to pay for all damages to the land for which the right-of-way is granted is in the Navajo Nation's best interest.

   e. 169.125(c)(5)(iii): The Navajo Nation has determined that the requirement that the NGS Owners restore the land related to the

rights-of-ways as nearly as may be possible to its original condition, to the extent compatible with the purpose for which the right-of-way was granted, or reclaim the land if agreed to by the Navajo Nation is in its best interest.

f. 169.125(c)(5)(xii): The Navajo Nation has determined that waiver of the valuation requirements of 169.105 is in the Navajo Nation's best interest.

g. 169.125(c)(6)(i): The Navajo Nation deems the waiver of the requirement that the grant of right-of-way require the NGS Owners to hold the United States and the Navajo Nation harmless from any loss, liability, or damages resulting from the use or occupation of the premises to be in the Navajo Nation's best interest.

h. 169.125(c)(6)(ii): The Navajo Nation deems the waiver of the requirement that the NGS Owners indemnify the United States and the Navajo Nation against all liabilities or costs relating to the use, handling, treatment, removal, storage, transportation, or disposal of hazardous materials, or the release or discharge of any hazardous material from the premises that occurs during the term of the grant, regardless of fault, with the exception that the NGS Owners are not required to indemnify the Navajo Nation for liability or cost arising from the Navajo Nation's negligence or willful misconduct is in the Navajo Nation's best interest.

2. The making of exceptions by the Secretary to the application of the following, in relation to the Replacement Lease and the Navajo Nation's consent for the 323 Grants contained in the Replacement Lease:

a. 162.417(c): The Navajo Nation has determined that waiver of the due diligence requirements related to permanent improvements in this subsection is in the best interest of the Navajo Nation.

b. 162.428(a): The Navajo Nation has determined that not having compensation reviews and/or adjustments in relation to the

compensation received under the Replacement Lease is in the Navajo Nation's best interest.

c. 162.413(a)(9) &162.434(f)(2): The Navajo Nation has determined that the waiver of a performance bond or alternative form of security is in its best interest.

d. 162.437(c): The Navajo Nation has determined that the waiver of the requirement for insurance in this subsection is in the Navajo Nation's best interest.

e. 162.420(a): The Navajo Nation hereby states that it has negotiated compensation satisfactory to the Navajo Nation, the Navajo Nation waives valuation and that the Navajo Nation has determined that accepting such negotiated compensation and waiving valuation is in its best interest.

f. 169.102(b)(6): The Navajo Nation has determined that a waiver of a valuation required under 169.114 is in the Navajo Nation's best interest.

g. 169.102(b)(3) & 169.103(f)(2): The Navajo Nation has determined that the waiver of a bond, insurance or alternative form of security is in its best interest.

h. 169.105(c): Waiver of the due diligence requirements required in 169.105 is in the Navajo Nation's best interest.

i. 169.110(a): The Navajo Nation has agreed to compensation that is satisfactory to the Navajo Nation, the Navajo Nation hereby waives valuation, and the Navajo Nation has determined that accepting such agreed-upon compensation and waiving valuation is in its best interest.

D. Amendment No. 1 to the Existing Lease

1. The Navajo Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees. *See* Section 4 of Amendment No. 1 to the Existing Lease.

2. The Navajo Nation gives its consent to the waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following regulations in Title 25, Code of Federal Regulations, Part 162: 162.014 (a)(2) and 162.014(b) and deems such a waiver as being in the best interest of the Navajo Nation.

**Section Nine. Authorization**

The Navajo Nation authorizes the Navajo Nation President to execute any and all documents related to the Replacement Lease.

EXHIBIT
A

# REPLACEMENT LEASE

BETWEEN

THE NAVAJO NATION

AND

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

ARIZONA PUBLIC SERVICE COMPANY

TUCSON ELECTRIC POWER COMPANY

NEVADA POWER COMPANY d/b/a NV Energy

DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES

# REPLACEMENT LEASE

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**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

## TABLE OF CONTENTS


1. DEFINITIONS ..... 5
2. LEASED PREMISES. ..... 10
3. APPLICABLE LAW. ..... 12
4. PURPOSE; PERMISSIBLE USES; RESTRICTED USES. ..... 13
5. LEASE TERM. ..... 14
6. SURRENDER. ..... 15
7. RENTAL AND RENTAL PAYMENTS. ..... 19
8. FURTHER COMPENSATION AND TERMS AND CONDITIONS RELATED TO TRACT B. ..... 22
9. LIST OF NAVAJO NATION RETAINED ASSETS AND THE TABLE OF SAVINGS AND COSTS. ..... 24
10. PAYMENT IN LIEU OF TAXES. ..... 25
11. NGS RETIREMENT. ..... 25
12. OPERATION AND MAINTENANCE. ..... 28
13. UTILITY SERVICE AGREEMENTS. ..... 28
14. WATER USE. ..... 29
15. LIENS; UTILITY CHARGES. ..... 29
16. MORTGAGE TRANSFERS, ASSIGNMENTS AND SUBLEASES. ..... 30
17. DEFAULT FOR NONPAYMENT; REMEDIES; JURISDICTION. ..... 31
18. OTHER BREACHES AND DEFAULTS. ..... 32
19. WAIVER OF SOVEREIGN IMMUNITY. ..... 34
20. REEVALUATION UPON REQUEST. ..... 34
21. GENERAL LIABILITY INSURANCE. ..... 34
22. NAVAJO PREFERENCE IN EMPLOYMENT AND NAVAJO BUSINESS OPPORTUNITY. ..... 36
23. INDEMNIFICATION, NON-LIABILITY. ..... 37
24. MINERALS. ..... 38
25. EXPIRATION OF LEASE AND DELIVERY OF LEASED PREMISES. ..... 38
26. NATION'S AGREEMENT NOT TO REGULATE LESSEES. ..... 38
27. REPORTING. ..... 39
28. OBLIGATIONS TO THE UNITED STATES. ..... 39
29. NOTICES AND DEMANDS. ..... 39
30. SUCCESSORS AND ASSIGNS. ..... 40
31. EFFECTIVE DATE; VALIDITY. ..... 40

32. COOPERATION. ..... 41
33. MEMORANDUM OF LEASE; RECORDATION. ..... 41
34. MUTUAL ESTOPPEL STATEMENTS. ..... 41
35. NAVAJO NATION AUTHORIZATION APPROVING THE LEASE AND ADDRESSING SPECIFIC ACTIONS UNDER THIS LEASE. ..... 42
36. WAIVER AND RELEASE OF CLAIMS; COVENANT NOT TO SUE. ..... 43
37. APPLICATION AND WAIVER OF REGULATIONS OF DEPARTMENT OF INTERIOR. ..... 45
38. ADDITIONAL BIA REQUIREMENTS. ..... 45
39. EXECUTION IN COUNTERPARTS. ..... 45
40. ESTOPPEL CERTIFICATES. ..... 46
41. QUIET ENJOYMENT. ..... 46
42. FORCE MAJEURE. ..... 46
43. INDEPENDENT COVENANTS. ..... 46
44. SEVERAL RIGHTS LEASED. ..... 46
45. WAIVER OF JURY TRIAL. ..... 47
46. RECITALS. ..... 47
47. ENTIRE AGREEMENT. ..... 47
48. AMENDMENTS. ..... 47

Exhibit A The NGS Site (Tract A)
Exhibit A The Transmission Site (Tract B)
Exhibit A-2 The NGS Power Facility Located on a Portion of the NGS Site
Exhibit B List of Navajo Nation Retained Assets and the Table of Savings and Costs
Exhibit C Navajo Project Retirement Guidelines
Exhibit D Amendment No. 1 to the Indenture of Lease
Exhibit E Ash Disposal Area
Exhibit E-2 Solid Waste Landfill and Pond Solids Area
Exhibit F Ash Landfill Restriction
Exhibit F-2 Solid Waste Landfill and Pond Solids Restriction
Exhibit G Memorandum of Replacement Lease
Exhibit H Conveyor and Coal Loading Silo Areas
Schedule 7 Rental Payment Schedule
Schedule 29 Navajo Nation and Lessees Addresses

# REPLACEMENT LEASE

**BETWEEN**

**THE NAVAJO NATION**

**AND**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**THIS REPLACEMENT LEASE** ("Lease") is made and entered into by and between THE NAVAJO NATION ("Nation"), as lessor, and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY d/b/a NV Energy, AND THE DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES (hereinafter collectively, together with their successors and assigns, referred to as "Lessees", and singly referred to as "Lessee"), as lessees, and is approved by the Secretary of the Interior on this __ day of _____, 2017. The Nation and Lessees hereinafter are referred to collectively as the "Parties" or individually as "Party."

## RECITALS

**WHEREAS**, the Nation and the Lessees are parties to that certain Indenture of Lease – Navajo Units 1, 2 and 3 – between the Navajo Nation, as lessor, and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company d/b/a NV Energy, Salt River Project Agricultural Improvement and Power District, and Tucson Electric Power f/k/a Tucson Gas and Electric Company, as lessees, effective as of December 23, 1969, and continuing through December 22, 2019, which is to be amended by Amendment No. 1 thereto on the Effective Date hereof (as amended, the "Existing Lease").

**WHEREAS,** the Parties desire to enter into this Lease to replace the Existing Lease upon its expiration and to address matters related to (i) the Navajo Project, (ii) NGS Retirement and NGS Site Remediation of the Navajo Generating Station and related buildings, structures, and facilities located on the Leased Premises, (iii) the Parties' agreement to remediate coal combustion residuals, pond solids, solid waste, and other mutually agreed upon and specifically identified structures and materials through closure in place on the Navajo Project in compliance with the Retirement Guidelines, the NGS Retirement Plan,

and all applicable federal environmental laws, and (iv) operation and maintenance of transmission facilities on the Leased Premises.

**WHEREAS**, it is intended that under this Lease, the Nation shall lease to the Lessees undivided interests as tenants in common in the Leased Premises with their respective undivided interests in the said real property in accordance with the Lease Percentages as defined in Section 2(A) (Leased Premises).

**WHEREAS**, pursuant to other agreements related to the Navajo Project, Salt River Project owns 23.2 percent of the NGS Site for its own use and benefit and owns 24.3 percent of the NGS Site for the use and benefit of the United States of America.

**WHEREAS**, pursuant to other agreements related to the Navajo Project, Salt River Project owns 32.3 percent of the STS Site portion of the Transmission Site for its own use and benefit and owns 23.9 percent of said STS Site portion of the Transmission Site for the use and benefit of the United States of America, and Salt River Project owns 25.0 percent of the WTS Site portion of the Transmission Site for the use and benefit of the United States of America and thereby owns zero percent (0%) of the WTS Site for its own use and benefit.

**WHEREAS**, the Nation has, as evidenced by Resolution #_____ dated _____, 2017, approved this Lease upon the terms and conditions set forth in the Resolution, which the Nation has deemed to be in the best interests of the Nation.

**WHEREAS**, the Lessees have applied or will apply for the grant from the Secretary of one or more §323 Grants and the Nation has consented pursuant to Resolution #_____ to the issuance by the Secretary of such §323 Grants on terms and conditions substantially the same as the terms and conditions of this Lease, and the rights-of-way and easements granted to the Lessees by the Secretary under each §323 Grant are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon, the leasehold rights leased to the Lessees under this Lease.

**NOW THEREFORE,** the Nation and Lessees desire to enter into this Lease, the purpose of which will not include any coal combustion by the Lessees during any term of this Lease provided for in Section 5 (Lease Term).

## 1. DEFINITIONS.

Capitalized terms in this Lease have the meanings defined in Section 1 (Definitions). All other terms have their customary meanings unless indicated otherwise.

(A) "Amendment No. 1 to the Indenture of Lease" means the Amendment No. 1 to the Indenture of Lease among the Parties effective simultaneously with the Effective Date and which addresses certain matters between the Parties regarding operation of the Navajo Project for the remainder of the Existing Lease term. While not incorporated into this Agreement by reference, an unsigned copy of the Amendment No. 1 to the Indenture of Lease is attached as Exhibit D.

(B) "Applicable Law" means all laws specified in Section 3 (Applicable Law) as applying to the Leased Premises for purposes of NGS Retirement, NGS Site Remediation, and operation, maintenance and removal of the Transmission Facilities.

(C) "APS" means Arizona Public Service Company, an Arizona corporation.

(D) "Ash Disposal Area" means that portion of the NGS Site legally described on Exhibit E. A description of the Ash Disposal Area is included in Exhibit E.

(E) "Ash Landfill Restriction" means the notice/restriction required by Applicable Law and attached as Exhibit F.

(F) "Ash Landfill" means that portion of land on the Ash Disposal Area that contains the coal combustion residuals from operation of the Navajo Generating Station, as further depicted in Exhibit E. The terms "ash," "coal ash," and "coal combustion residuals ("CCR")," when used in this Lease or its Exhibits, are synonymous.

(G) "BIA" means the United States Bureau of Indian Affairs.

(H) "Credit Rating" means, with respect to Lessees, on any date of determination, the rating then assigned to Lessee's (i) unsecured debt, or for SRP, its revenue bonds (such debt not supported by third-party credit enhancement) or (ii) if such rating in clause (i) is unavailable, its corporate credit rating, in each case as issued by S&P or Moody's.

(I) "Downgrade Event" means, with respect to a Lessee, that (i) its Credit Rating falls below BBB- by S&P and Baa3 by Moody's; or (ii) it has no Credit Rating by both S&P and Moody's.

(J) "Effective Date" means the date that the Secretary has approved this Lease. This Lease shall be submitted to the Secretary for approval immediately after it has been fully executed by the Parties other than the signature by Salt River Project for the use and benefit of the United States. The Effective Date shall be set forth on page four (4) hereof upon the Secretary's approval.

(K) "Extension Period" means the additional Lease Term for Tract B and the related §323 Grant set forth in Sections 5(B) (Lease Term) and 8 (Further Compensation and Terms and Conditions Related to Tract B).

(L) "Lease Percentages" has the meaning given it in Section 2(A) (Leased Premises).

(M) "Lease Term" means the term of this Lease set forth in Section 5(A) (Lease Term) which applies to both Tract A and Tract B of the Leased Premises, but may be extended only for Tract B.

(N) "Leased Premises" means, as of the Effective Date, those lands (which are not all contiguous) legally described as Tract A (the NGS Site) and Tract B (the Transmission Site) on Exhibit A. A reduced survey map or plat of the Leased Premises is included in Exhibit A. Further, for ease of reference the diagrams (not to scale) of those portions of the Leased Premises constituting the NGS Site, the STS Site, and the WTS Site are the first page of Exhibit A (Tract A) and Exhibit A (Tract B) and a diagram of the NGS Power Facility is included in Exhibit A-2. The Leased Premises will be modified from time to

time after the Effective Date pursuant to Surrender as set forth in Section 6 (Surrender), and the definition of "Leased Premises" shall be modified accordingly.

(O) "Los Angeles" means the Department of Water and Power of the City of Los Angeles, a Department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California.

(P) "Memorandum of Replacement Lease" means that certain memorandum of this Lease recorded in the official records of the Navajo Nation Land Department Administration, GIS Section, the Land Titles and Records Office of the Department of the Interior Bureau of Indian Affairs, the Navajo Nation Environmental Protection Agency, LeChee Chapter and the Navajo and Coconino, Arizona, County Recorders.

(Q) "Moody's" means Moody's Investors Service, including its successor agencies, if any.

(R) "Navajo Generating Station" or "NGS" means the facilities and improvements located on the NGS Site, including, but not limited to, the NGS Power Facility, the railroad, the communication stations, the conveyor, the Lake Pump Facility, and the Ash Landfill, all of which are located on the NGS Site.

(S) "Navajo Nation" or "Nation" means the Navajo Nation (formerly known as The Navajo Tribe of Indians as stated in the Existing Lease), and includes any political subdivision, including but not limited to any Chapter, Township, Township Commission or taxing authority of the Navajo Nation.

(T) "Navajo Generating Station Participants" means Arizona Public Service Company, the Department of Water and Power of the City of Los Angeles, Nevada Power Company d/b/a NV Energy, Salt River Project Agricultural Improvement and Power District, Tucson Electric Power Company, and the United States of America.

(U) "Navajo Nation Retained Assets" means the Exhibit B list of improvements existing on the NGS Site as of the Effective Date from which the Nation may select, pursuant to Section 11 (NGS Retirement), the improvements that it desires to keep for its own purposes.

(V) "Navajo Project" means the Leased Premises, NGS, and the Transmission Facilities.

(W) "Navajo Project Retirement Guidelines" or "Retirement Guidelines" means the document attached as Exhibit C setting forth the key activities and procedures for the NGS Retirement and NGS Site Remediation, and serving as the basis for the preparation of the more comprehensive NGS Retirement Plan. The Retirement Guidelines, which also address Transmission Removal and Remediation, shall also serve as the basis for the preparation of the more comprehensive retirement plan related to Transmission Removal and Remediation, which shall be developed at a reasonable time prior to retirement, removal and remediation activities associated with Tract B.

(X) "Nevada" means Nevada Power Company, a Nevada corporation, d/b/a NV Energy.

(Y) "NGS Power Facility" means the facilities shown on Exhibit A-2.

(Z) "NGS Retirement" means removal of NGS in accordance with the Navajo Project Retirement Guidelines and this Lease and restoration of the surface of the NGS Site, pursuant to the provisions of this Lease, as implemented through the Lessees' NGS Retirement Plan.

(AA) "NGS Retirement Period" means the period during the Lease Term commencing on **December 23, 2019** and continuing up to and through **December 22, 2024**.

(BB) "NGS Retirement Plan" means the plan to be developed by Lessees setting forth the exclusive scope of work and the work specifications for NGS Retirement in accordance with the Navajo Project Retirement Guidelines, as provided in Section 11 (NGS Retirement), as said plan is amended from time to time by Lessees in a manner consistent with the Navajo Project Retirement Guidelines.

(CC) "NGS Site" means, as of the Effective Date, those lands (which are not all contiguous) legally described as Tract A on Exhibit A.

(DD) "NGS Site Remediation" means the remediation, closure, monitoring and other related activities required to take place on the NGS Site pursuant to this Lease and all Applicable Law. NGS Site Remediation includes, but is not limited to, monitoring and remediation of the perched water on the NGS Site as necessary; closure in place and monitoring of the Ash Landfill, solid waste landfill, and specified retention and stormwater ponds; interim maintenance of repurposed and new ponds; monitoring to protect groundwater outside the Leased Premises; remediation of solid waste, pond solids, and coal combustion residuals as necessary; remediation of specified structures and materials through closure in place; and continuation of remediation and monitoring begun during the NGS Retirement Period, as identified pursuant to Section 11 (NGS Retirement).

(EE) "NGS Site Remediation Period" means the period during the Lease Term commencing not later than **December 23, 2024** and continuing through **December 22, 2054**. Notwithstanding this period, some NGS Site Remediation may occur during the NGS Retirement Period.

(FF) "Replacement Lease" or "Lease" means this document, together with all referenced exhibits and attachments.

(GG) "Reservation Lands" means the lands of the Nation located within the exterior boundaries of the formal Navajo Indian Reservation.

(HH) "Salt River Project" means the Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized under the laws of the State of Arizona.

(II) "Secretary" means the Secretary of the Interior, his or her authorized representative, such person or agency as he or she may expressly designate to perform the Secretary's functions specified in this Lease, or any federal agency succeeding to the duties of the Secretary under the Lease.

(JJ) "Solid Waste Landfill and Pond Solids Area" means those portions of the Leased Premises legally described on Exhibit E-2.

(KK) "Solid Waste Landfill and Pond Solids Restriction" means the notice/restriction attached as Exhibit F-2.

(LL) "STS Site" means that portion of the Transmission Site that is the area occupied by the STS, as more fully depicted in Exhibit A, Tract B.

(MM) "S&P" means Standard & Poor Financial Services LLC, including its successor agencies, if any.

(NN) "Surrender" or "Surrendered" means the surrender to and the Nation's corresponding acceptance of portions of the NGS Site pursuant to Section 6 (Surrender). Upon Surrender: (1) the leasehold interest of the Lessees in the Surrendered Lands is extinguished; and (2) possession thereof by Lessees is relinquished, subject to and reserving rights of reasonable access by both the Nation and Lessees, all as provided in this Lease. To the extent any portion of the Surrendered Lands contains monitoring and related areas requiring post-closure access as described in Section 6 (Surrender), a general description or map of said areas shall be included in the documentation establishing the Surrender.

(OO) "Surrender Outside Date" means **December 22, 2024**, which is the date that all portions of the NGS Site, to the extent not previously Surrendered, except for the conveyor and the coal-loading silo areas shown on Exhibit H, must be Surrendered pursuant to Section 6(C) (Surrender). The conveyor and coal-loading silo areas shall be surrendered by **December 31, 2035**.

(PP) "Surrendered Lands" means those portions of the NGS Site Surrendered from time to time by Lessees to the Nation pursuant to Section 6 (Surrender).

(QQ) "Table of Savings and Costs" or "List of Navajo Nation Retained Assets and the Table of Savings and Costs" means that portion of Exhibit B named as such and which sets forth stipulated NGS Retirement savings and costs.

(RR) "Term Commencement Date" means **December 23, 2019** at 12:01 a.m. MST, as set forth more fully in Section 5(A) (Lease Term).

(SS) "Transmission Facilities" mean those facilities for transmitting electrical generation commonly known as the Southern Transmission System, including the Navajo 500kV Switchyard (collectively, "STS"), the Western Transmission System ("WTS"), and all related facilities located on the Transmission Site.

(TT) "Transmission Removal and Remediation" means the retirement of the Transmission Facilities and the remediation of the Transmission Site.

(UU) "Transmission Site" means that portion of the Leased Premises on which the "STS" and "WTS" and the related rights-of-way are located, including the STS Site and the WTS Site. The Transmission Site consists of the lands legally described as Tract B on Exhibit A.

(VV) "Tucson" means Tucson Electric Power Company, an Arizona corporation, f/k/a Tucson Gas & Electric Company.

(WW) "WTS Site" means that portion of the Transmission Site that is the area occupied by the WTS, as more fully depicted on attached Exhibit A, Tract B.

(XX) "2-Year Extension Period" shall have the meaning set forth in Section 8(D)(iii) (Further Compensation and Terms and Conditions Related to Tract B).

(YY) "35-Year Extension Period" shall have the meaning set forth in Section 8(D)(i) (Further Compensation and Terms and Conditions Related to Tract B).

(ZZ) "§323 Grant" means, singularly or collectively, one or more grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §§323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such current regulations promulgated thereunder as are applicable, including 25 C.F.R. §1.2 and Part 169, to Lessees pursuant to which they will use, maintain, relocate, remove, remediate, and monitor NGS and the NGS Site, and also operate, maintain, remove and remediate the Transmission Facilities located on the Transmission Site. The §323 Grant is intended to be co-terminous with the Lease Term and the Nation's consent thereto is for said time period.

## 2. LEASED PREMISES.

(A) Leased Premises. For and in consideration of the rents, covenants, agreements, terms and conditions contained herein, the Nation hereby leases to Lessees, as tenants in common in the percentage of undivided interests set forth below, all of those tracts or parcels of land situated within the Navajo Nation, State of Arizona, legally described on Exhibit A and by this reference made a part hereof, containing approximately 7,500 acre(s), more or less, together with the right of reasonable ingress and egress.

The Lessees shall have an undivided interest in the leasehold rights leased to Lessees under this Lease in the Lease Percentages as follows:

| | NGS Site/Tract A | Transmission Sites/Tract B | |
|---|---|---|---|
| Lessee | NGS and Related Property | Western Transmission System | Southern Transmission System (see note 1) |
| APS | 14.0% | 0.0% | 20.5% |
| Los Angeles | 19.7% | 48.9% | 7.8% |
| Nevada | 11.3% | 26.1% | 4.5% |
| Salt River Project | 47.5% | 25.0% | 56.2% |
| Tucson | 7.5% | 0.00% | 11.0% |
| Note 1: Ownership values are based on acres equivalent and not on transmission capacity. | | | |

Notwithstanding the foregoing or anything in this Lease to the contrary, Lessees reserve

the right to readjust and reallocate undivided interests in this Lease from time to time. Said readjustment shall be effective on a written notification by all Lessees to the Nation containing an effective date of the amended undivided tenant-in-common interests. No individual Lessee that owns a lesser co-tenant percentage as a result of an adjustment shall be relieved of its prior higher percentage tenant-in-common ownership liability for matters that arise prior to the effective date of the amended co-tenant percentages. Nor shall any individual Lessee that becomes an owner of a greater co-tenant percentage as a result of an adjustment be liable for additional liability through said greater co-tenant percentage until on and after the effective date of the amended co-tenant percentages.

(B) Road Access.

(i) Lessees are permitted to use for the Lease Term, for purposes of the operation, maintenance, repair, retirement and remediation of the Transmission Facilities and NGS, all access roads located outside the Leased Premises on Reservation Lands and recognized as a portion of the Navajo Nation road system by the Navajo Department of Transportation or in consultation with the U.S. Bureau of Indian Affairs ("BIA"), if necessary; provided, however, that the Lessees are not obligated to maintain such roads, except for maintenance made necessary by Lessees' use of such roads.

(ii) During the NGS Retirement Period and for the Transmission Removal and Remediation on Tract B during either the 2-Year Extension Period or the 35-Year Extension Period, as applicable, the Lessees are permitted a right to reasonable access across Reservation Lands to and from the Leased Premises for heavy haulage, but only in consultation with the Navajo Department of Transportation, and with the BIA, if necessary, and to the extent use of access roads is not practicable for NGS Retirement or the Transmission Removal and Remediation, and provided that said access roads and all property affected shall be restored to substantially their original condition upon completion of heavy haulage.

(C) Consent to Grant of Rights-of-Way by Secretary.

(i) The Lessees shall have the right to obtain, by grant from the Secretary, one or more §323 Grants for the Leased Premises. By Resolution #_____ of the Navajo Nation Council dated _____, 2017, the Nation gives its consent to the grant by the Secretary of these §323 Grants (such rights-of-way and easements being herein sometimes called "rights-of-way") for the Leased Premises. The terms and conditions of the §323 Grants as approved by the Secretary shall be consistent with the terms and conditions of the Lease.

(ii) Other similar rights-of-way, additions to, or changes in rights-of-way previously procured, which may be found necessary for the use, maintenance, relocation, removal, remediation and monitoring of the NGS Site, may be procured from the Secretary, subject to the Nation's prior consent. This includes, but is not limited to, rights-of-way for access roads to the boundary of Reservation Lands or main roads and highways.

(iii) The §323 Grants shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease. Under no conditions shall any leasehold rights under this Lease merge with the §323 Grant(s). A termination of this Lease for any reason shall not terminate the §323 Grant(s), and a termination of the §323 Grant(s) for any reason shall not terminate this Lease.

(D) Access to Surrendered Lands.

(i) The Nation shall provide reasonable access to Lessees and their authorized representatives, at all reasonable times and upon compliance with the Nation's safety and security rules, to Surrendered Lands. Such access to Surrendered Lands shall be solely for the purposes of conducting NGS Site Remediation, and post-closure maintenance and monitoring, and shall terminate with respect to applicable portions of the Surrendered Lands when those activities are complete.

(ii) Lessees shall provide reasonable access to the Leased Premises to the Nation and its authorized representatives, at all reasonable times and upon compliance with the safety and security rules established by Lessees, to enable the Nation to: (a) make full use of all Surrendered Lands and any improvements thereon; and (b) enter upon the Leased Premises, or any part thereof, to confirm Lessees' compliance with this Lease, including adherence to the Retirement Guidelines and provisions of Applicable Law. Nothing in this Section 2(D)(ii) shall limit Lessees' obligations under this Lease and Applicable Law.

(E) Other Requirements.

(i) Lessees agree that there will not be any unlawful conduct, illegal activity, or negligent use or waste of the Leased Premises.

(ii) If historic properties, archeological resources, human remains, or other cultural items not previously reported are encountered during the course of any activity associated with the Lease, all activity in the immediate vicinity of the properties, resources, remains, or items will cease and the Lessees will contact the BIA and the Nation to determine how to proceed. Such a delay will be considered a force majeure delay as defined in this Lease.

**3. APPLICABLE LAW.**

(A) Notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, 25 C.F.R. §§162.014(a)(2) and 162.014(b), or relevant federal, state or tribal case law precedent, any activities of the Lessees under this Lease, including, but not limited to, NGS Retirement, NGS Site Remediation, Transmission Removal and Remediation and other activities contemplated in this Lease, shall be governed exclusively by federal law or, if federal law does not apply, the laws of the State of Arizona.

(B) Any and all matters or claims in dispute between the Parties to this Lease, whether arising from or relating to the Lease itself, or arising from alleged extra-contractual facts prior to, during, or after the Effective Date, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the contract, shall be governed by, construed, determined and enforced exclusively in accordance with federal law or, if federal law does not apply, the laws of the State of Arizona, regardless of the legal theory upon which the matter is asserted and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, 25 C.F.R. §§162.014(a)(2) and 162.014(b), or relevant federal, state or tribal case law precedent. Where federal law incorporates or applies the substantive law of the state in which the dispute or activities at issue occurred or in which the federal court is located, this Lease should be construed and enforced to require incorporation of the laws of the State of Arizona.

(C) This Section 3 shall survive any termination of this Lease or the expiration of the Lease Term in perpetuity.

**4. PURPOSE; PERMISSIBLE USES; RESTRICTED USES.**

(A) NGS Site. Lessees shall use the NGS Site for the primary purposes of NGS Retirement, NGS Site Remediation, and post-closure activities in accordance with this Lease. Permissible uses include, but are not limited to, the following:

(i) All activities required by permits, licenses, orders, approvals, or applicable federal law.

(ii) Activities required to obtain applicable permits, licenses, orders or approvals.

(iii) Remediation through closure in place on the Navajo Project, in compliance with the Retirement Guidelines, the NGS Retirement Plan, and all applicable federal environmental laws, of coal combustion residuals, pond solids, solid waste, and structures and materials specifically agreed upon by the Parties and identified in Appendix 3 to Exhibit C, Exhibit E and Exhibit E-2.

(B) No Coal Combustion. Coal combustion is not a permissible use after the Term Commencement Date.

(C) Transmission Site. Lessees shall use the Transmission Site for the primary purpose of operations, maintenance, removal and remediation of the Transmission Facilities.

(D) Closure in Place. The Parties intend that the Ash Landfill, solid waste landfill, specified retention and stormwater ponds, and certain subgrade structures, pipes, and conduit will be closed in place. Closure in place of these facilities and structures, and any others mutually agreed to by the parties in accordance with this Lease, is a permissible use that has been mutually agreed upon by the Parties. The Rental Payments (Section 7 Rental and Rental Payment) are, in part, consideration paid by Lessees for the Nation's consent to closure in place and the Lease Term is based, in part, on Lessees' need for access to conduct monitoring and maintenance activities after closure. All closure in place shall comply with this Lease, the Retirement Guidelines, the NGS Retirement Plan, and all applicable federal environmental laws.

(E) Restricted Uses. Residential, multifamily, school, child care, farm, hospice and other uses that could pose a human health risk or disturb the integrity of capped closures in place, whether commercial, for profit or non-profit, are prohibited on the Leased Premises for the Lease Term. The Leased Premises are not suitable for unrestricted use and Lessees shall have no obligation to achieve standards suitable for unrestricted use. Warehouse and office uses are permissible uses if they do not pose a human health risk or disturb the integrity of any capped closure in place. The Nation agrees that after expiration of the Lease no residential, multifamily, school, child care, farm, hospice or other use that could pose a human health risk, whether commercial, for profit or non-profit, shall be permitted on the Leased Premises unless the Nation conducts additional remediation to render the Leased Premises suitable for the proposed use. If the Nation allows use of any portion of the Leased Premises in any manner that could pose a human health risk or disturb the integrity of any capped closure in place, the Nation shall indemnify and hold harmless the Lessees for any such use. This Subsection shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

(F) Capped Areas. Lessees shall cap the solid waste landfill and pond solids closure areas . Prior to Surrender pursuant to Section 6 (Surrender), Lessees shall make repairs to any capped areas located on the Leased Premises that are necessary to correct the effects of settlement, subsidence, and erosion and to prevent run-on and run-off from eroding or otherwise damaging the cover. Without limitation, prior to Surrender pursuant to Section 6 (Surrender), Lessees shall have the right to place whatever fencing, signage, and barriers they deem necessary to provide notice or restrict access. After Surrender, the Nation shall maintain any fencing, signage, or barriers for so long as the Nation deems them to be necessary. Any use by the Nation of the capped areas shall not disturb the integrity of the cap or of any sentinel monitoring well that is still in use. This Subsection shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

(G) Monitoring and Response Activities. The Lessees shall monitor the water quality in existing groundwater monitoring well(s) downgradient of the solid waste landfill to confirm that materials and structures remediated through closure in place do not pose a threat to groundwater outside the Leased Premises. Lessees shall meet with the Navajo Nation EPA ("NNEPA") and establish a monitoring plan that lists the constituents to be tested and the acceptable concentration limits. Lessees shall sample one or two wells once every six months commencing on the Term Commencement Date and continuing during the Lease Term for so long as the Lessees and the NNEPA agree that sampling is necessary to confirm that the closures pose no threat to groundwater outside the Leased Premises. If sampling indicates that groundwater concentrations in the sentinel well(s) exceed the limit established in agreement with the NNEPA for any constituent, the Lessees shall notify the NNEPA and work cooperatively to develop an investigation plan. If this investigation plan results in verification that the groundwater contamination originated on the Leased Premises and poses a threat to groundwater outside the Leased Premises, the Lessees and the Nation shall cooperatively develop an action and response plan. The Nation shall provide any access necessary for the action and response plan as provided for in Section 2(D) (Leased Premises). If Lessees and the Nation cannot agree on an appropriate response plan, the Parties will institute dispute resolution under Section 18 (Other Breaches and Defaults).

## 5. LEASE TERM.

(A) Term. The term of this Lease will commence on **December 23, 2019** at 12:01 a.m. MST ("Term Commencement Date"), the date on which the Existing Lease ends and is fully extinguished.

(i) Tract A. The Lease Term for Tract A is for thirty-five (35) years and expires on **December 22, 2054**, without the right of extension.

(ii) Tract B. The Lease Term for Tract B is for thirty-five (35) years and expires on **December 22, 2054**, with one (1) right of extension as referenced below.

(B) Extension of the Lease Term for Tract B. The Lease Term for Tract B shall be extended once for either a 2-Year Extension Period or a 35-Year Extension Period, all as provided for in Section 8 (Further Compensation and Terms and Conditions Related to Tract B) below. The Lease Term, as it relates solely to Tract B and the related §323 Grants, will be extended for the applicable time period provided for in Section 8 (Further Compensation and Terms and Conditions Related to Tract B), commencing on the day immediately following the expiration date of the Lease Term for Tract B, being an expiration date of **December 22, 2054** (the "Extension Period"), on the same terms and conditions provided herein, with the exception that the aggregate Lease rental and §323 Grant payments from the

Lessees for the entire Extension Period shall be $10.00 per annum, which may be prepaid or paid in a lump sum at any time by the Lessees. No Extension Period shall apply to Tract A.

(C) Right of Access for Activities after End of Lease Term. Applicable Law currently requires groundwater monitoring and other post-closure care of the Ash Landfill for thirty (30) years and possibly longer from the date of closure of the Ash Landfill. Other remediation or monitoring activities may continue past the end of the Lease Term. In the event that any such activities, at the Ash Disposal Area or elsewhere on the Leased Premises, are required to take place after the end of the Lease Term, the Nation shall provide reasonable access to Lessees and their authorized representatives, at all reasonable times and upon Lessees' compliance with the Nation's safety and security rules, to the Ash Disposal Area or other areas. Such right of access shall be solely for the purpose of conducting the required activities, shall commence on the applicable end of the Lease Term for Tract A and Tract B, respectively, and shall terminate when those activities are complete or no longer required under Applicable Law. No charge or fee shall be incurred by Lessees for this access. Section 26 (Nation's Agreement Not to Regulate Lessees) applies to access and the activities which take place after the end of the Lease Term. The provisions of this Lease providing that the rental and other consideration of this Lease are in full substitution of taxes shall continue to apply to the post-Lease Term rights of the Lessees. This Section 5(C), the insurance provisions contained in Section 21 (General Liability Insurance), and the indemnity provisions contained in Section 23 (Indemnification, Non-Liability) shall specifically survive the expiration of the Lease Term and the latter two Sections shall be applicable to the access. Lessees shall provide a timely copy to the Nation, in accordance with Section 29 (Notices and Demands), of Lessees' notice to the U.S. Environmental Protection Agency that the Ash Landfill is "closed" pursuant to Applicable Law and the U.S. Environmental Protection Agency's written response thereto.

**6. SURRENDER.**

(A) Certain Matters. Notwithstanding anything in this Lease to the contrary:

(i) Surrendered Area. Surrender of the NGS Site will occur during, or at the completion of, the NGS Retirement Period as provided in this Section 6. During the Lease Term, no portion of the Transmission Site will be Surrendered.

(ii) NGS Site. No express or implied covenant or obligation exists for Lessees to operate or preserve all or any portion of NGS or the NGS Site or appurtenant operations, except for Lessees' obligation to preserve those Navajo Nation Retained Assets selected by the Nation pursuant to Section 9(A)(ii) (List of Navajo Retained Assets and the Table of Savings and Costs) until Surrendered (subject to the casualty provisions of Sections 6(A)(iii) and 11(H) (NGS Retirement)).

(iii) Casualty or Damage. The Parties acknowledge that no obligation exists for the Lessees to restore any portion of the Navajo Project subject to casualty (insured or uninsured), damage, breakage and events of force majeure.

(B) Surrender During the NGS Retirement Period.

(i) Warehouse.

(a) The existing NGS Site warehouse includes a building of approximately 52,200± square feet and an abutting parking lot south of the building (collectively, the "Warehouse" and

shown on Exhibit A-2). The parking lot shall be shared with project contractors. The Warehouse, together with a reasonable right of access thereto, shall be made available to the Nation, and the underlying land will be Surrendered to the Nation. If the Nation elects to accept the Warehouse by **December 22, 2018**, the transfer and Surrender dates for the accepted Warehouse and underlying land shall be within 180 days after the Term Commencement Date.

(b) AS IS. The Warehouse will be Surrendered AS IS as set forth in Section 11(G) (NGS Retirement).

(c) Limited Purpose. The Warehouse shall be used exclusively for industrial, warehouse, office, and any other non-retail, non-residential purposes that do not interfere with NGS Retirement during the NGS Retirement Period and for no other purposes.

(d) Utilities. All utilities servicing the Warehouse after Surrender shall be the responsibility of the Nation.

(e) Personal Property Removal. Lessees shall have the right to remove their existing inventory and other personal property currently located in the Warehouse for a period of up to 180 days after the Term Commencement Date. Any personal property left by Lessees in the Warehouse after that date shall be deemed abandoned without claim by Lessees, unless the Nation requests its removal by Lessees within 240 days after the Term Commencement Date.

(f) Rules. During the NGS Retirement Period, the rights of the Nation to use the Warehouse and any other Surrendered Lands shall be subject to safety and security rules that the Lessees may adopt in their reasonable discretion.

(ii) The Nation and the Lessees may elect, acting in good faith, to enter into further Surrenders of areas of the NGS Site during the NGS Retirement Period.

(C) Mandatory Surrender on Surrender Outside Date.

(i) Full Surrender of NGS Site. Except as provided in the definition of Surrender Outside Date, on said Surrender Outside Date any remaining portion of the NGS Site shall be Surrendered by Lessees and said NGS Site shall be accepted as Surrendered by the Nation on the conditions contained in this Section 6. The Surrender on the Surrender Outside Date shall be self-operative and fully executed through this provision without further act by any Party, subject to Section 6(D).

(ii) Monitoring and Remediation Areas Within Surrendered Lands. Lessees may reserve in any Surrendered Lands delineated areas that are reasonably required for monitoring and remediation activities. These activities may include operation, maintenance, replacement, removal and land restoration. These areas may be fenced or unfenced. Lessees shall have the right to exclusively control these areas, together with a reasonable right of access over designated rights-of-way and private service drives to such areas, at all reasonable times and upon compliance with the Nation's safety and security rules. In accordance with Section 10 (Payment in Lieu of Taxes), no taxes, fees, assessments, levies, imposts, exactions or charges of any kind shall be incurred by Lessees. Section 26 (Nation's Agreement Not to Regulate Lessees) shall continue to be applicable to the monitoring and remediation areas located within Surrendered Lands. The Lessees shall also permit a modification of the applicable portion of the §323 Grant to limit the §323 Grant on Surrendered Lands for the purposes set forth in this

Section 6(C). Lessees' rights of control and access shall terminate when monitoring and remediation activities are complete or no longer required under Applicable Law.

(D) Surrender Conditions. No portion of the NGS Site shall be Surrendered (whether consensually before or as mandated on the Surrender Outside Date) unless the following conditions are satisfied: all NGS Retirement has been completed pursuant to the Retirement Guidelines (subject to any continued on-site monitoring or other activities required for NGS Site Remediation); the entire co-tenant interest of all of the Lessees in the Surrendered Lands must be Surrendered (except for monitoring areas reserved in accordance with this Section); and possession must be Surrendered free of any sublease or occupants and free of any mortgages. Any portion of the Surrendered Lands not complying with the foregoing Surrender conditions may be rejected by the Nation by written notice from the Nation to Lessees given within one hundred twenty (120) days after the Surrender Outside Date or other applicable earlier Surrender date. Lessees shall take commercially reasonable actions within a reasonable timeframe to Surrender any rejected Surrendered Lands, consistent with the Retirement Guidelines. If the Nation does not deliver notice of a rejection on the 121st day after Surrender the Surrendered Lands shall be deemed to have satisfied the foregoing Surrender conditions.

(E) Surrendered Lands Status. Upon Surrender, the following shall apply and govern the Surrendered Lands: (1) all of the Lessees' right, title, interest and estate shall be extinguished and terminated; Lessees shall have no further duty, obligation or liability with respect to said Surrendered Lands, provided, however, that Lessees are not relieved of obligations to comply with all applicable federal environmental law; (2) the Nation shall have all obligations of ownership, maintenance and operation of the Surrendered Lands first arising after the Surrender Date; and (3) the Nation shall be free to use the Surrendered Lands for any purpose except as specifically limited by this Lease, including but not limited to, the limitations and prohibitions of Section 4 (Purpose; Permissible Uses; Restricted Uses).

(F) Ash Disposal Area - New Landfill Cell. The Nation and Lessees agree that through **December 22, 2018**, the Nation shall have the right to request of Lessees the Nation's participation in a possible new landfill located within a portion of the Ash Disposal Area that is not currently subject to use as a landfill area (the "New Cell"). Lessees may at their option create the New Cell for a landfill to accept certain NGS Retirement material as set forth in the Navajo Project Retirement Guidelines. The Parties acknowledge that subject to further study and review by the Nation, said New Cell may provide a commercial opportunity for the Nation after the NGS Retirement Period is complete and the use of the New Cell by the Lessees ceases. The Nation may exercise its option to commit to participation in the New Cell by no later than **December 22, 2018**. If the Nation does not exercise its option by that date, the Nation's participation right will cease. If the Nation elects to participate in the New Cell, the Parties shall negotiate in good faith with respect to matters such as size, capacity, access, and type of materials that may be located within the New Cell by the Nation, financial matters and other material terms subject to the following: (i) The construction of a New Cell shall not and may not adversely impact the scope of work and timeline for the NGS Retirement; and (ii) Lessees will undertake to construct or expand the New Cell based on the following parameters mutually agreed to by the Parties: (a) The Nation shall be required to contribute no more than $1,207,000.00 for a New Cell that can contain approximately 170,000 tons of waste; (b) if the New Cell is smaller than set forth in (a), then the Nation shall contribute a commensurate smaller amount, and if the New Cell is larger than set forth in (a), then the Nation will pay for any increase in cost that results from the landfill being larger. The Nation acknowledges that the New Cell will be constructed in accordance with the legal and industry practices set forth in Section 1.1 of the Navajo

Project Retirement Guidelines and said practices shall establish the costs involved in the Nation's participation.

(G) Surface Ponds. The Parties acknowledge that through the adoption of the Navajo Project Retirement Guidelines they have mutually established a series of pond closure types with respect to the NGS Site Remediation. The types and methodology of pond closures are primarily set forth in Section 1.4 of the Navajo Project Retirement Guidelines. The Parties acknowledge and agree that the pond closure categories set forth in the Retirement Guidelines and the exhibits thereto shall control over any other term or provision of this Lease, including the references to or definitions of surface and NGS Site Remediation herein.

(H) Surrendered Lands Use Limitations. When portions of the NGS Site become Surrendered Lands pursuant to this Section 6, the following covenants and restrictions shall apply to the Nation and those occupants obtaining or claiming an interest through the Nation, including any entity owned or controlled by the Nation:

(i) Except by mutual agreement between the Nation and Lessees, Surrendered Lands are restricted to commercial non-residential use (including governmental, industrial, warehouse, office and commerce) until all lands on the NGS Site have been Surrendered.

(ii) No residential activity is permitted on the Surrendered Lands. Multifamily, school, child care, farm, hospice and other uses with similar human health risks, whether commercial, for profit or non-profit, are prohibited for the Lease Term pursuant to Section 4 (Purpose; Permissible Uses; Restricted Uses).

(iii) No surface or subsurface mining activity may occur on or in the Surrendered Lands until the NGS Site Remediation Period has commenced, and then only provided such activities do not disturb or impair any required NGS Site Remediation or facilities or materials closed in place as contemplated by the Retirement Guidelines; provided, however, no mining activity may occur in the tracts containing the Warehouse or any other Navajo Nation Retained Asset.

(iv) The Nation shall make no claim and fully releases, on behalf of itself, successors and assigns, the Lessees with respect to any nuisance or similar claims during the NGS Retirement Period.

(I) As Is. All Surrendered Lands are subject to the "AS IS" provisions contained in Section 11(G) (NGS Retirement); except as provided in Sections 36(B) and (C) (Waiver and Release of Claims; Covenant Not to Sue).

(J) Indemnity. All Surrendered Lands are subject to the indemnity provisions contained in Section 23(B) (Indemnification; Non-Liability) below.

(K) Required Surrender Modifications to this Lease and Related Documents.

(i) The Parties shall update the Memorandum of Replacement Lease to memorialize each Surrender pursuant to this Section 6.

(ii) The Parties shall use commercially reasonable efforts to also update, to the extent required and permitted by Applicable Law, any NGS Site §323 Grant accordingly.

(L) Non-Merger. No merger or extinguishment of any interest in the remaining Leased Premises shall occur by any Surrender of Surrendered Lands. Without limitation, this Lease shall not be impaired, merged or extinguished by the creation of Surrendered Lands; no interest of the Nation as lessor under this Lease shall be merged or impaired by the creation of Surrendered Lands; no interest of Lessees as lessees under this Lease shall be merged or impaired by the creation of Surrendered Lands; and no lesser estate in the remaining Leased Premises shall be merged into any superior interest of the Nation or Lessees.

(M) No Cross Default. No event or condition of default by either the Nation or Lessees with respect to Surrendered Lands shall cause a breach or constitute an event of default under this Lease by either the Nation or Lessees as to the remaining Leased Premises. In no event shall any breach by any Party with respect to Surrendered Lands relieve any other Party of its performance under this Lease. Further, for clarity, the §323 Grant is separate and apart from the status of former Leased Premises as Surrendered Lands.

## 7. RENTAL AND RENTAL PAYMENTS.

(A) Additional Rental/Inducement. To induce and in consideration of the Nation entering into this Lease in full substitution of the Existing Lease, and for the further purposes of inducing and in consideration of the Nation executing and delivering Amendment No. 1 to the Indenture of Lease, and for the Nation's permanent waiver of taxation in any form or manner, together with the estoppel statements and waivers and relinquishment of claims, if any, of the Nation as set forth in this Lease, and to consent to and permit the Lessees to enter into certain §323 Grants and obtain certain Secretary waivers for this Lease and said §323 Grants, all of said grants and waivers for no additional consideration or rent/fees paid to the Nation, the Secretary or others, the Nation acknowledges and agrees that in addition to the base rental payments set forth in Section 7(B) each of the Lessees under this Lease have agreed to significant monetary payments and other material inducements to the Nation for its benefit. Such additional monetary consideration and other material inducements include, without limitation, the following:

(i) The obligation to pay full base rental for all of the Leased Premises in the sum of $110,040,989.00 as set forth in Section 7(B) for the entire Lease Term notwithstanding that significant, valuable and developable portions of the Leased Premises shall be Surrendered by the Lessees to the Nation from time to time and in all events by no later than the Surrender Outside Date;

(ii) That without previous obligation to do so the Lessees have agreed to provide certain transmission use to the Nation and related transmission and Transmission Facilities opportunities and matters as set forth in Section 8 (Further Compensation and Terms and Conditions Related to Tract B) of this Lease which have not heretofore existed as an opportunity for the Nation; and further as to that transmission use, the Owners (as defined in Section 8(A)(ii) below) have agreed to voluntarily incur significant O&M Costs for a time period that they would not otherwise have incurred with respect to Tract B and the Transmission Facilities located thereon but for the arrangements with the Nation for transmission as set forth in said Section 8 (Further Compensation and Terms and Conditions Related to Tract B);

(iii) That significant additional assets have been made available and shall become the property of the Nation including and beyond those physical buildings set forth currently on Exhibit 9 to the Existing Lease;

(a) Including a railroad track and related facilities having a recognized replacement value of approximately $120,000,000;

(b) The Lake Pump Facility, its suction piping, discharge piping to the plant metering pit, electrical distribution lines from the 230kV switchyard and the 230kV Switchyard having a recognized replacement value of $41,000,000;

(c) The Warehouse having a stipulated value of approximately $2,000,000;

(d) Fences and the equipment making up the Air Monitoring Station;

(e) The sum of $18,132,500 to be paid in equal installments over three (3) years with the first payment due **January 1, 2020**, as further inducement to the Nation by sharing the agreed-to savings the Lessees believe they will realize by not demolishing the above facilities.

The foregoing being further specific inducements and consideration to the Nation for the base rental set forth below being in lieu of any and all taxes or right of taxation however arising and the commitment of the Nation to agree that the Retirement Guidelines shall exclusively govern the retirement of the entire Leased Premises, as said retirement is more particularly provided for in this Lease;

(iv) Further substantial monetary consideration in the form of payments pursuant to the Table of Savings & Costs attached as Exhibit B will be made from time to time during this Lease Term, as more particularly provided for therein, with the Parties agreeing such cash payments may be approximately $1,656,810.00;

(v) And, further, that certain "Generation Lessees" as defined in the Amendment No. 1 to Indenture of Lease have agreed to provide certain minimum fuel purchase revenue to the Nation with respect to coal fuel matters, taking into account that no coal fuel royalties need be paid from this date forward;

(vi) Additionally, certain of the Lessees have made independent arrangements with the Nation to support the Nation with respect to the Nation's efforts to secure water permits that are currently exclusively controlled by the Lessees in other situations to the material benefit of the Nation and its economic development.

(B) Payments.

(i) Lessees shall pay to the Nation the annual rent for the Leased Premises set forth on Schedule 7 hereto. The annual rent shall be paid in advance commencing on **December 23, 2019** and on December 23rd of each year thereafter of the Lease Term through and including **December 23, 2053**. No late payment interest shall accrue on any payment unless delinquent past the respective due date.

(ii) Lessees shall also pay to the Nation the NGS Retirement savings payment set forth on Schedule 7 hereto. The Retirement Savings payment shall be due and paid in three (3) equal installments on **January 1, 2020**, **January 1, 2021** and **January 1, 2022**. No late payment interest shall accrue on any payment unless delinquent past the respective due date.

(C) How Payments Are Made. The Lessees shall severally be responsible and shall timely make their proportional rental payments as required by Section 7(B). For administrative purposes only the Lessees shall arrange for one aggregate annual rent payment of the total rental payment then due and payable. Accordingly, payments of rental under this Lease may be made through Salt River Project, in its capacity as the operating agent of NGS, and the Nation shall accept such single payment. The Parties acknowledge the single payment is conditioned on the prior timely receipt of the funds by Salt River Project from all of the Lessees. On receipt by Salt River Project of rental payments, Salt River Project, as operating agent, shall then deliver the annual rental payment required by the terms of this Lease to the Nation. The Nation shall accept a lesser or partial payment from Salt River Project from those Lessees identified in a written notice from Salt River Project to the Nation of what Lessees are fully paying their respective proportional share. The Nation reserves its rights and remedies against any partially paying or non-paying Lessee notwithstanding the Nation's acceptance of a lesser rental payment through Salt River Project as operating agent.

(D) Credit. Each Lessee severally agrees that in the event that it has a Downgrade Event during the Lease Term of this Lease, then the Nation shall be entitled to demand credit support. Acceptable forms of credit support shall be limited to a cash deposit, an irrevocable standby letter of credit, a surety bond, an escrow trust account, or a guaranty. Lessee may select the form of the credit support in its sole discretion. If Lessee elects to provide a guaranty, the guarantor must have a credit rating of at least BBB- from S&P or Baa3 from Moody's. If Lessee elects to provide a letter of credit, such letter of credit must be from a United States Bank or a foreign bank with a United States branch, with United States based assets of at least $10,000,000,000.00 and a rating of "A-" or better from S&P or a rating of "A3" from Moody's. If the Lessee provides a cash deposit, an irrevocable standby letter of credit, or a surety bond, the initial amount of the credit support shall be equal to the net present value of the payments then due under this Lease by Lessee to the Nation, with the net present value being determined using a discount rate of seven percent (7%). The amount of the credit shall be updated annually to reflect the amount then due by recalculating and updating the net present value calculation. Notwithstanding the foregoing, the amount of credit support to be provided by Lessee shall be reduced by any amounts then owing to Lessee by the Nation under the terms of this Lease and/or pursuant to any other agreement between the Nation and Lessee, whether such amounts are owed in the ordinary course of business, or based on an event of default or other breach of any such agreement. Any such credit support must be delivered no more than thirty (30) days following the receipt by Lessee of demand for the same by the Nation, after giving effect to the setoff and netting provisions of the foregoing sentence.

(E) No Reduction. The rental payments set forth in Section 8(B)(i) are established and paid by Lessees to induce the Nation to enter into this Lease for the entire Leased Premises and to consent to one or more §323 Grants for portions of or for the entire Leased Premises at the discretion of the Lessees, all for the entire Lease Term. Accordingly, the Surrender of portions of the Leased Premises over time pursuant to this Lease shall not diminish or reduce the rental payments hereinabove reserved to be made by Lessees to the Nation. Without limitation, even if all of the NGS Site is Surrendered to the Nation pursuant to Section 6 (Surrender) of this Lease excepting only the access rights provided in said Section, the full amount of the rental hereinabove stated in this Section shall nevertheless be due and payable for the remainder of the Lease Term.

(F) Several Shares. Each Lessee shall be individually responsible and liable to the Nation for the payment of a part of the total rental under this Lease. No Lessee shall be responsible or liable to the Nation for the payment of any portion of the rental of any other Lessee.

(G) Payments; Late Payment Interest. Payments under this Lease shall be addressed to: Navajo Nation, Accounts Receivable Section, Post Office Box 3150, Window Rock, Arizona 86515. Any Lessee that fails to pay its rental reserved in Section 7(B)(i) within fourteen (14) days after the due date shall pay per diem late payment interest to the Nation on said delinquent rental sum at a fluctuating interest rate equal to JP Morgan Chase Bank's publically-announced prime rate plus three percent (3.0%) until paid to the Nation.

## 8. FURTHER COMPENSATION AND TERMS AND CONDITIONS RELATED TO TRACT B.

(A) Further Compensation. Commencing on **December 23, 2019** and for a period of thirty-five (35) years, the Nation shall be further compensated for Tract B in the following manner:

(i) Receipt by the Nation or its assignee(s) of 300 megawatts of 500kV transmission use and capacity on the STS and 200 megawatts of 500kV transmission use and capacity on the WTS. The delivery of the transmission use and capacity shall be through a separate agreement between the Nation and the United States Department of Interior's Bureau of Reclamation ("USBR"). The separate agreement between the Navajo Nation and USBR shall state for the benefit of the Lessees that the Nation shall be allocated 500kV transmission use and capacity on terms that are comparable and not dissimilar to the allocation of 500kV transmission use and capacity to any other holder of 500kV transmission use and capacity on the Transmission Facilities, with the exception of Section 8(A)(ii) below. The separate agreement between the Navajo Nation and USBR shall state for the benefit of the Lessees that the Nation's allocation of 500kV transmission use and capacity shall not be limited in any manner such that the allocation is not, or is no longer, comparable and not dissimilar to the allocation of transmission use and capacity to any other holder of 500kV transmissions use and capacity. Notwithstanding the foregoing, however, the Nation shall be subject to the same restrictions as any other holder of 500kV transmission use and capacity (*e.g.* curtailment of transmission capacity or any other limitations or restrictions, as the same are set forth in the ownership and operating agreements for the STS and WTS ("STS and WTS Operating Agreements"), as they may be amended or replaced.

(ii) For a ten (10) year period, beginning at 12:01 a.m. on **December 23, 2019** and ending at midnight on **December 22, 2029**, the Lessees shall fund the operation and maintenance costs ("O&M Costs") due under the STS and WTS Operating Agreements and attributable to the Nation's use of the 500kV transmission use and capacity provided by the USBR to the Nation. At no time shall the Lessees have an obligation to fund any other costs due under the STS and WTS Operating Agreements that are attributable to the Nation's use of the 500kV transmission use and capacity provided by the USBR to the Nation. It is understood that the Lessees, each an owner of the STS and/or the WTS (each an "Owner" or collectively the "Owners") agree to fund the O&M Costs associated with the Nation's use of the 500 megawatts of USBR's share of 500kV transmission use and capacity on the STS and the WTS, respectively. The USBR will continue to pay the remainder of the USBR share of the O&M Costs under the STS and WTS Operating Agreements for transmission use not associated with the Nation's 500kV transmission use described in this Section 8.

(a) For a ten (10) year period, beginning on **December 23, 2019** and ending on **December 22, 2029**, the Lessees shall be responsible for and allocate the O&M Costs among each other with respect to the STS and WTS, based on their ownership responsibilities in the then current STS and WTS Operating Agreements.

(b) For purposes of this Section 8, O&M Costs is further defined to mean only those STS and WTS costs paid by the Owners of the STS and WTS that are, in the ordinary course, budgeted as, booked as or accounted for by the Owners as operations and maintenance costs.

(c) After the aforementioned ten (10) year period, the Owners shall have no further O&M Cost obligations as described herein under this Section 8(A)(ii).

(d) The separate agreement between the Nation and USBR shall state that the Nation shall be responsible for all other USBR costs of any kind due under the STS and WTS Operating Agreements that are attributable to the Nation's use of the 500kV transmission use and capacity provided by USBR to the Nation, and shall also address the payment of such costs by the Nation to USBR.

(B) Operation and Maintenance. The STS and WTS Owners shall operate and maintain the Transmission Facilities for so long as valid §323 Grants are in place and the Lease Term of this Lease is effective as to Tract B. In no event shall the STS and WTS Owners have any obligation to operate and maintain the Transmission Facilities beyond the Lease Term of this Lease as to Tract B. The STS and WTS Owners shall extend the respective STS and WTS Operating Agreements and, as necessary, any other ownership and operating agreements, or any successor documents, to comply with their obligations under this Lease.

(C) No Reduction. The compensation – in the form of the 500 megawatts of 500kV transmission use and capacity supplied by the USBR and the funding of the O&M Costs – set forth in this Section 8 and in Section 7(B) (Rental and Rental Payments), are established and paid by the Lessees to induce the Nation to enter into this Lease for the entire Leased Premises (Tract A and Tract B) and to consent to one or more §323 Grants for areas of or for the entire Leased Premises all for the entire Lease Term, as may be extended for various periods of time pursuant to Section 8(D) below. Accordingly, the Surrender of portions of the Leased Premises over time pursuant to this Lease shall not diminish or reduce the rental payments hereinabove reserved to be made by Lessees to the Nation. Without limitation, even if all of Tract A is Surrendered to the Nation pursuant to Section 6 (Surrender) of this Lease excepting only the reserved entry right provided in said Section, the full amount of the rental hereinabove stated in this Section shall nevertheless be due and payable for the remainder of the Lease Term.

(D) Extension of Lease Term.

(i) The Lease Term, as it relates to Tract B and the related §323 Grants, and further with respect to the STS and WTS, will be automatically extended for a period of thirty-five (35) years commencing on the day immediately following the expiration date of the initial Lease Term (the "35-Year Extension Period"), on the same terms and conditions provided herein, with the exception that the aggregate annual Lease rental and §323 Grant payments from Lessees for the Extension Period shall be $10.00 per annum (which may be paid in advance in full or partial lump sum) and otherwise be only in the form of the continuation of the 500 megawatts 500kV transmission use and capacity allocated to the Nation in this Section 8 and in the Nation's separate agreement with the USBR. Lessees may perform Transmission Removal and Remediation during the last two (2) years of the 35-Year Extension Period.

(ii) Notwithstanding anything in this Lease to the contrary, the 35-Year Extension Period and the automatic extension thereof are subject to revocation, termination and extinguishment so as to be null and void, as follows: The 35-Year Extension Period will not become effective or commence,

if, on or before **January 1, 2049**, any individual Lessee or the Nation, each acting in their sole and absolute discretion, delivers a unilateral written notice to the other Parties to this Lease that it objects to the 35-Year Extension Period. Such objection notice, in and of itself, shall revoke, terminate and extinguish the 35-Year Extension Period effective on delivery to the first other Party to this Lease and cause the 2-Year Extension Period to automatically commence on **December 23, 2054**.

(iii) In the event there is no 35-Year Extension Period, there will be in lieu thereof a two (2) year automatic extension of this Lease ("2-Year Extension Period") in order to conduct removal, remediation, and restoration activities during that 2-Year Extension Period so as to allow the Lessees to perform their Transmission Removal and Remediation and to otherwise shut down transmission on all or any portions of the STS and WTS from **December 23, 2054** to **December 22, 2056**. Notwithstanding Section 8(B), no operation or maintenance of the Transmission Facilities will be permitted or required during the 2-Year Extension Period. Such 2-Year Extension Period shall be automatic and occur without any required notice. Such 2-Year Extension Period may not be revoked, terminated or extinguished.

## 9. LIST OF NAVAJO NATION RETAINED ASSETS AND THE TABLE OF SAVINGS AND COSTS.

(A) Lessees will share any net savings with the Nation resulting from elections made by the Nation according to the following process:

(i) A List of Navajo Nation Retained Assets and the Table of Savings and Costs ("Table of Savings and Costs") is attached to this Agreement as Exhibit B. Similar to the Navajo Nation Retained Assets, no personal property including transmission equipment is a portion of the property referenced in the Table of Savings.

(ii) The Nation may select those items on the Table of Savings and Costs that the Nation desires to acquire during the NGS Retirement Period by providing written notice to Salt River Project, as operating agent. This selection must be received by the Lessees no later than **December 22, 2018**, or the right to acquire items identified on the Table of Savings and Costs by the Nation is forfeited.

(iii) Lessees incur no present or future duty or liability, express or implied, to maintain any structure or property in any manner to assure any item may be selected by the Nation.

(iv) If the Nation is owed compensation in accordance with this Section 9, the Lessees shall make a one-time payment of any amount owed to the Nation no later than January 1, 2020. If the Nation owes the Lessees compensation in accordance with this Section 9, the Nation will make any payments owed to the Lessees no later than January 1, 2020.

(B) Stipulated Value. The Parties acknowledge and agree that the sums set forth on the Table of Savings and Costs attached as Exhibit B are good faith estimates based on the projected costs and other considerations with respect to the creation of the Table of Savings and Costs. The Parties agree that the values set forth in the Table of Savings and Costs are, nevertheless fixed and stipulated values not subject to change, except as noted above or unless otherwise determined by the Lessees. The only modification to the Table of Savings and Costs and the payment calculation will be in the event the Nation elects to acquire fewer than all of the items set forth on the Table of Savings and Costs. Any recalculation will be made prior to the payment date set forth above.

## 10. PAYMENT IN LIEU OF TAXES.

Notwithstanding any provision of 25 C.F.R. §162.017 or 25 C.F.R. §162.429(a):

The payments and portions of the additional consideration and inducements set forth herein for this Lease are to be in lieu of all taxes, fees, assessments, levies, imposts, exactions or charges of any kind made or imposed by the Nation, and the Nation covenants that it will not tax or assess, in any manner whatever, directly or indirectly, any rights, property or activity associated with the past generation of electricity at the NGS Site, and its transmission to the electric systems of Lessees, including, but not limited to the present or prior Leased Premises, any §323 Grant, the leasehold interests of the Lessees in the Lease, or the property of the Lessees located on the Leased Premises or located on Reservation Lands pursuant to prior related lease rights, or any transmission or communications facilities, any retirement or remediation, any construction activity or any construction or supplier contract at any level or by any party, any Transmission Facilities, the transactions evidenced or completed by Section 8 (Further Compensation and Terms and Conditions Related to Tract B) above, any construction sales tax at any level, or Lessee's activities under the Lease, or their ownership, construction operation, removal, Surrender, retirement or remediation, and demolition of the NGS Site or the Transmission Site and other areas of the Leased Premises by Lessees, pursuant to the Lease, or the power previously generated thereon or the transmission sale, or disposal of such power, their income, or otherwise, or the railroad §323 Grant, or any improvements or property located thereon, or any railroad and related facilities and equipment used, or the diversion or use of water. The foregoing prohibition regarding taxation of the property and activities of Lessees shall extend to any property or activity located on the Leased Premises or located on Reservation Lands pursuant to §323 Grants or prior related lease rights or located pursuant to the rights-of-way and easements. Any prior agreement or understanding to pay real or personal taxes on improvements located on the Transmission Site, including Transmission Facilities or any other assets or improvements, are hereby agreed to be of no further force or effect.

## 11. NGS RETIREMENT.

(A) Retirement Guidelines. Lessees have developed Retirement Guidelines, after consulting with and addressing comments from the Nation, which Retirement Guidelines are attached hereto as Exhibit C. The Parties acknowledge and agree that the Retirement Guidelines have been prepared to document the key requirements and procedures for, and shall govern, the NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation, and to serve as the basis for the preparation of a more comprehensive NGS Retirement Plan based on said guidelines. The Retirement Guidelines shall also serve as the basis for the preparation of a more comprehensive retirement plan related to Transmission Removal and Remediation, which shall be developed at a reasonable time prior to the retirement, removal and remediation activities related to Tract B. The Retirement Guidelines as implemented by and through the NGS Retirement Plan for NGS and the NGS Site shall exclusively define and govern the removal of improvements, restoration and resulting condition of the surface of the Leased Premises, as said improvements and surface of the Leased Premises existed on the Effective Date. "Surface" is used in its most comprehensive sense including all topography, grade, contours, condition, surface, subsurface, and other like terms and concepts. The Parties agree that the coal combustion residuals and related material located in the Ash Landfill shall remain within said existing Ash Landfill and closed in place, and the area shall remain fenced for the time period required by Applicable Law. The existing solid waste landfill and pond solids shall be closed in place and capped. In addition, Lessees shall restore and, if warranted, remediate the NGS Site consistent with the Retirement Guidelines. The Nation may monitor and confirm

that the Retirement Guidelines and the then-current NGS Retirement Plan are being followed. Lessees shall use commercially reasonable efforts to cause the NGS Retirement to be implemented and executed in accordance with the NGS Retirement Plan.

(B) NGS Retirement Plan. Lessees will prepare an initial NGS Retirement Plan, which shall be consistent with the Retirement Guidelines, and Lessees may update and revise that plan from time to time in their sole discretion, provided that the NGS Retirement Plan shall remain consistent with the Retirement Guidelines. The Parties acknowledge that the NGS Retirement is a complex project and that the NGS Retirement Plan is subject to evolution, modification, deviation, change order(s) and amendment(s). A copy of the initial NGS Retirement Plan and copies of revisions thereto will be provided to the Nation in a timely manner.

(C) Priorities. The Retirement Guidelines set forth that the hierarchy of interpreting and implementing said Retirement Guidelines is, in order of priority, first, Applicable Law, second, this Lease, and third, best industry practices. The Parties acknowledge and agree to the foregoing priority (which may not be modified during the term of the NGS Retirement Period). Further, the Parties acknowledge that the Retirement Guidelines and the provisions of this Lease fully implement the relevant provisions of the Existing Lease with respect to NGS Retirement, NGS Site Remediation, and Transmission Removal and Remediation. The Existing Lease shall be wholly inapplicable as to all matters arising out of or related to the NGS Retirement, NGS Site Remediation, and Transmission Removal and Remediation. If it is finally determined by a federal or Arizona court of competent jurisdiction that the Retirement Guidelines are in conflict with the Applicable Law, the Retirement Guidelines shall continue to govern the Retirement Plan but will be modified in the most precise manner such that the offending provisions, language or requirements are modified so as not to conflict with Applicable Law.

(D) Enforcement. Through the mutually approved and binding Retirement Guidelines and related provisions of this Lease, this Lease is intended to fully and exclusively govern all of the Parties' NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation rights and obligations. All of NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation rights and obligations under the Existing Lease are fully and completely satisfied and enforced through the performance and enforcement of this Lease. Accordingly, the Existing Lease shall not be enforced during any time period by any Party as to NGS Retirement or NGS Site Remediation or for the Transmission Removal and Remediation.

(i) Lessees have the exclusive right in their commercially reasonable discretion to process the NGS Retirement in accordance with the Retirement Guidelines and the resulting NGS Retirement Plan. The Nation shall not have a right of entry to participate in the NGS Retirement or related activities except for general monitoring of NGS Retirement in accordance with Sections 11(A) and (D) and the Retirement Guidelines.

(ii) Lessees shall provide the Nation with timely good faith updates and reasonable information regarding the NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation to enable the Nation to monitor and confirm that the NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation is proceeding consistent with the Retirement Guidelines; however, the foregoing shall not imply that the Nation has any governmental or regulatory oversight or authority over the Lessees and the Leased Premises or other matters arising out of or related to this Lease.

(iii) The Retirement Guidelines are binding on the Parties, as provided in Section 11(A). However, neither the Nation's approval of the Retirement Guidelines nor any reference to that approval in this Lease creates any obligation that the Nation implement or complete any actions required under the Retirement Guidelines or gives rise to any liability by the Nation for actions taken by Lessees under the Retirement Guidelines.

(E) Transmission Site. Transmission Removal and Remediation of the Transmission Site will be completed in accordance with Retirement Guidelines and Applicable Law by the date of expiration of the Lease Term as to Tract B.

(F) Navajo Nation Retained Assets.

(i) The Navajo Nation Retained Assets listed on Exhibit B are subject to acquisition by the Nation from the Lessees in accordance with the provisions of this Lease. The Nation shall be required to identify, in writing and with specificity, those Navajo Nation Retained Assets which the Nation wishes to acquire, on or before **December 22, 2018**. Those identified assets shall be released by the Lessees to the Nation by not later than **December 22, 2024.** The Nation, along with any consultant retained by the Nation as the Nation may deem appropriate, shall have the right to inspect any Navajo Nation Retained Asset prior to **December 23, 2018**, upon any reasonable request made to Lessees. The Nation shall abide by Lessees' safety and security rules during any inspection of any Navajo Nation Retained Asset. Lessees shall agree to work cooperatively with the Nation to provide access to the Navajo Nation Retained Assets and shall not unreasonably withhold such access.

(ii) The "Retained Asset Release Date" is the actual date that a Navajo Nation Retained Asset is released to the Nation pursuant to Section 11(F)(i).

(iii) As part of the NGS Retirement Plan, Lessees shall demolish all improvements on the NGS Site not conveyed to the Nation as Navajo Nation Retained Assets or from the Table of Savings and Costs pursuant to Section 11(F).

(iv) Unless otherwise agreed to by the Nation and all Lessees, no tools, equipment, trade fixtures, other fixtures, cranes, furniture or other personal property will be included with the Retained Assets. However, all buildings to be acquired by the Nation pursuant to this Section 11(F) will be retired in a water tight condition including with roll-up or other similar doors or structures.

(v) The Navajo Nation Retained Assets provisions of this Lease fully implement the terms and provisions of Exhibit 9 (Buildings) attached to the Existing Lease, as referenced in Section 12(f) (Removal of Improvements; Restoration) and the other related provisions of the Existing Lease.

(G) AS IS. THE NATION ACKNOWLEDGES AND AGREES, WITH RESPECT TO ANY PROPERTY THAT THE NATION ACQUIRES FROM LESSEES PURSUANT TO THIS LEASE, INCLUDING BUT NOT LIMITED TO THE NAVAJO NATION RETAINED ASSETS AND PROPERTY LISTED ON THE TABLE OF SAVINGS AND COSTS, AND ANY OTHER PERSONAL PROPERTY THAT ARE CONSENSUALLY AGREED TO BE ACCEPTED BY THE NATION PURSUANT TO A SURRENDER, THAT: THE NATION AS LANDLORD IS FAMILIAR WITH THE PROPERTY; NEITHER LESSEES NOR ANY OF THEIR AGENTS, REPRESENTATIVES, OFFICERS, DIRECTORS, PARTNERS, MEMBERS, OR EMPLOYEES HAS MADE OR WILL MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, WHETHER

ORAL OR WRITTEN, EXPRESS OR IMPLIED, WITH RESPECT TO THE ACQUIRED PROPERTY; NO EMPLOYEE OR OTHER PURPORTED REPRESENTATIVE OF ANY LESSEE HAS ANY AUTHORITY TO BIND THE LESSEES; THE NATION HAS THE FULL RIGHT TO INVESTIGATE AND INSPECT THE ACQUIRED PROPERTY AND AGREES TO DO SUCH; AND THE ACQUIRED PROPERTY IS BEING RELEASED TO THE NATION IN ITS PRESENT CONDITION ON THE EFFECTIVE DATE HEREOF AS-IS, WHERE-IS, WITH NO WARRANTY OF MERCHANTABILITY OR HABITABILITY, AND SUBJECT TO ALL ENCUMBRANCES, LIENS, RESTRICTIONS, OBLIGATIONS, LIABILITIES, CLAIMS AND CO-OWNERSHIP INTERESTS, WHETHER OR NOT THE SAME APPEAR AS RECORD. THE NATION WILL RELY SOLELY ON ITS DUE DILIGENCE AND INVESTIGATIONS IN ACQUIRING SUCH PROPERTY. FURTHER, "AS IS" INCLUDES WITHOUT LIMITATION THAT LESSEES SHALL BE RELIEVED, AS OF THE RETAINED ASSET RELEASE DATE OR OTHER APPLICABLE RELEASE DATE, OF ALL DUTIES, OBLIGATIONS AND LIABILITIES, IF ANY, ARISING OUT OF OR RELATED TO NGS RETIREMENT OR NGS SITE REMEDIATION IN RESPECT TO THOSE RELEASED IMPROVEMENTS. The transfer to the Nation or its nominee shall be via a bill of sale instrument without representation or warranty by each Lessee on a several not joint basis.

(H) Casualty. The improvements to be released to the Nation pursuant to Section 10 (List of Navajo Nation Retained Assets and the Table of Savings and Costs) and this Section 11 are subject to casualty (insured or uninsured), damage, breakage and events of force majeure. If such an event occurs that makes the restoration or repair economically unfeasible to Lessees as determined in the sole and absolute discretion of each Lessee, Lessees shall give written notice to the Nation of Lessees' intent to raze or demolish said improvements per the standards contained in the Retirement Guidelines. The Nation shall within thirty (30) days advise Lessees whether the Nation nevertheless elects to take a release of said improvements and the Surrender of any associated land. If an item on the Table of Savings and Costs is significantly damaged, an equitable adjustment may be made by mutual agreement of the Parties as to such item's Table value notwithstanding anything in this Lease to the contrary.

## 12. OPERATION AND MAINTENANCE.

The Parties acknowledge a primary purpose of this Lease is the Retirement of NGS and the NGS Site, which will involve substantial demolition on the NGS Site. After the Term Commencement Date, Lessees are not obligated to operate any component of NGS, the NGS Site, or the remainder of the Leased Premises. Additionally, the Nation shall assume all operation, maintenance, and repair obligations, and make any needed alterations, to any Navajo Nation Retained Assets and any item listed on the Table of Savings and Costs after Surrender. Lessees shall be responsible for all work set forth in the NGS Retirement Guidelines for the retirement and remediation of the NGS Site as it existed on the Effective Date.

## 13. UTILITY SERVICE AGREEMENTS.

To the extent necessary and as determined by the Lessees, Lessees, at their sole cost and expense and in addition to the required rental payments hereunder, will enter into utility service agreements with the Navajo Tribal Utility Authority for electric, communications and water services, including wastewater, during the Lease Term.

## 14. WATER USE.

(A) The Nation agrees that during the Lease Term, water out of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31), in an amount not greater than 1,500 acre-feet of water per year, shall be available for consumptive uses by Lessees for the tasks under this Lease during the NGS Retirement Period. The Nation agrees the use of water on Reservation Lands within the Upper Colorado River Basin of Arizona (as said Upper Colorado River Basin is defined in the Upper Colorado River Basin Compact) shall not reduce or diminish the availability of water required by the Lessees for such purposes. During the Lease Term, the Lessees will not object to Navajo uses of water in the Upper Colorado River Basin in Arizona from the 50,000 acre-feet available to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact in excess of the quantity of water actually used on an annual basis by (1) Lessees for such purposes, and (2) other contractors with existing contractual entitlements to such water. The United States approval of this Lease does not constitute and should not be construed as a position regarding the use of water out of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31).

(B) Salt River Project holds certificates of water right from the State of Arizona (Certificate Nos. 4050.0001 and 4050.0003), on behalf of itself and the Navajo Generating Station Participants, for the use of a portion of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31) for power purposes, including NGS Retirement ("NGS Water Allotment"). Once the NGS Water Allotment is no longer necessary for the NGS Retirement, Salt River Project will request on behalf of the Navajo Generating Station Participants that the Arizona Department of Water Resources terminate the certificates of water right (Certificate Nos. 4050.0001 and 4050.0003).

(C) Salt River Project will support the Nation's efforts to acquire the use of a portion of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31) once the NGS Water Allotment is no longer necessary for the NGS Retirement and the certificates granted to Salt River Project by the State of Arizona (Certificate Nos. 4050.0001 and 4050.0003) on behalf of the Navajo Generating Station Participants are terminated.

(D) Salt River Project will provide technical assistance to the Nation to assist the Nation with the diversion of up to 950 acre-feet per year from Lake Powell for the benefit of LeChee and other Navajo communities in the vicinity of NGS, provided, however, that such technical assistance shall be at no cost to Salt River Project or the Lessees and such offer of assistance shall terminate five (5) years after the date the certificates are terminated under Section 14(B).

## 15. LIENS; UTILITY CHARGES.

(A) Lessees shall not permit any liens arising from any work performed, materials furnished, or obligations incurred by Lessees to be enforced against the Leased Premises (including any improvements thereon) or any interest therein. Lessees shall discharge all such liens before any action is brought to enforce them.

(B) Lessees agree to protect and hold harmless the Nation, the Leased Premises (including any improvements thereon), and all interests therein from any and all such delinquent taxes, assessments and

like lawful charges and from any lien therefor, any sale or other proceedings to enforce payment thereof, and all costs in connection therewith.

(C) Lessees shall pay, before becoming delinquent, all charges for utility services, including electricity, communications and water services, including wastewater, supplied to the Leased Premises.

## 16. MORTGAGE TRANSFERS, ASSIGNMENTS AND SUBLEASES.

(A) The Lessees, and each of them, shall have the right at any time and from time to time to mortgage all their respective rights leased to them hereunder, including but not limited to interests in the Leased Premises and in all property of Lessees located on the Leased Premises, and on any rights-of-way and easements referred to in this Lease, and to transfer, convey or assign this Lease to a trustee or trustees under deeds of trust, mortgages or indentures, regardless of whether or not said deeds of trust, mortgages or indentures have been, are or will be for the purpose of borrowing capital for the development and improvement of the Leased Premises, and to any successors or assigns thereof, or any receiver, referee or trustee in bankruptcy or receivership or reorganization of any of the Lessees or any successor by action of law or otherwise, or any purchaser, transferee or assignee of any thereof, without need for consent by the Nation or the Secretary related to any transfer or assignment; and any mortgagee or trustee of any of the Lessees, and any successor or assignee thereof, or any receiver, referee or trustee in bankruptcy or receivership or reorganization of any of the Lessees or any successor by action of law or otherwise or any purchaser, transferee or assignee or any thereof, may without need for consent of the Nation, succeed to and acquire all the rights of any of the Lessees hereunder, and in any of said property of Lessees located on the Leased Premises, or on such rights-of-way and easements, and may take over possession of said property, rights and interests of any Lessee or Lessees, subject to all such Lessee's or Lessees' obligations under the Lease. Federal law shall apply in the event of any foreclosure under this Section.

(B) In addition, notwithstanding any provision of 25 C.F.R. §162.449(b), each Lessee shall have the right to transfer or assign its rights and interests in the Lease without need for consent of the Nation or Secretary at any time: (i) to any corporation or other entity acquiring all or substantially all of the property of such Lessee; (ii) to any corporation or entity into which or with which such Lessee may be merged or consolidated; (iii) to any other Lessee or Lessees; (iv) in the case of a transfer by Salt River Project, to the Salt River Valley Water Users' Association, an Arizona corporation; or (v) in the case of a transfer by Nevada to an entity as required to implement pending energy choice legislation; provided that any such successor or assign shall become subject to all such Lessee's rights and obligations hereunder, and provided that such successor or assign shall notify the Nation and the Secretary of such transfer, assignment or merger and shall furnish to the Nation and the Secretary evidence of such transfer, assignment or merger.

(C) Further, Lessees shall have the right to sublease portions of the Leased Premises comprising coal transportation areas to other persons or entities required to carry out the Retirement Guidelines or to satisfy the requirements of Applicable Law; provided, such subleases are subordinate to this Lease and the Nation shall not be required to recognize such subtenants if this Lease terminates and, provided further, any Surrendered Lands shall be free of any subtenant(s).

## 17. DEFAULT FOR NONPAYMENT; REMEDIES; JURISDICTION.

(A) For the purpose of this Lease, any Lessee hereto shall be deemed in default for nonpayment if the Lessee shall fail to pay rental payments or other sum certain monies owed to the Nation within thirty (30) days after delivery and receipt of written notification from the Nation that such payment is past due. The Nation shall provide notice of nonpayment to all Lessees as provided in Section 29(B) (Notices and Demands). Any Lessee shall have the right within thirty (30) days after delivery and receipt of such notice to make such payment for and on behalf of the Lessee failing to pay the same.

(B) Notice to Lessees not in Default; Remedy for Failure to Cure.

(i) If a Lessee fails to cure a default for nonpayment within the 30-day period described in Section 17(A), the Nation may pursue the remedy set forth in Section 17(B)(ii) by giving not less than sixty (60) days' advance written notice to any Lessee or Lessees, not in such default, of the Nation's intent to pursue the remedies set forth below. Such notice shall be provided in the manner set forth in Section 29(B) (Notices and Demands) and shall contain the date on which the Nation intends to pursue the remedies set forth below against the Party in default. Notwithstanding the foregoing, the Nation may not pursue any of the remedies set forth in this Section 17(B) if, within the 60-day period described in this Section 17(B), any Lessee or Lessees, not in default, cure(s) the default.

(ii) If any Lessee or Lessees fails to cure the default within the 60-day period described in Section 17(B)(i), the Nation may exercise only the following exclusive remedy, and none other: Collect, by suit in any federal court or in any Arizona court of competent jurisdiction, and in no other courts, all amounts due under Section 17(A).

(C) Notwithstanding anything in this Lease, 25 C.F.R. § 162.466, 25 C.F.R. § 162.467, 25 C.F.R. § 162.469, or any other law to the contrary, any default by any Lessee under this Section 17 shall not permit a termination of this Lease as to the defaulting Lessee or any other Lessee, or the extinguishment, termination or impairment of possession or right of possession by any Lessee. The foregoing shall not limit any other Party's permitted claims for damages pursuant to Section 17(B)(ii).

(D) Notwithstanding any provisions of this Section 17, 25 C.F.R. § 162.466, 25 C.F.R. § 162.467, 25 C.F.R. § 162.469, or any other law to the contrary, no relief granted the Nation pursuant to Section 17(B)(ii) shall affect the right of the Lessees to remove removable property located on the Leased Premises or the Lessees' right to continue monitoring in accordance with Applicable Law. All such removal and monitoring rights of the Lessees shall nevertheless continue for the full period or periods provided for in Section 5 (Lease Term).

(E) For the purpose of this Lease, the Nation shall be deemed in default for nonpayment if the Nation fails to pay to all Lessees all sum certain monies owed to the Lessees or any of them within thirty (30) days after delivery and receipt of written notification that such payment is past due.

(F) If the Nation fails to cure the default for nonpayment within the 30-day period described in Section 17(E), each or all Lessees may exercise only the following exclusive remedy and none other: Collect, by suit in any federal court or in any Arizona court of competent jurisdiction, and in no other courts, the amounts due under Section 17(E).

(G) Notwithstanding anything in this Lease or any law or regulation to the contrary, any default by the Nation under this Section shall not permit a termination of this Lease as to the Nation. The foregoing shall not limit any other Party's permitted claims for damages pursuant to Section 17(F).

(H) In order to effectuate the legal remedies contemplated by this Section 17, the Parties submit to the jurisdiction of the federal and state courts located in the State of Arizona.

## 18. OTHER BREACHES AND DEFAULTS.

(A) For any claims, disputes, or other matters in question or dispute between the Parties arising out of or relating to this Lease or a Party's action or inaction under this Lease ("Disputes"), other than defaults for nonpayment addressed in Section 17 (Default for Nonpayment; Remedies; Jurisdiction), the Parties must follow the notice and dispute resolution process provided in this Section 18. Although a complaining Party may elect to pursue each stage of the following process at its discretion or terminate pursuit of a resolution of the Dispute at any time, the Parties intend that the resolution of Disputes under this Lease, other than failures to pay sum certain monies owed under this Lease, will proceed in order and in good faith through the following stages until resolved: notice, right to cure, informal consultation, mediation, and litigation. The dispute resolution process will terminate, at any stage, upon mutual agreement between the parties named in the dispute or the failure of the complaining party to comply with any notice requirement. If a dispute is terminated by failure to comply with a notice requirement or by mutual agreement, the dispute may not be raised again.

(B) Notice, Right to Cure, and Informal Consultation. If a Party believes that a Dispute exists, the complaining Party must deliver written notice, as required in Section 29 (Notices and Demands), to all other Parties that specifies with particularity the nature of the alleged breach or default, the particular provisions of this Lease that are at issue, the Parties against whom the Dispute is alleged (referred to in this Section, together with the complaining Party, as the "Involved Parties"), and the proposed relief sought.

(i) Upon delivery and receipt of the notice, the Involved Parties will have thirty (30) days to cure the Dispute or commence cure. A Party that commences cure within thirty (30) days may continue in good faith to fully cure the breach or default as long as is reasonably necessary to complete the cure. Any Lessee may cure the breach or default of another Lessee within the times provided in this Section 18. If an Involved Party denies that a basis for a Dispute exists, it may request informal consultation.

(ii) If cure is not accomplished or commenced within thirty (30) days, or if the existence of a Dispute is denied, an Involved Party may request informal consultation. If cure has commenced, but the complaining Party believes that cure has not been completed within a reasonable time, it may request informal consultation. The Involved Parties must first seek to resolve all remaining Disputes promptly, equitably, and in good faith through informal consultation.

(iii) A Party requesting informal consultation must deliver written notice, as required in Section 29 (Notices and Demands), to all other Parties. The notice must specify with particularity the nature of the Dispute, the particular provisions of this Lease that are at issue, and the proposed relief sought.

(iv) Delivery of the notice begins a 30-day consultation process for any Involved Parties to discuss the Dispute in good faith and seek its amicable resolution. The consultation process may continue for not more than thirty (30) days, except upon mutual written agreement of the Involved Parties.

(C) Mediation. If the Involved Parties do not resolve the Dispute through informal consultation, then any Involved Party may provide written notice, as required in Section 29 (Notices and Demands), to the other Involved Parties that it intends to submit the matter to mediation for resolution before a neutral mediator.

(i) The Involved Parties must attempt to agree upon a mediator within ten (10) days of delivery of the notice. If possible, the Involved Parties will select a mediator with experience in commercial real estate matters, federal tribal leasing regulations, federal environmental law matters, or energy projects, depending upon the nature of the Dispute.

(ii) If the Involved Parties are unable to agree upon a mediator within the 10-day period, then they must request that the American Arbitration Association select a mediator pursuant to its rules for commercial mediation.

(iii) The costs of the mediation process must be split equally between the Nation, on the one hand, and the Lessees that are parties to the Dispute on the other hand.

(iv) The Involved Parties shall endeavor to hold the mediation within thirty (30) days after the mediator is selected. Unless the Involved Parties agree otherwise, the mediation process shall not exceed one hundred eighty (180) days from the date of the first mediation session to completion.

(D) Confidentiality. The informal consultation and mediation processes in this Section 18 shall be confidential. Any discussions, statements, or documents relating to, used, or occurring in the informal consultation and mediation processes shall be considered confidential and may not be used as evidence in any other judicial or administrative proceedings except as may be permitted by Federal or State Rules of Evidence. No statements of, or findings by, the mediator may be used as evidence in any other judicial or administrative proceedings, except as may be permitted by Federal or State Rules of Evidence. and the mediator may not be called as a witness.

(E) Judicial Review. If a Dispute is not resolved through informal consultation or mediation, then any Involved Party may exercise only the following exclusive remedies and no others:

(i) Any Involved Party may provide thirty (30) days advance written notice, as required in Section 29 (Notices and Demands), to the other Involved Parties that it intends to pursue its remedies through the filing of suit in a federal court of competent jurisdiction or in an Arizona court if federal laws do not apply or federal courts lack jurisdiction. As used in this Section 18(E), the term "action" includes the assertion of any claim, counterclaim or cross-claim.

(ii) After the 30-day notice period described in Section 18(E)(i) has expired, the Party who provided the notice may bring suit in a federal court of competent jurisdiction, or in an Arizona court if federal laws do not apply or federal courts lack jurisdiction, and in no other courts, seeking only declaratory or injunctive relief, recovery of monies due, or enforcement of compliance with the Lease as the exclusive remedies from the court.

(iii) Notwithstanding anything in this Lease, 25 C.F.R. §162.466, 25 C.F.R. §162.467, 25 C.F.R. §162.469, or any other law or regulation to the contrary, the Parties agree that a Party's default under this Lease shall not result in termination of this Lease as to the defaulting Party or any other Party, or the extinguishment, termination or impairment of possession or right of possession by any Party. The foregoing shall not limit any Party's right to injunctive relief or damages.

(iv) Notwithstanding any other provisions of this Section 18, 25 C.F.R. §162.466, 25 C.F.R. §162.467, 25 C.F.R. §162.469, or any other law or regulation to the contrary, no injunctive relief shall prohibit the Lessees' right to remove any removable property located on the Leased Premises, remediate and close facilities, or continue monitoring in accordance with Applicable Law and this Lease, which activities shall nevertheless continue for the full period or periods provided for in Section 5 (Lease Term).

(F) To effectuate the remedies set forth in this Section 18(E), the Parties submit to the jurisdiction of the federal and state courts located in the state of Arizona.

(G) The requirements of this Section shall survive any termination of this Lease or the expiration of the Lease Term in perpetuity.

**19. WAIVER OF SOVEREIGN IMMUNITY.** If any Party brings an action in any federal court or in any Arizona state court as provided in Section 17 (Default for Nonpayment; Remedies; Jurisdiction) or Section 18 (Other Breaches and Defaults) and names the Nation as a party in that action: (1) the Nation may be joined in any such action; and (2) the Nation expressly waives any claim to sovereign immunity from that action. As used in this Section 19, the term "action" includes the assertion of a claim, counterclaim or cross-claim. The requirements of this Section shall survive any termination of this Lease or the expiration of the Lease Term in perpetuity.

**20. REEVALUATION UPON REQUEST.**

(A) Every five (5) years, beginning with the Effective Date, the Parties shall, upon request of the Nation, evaluate whether to amend the Lease to provide for any of the following:

(i) An agreement that claims under this Lease may be brought in Navajo Nation court or under the Navajo Nation Arbitration Act, 7 N.N.C. §§1101-1119, instead of Arizona court, when a federal court lacks jurisdiction.

(ii) An agreement that the Navajo Nation may regulate one or more of Lessees' activities under the Lease.

(B) No Party is required to agree to any amendment to the Lease as a result of this evaluation.

(C) Any amendment to this Lease shall require the mutual written agreement of the Parties.

**21. GENERAL LIABILITY INSURANCE.**

Notwithstanding any provision of 25 C.F.R. §162.437:

(A) Lessees shall obtain and maintain a commercial general liability insurance policy, from an insurance company having an AM Best's Rating of A- VIII or better, or be allowed to self-insure, in whole or in part, in an amount of no less than:

$1,000,000 each occurrence for bodily injury and property damage
$1,000,000 each occurrence for personal and advertising injury
$1,000,000 each occurrence for products/completed operations
$1,000,000 each occurrence for employers liability/worker's compensation
$1,000,000 each occurrence for auto liability
$10,000,000 products/completed operations aggregate
$10,000,000 general aggregate
$10,000,000 employers' liability aggregate
$10,000,000 auto liability aggregate
$10,000,000 workers' compensation aggregate

The Nation and the United States shall be named as additional insureds for the limits not provided through self-insurance with respect to this Lease. All polices shall waive subrogation against the Nation and the United States. This coverage shall be primary to the additional insureds, and not contributing with any other insurance or similar protection available to the additional insureds, whether said other available coverage shall be primary, contributing or excess. Lessees shall provide for notification to the Nation prior to any material change in said policy or any cancellation or non-renewal of said policy for any reason including non-payment of premium. A Certificate of Insurance or self-insured letter evidencing the above coverage shall be furnished to the Nation annually, or upon written request. Any certificate of insurance provided shall disclose the amount of any self-insured retention or deductible. The Lessees recognize that the Lessees are responsible for paying any self-insured retentions or deductibles, not the Nation or the United States. Further, any certificate of insurance provided shall provide that if the liability coverage is on a claims-made basis, any retroactive date shall precede the Effective Date of this Lease and either continuous coverage will be maintained or an extended discovery period will be exercised for a period of at least five (5) years beginning at the time this Lease expires.

(B) For the sole purpose and use of the Surrendered Lands, as described herein, the Nation shall obtain and maintain a commercial general liability insurance policy or be allowed to self-insure, in whole or in part, in an amount of no less than $1,000,000.00 for personal injury to one person and $10,000,000.00 per occurrence and $1,000,000.00 for damage to property. Each Lessee shall be named as additional insureds for the limits not provided through self-insurance with respect to this Lease. This coverage shall be primary to the additional insureds, and not contributing with any other insurance or similar protection available to the additional insureds, whether said other available coverage shall be primary, contributing or excess. The Nation shall provide for notification to Salt River Project on behalf of the Lessees prior to any material change in said policy or any cancellation or non-renewal of said policy for any reason including non-payment of premium. A Certificate of Insurance or self-insured letter evidencing the above coverage shall be furnished to each Lessee annually, or upon written request. Such insurance for Tract A may be discontinued by the Nation on the second anniversary of the Surrender Outside Date provided for in this Lease.

(C) The insurance policies required by this Section may be increased if, both the Nation and the Lessees mutually agree that such increase reasonably is necessary for the protection of the Nation, the

United States or the Lessees. No such adjustment shall be made unless in a mutual written agreement of the Parties.

(D) In no event shall the amount of the procuring Party's insurance policy limit said Party's liability or its duty to indemnify as provided under this Lease.

**22. NAVAJO PREFERENCE IN EMPLOYMENT AND NAVAJO BUSINESS OPPORTUNITY.**

(A) All persons employed or contracting for the Leased Premises will be selected based on qualifications and, if applicable, responsible price.

(B) Employment at the NGS Site will be based on qualifications without regard to race, color, creed, religion, national origin, disability, sex, or age, except that to the extent allowed by law preference will be given to qualified Navajos. In the event that federal law prohibits Lessees from providing employment preference based on tribal affiliation, Lessees will follow Indian preference, as described in this Lease.

(C) Selection of contractors and sub-contractors for conducting NGS Retirement in accordance with this Lease will be based on a multi-factor competitive bid without regard to race, color, creed, religion, national origin, disability, sex, or age. To the extent allowed by law preference will be given to Navajo-owned business registered with the Navajo Nation Business Regulatory Department. In cases where multiple contractors have equal qualifications, preference will be given to Navajo-owned businesses registered with the Navajo Nation Business Regulatory Department.

(D) Lessee shall cause the following provision to be included in each prime construction contract for the NGS Retirement. Further, Lessees shall use commercially reasonable efforts to cause each contractor to comply with the provisions set forth below:

> "Contractor agrees to give preference when hiring for the work at NGS to qualified local Navajos. Navajo means being a member of the Navajo Nation and having an assigned census number. Qualified means an employee that has the knowledge, skills and abilities to perform the job in question as determined by the Contractor. In the event that the Contractor is unable to find a qualified Navajo candidate for a particular position – the Contractor is allowed under this agreement to hire a qualified non-Navajo for the position. Navajo Preference is required pursuant to certain agreements between the Lessees and the Navajo Nation. To the extent those agreements change during the life of this agreement – and the change affects the practice of Navajo Preference – the Contractor will revise its Navajo Preference policy as directed by the Salt River Project acting on behalf of the Lessees. If the Contractor fails to fulfill its obligation regarding Navajo Preference, the Salt River Project acting on behalf of the Lessees reserves the right to terminate its agreement without further obligation to the Contractor."

(E) Lessees shall maintain or cause to be maintained proper documentation of all recruiting, hiring and employment activities during the NGS Retirement. Lessees shall provide or cause to be

provided a monthly report to the Nation, including a copy of said report to the Office of Navajo Labor Relations, commencing on the date of mobilization, which report indicates the number of Navajos employed on the NGS Retirement and the percentage of the total labor force that is represented by Navajos for the duration of the work comprising said NGS Retirement.

**23. INDEMNIFICATION, NON-LIABILITY.**

(A) Possession Indemnity Benefiting Nation. Lessees agree to indemnify, hold harmless, and defend the Nation from and against any and all claims by unaffiliated third parties of damages, liabilities or expenses which the Nation may incur, or to which the Nation may be subjected, resulting from the exercise by Lessees of the leasehold rights leased to them under this Lease or from the exercise by Lessees of rights granted under the §323 Grant.

(B) Nation Indemnity of Lessees. Notwithstanding 25 C.F.R. §162.413(d)(i) and (ii):

(i) The Nation agrees to indemnify, hold harmless, and defend Lessees from and against any and all claims by unaffiliated third parties of damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, resulting from the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents arising out of or related to the use or possession of Surrendered Lands and any improvements made to Surrendered Lands from the Surrender Date and thereafter except for damages, costs or liabilities reserved by the Nation under Section 36(B) (Waiver and Release of Claims; Covenant Not to Sue).

(ii) The Nation agrees to indemnify, hold harmless and defend Lessees from and against any and all claims of the Nation or parties claiming through the Nation for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, resulting from the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents arising out of or related to the Nation's possession or use of the Leased Premises or any improvements made to the Leased Premises from the earlier of the date the Nation obtains control of Surrendered Lands or the expiration of the Lease Term, except for damages, costs or liabilities reserved by the Nation under Section 36(B) (Waiver and Release of Claims; Covenant Not to Sue).

(iii) The Nation agrees to indemnify, hold harmless and defend Lessees from and against any and all claims by Lessees and parties claiming through the Lessees for damages, liabilities or expenses which any Lessee or its interest in any improvements may incur, or to which any Lessee or its improvements may be subjected, arising out of or related to the exercise of any mineral rights referenced in Section 24 (Minerals) below with respect to minerals located on the Surrendered Lands, including any damage to the remaining Leased Premises and any improvements thereon.

(iv) The Nation agrees to indemnify, hold harmless and defend Lessees from and against any and all claims by third parties for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected arising out of or related in any manner to the use of the Leased Premises by the Navajo Nation or third parties for any purpose prohibited by Section 4(Purpose; Permissible Uses; Restricted Uses), the Ash Land Fill Restriction, or the Solid Waste Landfill and Pond Solids Restriction. Expenses shall include, without limitation, any additional remediation costs imposed upon any Lessee as a result of that prohibited use by any government entity or administrative or judicial action or decision.

(C) Survival. This Section shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

**24. MINERALS.**

(A) Mineral Reservation. All minerals, except soil, sand and gravel, contained in or on the Leased Premises are reserved for the use of the Nation. Such use shall be without the occupancy, use or destruction of the surface estate. The Nation may begin or allow sand and gravel operations commencing with the NGS Site Remediation Period, provided such activities shall not impair, disturb or adversely impact any landfill, closed or opened surface pond, or Lessee's activities under this Lease.

(B) Remediation Period. This Section 24 is supplemented by certain restrictions on mining activity on Surrendered Lands during the NGS Retirement Period, as provided in Section 6 (Surrender).

**25. EXPIRATION OF LEASE AND DELIVERY OF LEASED PREMISES.**

On a Lease Term's expiration, Lessees shall peaceably and without legal process deliver up possession of the Leased Premises, subject to any continuing access rights provided in this Lease.

**26. NATION'S AGREEMENT NOT TO REGULATE LESSEES.**

(A) Notwithstanding any provision of 25 C.F.R. §162.014(a)(2) and 25 C.F.R. §162.014(b), the Nation covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees with respect to any activity or absence of activity related to this Lease, including, but not limited to, NGS Retirement, NGS Site Remediation, Transmission Removal and Remediation, the ownership or operation of the Transmission Facilities and related activities, post-closure access, or any other activities or uses of Reservation Lands subject to this Lease.

(B) For purposes of this Lease, "Regulate" is defined as any act or process by the Nation, including any current or future law or regulation imposed by the Nation, that would seek to control by requirement, restriction, limitation, condition or prohibition the actions or inactions of Lessees in relation to this Lease or that would impose different or additional requirements, restrictions, limitations, conditions or prohibitions beyond the terms of this Lease.

(C) For the purposes of this Section, "Lessees" includes the Lessees, their affiliates, subtenants, licensees, officers, employees, agents, contractors, subcontractors, successor and assigns.

(D) Nothing in this Section prevents the Parties from mutually agreeing in writing to allow the Nation to Regulate the Leased Premises, retirement, remediation or activities occurring after the end of the Lease Term or to enter into other agreements, such as voluntary compliance agreements, regarding the Leased Premises, retirement, or remediation or activities occurring after the end of the Lease Term. In such event, the provisions of Section 3 (Applicable Law) shall be modified, as necessary, notwithstanding Section 3(C) (Applicable Law).

(E) This agreement not to regulate is not a waiver of whatever rights the Nation may have to Regulate retail distribution of electricity on Reservation Lands. Retail distribution of electricity shall not be deemed to mean or include any activity referenced in Section 8 (Further Compensation and Terms and

Conditions Related to Tract B) of this Lease. Nothing in this Agreement conveys to the Lessees, or any of them, any rights to engage in retail distribution of electricity on Reservation Lands.

(F) The provisions of this Section 26 shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

## 27. REPORTING.

Lessees shall use commercially reasonable efforts to provide the Navajo Nation's Environmental Protection Agency with a clear and legible courtesy copy of all applications, notices and reports concerning permits, environmental assessments, releases of hazardous or regulated substances, testing, monitoring, or remediation occurring on the Leased Premises, or any other relevant notice that Lessees are required by Applicable Law to provide to the United States Environmental Protection Agency. Delivery shall be to the Navajo Nation Environmental Protection Agency by first class mail to the following (or their respective institutional successors):

Waste Regulatory and Compliance Program
Navajo Nation Environmental Protection Agency
Post Office Box 339
Window Rock, Navajo Nation (Arizona) 86515

and,

Executive Director
Navajo Nation Environmental Protection Agency
Post Office Box 339
Window Rock, Navajo Nation (Arizona) 86515

## 28. OBLIGATIONS TO THE UNITED STATES.

It is understood and agreed that while the Leased Premises are in trust status, all of Lessees' obligations under this Lease and the obligations of its sureties are to the United States as well as to the Nation.

## 29. NOTICES AND DEMANDS.

(A) Any notices, demands, requests or other communications to or upon any of the Parties, as provided for in this Lease, or given or made in connection with this Lease (hereinafter referred to as "Notices,") shall be in writing and shall be addressed to the Nation and Lessees as described in Schedule 29 attached.

(B) All Notices shall be given by personal delivery, by registered or certified mail, postage prepaid, or by facsimile transmission or e-mail, followed by surface mail. Notices shall be effective and shall be deemed delivered and received: (1) if by personal delivery during normal business hours, on the date of delivery; or (2) if by personal delivery but not during normal business hours, on the next business day following delivery; or (3) if by registered or certified mail, by facsimile transmission or by e-mail (followed by first-class mail), on the next business day following actual delivery of the registered mail, certified mail or e-mail.

(C) The Nation and any Lessee may at any time change its address for purposes of this Section by Notice.

## 30. SUCCESSORS AND ASSIGNS.

The terms and conditions contained herein shall extend to and be binding upon the successors and assigns of the Parties. Except as the context otherwise requires, the term "Lessees," as used in this Lease, shall be deemed to include all such Lessees' respective successors and assigns.

## 31. EFFECTIVE DATE; VALIDITY.

(A) None of the Parties is bound or benefitted by this Lease until all of the Parties have executed and delivered this Lease and the Effective Date has occurred. Notwithstanding anything in this Lease to the contrary, each Party that executes and delivers its signature on this Lease prior to the Effective Date to one or more of the Parties will be deemed to have delivered this instrument in escrow.

(B) This instrument is void if:

(i) Either this Agreement or Amendment No. 1 to the Indenture of Lease is not executed by the Nation on or before **July 1, 2017**, or

(ii) Either this Agreement or Amendment No. 1 to the Indenture of Lease is not executed by Nevada, Salt River Project, on its own behalf, Tucson, and APS on or before **July 1, 2017**, or

(iii) Either this instrument or Amendment No. 1 to the Indenture of Lease is not executed by Los Angeles on or before **December 1, 2017**, or

(iv) If the Secretarial approval attached hereto is not executed and delivered by the Secretary and the United States to the Parties on or before **December 1, 2017**, or

(v) The Lessees extend the lease term of the Existing Lease as provided below in Section 29(C), or

(vi) The United States, in its capacity as a participant in the Navajo Project, has not consented to the execution of this instrument and Amendment No. 1 to the Indenture of Lease by Salt River Project on its behalf on or before **December 1, 2017**; or

(vii) If a plant asset sale agreement is fully executed, delivered and the transaction closed prior to **July 1, 2019**.

(C) The Lessees may extend the lease term of the Existing Lease at any time prior to the Term Commencement Date, in accordance with the terms and provisions of extension presently contained in the Existing Lease.

## 32. COOPERATION.

The Nation shall reasonably support and cooperate with Lessees regarding the NGS Retirement, NGS Site Remediation, and Transmission Removal and Remediation, and the Nation shall perform acts reasonably requested by the Lessees to fully effectuate the purposes of this Lease.

## 33. MEMORANDUM OF LEASE; RECORDATION.

The Parties shall execute and deliver a memorandum of this Lease in the form of Exhibit G ("Memorandum of Replacement Lease"), together with the Ash Landfill Restriction set forth on Exhibit F, and Solid Waste Landfill and Pond Solids Restriction set forth in Exhibit F-2, for recording and filing in the required and appropriate public records.

## 34. MUTUAL ESTOPPEL STATEMENTS.

(A) The Nation hereby covenants, represents, warrants and confirms that, as of the Effective Date, Lessees are not in default under the Existing Lease and no event or condition has occurred or exists that with the giving of notice or passage of time would constitute a default by Lessees under the Existing Lease or any document or agreement arising out of or related to the Leased Premises. The Nation hereby acknowledges and agrees that it may not assert any claim contrary to the foregoing statement. Lessees hereby covenant, represent, warrant and confirm that, as of the Effective Date, the Nation is not in default under the Existing Lease and no event or condition has occurred or exists that with the giving of notice or passage of time would constitute a default by the Nation under the Existing Lease or any document or agreement arising out of or related to the Leased Premises. Each Lessee hereby acknowledges and agrees that it may not assert any claim contrary to the foregoing statements.

(B) When the Existing Lease term expires, all rights and obligations under the Existing Lease and the documents related thereto, other than perhaps the remaining term of any previous §323 Grant, shall cease and be of no further force or effect, and the relationship between the Nation and the Lessees shall be governed exclusively by this Lease.

(C) In the event of any conflict between this Lease and the Existing Lease with respect to the possession and operation of the Leased Premises and related activities prior to the Term Commencement Date, the terms and provisions of the Existing Lease shall control the conduct and relationship of the Parties; provided, however, the Retirement Guidelines shall control over any conflicting provision contained in the Existing Lease. Consistent with the purpose of this Lease, after the Effective Date, no retirement or restoration provisions of the Existing Lease shall be enforced by any Party during the remaining term of the Existing Lease.

(D) No default under the Existing Lease shall constitute a default under this Lease. Similarly, no default under this Lease shall constitute a default under the Existing Lease.

(E) For the purposes of this Section, the term "default" means any default, breach, or event of default or breach, however denominated in any instrument, regardless of whether the default is subject to any right of cure period or whether the default has been noticed.

## 35. NAVAJO NATION AUTHORIZATION APPROVING THE LEASE AND ADDRESSING SPECIFIC ACTIONS UNDER THIS LEASE.

(A) As authorized by Resolution #_____ of the Navajo Nation Council dated ____, ___, the Navajo Nation has approved this Lease and is authorized to enter into this Lease, in its entirety, including all exhibits hereto.

(B) As authorized by Resolution # ___ of the Navajo Nation Council dated _____, ____, and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, 25 C.F.R. §§162.014(a)(2) and 162.014(b), or relevant federal, state or tribal case law precedent:

(i) The Navajo Nation affirmatively waives the application of the laws of the Navajo Nation, and agrees to the application of federal law and, where federal law does not apply, the laws of the State of Arizona, as provided in Section 3 (Applicable Law) of this Lease.

(ii) The Navajo Nation affirmatively waives the jurisdiction of the Navajo Nation courts and agrees that: (1) the remedies set forth in Sections 17 (Default for Nonpayment; Remedies; Jurisdiction) and 18 (Other Breaches and Defaults) of this Lease are the exclusive remedies to address Disputes among the Parties and claimed breaches of this Lease; and (2) the federal courts, and, where federal law does not apply, the Arizona state courts, and no other courts, shall have exclusive jurisdiction to consider and decide Disputes or claimed breaches of this Lease, as provided in Sections 17 (Default for Nonpayment; Remedies; Jurisdiction) and 18 (Other Breaches and Defaults) of this Lease.

(iii) The Navajo Nation affirmatively waives and consents to the waiver of sovereign immunity from suit by the Lessees as provided in Section 19 (Waiver of Sovereign Immunity) of this Lease.

(iv) The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees, as provided in Section 26 (Nation's Agreement not to Regulate Lessees) of this Lease.

(C) As authorized by Resolution #___ dated ____, _____, of the Navajo Nation Council, the Nation hereby gives its consent to the Secretary's waiver and making of exceptions to the application of any of the following Existing Regulations (as defined in Section 37 (Application and Waiver of Regulations of Department of Interior)):

(i) The waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 162: 162.014 (a)(2); 162.014(b); 162.413(d)(1); 162.413(d)(2); and 162.449(b).

(ii) The making of exceptions by the Secretary to the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 162: 162.413(a)(9); 162.417(c); 162.420(a); 162.428(a); 162.434(f)(2); and 162.437(c).

(D) As authorized by Resolution #___ dated ____, _____, of the Navajo Nation Council, the Nation hereby gives its consent to the Secretary's waiver and making of exceptions to the application of the following Existing Regulations (as defined in Section 37 (Application and Waiver of Regulations of Department of Interior)):

(i) The waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 169: 169.9(b); 169.120(b); 169. 125(c)(5)(iii); 169.125(c)(5)(xii); 169.125(c)(6)(i); and 169.125(c)(6)(ii).

(ii) The making of exceptions by the Secretary to the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 169: 169.102(b)(3); 169.102(b)(6); 169.103(f)(2); 169.105(c); and 169.110(a).

(E) This Section 35 survives any termination of this Lease or the expiration of the Lease Term in perpetuity.

**36. WAIVER AND RELEASE OF CLAIMS; COVENANT NOT TO SUE.**

(A) To the fullest extent allowed by law, the Nation covenants and agrees not to sue or take administrative action against Lessees and further waives and releases all the claims listed in this Section 36(A), which include legal and equitable claims of any nature, claims for actual compensatory, consequential, punitive, special, multiple or other damages of any kind, whether known or unknown as of the Effective Date, under federal, state, or tribal law, that the Nation may currently have, has ever had, or may have in the future against each of the Lessees. The Nation covenants and agrees not to bring these claims on behalf of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or on behalf of its tribal members, residents, or any other person, in a representative, agent, or trustee capacity or otherwise. This waiver and release shall apply whether or not the action or the basis therefore are known to the Nation on the Effective Date, so that it waives and releases all rights to any provision of law stating that a general release does not extend to any claims that the person does not know or suspect to exist in the person's favor at the time of executing the release, and which if known to the person would have materially affected the settlement.

(i) Any claims arising out of or relating in any manner to the Existing Lease or the Lessees' activities under the Existing Lease. This includes, without limitation, claims for interpretation or enforcement of the Existing Lease, claims for default under the Existing Lease, claims for any other breach of the Existing Lease, claims for personal injury or personal property damage arising out of or relating in any manner to the Lessees' activities, and claims for violations of federal, state, or tribal law under the Existing Lease, except the environmental claims in Section 36(C) below.

(ii) Any claims under tribal environmental law against any Lessee arising from or relating in any manner to the Lessee's activities under the Existing Lease or this Lease, or to the remediation through closure in place on the Navajo Project, in compliance with the Retirement Guidelines, the NGS Retirement Plan, and all applicable federal environmental laws, of coal combustion residuals, pond solids, solid waste, and other structures and materials specifically agreed upon by the Parties and identified in Appendix 3 to Exhibit C, Exhibit E and Exhibit E-2.

(iii) Any claims under federal or state environmental law, including but not limited to natural resource damages claims, against any Lessee arising out of or relating in any manner to the materials and structures remediated through closure in place on the Navajo Project, except the environmental claims in Section 36(B) below.

(iv) Any claims arising out of or relating in any manner to the negotiation, execution, or adoption of this Lease.

(B) Notwithstanding Section 11(G) (NGS Retirement), as to claims arising from or relating in any manner to materials and structures remediated through closure in place on the Navajo Project, the Nation expressly reserves and retains its right to bring claims under CERCLA (42 U.S.C. §9601, et seq.) or RCRA (42 U.S.C. §6901, et seq.) in federal court against Lessees for response costs or equitable relief, but not for natural resource damages, to the extent that the closure in place is not in compliance with the Retirement Guidelines or federal environmental law, or poses a threat to groundwater outside the boundaries of the Leased Premises that is not fully addressed by a response plan developed by the Lessees and the Nation under the groundwater monitoring and response provisions of Section 4(G) (Purpose; Permissible Uses; Restricted Uses).

(C) Notwithstanding Section 11(G) (NGS Retirement), as to claims not arising from or relating in any manner to materials or structures remediated through closure in place on the Navajo Project, the Nation expressly reserves and retains its right to bring claims in federal court under federal environmental law for response costs, equitable relief, or damages including natural resource damages against the Lessees pertaining to or resulting from any hazardous waste (as defined under RCRA, 42 U.S.C. §6903, and implementing regulations) or hazardous substance (as defined in CERCLA, 42 U.S.C. §9601(14), and implementing regulations) discovered after Surrender to be on or emanating from the Leased Premises as a result of the Lessees' activities.

(D) For purposes of this Section 36, Lessees' activities include all activities related to the operation or ownership of the Navajo Generating Station during the term of the Existing Lease, including, without limitation: (i) the construction, reconstruction, installation, reinstallation, maintenance, operation and ownership of the Navajo Generating Station, the water intake facilities, the pumping station, the transmission systems, the communication facilities, the coal conveyor, the rail loading site, the ash disposal site, and the Black Mesa & Lake Powell Railroad; (ii) the decommissioning, and retirement and remediation of those facilities, including the removal of all improvements and land restoration activities; and (iii) any other activities contemplated by the Existing Lease.

(E) For purposes of this Section 36, Lessees includes their respective owners, directors, managers, officers, employees, agents, successors, and assigns.

(F) To the fullest extent allowed by law, Lessees covenant and agree not to sue the Nation and further waive and release all the claims listed in this Section 36(F), which include legal and equitable claims of any nature, claims for actual compensatory, consequential, punitive, special, multiple or other damages of any kind, whether known or unknown as of the Effective Date, under federal, state, or tribal law, that Lessees may currently have, have ever had, or may have in the future against the Nation. This waiver and release shall apply whether or not the action or the basis therefore are known to Lessees on the Effective Date, so that they waive and release all rights to any provision of law stating that a general release does not extend to any claims that the person does not know or suspect to exist in the person's favor at the time of executing the release, and which if known to the person would have materially affected the settlement.

(i) Any claims arising out of or relating in any manner to the Existing Lease or the Nation's activities under the Existing Lease. This includes, without limitation, claims for interpretation or enforcement of the Existing Lease, claims for default under the Existing Lease, claims for any other breach of the Existing Lease, claims for personal injury or personal property damage arising out of or relating in any manner to the Lessees' activities, and claims for violations of Navajo Nation or federal law, except as

provided in Section 36(G).

(ii) Any claims under federal, state or tribal environmental law against the Nation arising out of or relating in any manner to the Nation's activities under the Existing Lease or this Lease, except as provided in Section 36(G).

(iii) Any claims arising out of or relating in any manner to the negotiation, execution, or adoption of this Lease.

(G) Lessees expressly reserve and retain their legal and equitable rights in responding to or defending themselves from claims brought by the Nation or third parties, including but not limited to the right to bring claims, counterclaims, crossclaims, or defenses under federal environmental law in response to claims brought against the Lessees.

(H) The Parties' covenants, waivers, and releases in this Section 36 are not altered, amended, or modified by the start or end of the NGS Retirement or NGS Site Remediation Periods or by any Surrender Date.

(I) The provisions of this Section 36 shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

## 37. APPLICATION AND WAIVER OF REGULATIONS OF DEPARTMENT OF INTERIOR.

(A) Except for regulations waived by the Secretary pursuant to 25 C.F.R. §1.2 or excepted from application, with the consent of the Nation, as provided in this Lease, this Lease is made and entered into subject to the regulations in Title 25, Code of Federal Regulations, that are in effect on the Term Commencement Date ("Existing Regulations"). Any amendments or other changes to the Existing Regulations after the Term Commencement Date shall not affect the rights and obligations of the Parties as set forth in this Lease.

## 38. ADDITIONAL BIA REQUIREMENTS.

(A) BIA has the right, at any reasonable time during the Lease Term and upon reasonable notice in accordance with 25 C.F.R. §162.464, to enter into the Leased Premises for inspection and to ensure compliance. BIA shall comply with any safety and security rules that Lessees may have adopted for the NGS Site.

(B) BIA may, at its discretion, treat as a lease violation any failure by the Lessees to cooperate with a BIA request to make appropriate records, reports, or information for BIA inspection or duplication.

(C) Upon BIA's request, Lessees must provide BIA with any proof of payment of any compensation paid to the Nation under the terms of the Lease.

## 39. EXECUTION IN COUNTERPARTS.

The Lease may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. A signature page of any counterpart may be detached

therefrom without impairing the legal effect of the other signature(s), if that signature page is attached to any other counterpart that is identical to the first except for having additional attached signature pages executed by other parties to this Lease.

## 40. ESTOPPEL CERTIFICATES.

Each Party shall deliver appropriate estoppel certificates to one or more other Parties within forty-five (45) days of a written request.

## 41. QUIET ENJOYMENT.

The Nation shall provide Lessees with quiet enjoyment and peaceful and exclusive possession of the Leased Premises, subject to any existing leases, easements, or other encumbrances. The Nation acknowledges that, to its knowledge, no existing leases, easements or other encumbrances affect the Leased Premises other than the Existing Lease. This covenant is limited to the Leased Premises as reduced from time to time by Lessees' Surrender to the Nation of Surrendered Lands.

## 42. FORCE MAJEURE.

(A) No Party shall be deemed in default if it is prevented from fulfilling a Lease obligation by reason of uncontrollable forces. The term "uncontrollable forces" means, for purposes of the Lease, any cause beyond the control of the Party affected, including but not limited to, restraint by any court, governmental, administrative or regulatory authority; the need to comply with any applicable law, change in law, regulation, ordinance or resolution, or any governmental, regulatory, administrative or judicial proceeding; inadequacy of water; facilities failure; flood; earthquake; storm; lightning; fire; epidemic; war; riot; civil disturbance; labor disturbance; or sabotage, which by exercise of due diligence and foresight, the party could not reasonably have been expected to avoid. Any Party rendered unable to fulfill any obligation by reason of "uncontrollable forces" must exercise due diligence to remove the inability with all reasonable dispatch. It also includes discovery, during the course of any activity associated with the Lease, of historic properties, archeological resources, human remains, or other cultural items not previously reported, as provided in Section 2(E) (Leased Premises).

(B) A Party's failure to cure a default due to force majeure is not a basis for termination of this lease.

## 43. INDEPENDENT COVENANTS.

The covenants of the Lease are to be deemed to be independent covenants, not dependent covenants, and the obligation of any Party to perform all of its covenants is not conditioned on another Party's performance of all that Party's covenants. The existence of one Party's claim or cause of action against another, of whatever nature, is not a defense to the enforcement of the covenants contained in this Lease.

## 44. SEVERAL RIGHTS LEASED.

As between the Lessees and Nation, each Lessee hereunder shall have the several and individual right to exercise all rights of whatever kind leased to Lessees under the Lease, including all rights in and to the Leased Premises in accordance with this Lease.

**45. WAIVER OF JURY TRIAL.**

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

**46. RECITALS.**

The Recitals are incorporated into this Lease.

**47. ENTIRE AGREEMENT.**

(A) This Lease, the Exhibits, schedules, and the other documents referenced herein or attached hereto constitute the entire Lease among the Parties, and replace and supersede any prior or contemporaneous agreements, drafts, amendments, correspondence, discussions or course of dealing, whether written or oral, in their entirety with respect to this subject matter.

(B) The Parties acknowledge that they have not relied upon, and have no remedies with respect to, any representations or warranties, including pre-contractual representations or warranties, whether made innocently or negligently, other than those set forth in this Lease.

(C) No party shall have any claim for innocent or negligent misrepresentation based upon any statement in this Lease.

(D) The Parties have participated jointly in negotiating this Lease and have been represented by counsel. If a question of interpretation arises, this Lease shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of this Lease.

(E) This Section 48 is not intended to exclude any Party's liability for fraud.

**48. AMENDMENTS.**

No prior agreement, correspondence or understanding pertaining to any such matter shall be effective to interpret or modify the terms of this Lease. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party, as designated by this Lease. The Nation and each Lessee waive the right to claim or assert the existence of any other modifications to this Lease. This Lease may be amended or modified only in writing, executed and delivered by all of the Parties in interest to this Lease, at the time of modification. Each Party acknowledges that employees, contractors and other similar persons of the other Parties hereto do not have authority to modify this Lease or to waive any rights hereunder.

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____
Secretary

By: _____

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California )

County of _____ )

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

_____
Secretary or Assistant Secretary

By: _____
Paul Caudill
Its: President

Date: _____

STATE OF_____ )
) ss.
County of_____ )

The foregoing instrument was acknowledged before me this ____ day of_____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____

Secretary

Its: _____

Date: _____

STATE OF ARIZONA )
) ss.
County of _Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____

Notary Public

My commission expires:

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____

Secretary

Its: _____

Date: _____

STATE OF ARIZONA )
) ss.
County of Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____

Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____ By:_____

Secretary

Its: Vice President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____

Notary Public

My commission expires:

_____

**REPLACEMENT LEASE BETWEEN THE NAVAJO NATION AS LESSOR AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES AS LESSEES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN REPLACEMENT LEASE between THE NAVAJO NATION as Lessor and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES as Lessees, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

By and through his or her approval of this Lease, pursuant to 25 C.F.R. §1.2, and upon request of the Navajo Nation Council, the Secretary waives the application of the following regulations in Title 25, Code of Federal Regulations, Part 162: 162.014 (a)(2); 162.014(b); 162.413(d)(1); 162.413(d)(2); and 162.449(b).

By and through his or her approval of this Lease, and upon request of the Navajo Nation Council, the Secretary makes exceptions to the application of the following regulations in Title 25, Code of Federal Regulations, Part 162: 162.413(a)(9); 162.417(c); 162.420(a); 162.428(a); 162.434(f)(2); and 162.437(c).

_____ **Director**
**Bureau of Indian Affairs**
**Department of the Interior**

_____
**Date of Approval**

STATE OF_____ )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

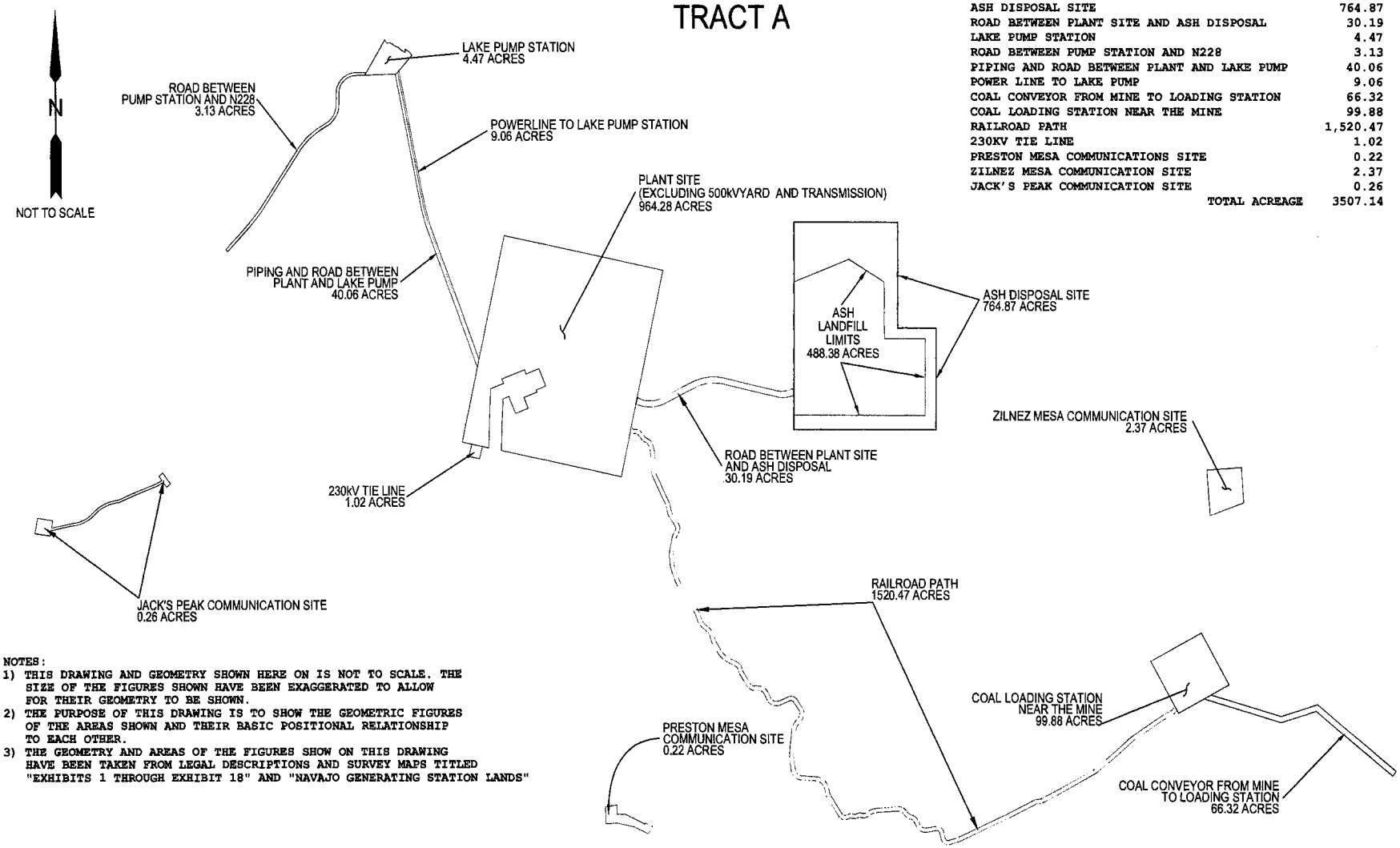
_____

**Exhibit A**
**(Tract A)**

**The NGS Site**

**Legal Description and Survey Map of the NGS Site,**
**a portion of the Leased Premises**

# NGS SITE EXHIBIT A TRACT A




| NAVAJO GENERATING STATION LANDS | ACRES |
|---|---|
| PLANT SITE (EXCLUDING 500 YARD AND TRANSMISSION) | 964.82 |
| ASH DISPOSAL SITE | 764.87 |
| ROAD BETWEEN PLANT SITE AND ASH DISPOSAL | 30.19 |
| LAKE PUMP STATION | 4.47 |
| ROAD BETWEEN PUMP STATION AND N228 | 3.13 |
| PIPING AND ROAD BETWEEN PLANT AND LAKE PUMP | 40.06 |
| POWER LINE TO LAKE PUMP | 9.06 |
| COAL CONVEYOR FROM MINE TO LOADING STATION | 66.32 |
| COAL LOADING STATION NEAR THE MINE | 99.88 |
| RAILROAD PATH | 1,520.47 |
| 230KV TIE LINE | 1.02 |
| PRESTON MESA COMMUNICATIONS SITE | 0.22 |
| ZILNEZ MESA COMMUNICATION SITE | 2.37 |
| JACK'S PEAK COMMUNICATION SITE | 0.26 |
| TOTAL ACREAGE | 3507.14 |

NOTES:

1) THIS DRAWING AND GEOMETRY SHOWN HERE ON IS NOT TO SCALE. THE SIZE OF THE FIGURES SHOWN HAVE BEEN EXAGGERATED TO ALLOW FOR THEIR GEOMETRY TO BE SHOWN.
2) THE PURPOSE OF THIS DRAWING IS TO SHOW THE GEOMETRIC FIGURES OF THE AREAS SHOWN AND THEIR BASIC POSITIONAL RELATIONSHIP TO EACH OTHER.
3) THE GEOMETRY AND AREAS OF THE FIGURES SHOW ON THIS DRAWING HAVE BEEN TAKEN FROM LEGAL DESCRIPTIONS AND SURVEY MAPS TITLED "EXHIBITS 1 THROUGH EXHIBIT 18" AND "NAVAJO GENERATING STATION LANDS"

# EXHIBIT 1
PLANT SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTIONS 1 AND 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, AND SECTIONS 35 AND 36 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE EAST QUARTER CORNER OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 1, BEARS SOUTH 00 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 2639.26 FEET;

THENCE SOUTH 74 DEGREES 22 MINUTES 24 SECONDS WEST, A DISTANCE OF 3473.68 FEET, TO THE **POINT OF BEGINNING,** BEING A BRASS CAP MARKED "CORNER No. 4"

THENCE NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST, A DISTANCE OF 1972.33 FEET TO A POINT ON THE EAST LINE OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 2, BEARS NORTH 00 DEGREES 19 MINUTES 42 SECONDS WEST, AT A DISTANCE OF 499.87 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 42 SECONDS EAST, AT A DISTANCE OF 2139.50 FEET;

THENCE CONTINUING NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST, A DISTANCE OF 3975.82 FEET;

THENCE NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 2330.69 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 697.16 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 3392.88 FEET;

THENCE CONTINUING NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 5142.12 FEET, TO A BRASS CAP MARKED "CORNER No. 2";

THENCE SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, A DISTANCE OF 3574.79 FEET TO A POINT ON THE WEST LINE OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 36, BEARS NORTH 00 DEGREES 20 MINUTES 07 SECONDS WEST, AT A DISTANCE OF 1009.58 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 36, BEARS SOUTH 00 DEGREES 20 MINUTES 07 SECONDS EAST, AT A DISTANCE OF 4268.98 FEET;

THENCE CONTINUING SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, A DISTANCE OF 2372.32 FEET, TO A BRASS CAP MARKED "CORNER No. 3";

THENCE SOUTH 11 DEGREES 52 MINUTES 19 SECONDS WEST, A DISTANCE OF 3853.02 FEET TO A POINT ON THE NORTH LINE OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 1, BEARS NORTH 89 DEGREES 40 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 2586.36 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 40 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 3775.01 FEET;

THENCE SOUTH 11 DEGREES 52 MINUTES 19 SECONDS WEST, A DISTANCE OF 3616.94 FEET, TO THE **POINT OF BEGINNING**.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 1020.13 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 1020.71 GROUND (SURFACE) ACRES.

**EXCEPT** THE FOLLOWING DESCRIBDED PARCELS;

**EXCEPTION 1**

NGS 500kV SWITCHYARD

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, AND SECTION 35 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 34 SECONDS EAST, A DISTANCE OF 2618.51 FEET;

THENCE SOUTH 31 DEGREES 45 MINUTES 13 SECONDS EAST, A DISTANCE OF 2670.28 FEET TO THE SOUTHWEST CORNER OF NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, FROM WHICH THE NORTHWEST CORNER OF SAID PLANT SITE RIGHT OF WAY BEARS, NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 7472.81

THENCE SOUTH 78 DEGREES 06 MINUTES 44 SECONDS EAST ALONG THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, A DISTANCE OF 984.49 FEET;

THENCE NORTH 01 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 2095.06 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 507.43 FEET TO THE **POINT OF BEGINNING;**

THENCE NORTH 22 DEGREES 02 MINUTES 00 SECONDS WEST, A DISTANCE OF 163.79 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 142.42 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 1790.61 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 2299.43 FEET; THENCE CONTINUING NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 739.01 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 160.31 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 500.00 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 333.26 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 3124.31 FEET, ALSO FROM WHICH POINT THE SOUTHEAST

CORNER OF SAID SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 2154.23 FEET;

THENCE CONTINUING SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 333.05 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 372.57 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 77.06 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 511.40 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 412.32 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 497.46 FEET,

THENCE NORTH 22 DEGREES 02 MINUTES 00 SECONDS WEST, A DISTANCE OF 1152.21 FEET TO THE **POINT OF BEGINNING**.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 30.87 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 30.89 GROUND (SURFACE) ACR

**EXCEPTION 2**

SHARED PATH FROM 500kV YARD TO EDGE OF PLANT

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 34 SECONDS EAST, A DISTANCE OF 2618.57 FEET;

THENCE SOUTH 31 DEGREES 45 MINUTES 13 SECONDS EAST, A DISTANCE OF 2670.28 FEET TO THE SOUTHWEST CORNER OF NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, FROM WHICH THE NORTHWEST CORNER OF SAID PLANT SITE RIGHT OF WAY BEARS, NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 7472.81

THENCE SOUTH 78 DEGREES 06 MINUTES 44 SECONDS EAST ALONG THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, A DISTANCE OF 984.49 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 01 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 2095.06' FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 507.43' FEET TO A POINT ON THE WEST LINE OF THE NGS 500kV SWITCHYARD;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 506.00 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 228.64' FEET;

THENCE SOUTH 01 DEGREES 53 MINUTES 07 SECONDS WEST, A DISTANCE OF 1826.67' FEET TO THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY;

THENCE NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST ALONG SAID SOUTH LINE, A DISTANCE OF 467.10 FEET TO THE **POINT OF BEGINNING**;

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

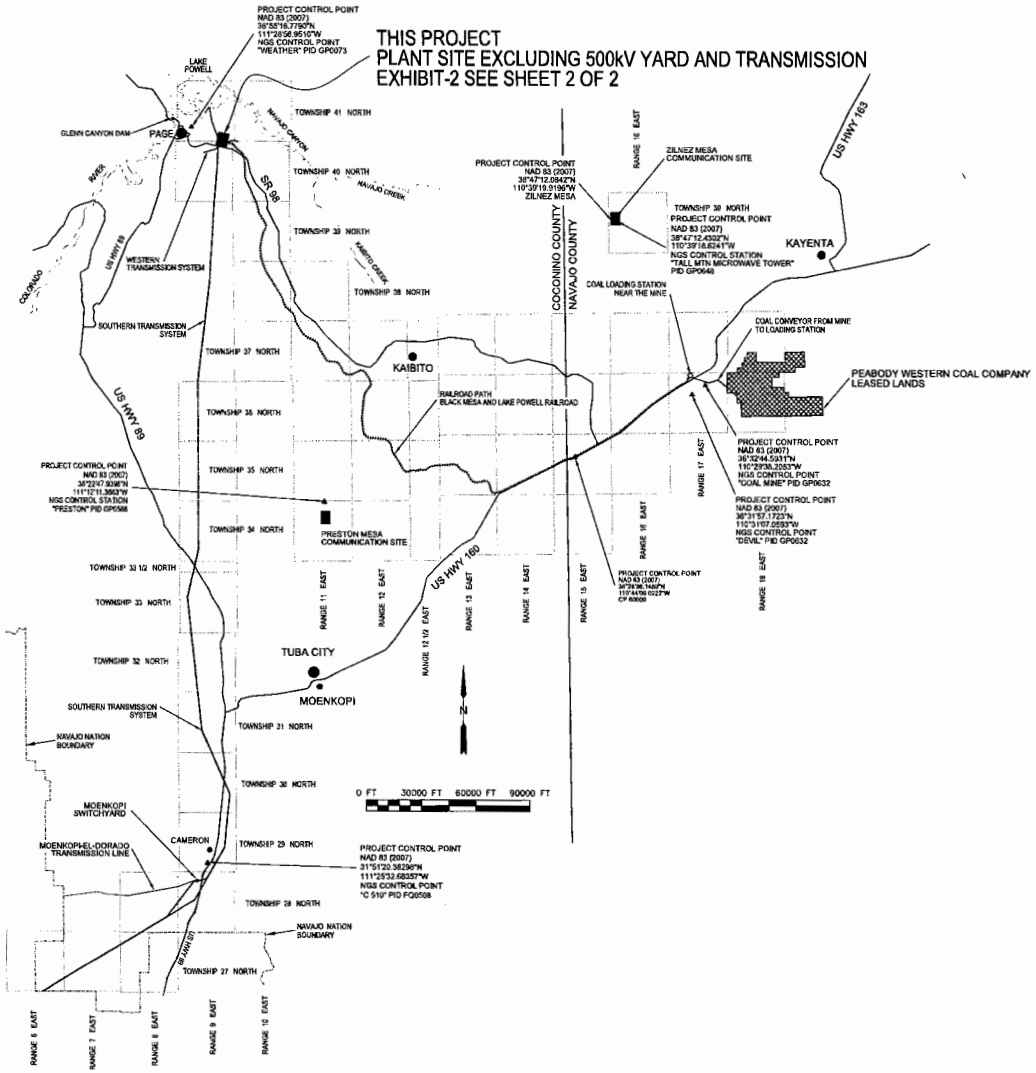
SAID PARCEL CONTAINING 24.98 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 25.00 GROUND (SURFACE) ACRES.

AREA FOR PLANT SITE EXCLUDING EXCEPTIONS IS 964.28 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 964.82 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
ST
LICKEY
Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# PLANT SITE EXCLUDING 500kV YARD AND TRANSMISSION




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STAN DICKEY RLS#32224
EXPIRES 3/31/18

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20___

NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ _____ _____, AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

_____ _____ _____

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20___

NOTARY PUBLIC

REGISTERED LAND SURVEYOR
32224
STAN
DICKEY
ARIZONA U.S.A.

PRELIMINARY
FOR INTERNAL REVIEW ONLY

REGISTRATION
EXPIRES: 03-31-19

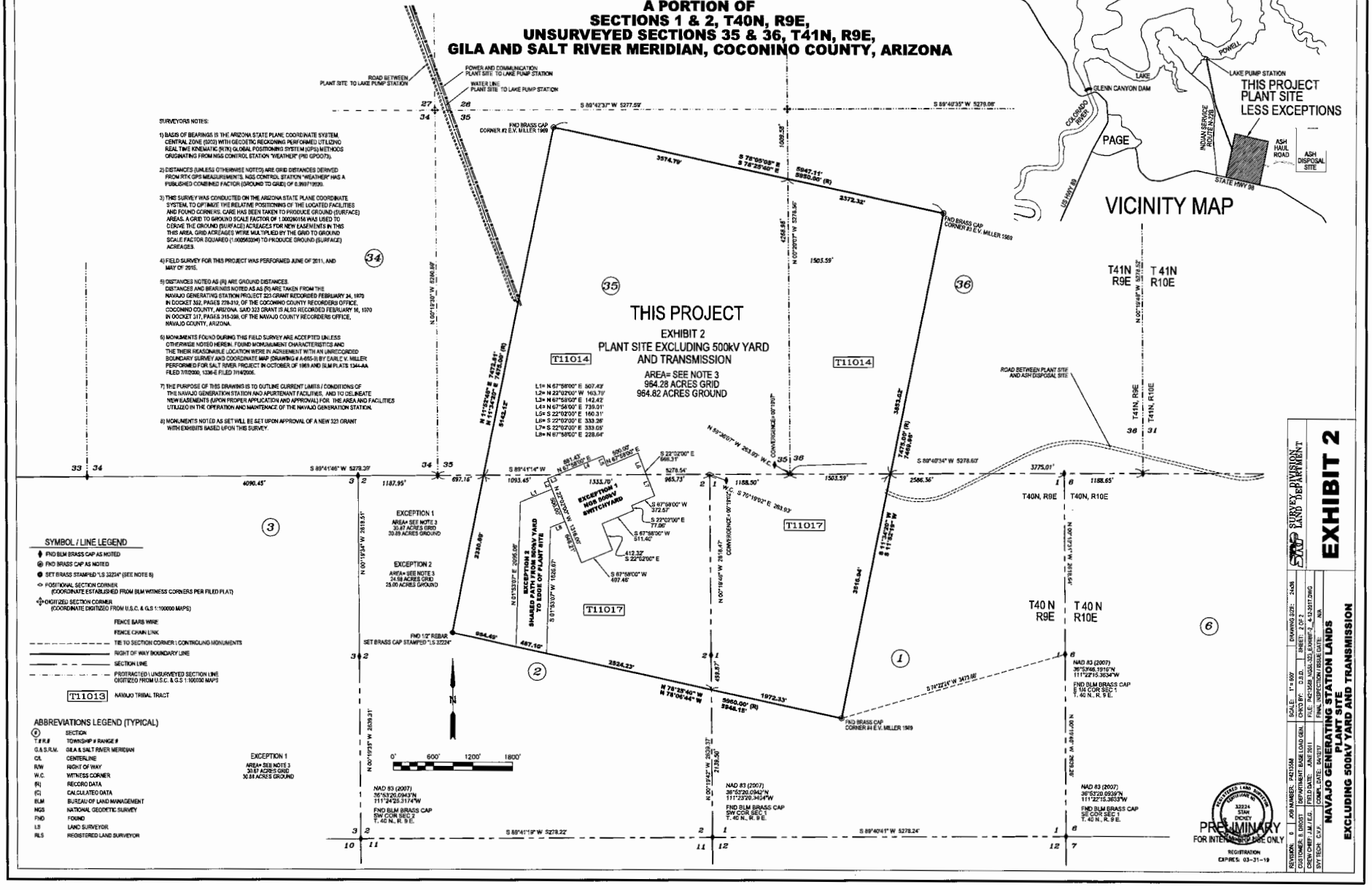
SRP SURVEY DIVISION
LAND DEPARTMENT

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. GROST | DEPARTMENT: BASELOAD GEN | CAD BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M./E.G. | FIELD DATE: JUNE 2011 | FILE: P4213588_NGS-325_EXHIBIT-2_4-12-2017.DWG | |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

**EXHIBIT 2**

**NAVAJO GENERATING STATION LANDS**
**PLANT SITE**
**EXCLUDING 500kV YARD AND TRANSMISSION**

# NAVAJO GENERATING STATION LANDS
# PLANT SITE EXCLUDING 500kV YARD AND TRANSMISSION
## A PORTION OF
## SECTIONS 1 & 2, T40N, R9E,
## UNSURVEYED SECTIONS 35 & 36, T41N, R9E,
## GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0073).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.9997179200.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000290158 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000580394) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES. DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 332, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 16, 1970 IN DOCKET 317, PAGES 315-398, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-655-B) BY CARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/12/2000, 1336-E FILED 7/14/2006.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421584 | SCALE: 1" = 600' | DRAWING SIZE: 24x36 | | |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LOAD GEN. | CHKD BY: D.S.D. | SHEET: 2 OF 2 | | |
| CREW CHIEF: J.M./E.G. | FIELD DATE: JUNE 2011 | FILE: P421584_NGS4-323_EXHIBIT_A-12-2017.DWG | | | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/17 | FINAL INSPECTION / ISSUE DATE: N/A | | | |

# EXHIBIT 3

ASH DISPOSAL SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTIONS 5 AND 6, TOWNSHIP 40 NORTH, RANGE 10 EAST, AND SECTIONS 29, 30, 31 AND 32 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 10 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE WEST QUARTER CORNER OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 10 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 6, BEARS NORTH 00 DEGREES 19 MINUTES 31 SECONDS WEST, A DISTANCE OF 2618.54 FEET;

THENCE NORTH 66 DEGREES 45 MINUTES 42 SECONDS EAST, A DISTANCE OF 3351.79 FEET, TO THE **POINT OF BEGINNING**, BEING A BRASS CAP MARKED "CORNER No. 10";

THENCE NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST, A DISTANCE OF 1313.85 FEET TO A POINT ON THE SOUTH LINE OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 31, BEARS NORTH 89 DEGREES 39 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 733.35 FEET;

THENCE CONTINUING NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST, A DISTANCE OF 5278.69 FEET TO A POINT ON THE SOUTH LINE OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 30, BEARS SOUTH 89 DEGREES 39 MINUTES 51 SECONDS WEST, AT A DISTANCE OF 1935.89 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 30, BEARS NORTH 89 DEGREES 39 MINUTES 51 SECONDS EAST, AT A DISTANCE OF 3337.04 FEET;

THENCE CONTINUING NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST, A DISTANCE OF 755.23 FEET, TO A BRASS CAP MARKED "CORNER No. 5";

THENCE NORTH 89 DEGREES 59 MINUTES 46 SECONDS EAST, A DISTANCE OF 3332.03 FEET TO A POINT ON THE WEST LINE OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 00 DEGREES 23 MINUTES 27 SECONDS EAST,

AT A DISTANCE OF 735.92 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS NORTH 00 DEGREES 23 MINUTES 27 SECONDS WEST, AT A DISTANCE OF 4542.60 FEET;

THENCE CONTINUING NORTH 89 DEGREES 59 MINUTES 46 SECONDS EAST, A DISTANCE OF 516.82 FEET, TO A POINT;

THENCE SOUTH 00 DEGREES 00 MINUTES 20 SECONDS EAST, A DISTANCE OF 732.86 FEET TO A POINT ON THE NORTH LINE OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 39 MINUTES 20 SECONDS WEST, AT A DISTANCE OF 511.88 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 39 MINUTES 20 SECONDS EAST, AT A DISTANCE OF 4765.54 FEET;

THENCE CONTINUING SOUTH 00 DEGREES 00 MINUTES 20 SECONDS EAST, A DISTANCE OF 3015.79 FEET, TO A BRASS CAP MARKED "CORNER No. 7";

THENCE SOUTH 89 DEGREES 59 MINUTES 52 SECONDS EAST, A DISTANCE OF 1400.22 FEET, TO A BRASS CAP MARKED "CORNER No. 8";

THENCE SOUTH 00 DEGREES 00 MINUTES 43 SECONDS WEST, A DISTANCE OF 2254.35 FEET TO A POINT ON THE SOUTH LINE OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 39 MINUTES 20 SECONDS EAST, AT A DISTANCE OF 763.28 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 39 MINUTES 20 SECONDS WEST, AT A DISTANCE OF 1875.94 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 43 SECONDS WEST, A DISTANCE OF 1344.62 FEET, TO A BRASS CAP MARKED "CORNER No. 9";

THENCE SOUTH 89 DEGREES 59 MINUTES 46 SECONDS WEST, A DISTANCE OF 3199.65 FEET TO A POINT ON THE WEST LINE OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 5, BEARS SOUTH 00 DEGREES 23 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 1292.94 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 5, BEARS NORTH 00 DEGREES 23 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 1325.72 FEET;

THENCE SOUTH 89 DEGREES 59 MINUTES 46 SECONDS WEST, A DISTANCE OF 2048.32 FEET, TO THE **POINT OF BEGINNING**.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 764.87 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 765.30 GROUND (SURFACE) ACRES.

ASH LANDFILL LIMITS

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTIONS 5 AND 6, TOWNSHIP 40 NORTH, RANGE 10 EAST, AND SECTIONS 31 AND 32 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 10 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE SOUTHWEST CORNER OF THE ASH DISPOSAL SITE BEING A BRASS CAP MARKED "CORNER No. 10", FROM WHICH THE NORTHWEST CORNER OF THE ASH DISPOSAL SITE BEING A BRASS CAP MARKED "CORNER No. 5", BEARS NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST, A DISTANCE OF 7347.77 FEET;

THENCE NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST, ALONG THE WEST LINE OF THE ASH DISPOSAL SITE A DISTANCE OF 503.92 FEET TO THE **POINT OF BEGINNING**;

THENCE CONTINUING NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE ASH DISPOSAL SITE, A DISTANCE OF 809.93 FEET TO A POINT ON THE SOUTH LINE OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 31, BEARS NORTH 89 DEGREES 39 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 733.35 FEET;

THENCE CONTINUING NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE ASH DISPOSAL SITE, A DISTANCE OF 3918.69 FEET;

THENCE NORTH 68 DEGREES 29 MINUTES 28 SECONDS EAST, A DISTANCE OF 2189.60 FEET,

THENCE SOUTH 58 DEGREES 33 MINUTES 26 SECONDS EAST, A DISTANCE OF 1538.05 FEET TO A POINT ON THE WEST LINE OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS NORTH 00 DEGREES 23 MINUTES 27 SECONDS WEST, AT A DISTANCE OF 1377.22 FEET;

THENCE SOUTH 00 DEGREES 23 MINUTES 27 SECONDS EAST, ALONG THE WEST LINE OF SAID SECTION 32, A DISTANCE OF 2007.79 FEET TO A POINT, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 32 BEARS SOUTH 00 DEGREES 23 MINUTES 27 SECONDS EAST AT A DISTANCE OF 1893.51 FEET;

THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 1489.38 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 1884.59 FEET TO A POINT ON THE SOUTH LINE OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 39 MINUTES 20 SECONDS EAST, AT A DISTANCE OF 1162.73 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 39 MINUTES 20 SECONDS WEST, AT A DISTANCE OF 1476.49 FEET;

THENCE CONTINUING SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 838.65 FEET;

THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 2803.96 FEET TO A POINT ON THE WEST LINE OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 5, BEARS SOUTH 00 DEGREES 23 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 1796.73 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 5, BEARS NORTH 00 DEGREES 23 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 821.93 FEET;

THENCE CONTINUING SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 2044.90 FEET, TO THE **POINT OF BEGINNING**.

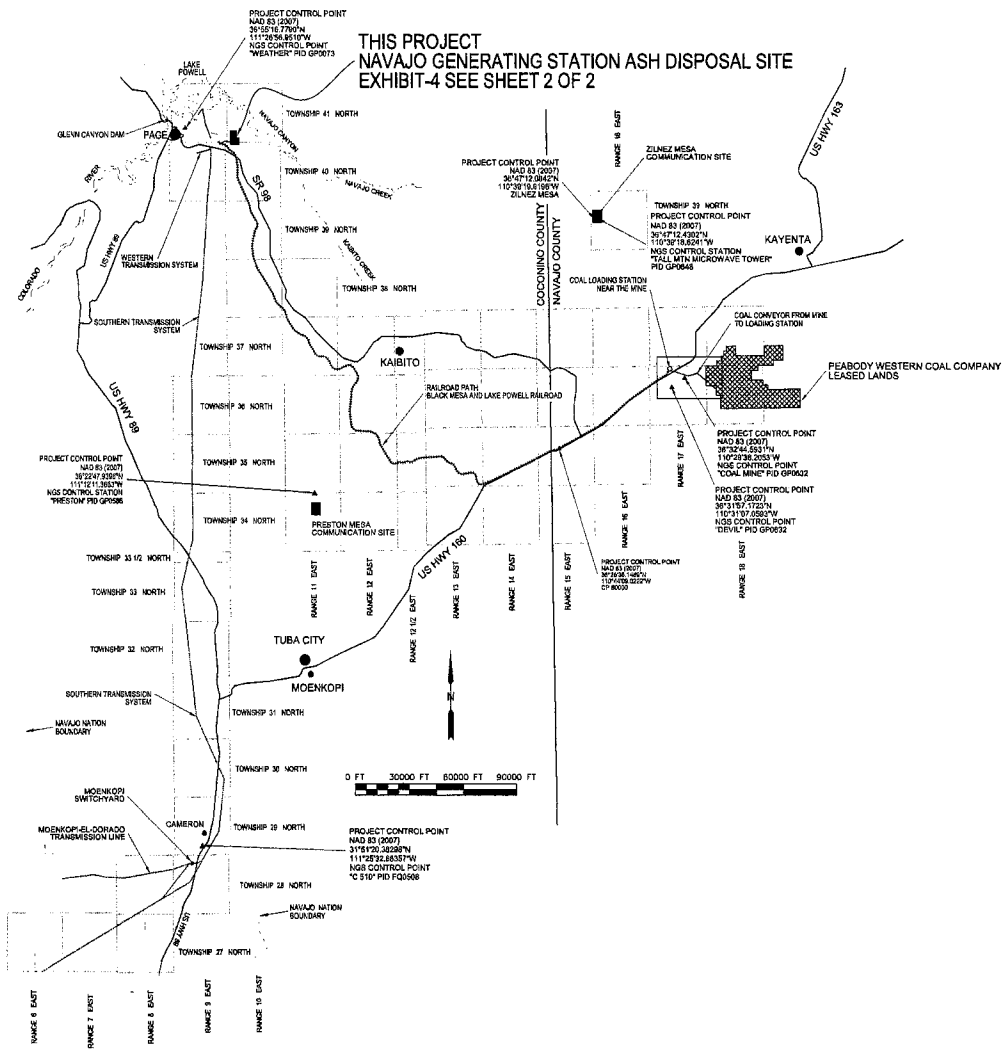
A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 488.38 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 488.65 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
SIAN
LICKEY
Date Signed .....
ARIZONA, U.S.A.

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# ASH DISPOSAL SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO ___ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____, HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____, AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY
PRELIMINARY
FOR INTERNAL REVIEW ONLY
REGISTRATION
EXPIRES: 05-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: PK21308 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. ORDST | DEPARTMENT:SAGE/LAND/GIS | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| DRWN CHKD: J.N. / E.G. | FILE: PK21308_NGS_CPS-EXHIBIT-4.R1 | | 05-31-2017.DWG |
| SVY TECH: C.V.F. | COMPL DATE: 07/05/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 4

## NAVAJO GENERATING STATION LANDS
## ASH DISPOSAL SITE

# NAVAJO GENERATING STATION LANDS
# ASH DISPOSAL SITE

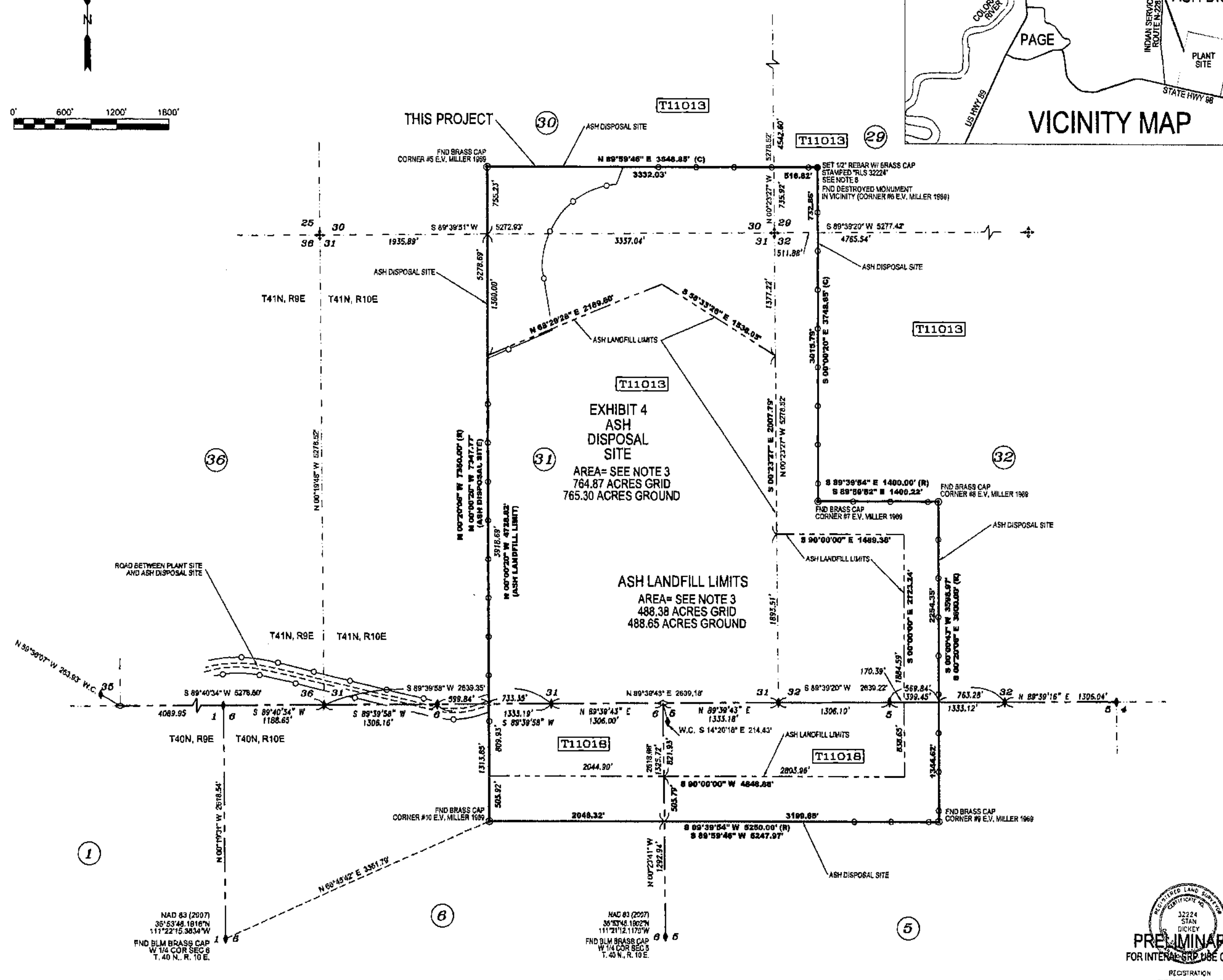
## A PORTION OF SECTIONS 5 & 6, T40N, R10E, UNSURVEYED SECTIONS 29, 30, 31 & 32, T41N, R10E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA

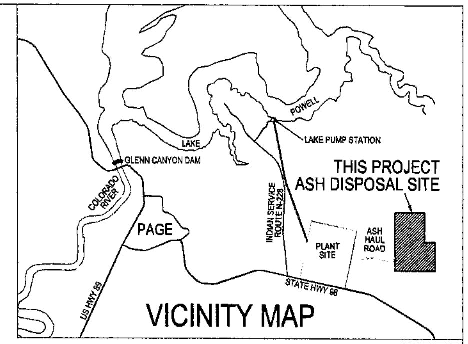
ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| (S) | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 8)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- FENCE BARB WIRE
- FENCE CHAIN LINK
- TIE TO SECTION CORNER / CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- ASH LANDFILL LIMITS
- SECTION LINE
- PROTRACTED / UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GPOO73).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.999719920.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM. TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS, CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES. DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 352, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 16, 1970 IN DOCKET 317, PAGES 315-398, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-685-9) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1336-E FILED 7/14/2008.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

PRELIMINARY FOR INTERNAL SRP USE ONLY
REGISTERED LAND SURVEYOR CERTIFICATE NO. 32224 STAN DICKEY
REGISTRATION EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1" = 600' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LOAD GEN. | CHK'D BY: D.S.D. | SHEET: 2 OF 2 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: P4213588_NGSL-323-EXHIBIT-4-R1_05-10-2017.DWG | |
| SVY TECH: C.V.F. | COMPL. DATE: 05/10/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

SRP SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 4

NAVAJO GENERATING STATION LANDS
ASH DISPOSAL SITE

# EXHIBIT 5

ROAD BETWEEN PLANT SITE AND ASH DISPOSAL SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT-OF-WAY EXTENDING FROM THE EASTERLY BOUNDARY OF THE PLANT SITE (EXHIBIT 1 AND 2) TO THE WESTERLY BOUNDARY OF THE ASH DISPOSAL SITE (EXHIBIT 5 AND 6), THROUGH OR ACROSS SECTION 36 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST, SECTION 31 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 10 EAST, SECTION 1, TOWNSHIP 4 NORTH, RANGE 9 EAST AND SECTION 6 TOWNSHIP 40 NORTH, RANGE 10, EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE EAST QUARTER CORNER OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE NORTHEAST CORNER OF SAID SECTION 1, BEARS NORTH 00 DEGREES 19 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 2618.54 FEET;

THENCE SOUTH 74 DEGREES 22 MINUTES 24 SECONDS WEST, A DISTANCE OF 3473.68 FEET, TO THE SOUTHEAST CORNER OF THE PLANT SITE BOUNDARY (EXHIBIT 1 AND 2) BEING A BRASS CAP MARKED "CORNER No. 4"

THENCE NORTH 11 DEGREES 52 MINUTES 19 SECONDS EAST, ALONG THE EASTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY, A DISTANCE OF 3227.18 FEET, TO THE **POINT OF BEGINNING**,

THENCE CONTINUING NORTH 11 DEGREES 52 MINUTES 19 SECONDS EAST, ALONG THE EASTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY, A DISTANCE OF 243.88 FEET, TO A POINT FROM WHICH THE NORTHEAST CORNER OF THE PLANT SITE BOUNDARY (EXHIBIT 1 AND 2) BEING A BRASS CAP MARKED "CORNER No. 3", BEARS NORTH 11 DEGREES 52 MINUTES 19 SECONDS EAST, AT A DISTANCE OF 3998.90 FEET;

THENCE SOUTH 62 DEGREES 19 MINUTES 12 SECONDS EAST, A DISTANCE OF 50.72 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 920.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 89 DEGREES 34 MINUTES 44 SECONDS EAST, A DISTANCE OF 842.74 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 875.39 FEET, THROUGH A CENTRAL ANGLE OF 54 DEGREES 31 MINUTES 04 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 63 DEGREES 09 MINUTES 44 SECONDS EAST, A DISTANCE OF 397.29 FEET, TO A POINT ON THE SOUTH LINE OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9, EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 36, BEARS SOUTH 89 DEGREES 40 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 2715.73;

THENCE CONTINUING NORTH 63 DEGREES 09 MINUTES 44 SECONDS EAST, A DISTANCE OF 875.11 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1730.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 83 DEGREES 10 MINUTES 53 SECONDS EAST, A DISTANCE OF 1184.49 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 1208.93 FEET, THROUGH A CENTRAL ANGLE OF 40 DEGREES 02 MINUTES 19 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE SOUTH 76 DEGREES 47 MINUTES 57 SECONDS EAST, A DISTANCE OF 620.07 FEET TO A POINT ON THE WEST LINE OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 31, BEARS SOUTH 00 DEGREES 23 MINUTES 27 SECONDS EAST, AT A DISTANCE OF 379.62 FEET;

THENCE CONTINUING SOUTH 76 DEGREES 47 MINUTES 57 SECONDS EAST, A DISTANCE OF 1322.82 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 790.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 87 DEGREES 38 MINUTES 31 SECONDS EAST, A DISTANCE OF 423.80 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 429.05 FEET, THROUGH A CENTRAL ANGLE OF 31 DEGREES 07 MINUTES 03 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 72 DEGREES 04 MINUTES 59 SECONDS EAST, A DISTANCE OF 206.87 FEET, TO A POINT ON THE WESTERLY BOUNDARY OF THE ASH DISPOSAL SITE RIGHT OF WAY (EXHIBIT 5 AND 6) AND FROM WHICH THE NORTHWEST CORNER OF THE ASH DISPOSAL SITE BOUNDARY, BEING A BRASS CAP MARKED "CORNER No. 5", BEARS NORTH 00 DEGREES 00 MINUTES 20 SECONDS WEST, AT A DISTANCE OF 5886.41 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 20 SECONDS EAST, ALONG THE WESTERLY BOUNDARY OF THE ASH DISPOSAL AREA RIGHT OF WAY (EXHIBIT 5 AND 6), A DISTANCE OF 147.51 FEET TO A POINT ON THE NORTH LINE OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE

NORTH QUARTER CORNER OF SAID SECTION 6, BEARS SOUTH 89 DEGREES 39 MINUTES 58 SECONDS WEST, AT A DISTANCE OF 599.84 FEET;

THENCE CONTINUING SOUTH 00 DEGREES 00 MINUTES 20 SECONDS EAST, ALONG THE WESTERLY BOUNDARY OF THE ASH DISPOSAL AREA RIGHT OF WAY (EXHIBIT 5 AND 6), A DISTANCE OF 95.37 FEET, TO A POINT FROM WHICH THE SOUTHWEST CORNER OF THE ASH DISPOSAL SITE BOUNDARY, BEING A BRASS CAP MARKED "CORNER No. 10", BEARS SOUTH 00 DEGREES 00 MINUTES 20 SECONDS EAST, AT A DISTANCE OF 1218.48 FEET;

THENCE SOUTH 72 DEGREES 04 MINUTES 59 SECONDS WEST, A DISTANCE OF 107.58 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1000.000 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 87 DEGREES 38 MINUTES 31 SECONDS WEST, A DISTANCE OF 536.45 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 543.10 FEET, THROUGH A CENTRAL ANGLE OF 31 DEGREES 07 MINUTES 03 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 76 DEGREES 47 MINUTES 57 SECONDS WEST, A DISTANCE OF 627.32 FEET TO A POINT ON THE NORTH LINE OF SECTION 6, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 6, BEARS NORTH 89 DEGREES 39 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 649.27 FEET

THENCE CONTINUING NORTH 76 DEGREES 47 MINUTES 57 SECONDS WEST, A DISTANCE OF 675.64 FEET TO A POINT ON THE WEST LINE OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 31, BEARS SOUTH 00 DEGREES 23 MINUTES 27 SECONDS EAST, AT A DISTANCE OF 158.12 FEET;

THENCE NORTH 76 DEGREES 47 MINUTES 57 SECONDS WEST, A DISTANCE OF 666.95 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1500.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 83 DEGREES 10 MINUTES 53 SECONDS WEST, A DISTANCE OF 1027.01 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 1048.21 FEET, THROUGH A CENTRAL ANGLE OF 40 DEGREES 02 MINUTES 19 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE SOUTH 63 DEGREES 09 MINUTES 44 SECONDS WEST, A DISTANCE OF 443.39 FEET TO A POINT ON THE NORTH LINE OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH EAST CORNER OF

SAID SECTION 1, BEARS NORTH 89 DEGREES 40 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 877.00 FEET;

THENCE CONTINUING SOUTH 63 DEGREES 09 MINUTES 44 SECONDS WEST, A DISTANCE OF 814.74 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1200.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 85 DEGREES 20 MINUTES 12 SECONDS WEST, A DISTANCE OF 905.83 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 928.84 FEET, THROUGH A CENTRAL ANGLE OF 44 DEGREES 20 MINUTES 56 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY, AND A POINT ON THE EASTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY (EXHIBIT 1 AND 2);

THENCE NORTH 72 DEGREES 29 MINUTES 20 SECONDS WEST, A DISTANCE OF 167.47 FEET TO THE **POINT OF BEGINNING**.

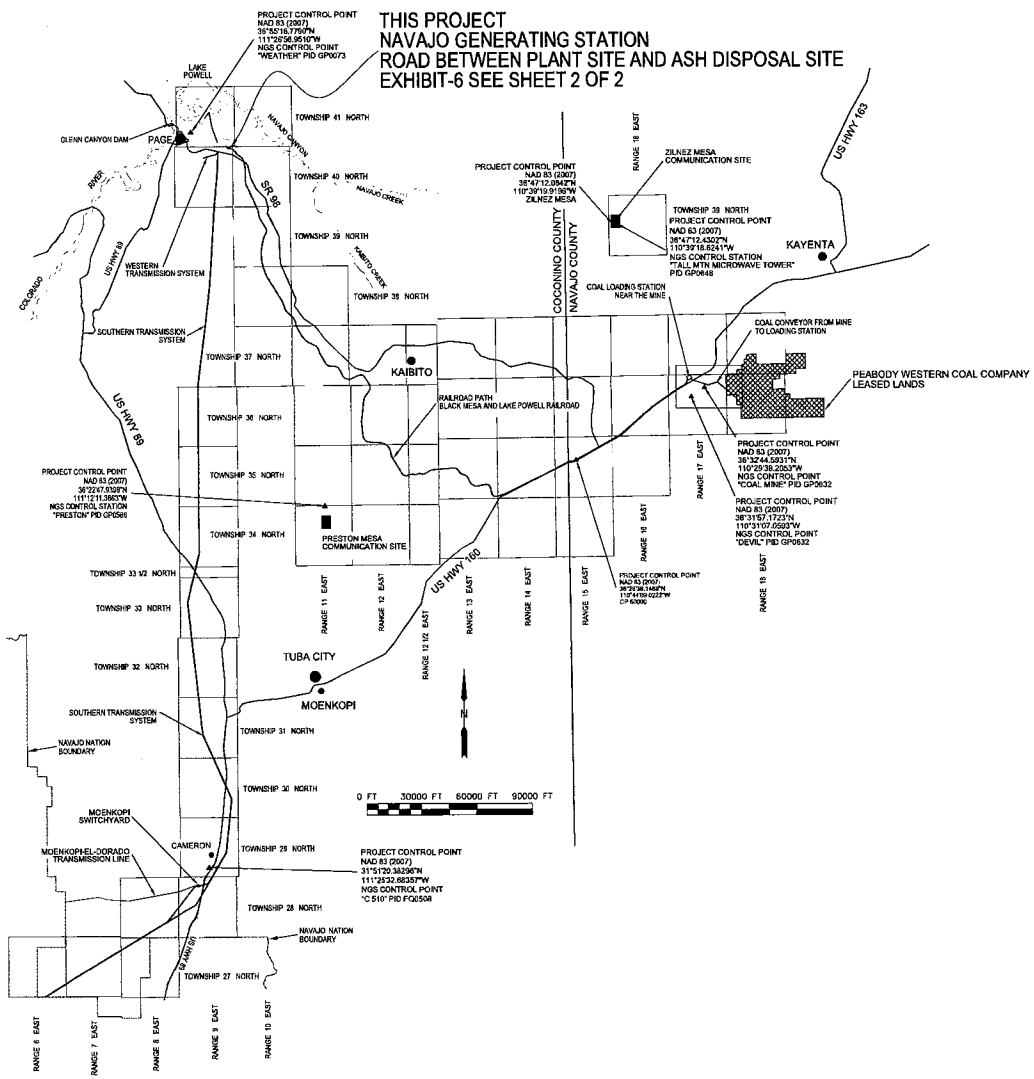
A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 30.19 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 30.20 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
3222
DICKEY
Date Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# ROAD BETWEEN PLANT SITE AND ASH DISPOSAL SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

*STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.*

## ARIZONA SURVEYORS CERTIFICATE

*I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.*

STAN DICKEY RLS#32224
*EXPIRES 3/31/15*

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20__

NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

*I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____, HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____, AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.*

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____

NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY
ARIZONA U.S.A.

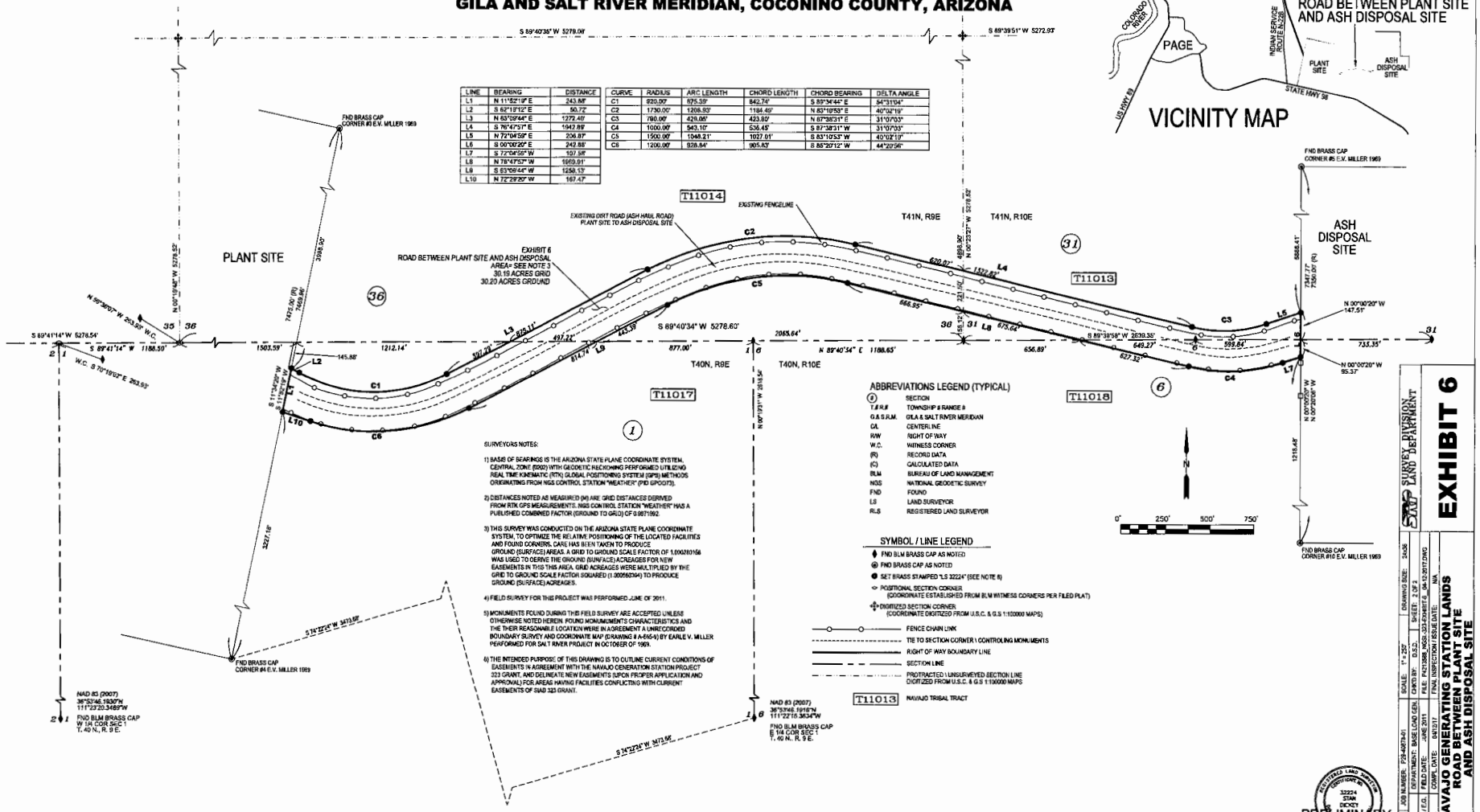
PRELIMINARY
FOR INTERIM REVIEW USE ONLY

REGISTRATION
EXPIRES: 03-31-19

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1"=50000' | DRAWING SIZE: 24x36 | SURVEY DIVISION LAND DEPARTMENT | EXHIBIT 6 |
| CUSTOMER: B. DROST | DEPARTMENT: BASELOAD GEN. | CHKD BY: D.S.D. | SHEET: 1 OF 2 | | |
| CREW CHIEF: J.M./ E.G. | FIELD DATE: JUNE 2011 | FILE: P4213588_NGS_32-EXHIBIT-6_04-12-2017.DWG | | | |
| SVY TECH: C.Y.F. | COMPL DATE: 04/12/17 | FINAL INSPECTION / ISSUE DATE: N/A | | NAVAJO GENERATING STATION LANDS ROAD BETWEEN PLANT SITE AND ASH DISPOSAL SITE | |

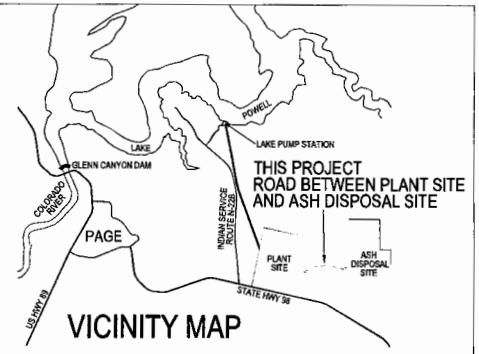
# NAVAJO GENERATING STATION LANDS
# ROAD BETWEEN PLANT SITE AND ASH DISPOSAL SITE

## A PORTION OF
## SECTION 1, T40N, R9E
## SECTION 6, T40N, R10E
## UNSURVEYED SECTION 36, T41N, R9E,
## UNSURVEYED SECTION 31, T41N, R10E
## GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




| LINE | BEARING | DISTANCE |
|---|---|---|
| L1 | N 11°52'19" E | 243.88' |
| L2 | S 62°19'12" E | 50.72' |
| L3 | N 63°09'44" E | 1272.40' |
| L4 | S 76°47'51" E | 1947.89' |
| L5 | N 72°04'58" E | 206.87' |
| L6 | S 00°00'20" E | 242.88' |
| L7 | S 72°04'58" W | 107.58' |
| L8 | N 78°47'52" W | 1903.91' |
| L9 | S 63°09'44" W | 1258.13' |
| L10 | N 72°29'20" W | 167.47' |

| CURVE | RADIUS | ARC LENGTH | CHORD LENGTH | CHORD BEARING | DELTA ANGLE |
|---|---|---|---|---|---|
| C1 | 920.00' | 575.39' | 842.74' | S 89°34'44" E | 54°31'04" |
| C2 | 1730.00' | 1208.93' | 1184.49' | N 83°10'53" E | 40°02'19" |
| C3 | 780.00' | 428.06' | 423.80' | N 87°38'31" E | 31°07'03" |
| C4 | 1000.00' | 543.10' | 536.45' | S 87°38'31" W | 31°07'03" |
| C5 | 1500.00' | 1048.21' | 1027.01' | S 83°10'53" W | 40°02'19" |
| C6 | 1200.00' | 928.84' | 905.83' | S 85°20'12" W | 44°20'56" |




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0302) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0073).

2) DISTANCES NOTED AS MEASURED (M) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.9971592.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000280156 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011.

5) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENTS CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT A UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-656-4) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969.

6) THE INTENDED PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT CONDITIONS OF EASEMENTS IN AGREEMENT WITH THE NAVAJO GENERATION STATION PROJECT 323 GRANT, AND DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR AREAS HAVING FACILITIES CONFLICTING WITH CURRENT EASEMENTS OF SIAD 323 GRANT.

ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| ① | SECTION |
| T.& R.# | TOWNSHIP & RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| R.L.S | REGISTERED LAND SURVEYOR |

SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 6)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S. 1:100000 MAPS)
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT

REGISTERED LAND SURVEYOR CERTIFICATE NO. 32224 STAN DICKEY

PRELIMINARY
FOR INTENDED USE ONLY

REGISTRATION EXPIRES: 03-31-19

SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 6

| | | | |
|---|---|---|---|
| REVISION: 3 | JOB NUMBER: F09-40736-01 | SCALE: 1" = 250' | DRAWING SIZE: 24x36 |
| CUSTOMER: | DEPARTMENT: BASE LAND GEN | DWN BY: D.S.D. | SHEET: 2 OF 2 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: F0710B8_NGS-323-EXHIBIT-6_04-12-2017.DWG | |
| SYTECH: C.V.F. | COMPL DATE: 04/13/17 | FINAL INSPECTION ISSUE DATE: | N/A |

## NAVAJO GENERATING STATION LANDS
## ROAD BETWEEN PLANT SITE AND ASH DISPOSAL SITE

# EXHIBIT 7

PUMPING PLANT SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007. A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

A PARCEL OF LAND LOCATED IN SECTION 15, TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE SOUTHWEST CORNER OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 15, BEARS NORTH 89 DEGREES 41 MINUTES 52 SECONDS EAST, A DISTANCE OF 2598.05 FEET;

THENCE NORTH 43 DEGREES 21 MINUTES 48 SECONDS EAST, A DISTANCE OF 2434.49 FEET, TO THE **POINT OF BEGINNING**;

THENCE NORTH 30 DEGREES 56 MINUTES 02 SECONDS EAST, A DISTANCE OF 580.56 FEET MORE OR LESS TO THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION, SAID BOUNDARY BEING IDENTICAL WITH BANK OF LAKE POWELL AT ELEVATION 3720 FEET MEAN SEA LEVEL (U.S. COAST AND GEODETIC SURVEY DATUM);

THENCE SOUTH 39 DEGREES 52 MINUTES 04 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 60.94 FEET;

THENCE NORTH 63 DEGREES 51 MINUTES 18 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 28.46 FEET;

THENCE SOUTH 73 DEGREES 24 MINUTES 22 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 21.26 FEET;

THENCE SOUTH 59 DEGREES 09 MINUTES 36 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 102.88 FEET;

THENCE SOUTH 77 DEGREES 40 MINUTES 06 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 23.56 FEET;

THENCE SOUTH 48 DEGREES 13 MINUTES 52 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 59.99 FEET;

THENCE SOUTH 61 DEGREES 03 MINUTES 54 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 72.14 FEET;

THENCE NORTH 07 DEGREES 32 MINUTES 46 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 41.71 FEET;

THENCE SOUTH 56 DEGREES 39 MINUTES 42 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 69.68 FEET;

THENCE SOUTH 38 DEGREES 43 MINUTES 16 SECONDS EAST, ALONG THE NORTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION A DISTANCE OF 61.16 FEET;

THENCE SOUTH 42 DEGREES 00 MINUTES 02 SECONDS WEST, A DISTANCE OF 355.01 FEET;

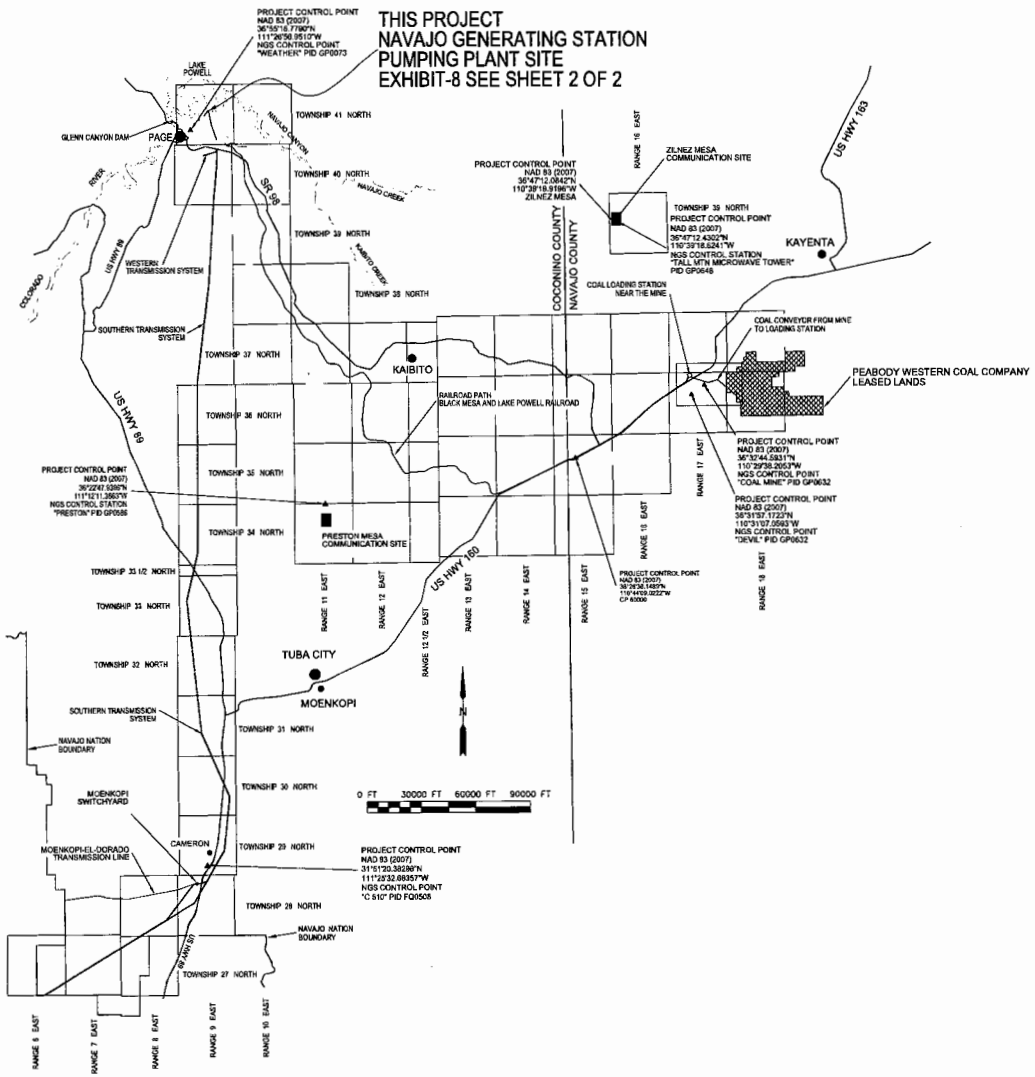
THENCE SOUTH 87 DEGREES 58 MINUTES 12 SECONDS WEST, A DISTANCE OF 467.33 FEET, TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINING 4.47 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND HAVING 4.47 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
Designed
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# PUMPING PLANT SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____, HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____
_____ _____ _____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___.

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
32224
STAN
DICKEY
ARIZONA U.S.A.

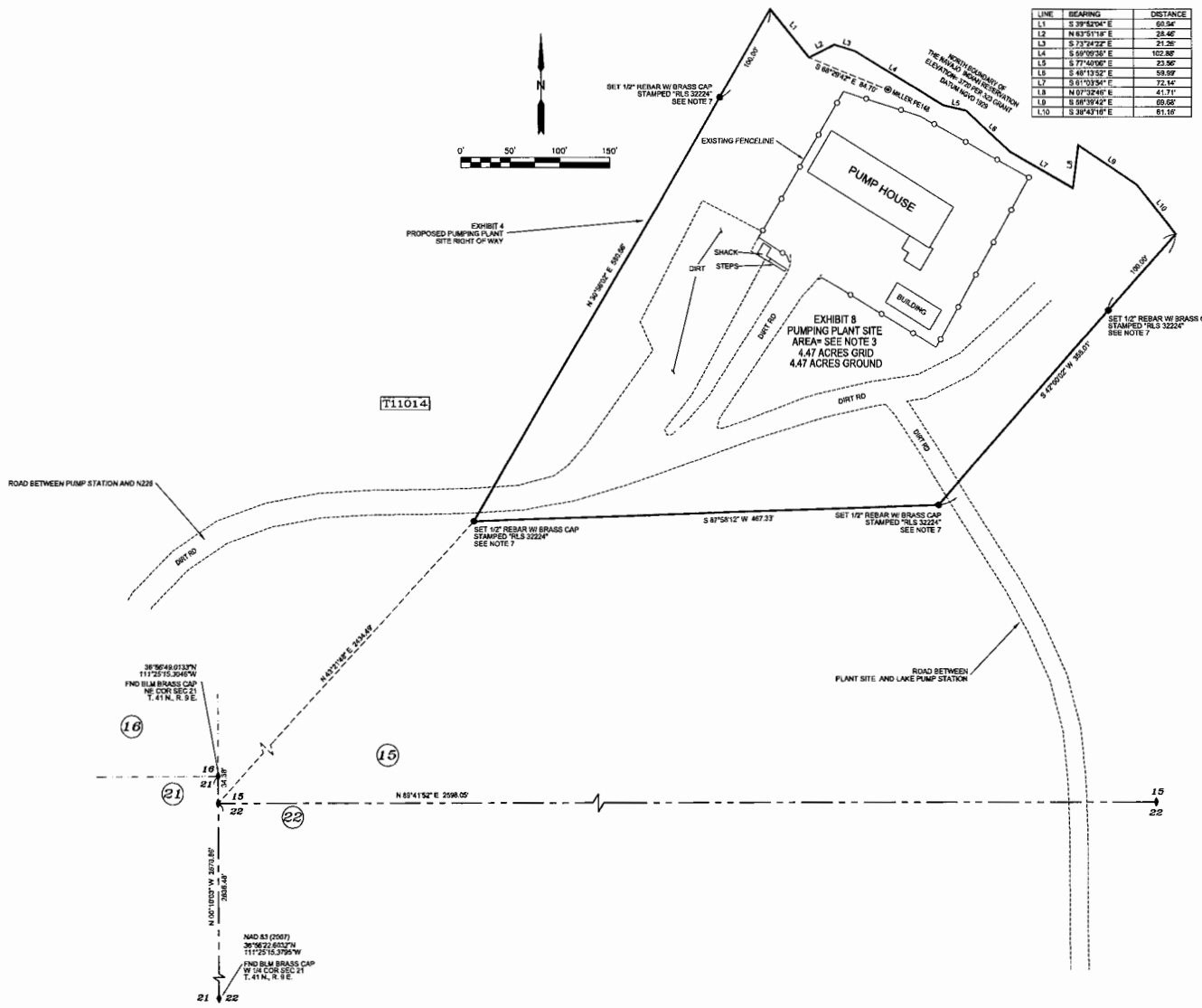
PRELIMINARY
FOR INTERAGENCY USE ONLY

REGISTRATION
EXPIRES: 03-31-19

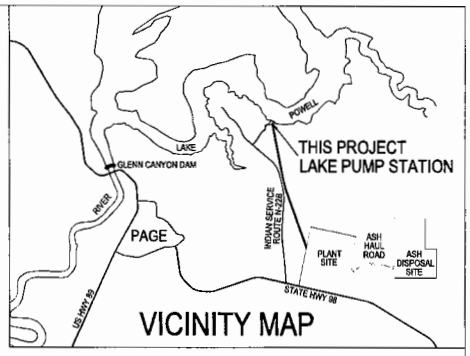
| | | | | | |
|---|---|---|---|---|---|
| REVISION: 3 | JOB NUMBER: R4215898 | SCALE: 1"=50000' | DRAWING SIZE: 24x36 | SURVEY DIVISION LAND DEPARTMENT | EXHIBIT 8 |
| CUSTOMER: B. GRIGGS | DEPARTMENT: BUSILOAD (SEN) | CHKD BY: D.S.D. | SHEET: 1 of 2 | | |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: F4215898_NGSL-325-EXHIBIT-8_04-12-2017.DWG | | | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | | | |

**NAVAJO GENERATING STATION LANDS**
**PUMPING PLANT SITE**

# NAVAJO GENERATING STATION LANDS
# PUMPING PLANT SITE
## A PORTION OF UNSURVEYED SECTION 15, T41N, R9E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




| LINE | BEARING | DISTANCE |
|---|---|---|
| L1 | S 39°52'04" E | 68.94' |
| L2 | N 63°51'18" E | 28.46' |
| L3 | S 73°24'22" E | 21.26' |
| L4 | S 59°09'36" E | 102.88' |
| L5 | S 77°40'06" E | 23.56' |
| L6 | S 48°13'52" E | 59.99' |
| L7 | S 61°03'54" E | 72.14' |
| L8 | N 07°32'46" E | 41.71' |
| L9 | S 68°39'42" E | 69.68' |
| L10 | S 38°43'16" E | 61.16' |




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC HECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0073).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.9997119923.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000328155 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560334) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011.

5) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH BLM PLATS 1344-NA FILED 7/7/2006 AND 1336-E FILED 7/14/2005.

6) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

7) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

### SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS CAP AS NOTED (SEE NOTE)
- FENCE BARB WIRE
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED/UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11014 NAVAJO TRIBAL TRACT

### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| ⊕ | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| (M) | MEASURED DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

REGISTERED LAND SURVEYOR 32224 STAN DICKEY ARIZONA U.S.A.

PRELIMINARY FOR INTERDEPARTMENTAL USE ONLY

REGISTRATION EXPIRES: 03-31-19

SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 8

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P29-4287841 | SCALE: 1"= 50' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. CROST | DEPARTMENT: BASE LAND DEPT. | CHKD BY: D.S.D. | SHEET: 2 OF 2 |
| DRW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | F.E.: P4215BB_NGS-323-EXHIBIT4_04-12-2017.DWG | |
| SVY TECH: C.V.P. | COMMENTS/DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

## NAVAJO GENERATING STATION LANDS
## PUMPING PLANT SITE

# EXHIBIT 9

ROAD BETWEEN PUMP STATION AND N228

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT-OF-WAY EXTENDING FROM THE NORTHEASTERLY EDGE OF INDIAN SERVICE ROUTE N-22B TO THE WESTERLY BOUNDARY OF THE LAKE PUMP STATION RIGHT OF WAY (EXHIBIT 3 AND 4) THROUGH OR ACROSS SECTIONS 15, 21 AND 22, TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHEAST CORNER OF SAID SECTION 21, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE EAST QUARTER CORNER OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS SOUTH 00 DEGREES 10 MINUTES 03 SECONDS EAST, A DISTANCE OF 2670.86 FEET;

THENCE SOUTH 27 DEGREES 31 MINUTES 20 SECONDS WEST, A DISTANCE OF 829.59 FEET, TO THE **POINT OF BEGINNING**;

THENCE NORTH 43 DEGREES 25 MINUTES 47 SECONDS EAST, A DISTANCE OF 400.66 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2480.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 38 DEGREES 18 MINUTES 22 SECONDS EAST, A DISTANCE OF 442.96 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 164.19 FEET, THROUGH A CENTRAL ANGLE OF 03 DEGREES 47 MINUTES 36 SECONDS TO A POINT ON THE EAST LINE OF SECTION 22, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 22, BEARS NORTH 00 DEGREES 10 MINUTES 03 SECONDS WEST, AT A DISTANCE OF 287.47 FEET;

THENCE CONTINUING ALONG SAID CURVE AN ARC DISTANCE OF 279.36 FEET, THROUGH A CENTRAL ANGLE OF 06 DEGREES 27 MINUTES 15 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 33 DEGREES 10 MINUTES 56 SECONDS EAST, A DISTANCE OF 76.30 FEET TO A POINT ON THE SOUTH LINE OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 15, BEARS SOUTH 89 DEGREES 41 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 208.38 FEET;

THENCE NORTH 33 DEGREES 10 MINUTES 56 SECONDS EAST, A DISTANCE OF 841.02 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1070.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 45 DEGREES 40 MINUTES 19 SECONDS EAST, A DISTANCE OF 462.81 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 466.49 FEET, THROUGH A CENTRAL ANGLE OF 24 DEGREES 58 MINUTES 46 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 58 DEGREES 09 MINUTES 42 SECONDS EAST, A DISTANCE OF 121.86 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 305.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 29 DEGREES 18 MINUTES 18 SECONDS EAST, A DISTANCE OF 294.40 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 307.23 FEET, THROUGH A CENTRAL ANGLE OF 57 DEGREES 42 MINUTES 50 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 00 DEGREES 26 MINUTES 53 SECONDS EAST A DISTANCE OF 165.32 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 295.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 44 DEGREES 40 MINUTES 11 SECONDS EAST, A DISTANCE OF 411.49 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 455.37 FEET, THROUGH A CENTRAL ANGLE OF 88 DEGREES 26 MINUTES 37 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 88 DEGREES 53 MINUTES 29 SECONDS EAST A DISTANCE OF 157.92 FEET, TO THE WESTERLY BOUNDARY OF THE "PUMPING STATION SITE" DESCRIBED IN EXHIBIT 3;

THENCE SOUTH 30 DEGREES 56 MINUTES 02 SECONDS WEST, ALONG SAID WESTERLY BOUNDARY A DISTANCE OF 47.19 FEET;

THENCE SOUTH 88 DEGREES 53 MINUTES 29 SECONDS WEST A DISTANCE OF 132.88 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 255.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 44 DEGREES 40 MINUTES 11 SECONDS WEST, A DISTANCE OF 355.69 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 393.63 FEET, THROUGH A CENTRAL ANGLE OF 88 DEGREES 26 MINUTES 37 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE SOUTH 00 DEGREES 26 MINUTES 53 SECONDS WEST, A DISTANCE OF 165.32 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 345.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 29 DEGREES 18 MINUTES 18 SECONDS WEST, A DISTANCE OF 333.01 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 347.52 FEET, THROUGH A CENTRAL ANGLE OF 57 DEGREES 42 MINUTES 50 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE SOUTH 58 DEGREES 09 MINUTES 42 SECONDS WEST, A DISTANCE OF 121.86 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 1030.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 45 DEGREES 40 MINUTES 19 SECONDS WEST, A DISTANCE OF 445.51 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 449.05 FEET, THROUGH A CENTRAL ANGLE OF 24 DEGREES 58 MINUTES 46 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE SOUTH 33 DEGREES 10 MINUTES 56 SECONDS WEST A DISTANCE OF 814.56 FEET TO A POINT ON THE NORTH LINE OF SECTION 22, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 41 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 2341.71 FEET;

THENCE SOUTH 33 DEGREES 10 MINUTES 56 SECONDS WEST A DISTANCE OF 102.76 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2520.00 FEET, FROM WHICH THE POINT OF TANGENCY OF SAID TANGENT CURVE BEARS SOUTH 38 DEGREES 18 MINUTES 22 SECONDS WEST, A DISTANCE OF 450.10 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 331.33 FEET, THROUGH A CENTRAL ANGLE OF 07 DEGREES 32 MINUTES 00 SECONDS TO A POINT ON THE WEST LINE OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 21, BEARS SOUTH 00 DEGREES 10 MINUTES 03 SECONDS EAST, AT A DISTANCE OF 2287.22 FEET;

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 119.37 FEET, THROUGH A CENTRAL ANGLE OF 02 DEGREES 42 MINUTES 51 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE SOUTH 43 DEGREES 25 MINUTES 47 SECONDS WEST, A DISTANCE OF 400.66 FEET;

THENCE NORTH 46 DEGREES 34 MINUTES 13 SECONDS WEST, A DISTANCE OF 40.00 FEET, TO THE **POINT OF BEGINNING**.

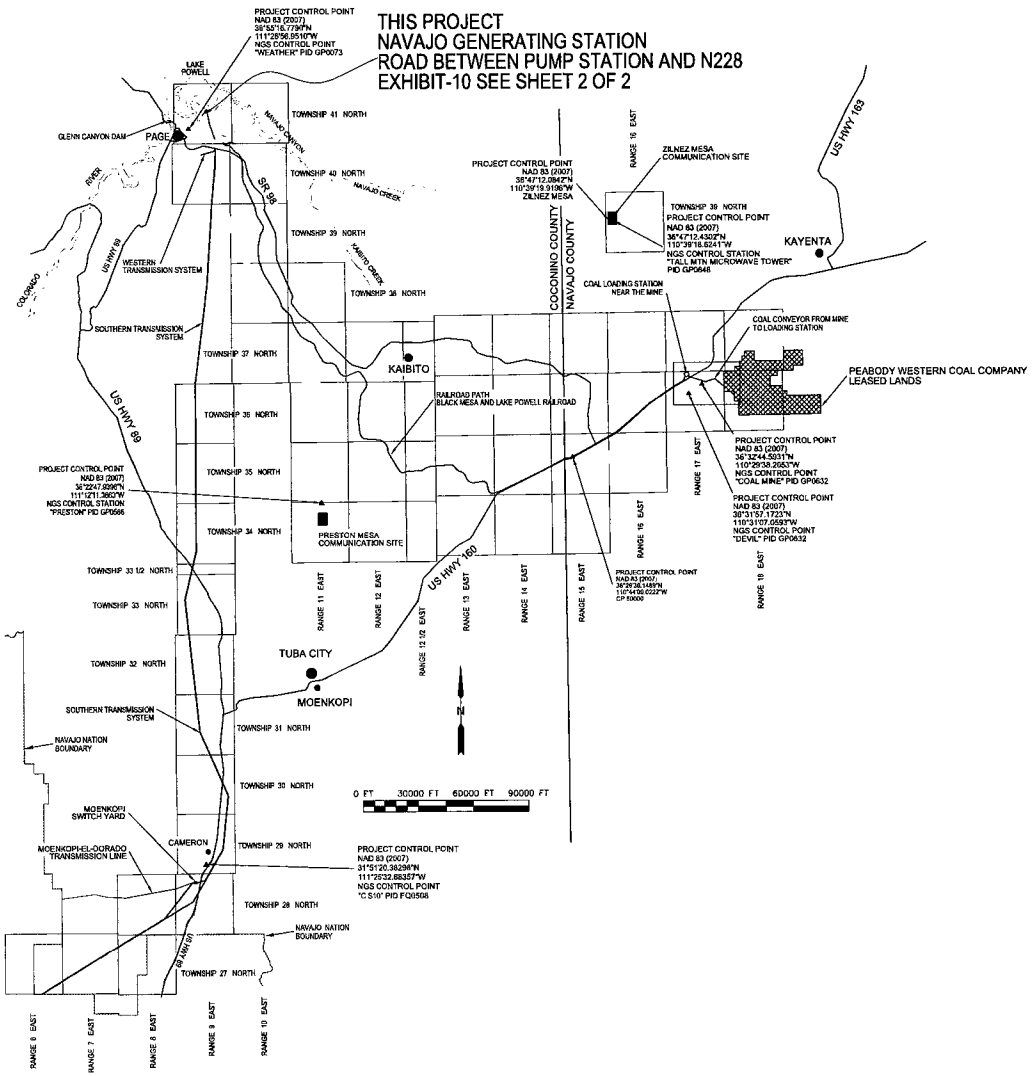
A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 3.13 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND HAVING 3.13 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
DICKEY
Date Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# ROAD BETWEEN PUMP STATION AND N228




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STAN DICKEY RLS#32224
EXPIRES 3/31/16

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____

NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FORESGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____.

NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY

PRELIMINARY
FOR INTERAGENCY USE ONLY

REGISTRATION
EXPIRES: 03-31-19

SRP SURVEY DIVISION
LAND DEPARTMENT

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: R-21585 | SCALE: 1"=30000' | DRAWING SIZE: 24X36 |
| CUSTOMER: B. DRIGGS | DEPARTMENT: RAVELCAD USR | CHKD BY: D.L.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M./ E.G. | FIELD DATE: JUNE 2011 | FILE: F4215585_NGSL-303-EXHIBIT-10_04-12-2017.DWG | |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

**NAVAJO GENERATING STATION LANDS**
**ROAD BETWEEN PUMP STATION AND N228**

**EXHIBIT 10**

# NAVAJO GENERATING STATION LANDS
# ROAD BETWEEN PUMP STATION AND N228

## A PORTION OF UNSURVEYED SECTION 15, 21 & 22, T41N, R9E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA

| LINE | BEARING | DISTANCE |
|---|---|---|
| L1 | N 43°25'47" E | 400.66' |
| L2 | N 33°10'56" E | 917.32' |
| L3 | N 58°08'42" E | 121.86' |
| L4 | N 00°26'53" E | 165.32' |
| L5 | N 88°53'29" E | 157.92' |
| L6 | S 30°56'02" W | 47.19' |
| L7 | S 88°53'29" W | 132.68' |
| L8 | S 00°26'53" W | 165.32' |
| L9 | S 58°08'42" W | 121.86' |
| L10 | S 33°10'56" W | 917.32' |
| L11 | S 43°25'47" W | 400.66' |
| L12 | N 46°34'13" W | 40.00' |

| CURVE | RADIUS | ARC LENGTH | CHORD LENGTH | CHORD BEARING | DELTA ANGLE |
|---|---|---|---|---|---|
| C1 | 2480.00' | 443.55' | 442.96' | N 38°18'22" E | 10°14'51" |
| C2 | 1070.00' | 486.49' | 482.81' | N 45°40'19" E | 24°56'46" |
| C3 | 305.00' | 307.23' | 294.48' | N 29°18'18" E | 57°42'50" |
| C4 | 295.00' | 455.37' | 411.49' | N 44°40'11" W | 88°26'37" |
| C5 | 255.00' | 393.61' | 355.69' | S 44°40'11" W | 88°26'37" |
| C6 | 345.00' | 347.52' | 333.01' | S 29°18'18" W | 57°42'50" |
| C7 | 1030.00' | 449.05' | 445.51' | S 45°40'19" W | 24°56'46" |
| C8 | 2520.00' | 450.70' | 450.10' | S 38°18'22" W | 10°14'51" |

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (FID GP0073).

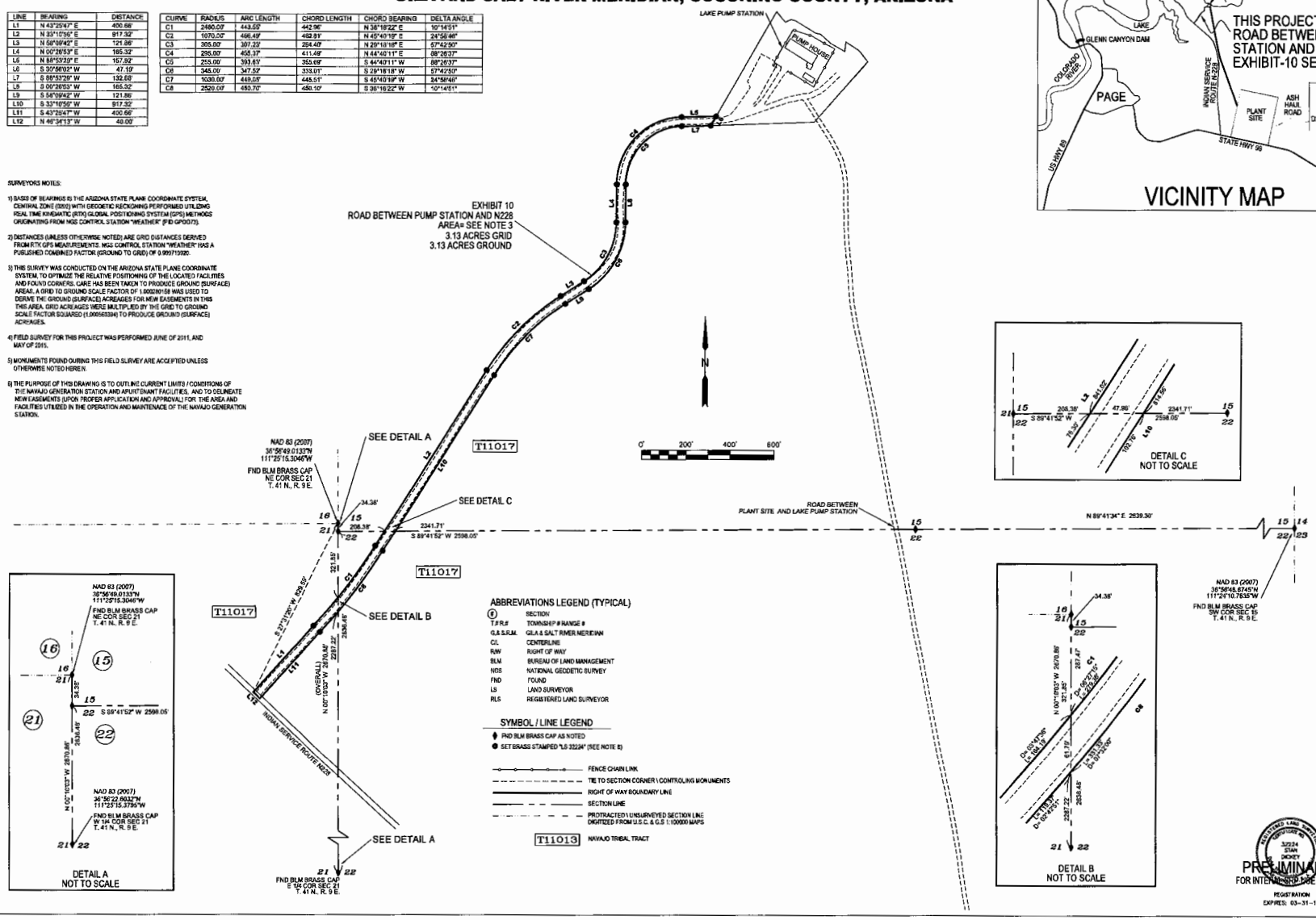
2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.999719920.

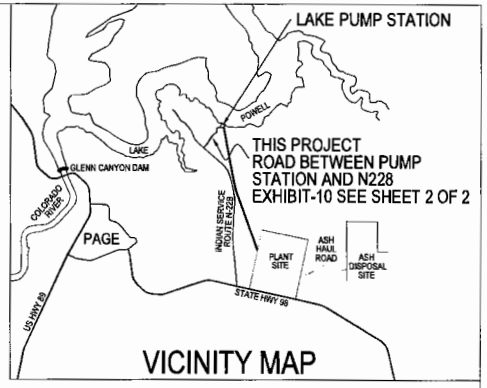
3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560334) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN.

6) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.




ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| ① | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 5)
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S. 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT

PRELIMINARY
FOR INTERNAL USE ONLY

REGISTERED LAND SURVEYOR
32224
STAN DICKEY
REGISTRATION
EXPIRES: 03-31-19

SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 10

NAVAJO GENERATING STATION LANDS
ROAD BETWEEN PUMP STATION AND N228

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4215898 | SCALE: 1" = 200' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. ERDIST | DEPARTMENT: BASE LAND DEN. | CHKD BY: D.S.D. | SHEET: 2 OF 2 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: P4215898_NGS-223-EXHIBIT-10 | 04-12-2017.DWG |
| SVY TECH: C.V.F. | COMPL DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

# EXHIBIT 11

PIPING AND ROAD BETWEEN PLANT SITE AND PUMPING PLANT SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT OF WAY EXTENDING FROM THE WESTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY (EXHIBIT 1 AND 2) TO THE SOUTHEASTERLY BOUNDARY OF THE LAKE PUMP STATION RIGHT OF WAY (EXHIBIT 3 AND 4), THROUGH OR ACROSS SECTIONS 15, 22, 26, 27 AND 35 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A STRIP OF LAND LYING AT VARIOUS WIDTHS ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE AND STATIONS;

**COMMENCING** AT THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP FROM WHICH THE EAST QUARTER CORNER OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 00 DEGREES 10 MINUTES 59 SECONDS WEST, A DISTANCE OF 13199.39 FEET;

THENCE NORTH 69 DEGREES 12 MINUTES 58 SECONDS EAST, A DISTANCE OF 6938.18 FEET, TO A POINT ON THE WESTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY (EXHIBIT 1 AND 2), AND REFERENCED HEREIN AS STATION 0+00.00 AND THE **POINT OF BEGINNING**, FROM WHICH POINT THE NORTHWEST CORNER OF THE PLANT SITE RIGHT OF WAY BOUNDARY (EXHIBIT 1 AND 2) BEING A BRASS CAP MARKED "CORNER No. 2" BEARS NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 2658.78 FEET;

THENCE NORTH 20 DEGREES 31 MINUTES 52 SECONDS WEST, A DISTANCE OF 3040.66 FEET TO STATION 30+40.66, ALSO BEING THE SOUTH LINE OF SECTION 26, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 26, BEARS SOUTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, AT A DISTANCE OF 171.91 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 26, BEARS NORTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, AT A DISTANCE OF 5105.68 FEET;

THENCE CONTINUING NORTH 20 DEGREES 31 MINUTES 52 SECONDS WEST, A DISTANCE OF 497.72 FEET TO STATION 35+38.38, ALSO BEING THE EAST LINE OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT

THE SOUTHEAST CORNER OF SAID SECTION 27, BEARS SOUTH 00 DEGREES 19 MINUTES 30 SECONDS EAST, AT A DISTANCE OF 466.98 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 27, BEARS NORTH 00 DEGREES 19 MINUTES 30 SECONDS WEST, AT A DISTANCE OF 4812.37 FEET;

THENCE CONTINUING NORTH 20 DEGREES 31 MINUTES 52 SECONDS WEST, A DISTANCE OF 4202.71 FEET TO STATION 77+41.09;

THENCE NORTH 15 DEGREES 28 MINUTES 28 SECONDS WEST, A DISTANCE OF 900.21 FEET TO STATION 86+41.30, ALSO BEING THE SOUTH LINE OF SECTION 22, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 41 MINUTES 45 SECONDS EAST, AT A DISTANCE OF 1686.87 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 41 MINUTES 45 SECONDS WEST, AT A DISTANCE OF 3565.37 FEET;

THENCE CONTINUING NORTH 15 DEGREES 28 MINUTES 28 SECONDS WEST, A DISTANCE OF 1.75 FEET TO STATION 86+43.05;

THENCE NORTH 11 DEGREES 13 MINUTES 04 SECONDS WEST, A DISTANCE OF 5371.19 FEET TO STATION 140+14.24, ALSO BEING THE SOUTH LINE OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 15, BEARS NORTH 89 DEGREES 41 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 61.87 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 15, BEARS SOUTH 89 DEGREES 41 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 2536.17 FEET

THENCE CONTINUING NORTH 11 DEGREES 13 MINUTES 04 SECONDS WEST, A DISTANCE OF 1850.18 FEET TO STATION 158+64.42 BEING A POINT ON THE SOUTHERLY BOUNDARY OF THE LAKE PUMP STATION RIGHT OF WAY (EXHIBIT 3 AND 4) BEING THE **POINT OF TERMINUS.**

SIDELINES BEING LENGTHENED OR SHORTENED TO BEGIN ON THE WESTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY WHICH PASSES THROUGH THE POINT OF BEGINNING AND TO TERMINATE ON THE SOUTHERLY BOUNDARIES OF THE LAKE PUMP STATION RIGHT OF WAY WHICH PASSES THROUGH THE POINT OF TERMINUS.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

## RIGHT OF WAY WIDTHS AND AREAS
## FROM STATION 00+00.00 TO STATION 158+64.42 TABLE

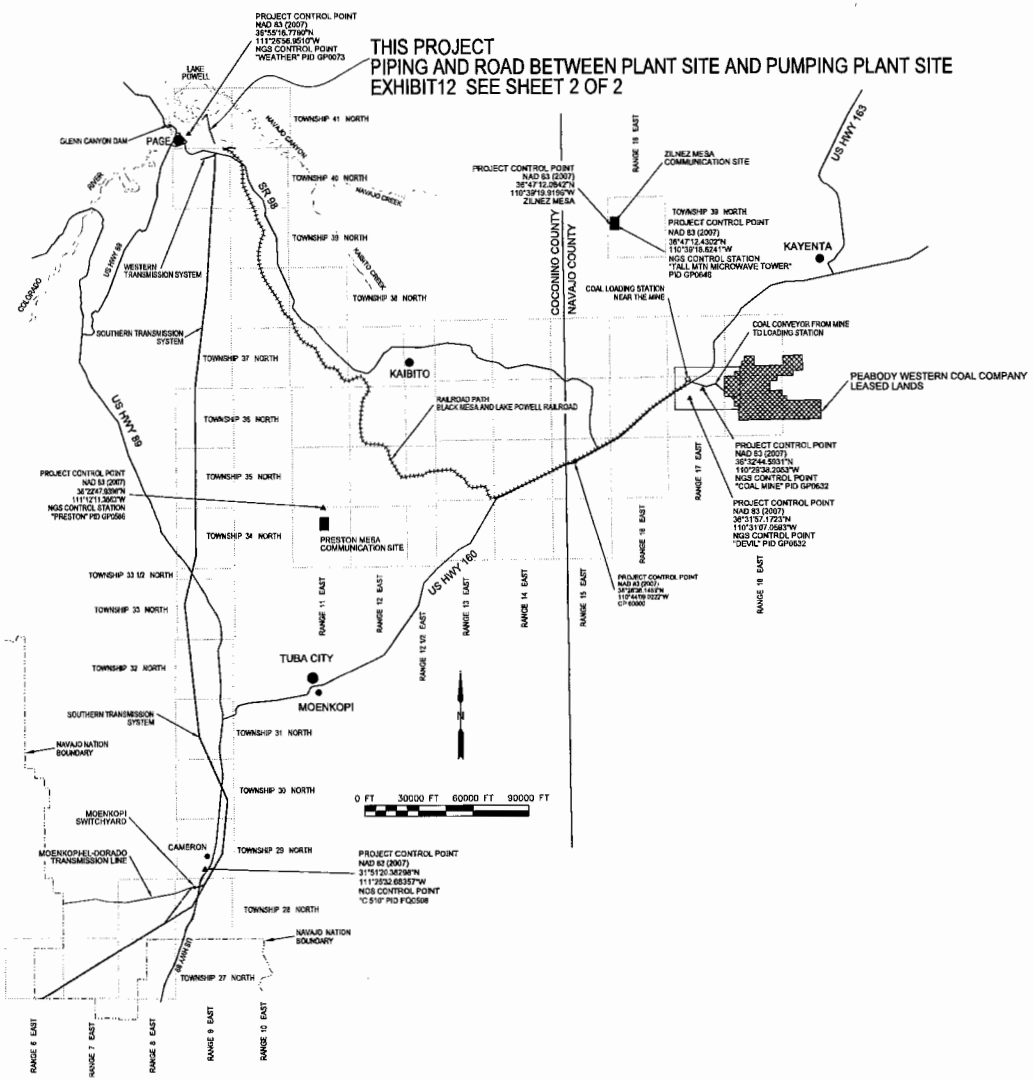
| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 00+00.00 | 8+97.00 | 50' | 55' |
| 8+97.00 | 10+60.00 | 85' | 55' |
| 10+60.00 | 158+64.42 | 55' | 55' |

SAID PARCEL CONTAINING 40.06 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 40.09 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
322
DICKEY
Date Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# PIPING AND ROAD BETWEEN PLANT SITE AND PUMPING PLANT SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____, HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STAN DICKEY RLS#32224
EXPIRES 3/31/16

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____

NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____, HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT, THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____.

NOTARY PUBLIC

REGISTERED LAND SURVEYOR CERTIFICATE NO. 32224 STAN DICKEY

PRELIMINARY
FOR INTERNAL REVIEW ONLY

REGISTRATION EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P401588 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DRIGGS | DEPARTMENT: RIGS/LOG/GEN. | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M./E.G. | FIELD DATE: JUNE 2011 | FILE: P401588_NGS_320-EXHIBIT-12_04-13-2017.DWG | |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / RELEASE DATE: N/A | |

SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 12

**NAVAJO GENERATING STATION LANDS**
**PIPING AND ROAD BETWEEN PLANT SITE AND PUMPING PLANT SITE**

# NAVAJO GENERATING STATION LANDS
# PIPING AND ROAD BETWEEN PLANT SITE AND PUMPING PLANT SITE

## A PORTION OF UNSURVEYED SECTION 15, 22, 26, 27 & 35, T41N, R9E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0073)

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.999719923

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES.
DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 352, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 18, 1970 IN DOCKET 317, PAGES 315-338, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-665-9) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1336-E FILED 7/14/2006.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT UNITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

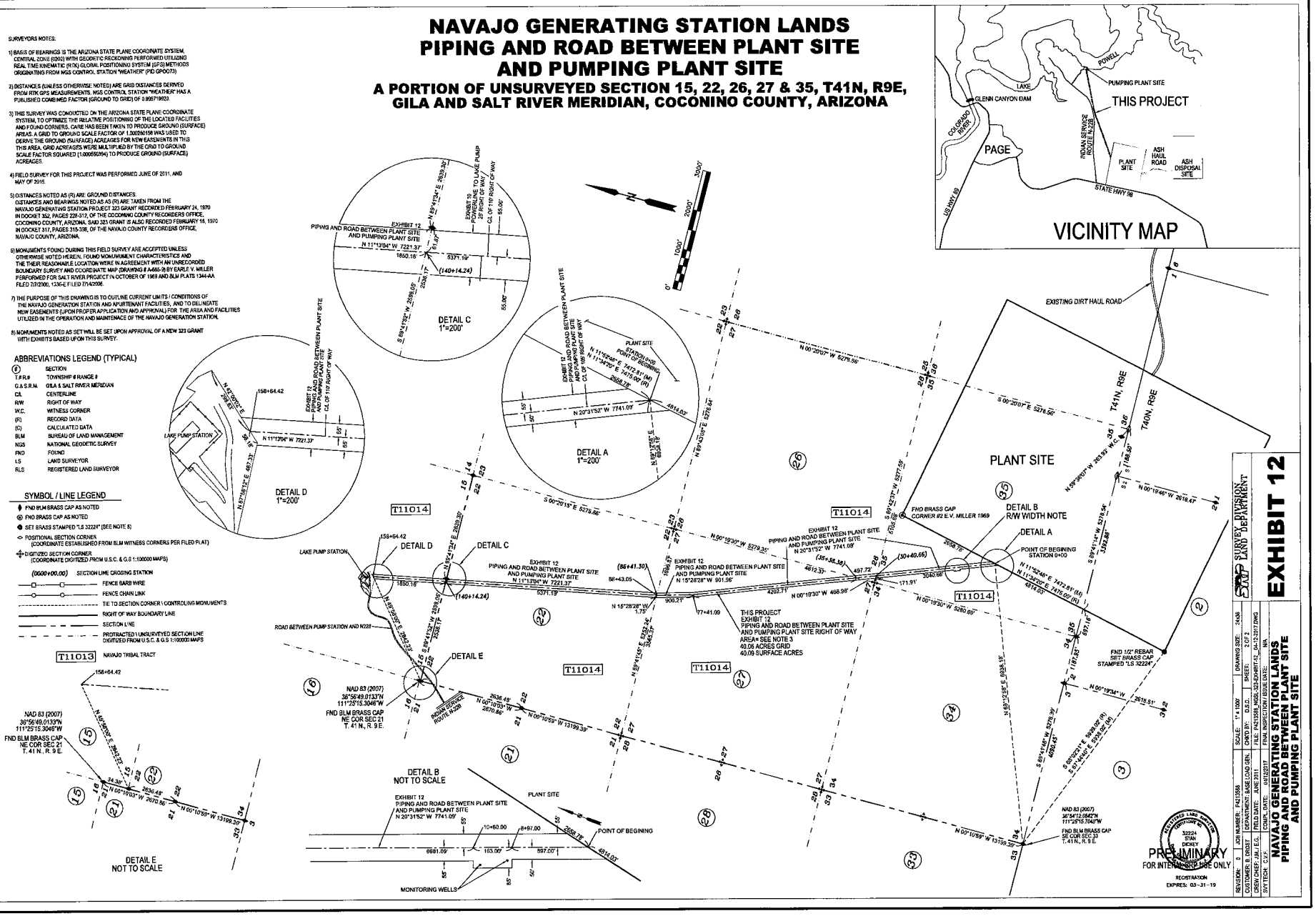
8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| # | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| CL | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

### SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 8)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- (0000+00.00) SECTION LINE CROSING STATION
- FENCE BARB WIRE
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT




PRELIMINARY
FOR INTERNAL USE ONLY

REGISTRATION EXPIRES: 03 - 31 - 19

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421588 | SCALE: 1" = 1000' | DRAWING SIZE: 24x36 | SURVEY DIVISION LAND DEPARTMENT | EXHIBIT 12 |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LAND GEN. | CHKD BY: D.J.D. | SHEET: 2 OF 2 | | |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: P421588_NGS_SS-EXHIBIT-12_04-12-2017.DWG | | | |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | | | |

**NAVAJO GENERATING STATION LANDS**
**PIPING AND ROAD BETWEEN PLANT SITE AND PUMPING PLANT SITE**

# EXHIBIT 13

POWER LINE TO LAKE PUMP

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT OF WAY EXTENDING FROM THE WESTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY (EXHIBIT 1 AND 2) TO THE SOUTHEASTERLY BOUNDARY OF THE LAKE PUMP STATION RIGHT OF WAY (EXHIBIT 3 AND 4), THROUGH OR ACROSS SECTIONS 15, 22, 26, 27 AND 35 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA,

SAID RIGHT OF WAY BEING A 25 FOOT WIDE STRIP LYING ADJACENT TO, PARALLEL AND CONTIGUOUS WITH THE EASTERLY LINE OF THE PIPING AND ROAD BETWEEN PLANT AND LAKE PUMP RIGHT OF WAY DESCRIBED IN EXHIBIT 11 AND 12 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A 25 FOOT WIDE STRIP LYING 12.50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE AND STATIONS;

**COMMENCING** AT THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP FROM WHICH THE EAST QUARTER CORNER OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 00 DEGREES 10 MINUTES 59 SECONDS WEST, A DISTANCE OF 13199.39 FEET;

THENCE NORTH 68 DEGREES 20 MINUTES 57 SECONDS EAST, A DISTANCE OF 7006.95 FEET, TO A POINT ON THE WESTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY (EXHIBIT 1 AND 2), AND REFERENCED HEREIN AS STATION 0+00.00 AND THE **POINT OF BEGINNING**, FROM WHICH POINT THE NORTHWEST CORNER OF THE PLANT SITE RIGHT OF WAY BOUNDARY (EXHIBIT 1 AND 2) BEING A BRASS CAP MARKED "CORNER No. 2" BEARS NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 2532.85 FEET;

THENCE NORTH 20 DEGREES 31 MINUTES 52 SECONDS WEST, A DISTANCE OF 2909.45 FEET TO STATION 29+09.45, ALSO BEING THE SOUTH LINE OF SECTION 26, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 26, BEARS SOUTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, AT A DISTANCE OF 243.85 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 26, BEARS NORTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, AT A DISTANCE OF 5033.74 FEET;

THENCE CONTINUING NORTH 20 DEGREES 31 MINUTES 52 SECONDS WEST, A DISTANCE OF 706.01 FEET TO STATION 36+15.46, ALSO BEING THE EAST LINE OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 27, BEARS SOUTH 00 DEGREES 19 MINUTES 30 SECONDS EAST, AT A DISTANCE OF 662.41 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 27, BEARS NORTH 00 DEGREES 19 MINUTES 30 SECONDS WEST, AT A DISTANCE OF 4616.94 FEET;

THENCE CONTINUING NORTH 20 DEGREES 31 MINUTES 52 SECONDS WEST, A DISTANCE OF 4016.33 FEET TO STATION 76+31.79;

THENCE NORTH 15 DEGREES 28 MINUTES 28 SECONDS WEST, A DISTANCE OF 878.93 FEET TO STATION 85+10.72, ALSO BEING THE SOUTH LINE OF SECTION 22, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 41 MINUTES 45 SECONDS EAST, AT A DISTANCE OF 1616.93 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 41 MINUTES 45 SECONDS WEST, AT A DISTANCE OF 3635.31 FEET;

THENCE CONTINUING NORTH 15 DEGREES 28 MINUTES 28 SECONDS WEST, A DISTANCE OF 17.54 FEET TO STATION 85+28.26;

THENCE NORTH 11 DEGREES 13 MINUTES 04 SECONDS WEST, A DISTANCE OF 5355.66 FEET TO STATION 138+83.92, ALSO BEING THE SOUTH LINE OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 15, BEARS NORTH 89 DEGREES 41 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 2632.42 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 15, BEARS SOUTH 89 DEGREES 41 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 6.87 FEET, AND FROM SAID SOUTH QUARTER CORNER THE SOUTHWEST CORNER OF SAID SECTION 15, BEARS SOUTH 89 DEGREES 41 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 2598.05 FEET

THENCE CONTINUING NORTH 11 DEGREES 13 MINUTES 04 SECONDS WEST, A DISTANCE OF 1913.67 FEET TO STATION 157+97.59 TO A POINT ON THE SOUTHERLY BOUNDARY OF THE LAKE PUMP STATION RIGHT OF WAY (EXHIBIT 3 AND 4) BEING THE **POINT OF TERMINUS.**

SIDELINES BEING LENGTHENED OR SHORTENED TO BEGIN ON THE WESTERLY BOUNDARY OF PLANT SITE RIGHT OF WAY WHICH PASSES THROUGH THE POINT OF BEGINNING AND TO TERMINATE ON THE SOUTHERLY BOUNDARY OF THE LAKE PUMP STATION RIGHT OF WAY WHICH PASSES THROUGH THE POINT OF TERMINUS.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

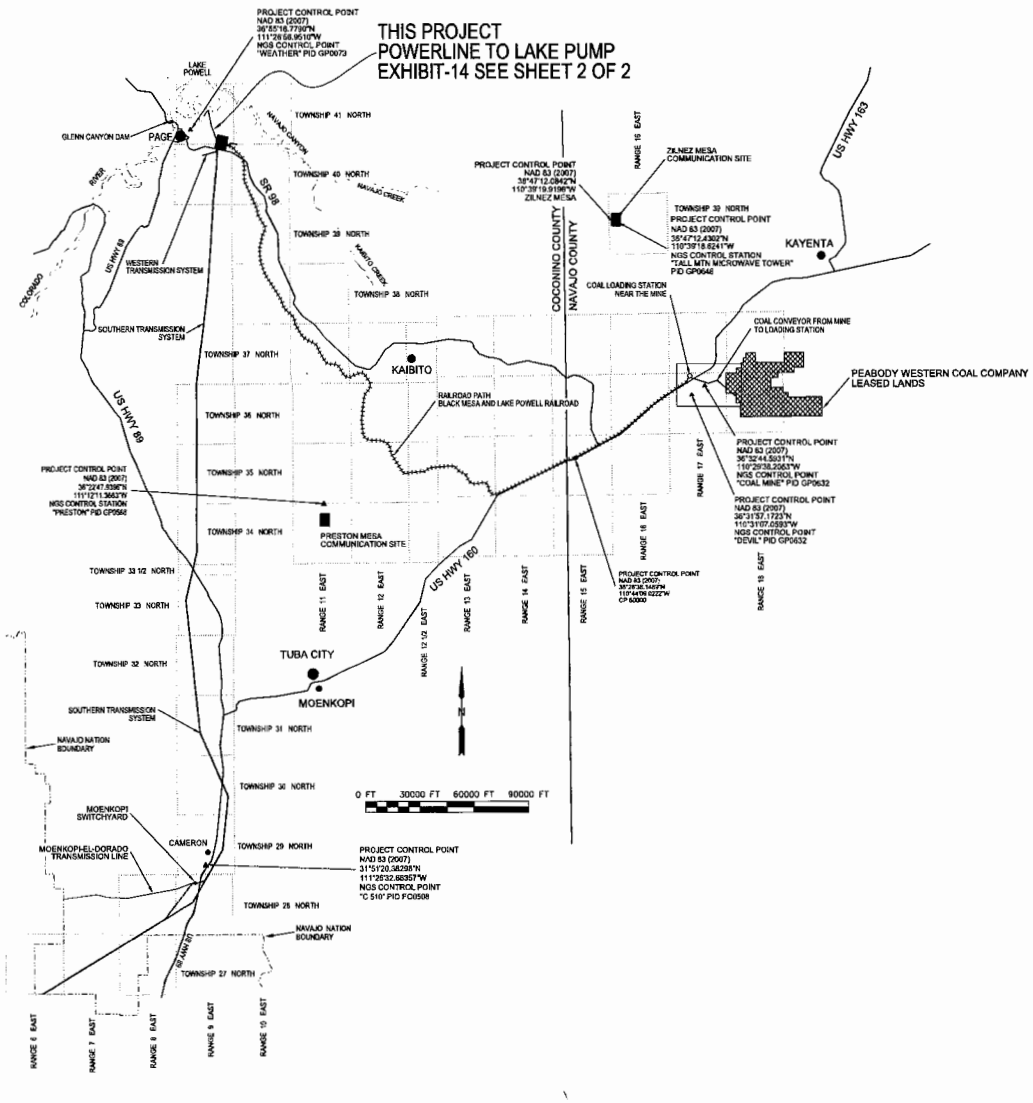
SAID PARCEL CONTAINING 9.06 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 9.07 GROUND (SURFACE) ACRES.

PRELIMINARY

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
22224
STAN
DICKEY
Date Signed .....
ARIZONA, U.S.A.

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# POWERLINE TO LAKE PUMP




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO_____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/16

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I,_____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF_____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF_____ AR THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____
_____
_____

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____.

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
32224
STAN
DICKEY

PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY
REGISTRATION
EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISIONS: 0 | JOB NUMBER: P4215588 | SCALE: 1"=3000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. CROST | DEPARTMENT: BUREAU OF IND. | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M./E.G. | FIELD DATE: JUNE 2011 | FILE: P4215588_NGS_323-EXHIBIT14_04-12-2017.DWG | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

SURVEY DIVISION
LAND DEPARTMENT

**EXHIBIT 14**

**NAVAJO GENERATING STATION LANDS**
**POWERLINE TO LAKE PUMP**

# NAVAJO GENERATING STATION LANDS
# POWERLINE TO LAKE PUMP
## A PORTION OF UNSURVEYED SECTION 15, 22, 26, 27 & 35, T41N, R9E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0072).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.0997119520.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES. DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 302, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 18, 1970 IN DOCKET 317, PAGES 315-398, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-685-9) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1336-E FILED 7/14/2006.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

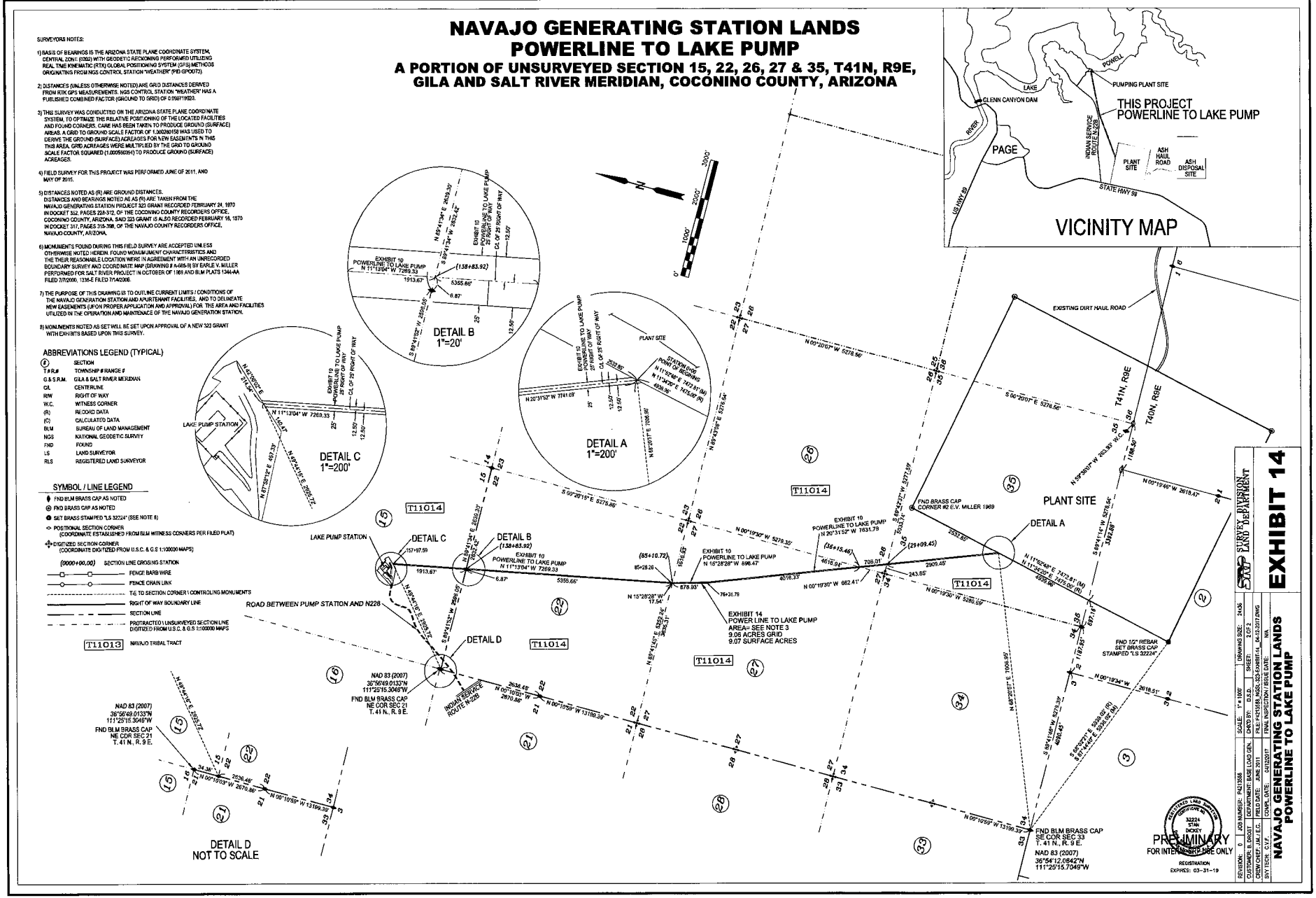
8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| # | SECTION |
| T # R.# | TOWNSHIP # RANGE # |
| G & S R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

### SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 8)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- (0000+00.00) SECTION LINE CROSING STATION
- FENCE BARB WIRE
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT




SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 14

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: R-21558 | SCALE: 1" = 1000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DIXOT | DEPARTMENT: BASE (LAND GEN) | CHKD BY: D.S.D. | SHEET: 2 OF 2 |
| DSN/ CHIEF: JM / E.C. | FIELD DATE: JUNE 2011 | FILE: P4216188_NGS_323-EXHIBIT-14_04-12-2017.DWG | |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | NA |

**NAVAJO GENERATING STATION LANDS**
**POWERLINE TO LAKE PUMP**

# EXHIBIT 15

COAL CONVEYOR FROM MINE TO LOADING STATION

THE FOLLOWING RIGHT OF WAY BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT OF WAY EXTENDING FROM THE RAIL LOAD SITE TO PEABODY LEASED LANDS, THROUGH OR ACROSS SECTIONS 1, 2, 3, 4 AND 12 (UNSURVEYED), TOWNSHIP 36 NORTH, RANGE 17 EAST AND SECTIONS 7 AND 18, TOWNSHIP 36 NORTH, RANGE 18 EAST, GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A 100 FOOT WIDE STRIP LYING 50 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

**COMMENCING** AT THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "COAL MINE" (PID GP0632), BEING A BRASS DISK SET IN CONCRETE MARKED "COAL MINE 1951", FROM WHICH THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "DEVIL" (PID GP0651), BEING AN ALUMINUM DISK SET IN CONCRETE MARKED "DEVIL 1970", BEARS SOUTH 55 DEGREES 40 MINUTES 50 SECONDS WEST, A DISTANCE OF 8694.38 FEET;

THENCE NORTH 61 DEGREES 09 MINUTES 55 SECONDS WEST, A DISTANCE OF 8832.51 FEET, TO A POINT ON THE SOUTHERLY BOUNDARY OF THE RAIL LOADING SITE RIGHT OF WAY (EXHIBIT 8 PLANT) AND REFERENCED HEREIN AS STATION 0+00.00 AND THE **POINT OF BEGINNING**;

THENCE SOUTH 73 DEGREES 22 MINUTES 23 SECONDS EAST, A DISTANCE OF 4065.61 FEET, TO STATION 40+65.61, ALSO BEING THE WEST LINE OF SECTION 3, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 3, BEARS SOUTH 00 DEGREES 54 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 1937.88 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 3, BEARS NORTH 00 DEGREES 54 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 3340.62 FEET;

THENCE CONTINUING SOUTH 73 DEGREES 22 MINUTES 23 SECONDS EAST, A DISTANCE OF 5290.75 FEET, TO STATION 93+56.36, ALSO BEING THE WEST LINE OF SECTION 2, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 39 MINUTES 44 SECONDS EAST, AT A DISTANCE OF 436.93 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 2, BEARS NORTH 00 DEGREES 39 MINUTES 44 SECONDS WEST, AT A DISTANCE OF 4915.66 FEET;

THENCE CONTINUING SOUTH 73 DEGREES 22 MINUTES 23 SECONDS EAST, A DISTANCE OF 897.67 FEET TO STATION 102+54.03;

THENCE NORTH 72 DEGREES 54 MINUTES 03 SECONDS EAST, A DISTANCE OF 4521.72 FEET, TO STATION 147+75.75, ALSO BEING THE WEST LINE OF SECTION 1, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 1, BEARS SOUTH 00 DEGREES 22 MINUTES 16 SECONDS EAST, AT A DISTANCE OF 1427.30 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 1, BEARS NORTH 00 DEGREES 22 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 3901.16 FEET;

THENCE CONTINUING NORTH 72 DEGREES 54 MINUTES 03 SECONDS EAST, A DISTANCE OF 603.61 FEET TO STATION 153+79.36;

THENCE SOUTH 50 DEGREES 42 MINUTES 12 SECONDS EAST, A DISTANCE OF 2491.75 FEET TO STATION 178+71.11, ALSO BEING THE NORTH LINE OF SECTION 12, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 12, BEARS SOUTH 89 DEGREES 23 MINUTES 18 SECONDS WEST, AT A DISTANCE OF 2496.13 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 12, BEARS NORTH 89 DEGREES 23 MINUTES 18 SECONDS EAST, AT A DISTANCE OF 2914.86 FEET;

THENCE CONTINUING SOUTH 50 DEGREES 42 MINUTES 12 SECONDS EAST, A DISTANCE OF 3812.31 FEET, TO STATION 216+83.42 AND THE BOUNDARY LINE OF PEABODY LEASED LANDS, ALSO BEING THE WEST LINE OF SECTION 7, TOWNSHIP 36 NORTH, RANGE 18 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 7, BEARS NORTH 00 DEGREES 49 MINUTES 59 SECONDS WEST, AT A DISTANCE OF 2445.84 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 7, BEARS SOUTH 00 DEGREES 49 MINUTES 59 SECONDS EAST, AT A DISTANCE OF 2830.91 FEET;

THENCE CONTINUING SOUTH 50 DEGREES 42 MINUTES 12 SECONDS EAST, CROSSING PEABODY LEASED LAND FOR A DISTANCE OF 4392.27 FEET, TO STATION 260+75.69 AND THE BOUNDARY LINE OF PEABODY LEASED LANDS, ALSO BEING THE NORTH LINE OF SECTION 18, TOWNSHIP 36 NORTH, RANGE 18 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 18, BEARS NORTH 89 DEGREES 10 MINUTES 01 SECONDS EAST, AT A DISTANCE OF 2151.72 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 18, BEARS SOUTH 89 DEGREES 10 MINUTES 01 SECONDS WEST AT A DISTANCE OF 3358.28 FEET;

THENCE CONTINUING SOUTH 50 DEGREES 42 MINUTES 12 SECONDS EAST, LEAVING PEABODY LEASED LAND FOR A DISTANCE OF 2814.22 FEET, TO STATION 288+89.91 AND THE BOUNDARY LINE OF PEABODY LEASED LANDS AND BEING **THE POINT OF TERMINUS**, ALSO BEING THE WEST LINE OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 18 EAST, FROM WHICH POINT THE NORTHWEST

CORNER OF SAID SECTION 17, BEARS NORTH 00 DEGREES 49 MINUTES 59 SECONDS WEST, AT A DISTANCE OF 1813.82 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 00 DEGREES 49 MINUTES 59 SECONDS EAST, AT A DISTANCE OF 3467.17 FEET;

SIDELINES BEING LENGTHENED OR SHORTENED TO FORM VERTICES AT ALL ANGLE POINTS AND TO BEGIN ON THE SOUTHERLY BOUNDARY OF SAID RAIL LOADING STATION WHICH PASSES THROUGH THE POINT OF BEGINNING AND TO TERMINATE ON THE WESTERLY BOUNDARY OF SAID SECTION 17 WHICH PASSES THROUGH THE POINT OF TERMINUS.

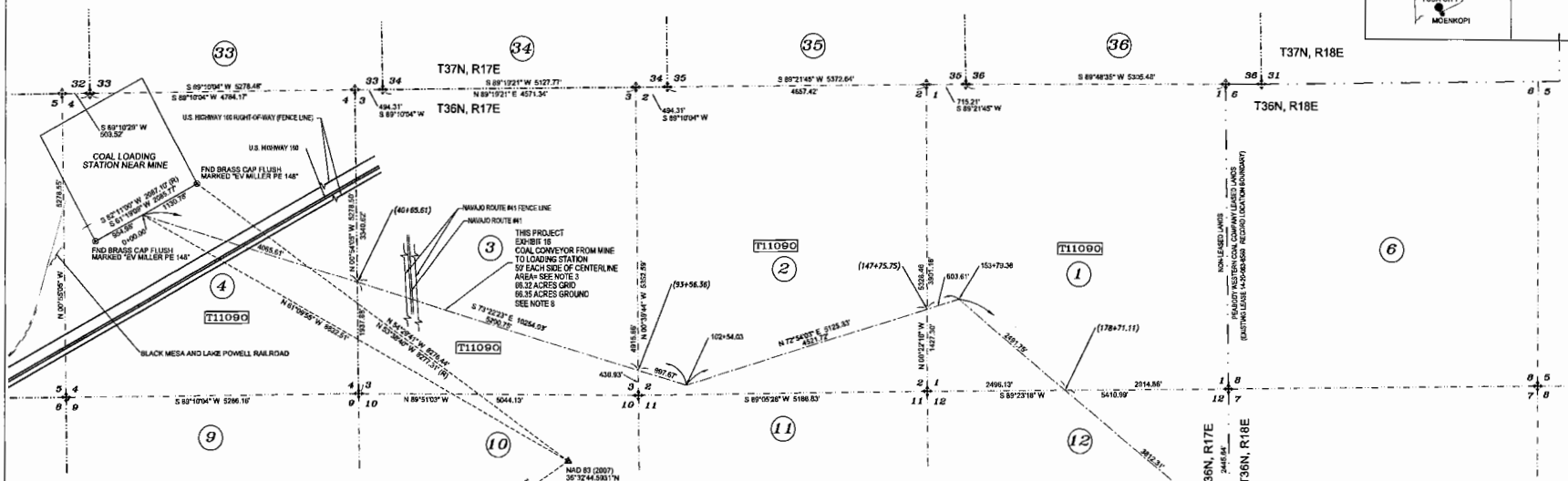
A GRID TO GROUND SCALE FACTOR OF 1.000246681 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.00049342) TO PRODUCE GROUND (SURFACE) ACREAGES.

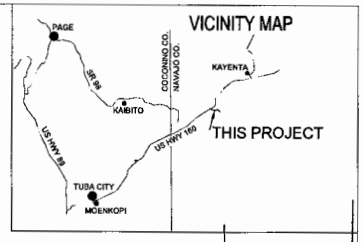
SAID PARCEL CONTAINING 66.32 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 66.35 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# COAL CONVEYOR FROM MINE TO LOADING STATION
## A PORTTION OF
## UNSURVEYED SECTIONS 1, 2, 3, 4, 5 & 12, T36N, R17E,
## UNSURVEYED SECTIONS 7 & 18, T36N, R18E,
## GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "COAL MINE" (PID GP0632).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "COAL MINE" HAS A COMBINED FACTOR (GROUND TO GRID) OF 0.9997336.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.0002468 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.00048342) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES.
DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 352, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 18, 1970 IN DOCKET 317, PAGES 315-388, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING B A-465-16) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1335-E FILED 7/14/2006.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) RIGHT OF WAY WIDTH NOT DEPICTED TO MAINTAIN CLARITY, DUE TO MAP SCALE.

ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| ⊕ | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| RLS | REGISTERED LAND SURVEYOR |

SYMBOL / LINE LEGEND

- FND NGS CONTROL POINT AS NOTED
- FND BRASS CAP AS NOTED
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- (0000+00.00) SECTION LINE CROSING STATION
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- C/L OF 100' RIGHT OF WAY
- RECORD LIMITS OF PEABODY LEASED
- DIGITIZED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT

REGISTERED LAND SURVEYOR 32224 STAN DICKEY

PRELIMINARY
FOR INFORMATIONAL USE ONLY
REGISTRATION EXPIRES: 03-31-19

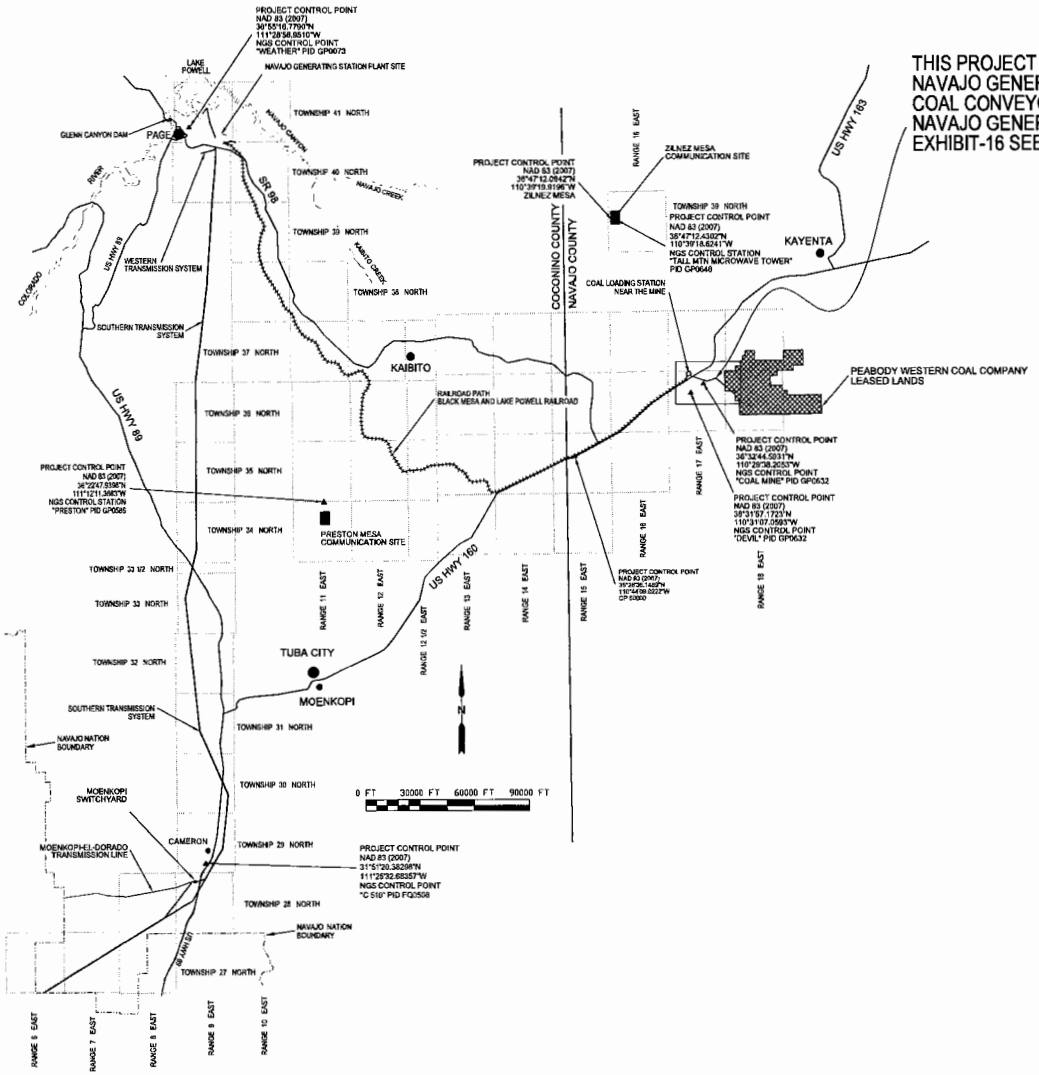
SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 16

NAVAJO GENERATING STATION LANDS
COAL CONVEYOR FROM MINE TO LOADING STATION

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213585 | SCALE: 1"= 800' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DHOST | DEPARTMENT: BASE LAND GEN | CHKD BY: D.S.D. | SHEET: 2 OF 2 |
| CREW CHIEF: J.M / E.G. | FIELD DATE: JUNE 2011 | FILE: P4213585_NGS_323-Exhibit16 | 04-12-2017.DWG |
| SYTECH: E.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

# NAVAJO GENERATING STATION LANDS
# COAL CONVEYOR FROM MINE TO LOADING STATION




THIS PROJECT
NAVAJO GENERATING STATION PLANT SITE
COAL CONVEYOR FROM MINE TO LOADING STATION
NAVAJO GENERATING STATION PLANT SITE
EXHIBIT-16 SEE SHEET 2 OF 2

## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____, HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____, HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____, AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____
_____
_____

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20_____.

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY
ARIZONA U.S.A.

PRELIMINARY
FOR INTERNAL USE ONLY

REGISTRATION
EXPIRES: 03-31-19

SRP SURVEY DIVISION
LAND DEPARTMENT

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213598 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B.LINDSY | DEPARTMENT:BASELOAD (GEN. | CHKD BY: D.E.D. | SHEET: 1 OF 2 |
| DWN CHIEF: J.M./ E.G. | FIELD DATE: JUNE 2011 | FILE: P4213598_NGSL-22S-EXHIBIT-16_ 04-12-2017.DWG | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

**NAVAJO GENERATING STATION LANDS**
**COAL CONVEYOR FROM MINE TO LOADING STATION**

# EXHIBIT 16

# EXHIBIT 17

RAIL LOADING SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTIONS 4 AND 5 (UNSURVEYED), TOWNSHIP 36 NORTH, RANGE 17 EAST, AND SECTION 33 (UNSURVEYED), TOWNSHIP 37 NORTH, RANGE 17 EAST, GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "COAL MINE" (PID GP0632), BEING A BRASS DISK SET IN CONCRETE MARKED "COAL MINE 1951", FROM WHICH THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "DEVIL" (PID GP0651), BEING AN ALUMINUM DISK SET IN CONCRETE MARKED "DEVIL 1970", BEARS SOUTH 55 DEGREES 40 MINUTES 50 SECONDS WEST A DISTANCE OF 8694.38 FEET;

THENCE NORTH 54 DEGREES 29 MINUTES 41 SECONDS WEST, A DISTANCE OF 8276.44 FEET, TO THE **POINT OF BEGINNING,** BEING A BRASS CAP MARKED "E V MILLER PE148";

THENCE SOUTH 61 DEGREES 19 MINUTES 09 SECONDS WEST, A DISTANCE OF 2085.77 FEET, TO A BRASS CAP MARKED "E V MILLER PE148";

THENCE NORTH 28 DEGREES 38 MINUTES 27 SECONDS WEST, A DISTANCE OF 1214.94 FEET TO A POINT ON THE EAST LINE OF SECTION 5, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 5, BEARS SOUTH 00 DEGREES 55 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 3786.18 FEET;

THENCE CONTINUING NORTH 28 DEGREES 38 MINUTES 27 SECONDS WEST, A DISTANCE OF 870.99 FEET;

THENCE NORTH 61 DEGREES 19 MINUTES 09 SECONDS EAST, A DISTANCE OF 457.89 FEET TO A POINT ON THE WEST LINE OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 4, BEARS NORTH 00 DEGREES 55 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 508.08 FEET,

THENCE CONTINUING NORTH 61 DEGREES 19 MINUTES 09 SECONDS EAST, A DISTANCE OF 1087.51 FEET TO A POINT ON THE SOUTH LINE OF SECTION 33, TOWNSHIP 37 NORTH, RANGE 17 EAST, FROM WHICH POINT THE SOUTHWEST

CORNER OF SAID SECTION 33, BEARS SOUTH 89 DEGREES 10 MINUTES 04 SECONDS WEST, AT A DISTANCE OF 458.80 FEET,

THENCE CONTINUING NORTH 61 DEGREES 19 MINUTES 09 SECONDS EAST, A DISTANCE OF 540.37 FEET, TO A BRASS CAP MARKED "E V MILLER PE148";

THENCE SOUTH 28 DEGREES 38 MINUTES 27 SECONDS EAST, A DISTANCE OF 285.38 FEET TO A POINT ON THE NORTH LINE OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 4, BEARS NORTH 89 DEGREES 10 MINUTES 04 SECONDS EAST, AT A DISTANCE OF 4784.18 FEET,

THENCE CONTINUING SOUTH 28 DEGREES 38 MINUTES 27 SECONDS EAST, A DISTANCE OF 1800.55 FEET, TO THE **POINT OF BEGINNING**.

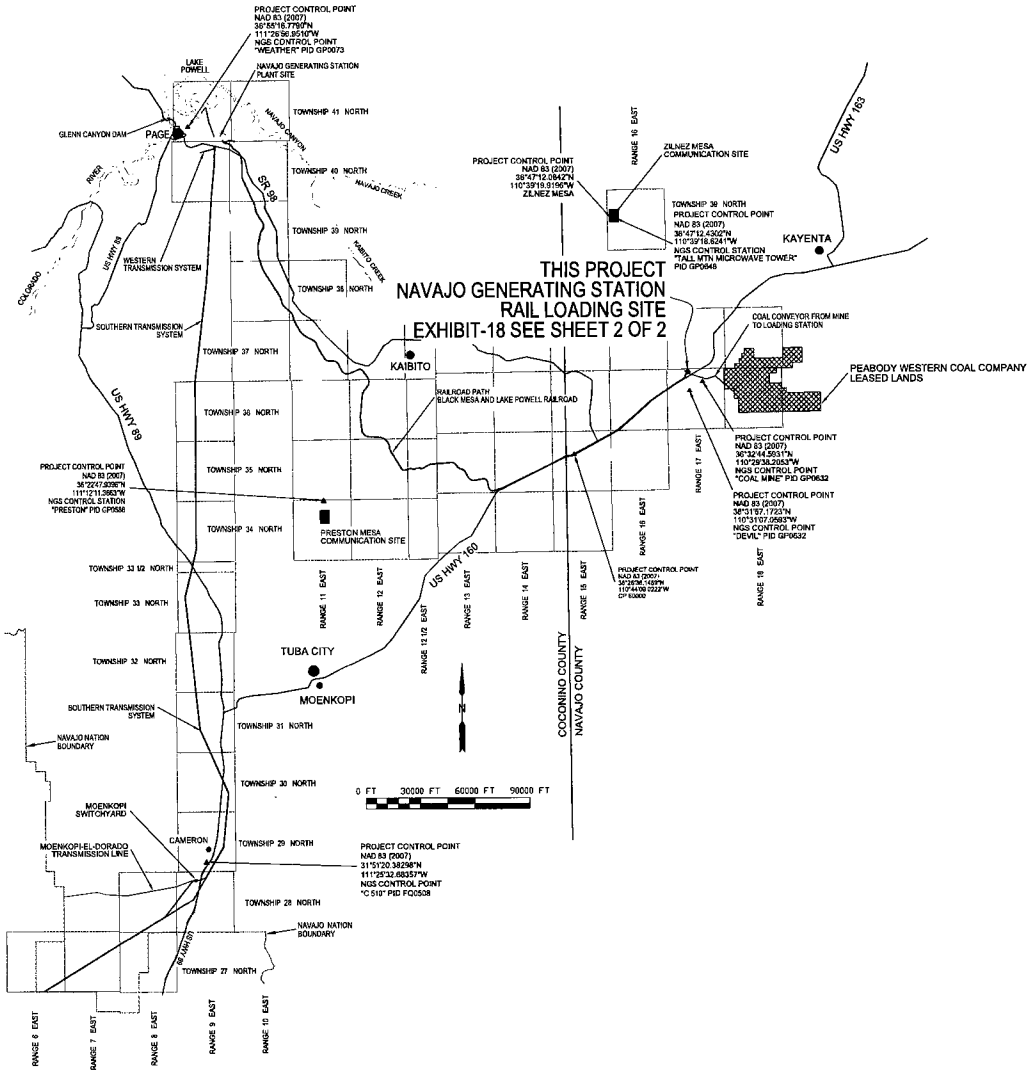
A GRID TO GROUND SCALE FACTOR OF 1.000246681 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000493423) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 99.88 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 99.93 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
3222
SAM
DICKEY
Date Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# RAIL LOADING SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____, HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY, SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____
_____
_____

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____.

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY

PRELIMINARY
FOR INTERIM REVIEW ONLY

REGISTRATION
EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB MANAGER: P4010584 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CONTROL: 0.000000 | DEPTH/ELEV: NAVD88/NAVD88 | CART DIV: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M./E.G. | FIELD DATE: JUNE 2011 | FILE: P4010584_NGS_DD-EXHIBIT-18 | 3x-12-2017.DWG |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

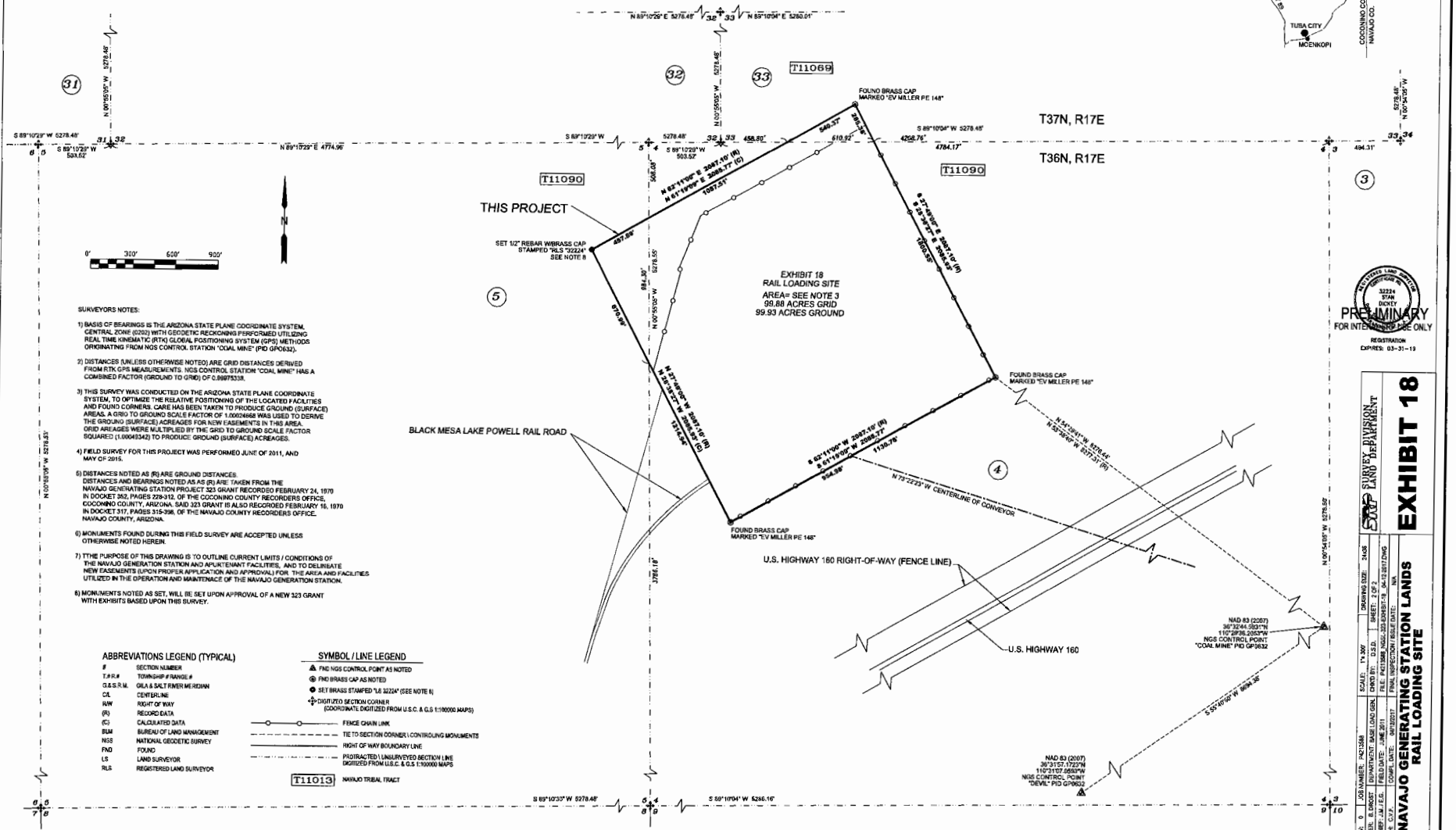
SURVEY DIVISION
LAND DEPARTMENT

**EXHIBIT 18**

**NAVAJO GENERATING STATION LANDS**
**RAIL LOADING SITE**

# NAVAJO GENERATING STATION LANDS
# RAIL LOADING SITE

## A PORTION OF
## UNSURVEYED SECTIONS 4 & 5, T36N, R17E
## UNSURVEYED SECTIONS 33, T37N, R17E,
## GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "COAL MINE" (PID GP0632).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "COAL MINE" HAS A COMBINED FACTOR (GROUND TO GRID) OF 0.99975338.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.00024968 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS AREA. GRID AREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.00049342) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES.
DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 342, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 16, 1970 IN DOCKET 317, PAGES 315-398, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN.

7) TTHE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET, WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| # | SECTION NUMBER |
| T.#.R.# | TOWNSHIP # RANGE # |
| G.&S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

### SYMBOL / LINE LEGEND

- FND NGS CONTROL POINT AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 8)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- PIDTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S. 1:100000 MAPS

T11013 NAVAJO TRIBAL TRACT

NEW MEXICO LAND SURVEYOR REGISTRATION NO. 32224 STAN DICKEY

PRELIMINARY
FOR INTERNAL REVIEW USE ONLY

REGISTRATION EXPIRES: 03-31-19

SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 18

## NAVAJO GENERATING STATION LANDS RAIL LOADING SITE

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1"= 300' | DRAWING SIZE: 24x36 |
| CUSTOMER: B.BROST | DEPARTMENT: BASE (LAND GEN) | CHKD BY: D.S.D. | SHEET: 2 OF 2 |
| CREW CHIEF: J.M / E.E. | FIELD DATE: JUNE 2011 | FILE: P4213588_NGS_323-EXHIBIT-18 | 04-12-2017.DWG |
| 3YY TECH: S.D.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

# EXHIBIT 19

RAILROAD PATH

THE FOLLOWING RIGHT OF WAY BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT OF WAY EXTENDING FROM THE NAVAJO GENERATING STATION TO THE RAIL LOADING SITE, THROUGH OR ACROSS THE NAVAJO INDIAN RESERVATION, COCONINO AND NAVAJO COUNTIES, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

A STRIP OF LAND LYING AT VARIOUS WIDTHS ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE AND STATIONS OF THE BLACK MESA AND LAKE POWELL RAILROAD.

**COMMENCING** AT THE SOUTHEAST CORNER OF SECTION 33, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP FROM WHICH THE EAST QUARTER CORNER OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 00 DEGREES 10 MINUTES 59 SECONDS WEST A DISTANCE OF 13199.39 FEET;

THENCE NORTH 87 DEGREES 11 MINUTES 17 SECONDS EAST A DISTANCE OF 11102.17 FEET TO A POINT REFERENCED HEREIN AS STATION 0+00.00 OF THE BLACK MESA AND LAKE POWELL RAIL ROAD;

**SPIRAL#1**

THENCE SOUTH 22 DEGREES 18 MINUTES 41 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 130.91 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1+30.91, HAVING AN INTERNAL DELTA OF 65 DEGREES 29 MINUTES 55 SECONDS, A DEGREE OF CURVATURE (ARC) OF 3 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 2633.29 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 55 DEGREES 03 MINUTES 38 SECONDS EAST, A DISTANCE OF 2449.40 FEET.

THENCE ALONG A 450 FOOT TRANSITION CURVE TO THE LEFT A DISTANCE OF 397.17 FEET TO STATION 5+28.08, ALSO BEING THE NORTH LINE OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 1, BEARS NORTH 89 DEGREES 40 MINUTES 34 SECONDS EAST, A DISTANCE OF 3346.32 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS SOUTH 89 DEGREES 40 MINUTES 34 SECONDS WEST, A DISTANCE OF 743.62 FEET;

THENCE CONTINUING ALONG SAID 450 FOOT TRANSITION CURVE A DISTANCE OF 52.83 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 5+80.91 AND THE BEGINNING

OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 1909.86 FEET, AN ARC LENGTH OF 1733.29 FEET, AND A CENTRAL ANGLE OF 51 DEGREES 59 MINUTES 55 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 882.05 FEET TO STATION 14+62.96, ALSO BEING THE EAST BOUNDARY OF THE NAVAJO GENERATING STATION PLANT SITE, AND BEING THE **POINT OF BEGINNING** OF THE BLACK MESA AND LAKE POWELL RIGHT OF WAY, FROM WHICH POINT THE NORTHEAST CORNER OF SAID NAVAJO GENERATING STATION PLANT SITE, BEARS NORTH 11 DEGREES 52 MINUTES 19 SECONDS EAST, A DISTANCE OF 4565.76 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID NAVAJO GENERATING STATION PLANT SITE, BEARS SOUTH 11 DEGREES 52 MINUTES 19 SECONDS WEST, A DISTANCE OF 2904.20 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 851.24 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 23+14.20 AND THE BEGINNING OF A TRANSITION CURVE TO THE LEFT;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 450.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 27+64.20, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#2**

THENCE SOUTH 87 DEGREES 48 MINUTES 36 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 422.31 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 31+86.51 HAVING AN INTERNAL DELTA OF 49 DEGREES 27 MINUTES 23 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 2478.26 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 63 DEGREES 04 MINUTES 54 SECONDS EAST, A DISTANCE OF 2375.18 FEET.

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 36+86.51 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2291.83 FEET, AN ARC LENGTH OF 1478.26 FEET, AND A CENTRAL ANGLE OF 36 DEGREES 57 MINUTES 23 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 612.96 FEET TO STATION 42+99.47, ALSO BEING THE WEST LINE OF SAID SECTION 6, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 6, BEARS NORTH 00 DEGREES 19 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 1282.08 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 6, BEARS SOUTH 00 DEGREES 19 MINUTES 31 SECONDS EAST, AT A DISTANCE OF 1336.46 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 865.30 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 51+64.77 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 56+64.77, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#3**

THENCE SOUTH 38 DEGREES 21 MINUTES 13 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2179.85 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 78+44.62 HAVING AN INTERNAL DELTA OF 25 DEGREES 22 MINUTES 45 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 1515.17 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 51 DEGREES 02 MINUTES 35 EAST, A DISTANCE OF 1496.48 FEET.

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 83+44.62 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2291.83 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 515.17 FEET THROUGH A CENTRAL ANGLE OF 12 DEGREES 52 MINUTES 45 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 88+59.79 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 93+59.79 THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#4**

THENCE SOUTH 63 DEGREES 43 MINUTES 58 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 406.25 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 97+66.04 HAVING AN INTERNAL DELTA OF 46 DEGREES 17 MINUTES 59 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 3386.65 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 40 DEGREES 34 MINUTES 58 SECONDS EAST, A DISTANCE OF 3279.95 FEET.

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 100+66.04 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 3819.72 FEET, AN ARC LENGTH OF 2786.65 FEET, AND A CENTRAL ANGLE OF 41 DEGREES 47 MINUTES 59 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 229.46 FEET, TO STATION 102+95.50, ALSO BEING THE NORTH LINE OF SECTION 7, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 7, BEARS NORTH 89 DEGREES 39 MINUTES 55 SECONDS EAST, A DISTANCE OF 784.24 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 7, BEARS SOUTH 89 DEGREES 39 MINUTES 55 SECONDS WEST, A DISTANCE OF 1854.95 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1027.75 FEET TO STATION 113+23.25, ALSO BEING THE WEST LINE OF SECTION 8, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS NORTH 00 DEGREES 23 MINUTES 34 SECONDS WEST, A DISTANCE OF 658.66 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 8, BEARS SOUTH 00 DEGREES 23 MINUTES 34 SECONDS EAST, A DISTANCE OF 1980.49 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1529.44 FEET, TO THE CURVE TO SPIRAL (C.S.) AT STATION 128+52.69 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 131+52.69, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#5**

THENCE SOUTH 17 DEGREES 25 MINUTES 59 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1422.23 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 145+74.92 HAVING AN INTERNAL DELTA OF 09 DEGREES 59 MINUTES 23 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 899.49 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 12 DEGREES 26 MINUTES 17 SECONDS EAST, A DISTANCE OF 897.68 FEET.

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 149+74.92 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2864.79 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 99.49 FEET THROUGH A CENTRAL ANGLE OF 1 DEGREES 59 MINUTES 23 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 150+74.41 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 154+74.41, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#6**

THENCE SOUTH 07 DEGREES 26 MINUTES 36 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 798.41 FEET TO STATION 162+72.82, ALSO BEING THE NORTH LINE OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 17, BEARS NORTH 89 DEGREES 39 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 1068.44 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 89 DEGREES 39 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 1570.79 FEET;

THENCE SOUTH 07 DEGREES 26 MINUTES 36 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1337.02 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 176+09.84 HAVING AN INTERNAL DELTA OF 07 DEGREES 46 MINUTES 58 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 978.28 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 03 DEGREES 33 MINUTES 07 SECONDS EAST, A DISTANCE OF 977.26 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 178+09.84 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 578.28 FEET THROUGH A CENTRAL ANGLE OF 5 DEGREES 46 MINUTES 58 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 183+88.12 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 185+88.12, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#7**

THENCE SOUTH 00 DEGREES 20 MINUTES 22 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 2976.15 FEET TO STATION 215+64.27, ALSO BEING THE NORTH LINE OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 39 MINUTES 37 SECONDS EAST, AT A DISTANCE OF 888.36 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 39 MINUTES 37 SECONDS WEST, AT A DISTANCE OF 1750.08 FEET;

THENCE CONTINUING SOUTH 00 DEGREES 20 MINUTES 22 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 1973.75 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 235+38.02 HAVING AN INTERNAL DELTA OF 25 DEGREES 38 MINUTES 26 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 2764.06 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 12 DEGREES 28 MINUTES 51 SECONDS EAST, A DISTANCE OF 2737.86 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 237+38.02 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2364.06 FEET THROUGH A CENTRAL ANGLE OF 23 DEGREES 38 MINUTES 26 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 261+02.08 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 263+02.08, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#8**

THENCE SOUTH 25 DEGREES 18 MINUTES 04 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 692.88 FEET TO STATION 269+94.96, ALSO BEING THE NORTH LINE OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 39 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 48.41 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 39 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 2590.75 FEET;

THENCE CONTINUING SOUTH 25 DEGREES 18 MINUTES 04 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5821.88 FEET TO STATION 328+16.84, ALSO BEING THE NORTH LINE OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 39 MINUTES 10 SECONDS EAST, AT A DISTANCE OF 235.49 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 39 MINUTES 10 SECONDS WEST, AT A DISTANCE OF 2403.63 FEET;

THENCE CONTINUING SOUTH 25 DEGREES 18 MINUTES 04 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 559.15 FEET TO STATION 333+75.99, ALSO BEING THE WEST LINE OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 33, BEARS NORTH 00 DEGREES 23 MINUTES 39 SECONDS WEST, AT A DISTANCE OF 506.96 FEET, ALSO FROM WHICH

POINT THE WEST QUARTER CORNER OF SAID SECTION 33, BEARS SOUTH 00 DEGREES 23 MINUTES 39 SECONDS EAST, AT A DISTANCE OF 2132.24 FEET;

THENCE CONTINUING SOUTH 25 DEGREES 18 MINUTES 04 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5262.60 FEET TO STATION 386+38.59, ALSO BEING THE NORTH LINE OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 4, BEARS NORTH 89 DEGREES 38 MINUTES 57 SECONDS EAST, AT A DISTANCE OF 422.58 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 4, BEARS SOUTH 89 DEGREES 38 MINUTES 57 SECONDS WEST, AT A DISTANCE OF 2216.47 FEET;

THENCE CONTINUING SOUTH 25 DEGREES 18 MINUTES 04 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1562.96 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 402+01.55 HAVING AN INTERNAL DELTA OF 14 DEGREES 52 MINUTES 29 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 1687.47 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 17 DEGREES 51 MINUTES 49 SECONDS EAST, A DISTANCE OF 1681.69 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 404+01.55 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1287.47 FEET THROUGH A CENTRAL ANGLE OF 12 DEGREES 52 MINUTES 29 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 416+89.02 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 418+89.02, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#9**

THENCE SOUTH 10 DEGREES 25 MINUTES 35 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1771.24 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 436+60.26 HAVING AN INTERNAL DELTA OF 22 DEGREES 33 MINUTES 55 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 2456.53 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 21 DEGREES 42 MINUTES 32 SECONDS EAST, A DISTANCE OF 2438.22 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 438+60.26 AND THE BEGINNING OF A

CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET, AN ARC LENGTH OF 2056.53 FEET, AND A CENTRAL ANGLE OF 20 DEGREES 33 MINUTES 55 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 324.50 FEET, TO STATION 441+84.76 AND THE NORTH LINE OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 9, BEARS SOUTH 89 DEGREES 38 MINUTES 27 SECONDS WEST, A DISTANCE OF 1155.90 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 9, BEARS NORTH 89 DEGREES 38 MINUTES 27 SECONDS EAST, A DISTANCE OF 1483.11 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1732.03 TO THE CURVE TO SPIRAL (C.S.) AT STATION 459+16.79 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 461+16.79, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#10**

THENCE SOUTH 32 DEGREES 59 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1306.43 FEET TO STATION 474+23.22, ALSO BEING THE WEST LINE OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 10, BEARS NORTH 00 DEGREES 23 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 218.65 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 10, BEARS SOUTH 00 DEGREES 23 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 2420.55 FEET;

THENCE CONTINUING SOUTH 32 DEGREES 59 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2874.10 FEET TO STATION 502+97.32, ALSO BEING THE NORTH LINE OF SECTION 15, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 15, BEARS NORTH 89 DEGREES 38 MINUTES 10 SECONDS EAST, AT A DISTANCE OF 1090.68 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 15, BEARS SOUTH 89 DEGREES 38 MINUTES 10 SECONDS WEST, AT A DISTANCE OF 1548.44 FEET;

THENCE SOUTH 32 DEGREES 59 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 682.23 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 509+79.55 HAVING AN INTERNAL DELTA OF 62 DEGREES 50 MINUTES 04 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 3541.72 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 01 DEGREES 34 MINUTES 28 SECONDS EAST, A DISTANCE OF 3330.36 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 513+79.55 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2864.79 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2741.72 FEET THROUGH A CENTRAL ANGLE OF 54 DEGREES 50 MINUTES 04 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 541+21.27 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 545+21.27, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#11**

THENCE SOUTH 29 DEGREES 50 MINUTES 34 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 1542.95 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 560+64.22 HAVING AN INTERNAL DELTA OF 18 DEGREES 11 MINUTES 20 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 1512.59 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 20 DEGREES 44 MINUTES 54 SECONDS WEST , A DISTANCE OF 1504.03 FEET;

THENCE ALONG A 300 FOOT TRANSITION CURVE TO THE LEFT A DISTANCE OF 47.14 FEET TO STATION 561+11.36, ALSO BEING THE NORTH LINE OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 38 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 1184.12 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 38 MINUTES 23 SECONDS EAST, AT A DISTANCE OF 1455.01 FEET;

THENCE CONTINUING ALONG SAID 300 FOOT TRANSITION CURVE TO THE LEFT A DISTANCE OF 252.86 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 563+64.22 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 3819.72 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 912.59 FEET THROUGH A CENTRAL ANGLE OF 13 DEGREES 41 MINUTES 20 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 572+76.81 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 575+76.81, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#12**

THENCE SOUTH 11 DEGREES 39 MINUTES 14 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 3189.02 FEET TO STATION 607+65.83, ALSO BEING THE EAST LINE OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 21, BEARS SOUTH 00 DEGREES 23 MINUTES 17 SECONDS EAST, AT A DISTANCE OF 796.83 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 21, BEARS NORTH 00 DEGREES 23 MINUTES 17 SECONDS WEST, AT A DISTANCE OF 1842.43 FEET;

THENCE CONTINUING SOUTH 11 DEGREES 39 MINUTES 14 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 814.67 FEET TO STATION 615+80.50, ALSO BEING THE NORTH LINE OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 28, BEARS NORTH 89 DEGREES 38 MINUTES 38 SECONDS EAST, AT A DISTANCE OF 169.96 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 28, BEARS SOUTH 89 DEGREES 38 MINUTES 38 SECONDS WEST, AT A DISTANCE OF 2469.01 FEET;

THENCE CONTINUING SOUTH 11 DEGREES 39 MINUTES 14 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 1660.98 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 632+41.48 HAVING AN INTERNAL DELTA OF 15 DEGREES 26 MINUTES 49 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 1744.69 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 03 DEGREES 55 MINUTES 50 SECONDS WEST, A DISTANCE OF 1738. 28 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 634+41.48 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1344.69 FEET THROUGH A CENTRAL ANGLE OF 13 DEGREES 26 MINUTES 49 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 647+86.17 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 649+86.17, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#13**

THENCE SOUTH 03 DEGREES 47 MINUTES 35 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1923.75 FEET TO STATION 669+09.92, ALSO BEING THE NORTH LINE OF SECTION 33, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 33, BEARS NORTH 89 DEGREES 38 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 533.45 FEET, ALSO FROM WHICH POINT THE

NORTH QUARTER CORNER OF SAID SECTION 33, BEARS SOUTH 89 DEGREES 38 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 2105.65 FEET;

THENCE CONTINUING SOUTH 03 DEGREES 47 MINUTES 35 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1623.06 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 685+32.98 HAVING AN INTERNAL DELTA OF 15 DEGREES 37 MINUTES 44 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 3225.78 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 11 DEGREES 36 MINUTES 27 SECONDS EAST, A DISTANCE OF 3215.18 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 686+32.98 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 11459.16 FEET, AN ARC LENGTH OF 3025.78 FEET, AND A CENTRAL ANGLE OF 15 DEGREES 07 MINUTES 44 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2507.15 FEET TO STATION 711+40.13, ALSO BEING THE WEST LINE OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 34,, BEARS SOUTH 00 DEGREES 23 MINUTES 22 SECONDS EAST, AT A DISTANCE OF 1093.68 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 34, BEARS NORTH 00 DEGREES 23 MINUTES 22 SECONDS WEST, AT A DISTANCE OF 1545.39 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 518.63 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 716+58.76 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 717+58.76, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#14**

THENCE SOUTH 19 DEGREES 25 MINUTES 19 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 533.84 FEET TO STATION 722+92.60, ALSO BEING THE NORTH LINE OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 3, BEARS SOUTH 89 DEGREES 38 MINUTES 15 SECONDS WEST, AT A DISTANCE OF 362.38 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 3, BEARS NORTH 89 DEGREES 38 MINUTES 15 SECONDS EAST, AT A DISTANCE OF 2276.86 FEET;

THENCE CONTINUING SOUTH 19 DEGREES 25 MINUTES 19 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3892.44 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 761+85.04 HAVING AN INTERNAL

DELTA OF 13 DEGREES 49 MINUTES 43 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 2865.72 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 26 DEGREES 20 MINUTES 10 SECONDS EAST, A DISTANCE OF 2858.30 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 762+85.04 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 11459.16 FEET, AN ARC LENGTH OF 2665.72, AND A CENTRAL ANGLE OF 13 DEGREES 19 MINUTES 43 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1640.89 FEET TO STATION 779+25.93, ALSO BEING THE NORTH LINE OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 10, BEARS NORTH 89 DEGREES 38 MINUTES 11 SECONDS EAST, AT A DISTANCE OF 324.13 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 10, BEARS SOUTH 89 DEGREES 38 MINUTES 11 SECONDS WEST, AT A DISTANCE OF 2315.00 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1024.83 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 789+50.76 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 790+50.76, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#15**

THENCE SOUTH 33 DEGREES 15 MINUTES 02 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 4416.19 FEET TO STATION 834+66.95, ALSO BEING THE WEST LINE OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 10 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 11, BEARS SOUTH 00 DEGREES 23 MINUTES 29 SECONDS EAST, AT A DISTANCE OF 598.87 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 11, BEARS NORTH 00 DEGREES 23 MINUTES 29 SECONDS WEST, AT A DISTANCE OF 2040.18 FEET;

THENCE CONTINUING SOUTH 33 DEGREES 15 MINUTES 02 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 713.11 FEET TO STATION 841+80.06, ALSO BEING THE NORTH LINE OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 14, BEARS SOUTH 89 DEGREES 37 MINUTES 47 SECONDS WEST, AT A DISTANCE OF 386.91 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 14, BEARS NORTH 89 DEGREES 37 MINUTES 47 SECONDS EAST, AT A DISTANCE OF 2252.11 FEET;

THENCE CONTINUING SOUTH 33 DEGREES 15 MINUTES 02 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 6284.85 FEET TO STATION 904+64.91, ALSO BEING THE NORTH LINE OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 10 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 23, BEARS SOUTH 89 DEGREES 37 MINUTES 19 SECONDS WEST, AT A DISTANCE OF 1157.91 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 23, BEARS NORTH 89 DEGREES 37 MINUTES 19 SECONDS EAST, AT A DISTANCE OF 1481.24 FEET;

THENCE CONTINUING SOUTH 33 DEGREES 15 MINUTES 02 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2127.76 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 925+92.67 HAVING AN INTERNAL DELTA OF 16 DEGREES 31 MINUTES 02 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 3403.44 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 24 DEGREES 59 MINUTES 31 SECONDS EAST, A DISTANCE OF 3390.99 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 926+92.67 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 11459.16 FEET, AN ARC LENGTH OF 3203.44 FEET, AND A CENTRAL ANGLE OF 16 DEGREES 01 MINUTES 02 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 524.71 FEET TO STATION 932+17.38, ALSO BEING THE WEST LINE OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 10 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 24, BEARS SOUTH 00 DEGREES 23 MINUTES 22 SECONDS EAST, AT A DISTANCE OF 319.71 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 24, BEARS NORTH 00 DEGREES 23 MINUTES 22 SECONDS WEST, AT A DISTANCE OF 2319.39 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2678.73 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 958+96.11 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 959+96.11, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#16**

THENCE SOUTH 16 DEGREES 44 MINUTES 00 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 425.40 FEET TO STATION 964+21.51, ALSO BEING THE NORTH LINE OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 10 EAST, FROM WHICH POINT THE

NORTHWEST CORNER OF SAID SECTION 25, BEARS SOUTH 89 DEGREES 37 MINUTES 00 SECONDS WEST, AT A DISTANCE OF 1204.65 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 25, BEARS NORTH 89 DEGREES 37 MINUTES 00 SECONDS EAST, AT A DISTANCE OF 1434.43 FEET;

THENCE CONTINUING SOUTH 16 DEGREES 44 MINUTES 00 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 546.19 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 969+67.70 HAVING AN INTERNAL DELTA OF 33 DEGREES 05 MINUTES 40 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 3509.44 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 33 DEGREES 16 MINUTES 50 SECONDS EAST, A DISTANCE OF 3455.51 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 971+67.70 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 3109.44 FEET THROUGH A CENTRAL ANGLE OF 31 DEGREES 05 MINUTES 40 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 1002+77.14 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1004+77.14, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#17**

THENCE SOUTH 49 DEGREES 49 MINUTES 40 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2689.84 FEET TO STATION 1031+66.98, ALSO BEING THE WEST LINE OF SECTION 30, TOWNSHIP 38 NORTH, RANGE 11 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 30, BEARS SOUTH 00 DEGREES 23 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 103.73 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 30, BEARS NORTH 00 DEGREES 23 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 2535.41 FEET;

THENCE CONTINUING SOUTH 49 DEGREES 49 MINUTES 40 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 159.52 FEET TO STATION 1033+26.50, ALSO BEING THE NORTH LINE OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 11 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 31, BEARS SOUTH 89 DEGREES 36 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 121.18 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 31, BEARS NORTH 89 DEGREES 36 MINUTES 31 SECONDS EAST, AT A DISTANCE OF 2475.75 FEET;

THENCE CONTINUING SOUTH 49 DEGREES 49 MINUTES 40 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 138.45 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 1034+64.95 HAVING AN INTERNAL DELTA OF 39 DEGREES 43 MINUTES 40 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 4172.78 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 29 DEGREES 57 MINUTES 50 SECONDS EAST, A DISTANCE OF 4081.97 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1036+64.95 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 3772.78 FEET THROUGH A CENTRAL ANGLE OF 37 DEGREES 43 MINUTES 40 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 1074+37.73 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1076+37.73, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#18**

THENCE SOUTH 10 DEGREES 06 MINUTES 00 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 430.56 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1080+68.29 HAVING AN INTERNAL DELTA OF 20 DEGREES 26 MINUTES 54 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 2244.83 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 20 DEGREES 19 MINUTES 27 SECONDS EAST, A DISTANCE OF 2230.92 FEET;-

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1082+68.29 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET, AN ARC LENGTH OF 1844.83 FEET, AND A CENTRAL ANGLE OF 18 DEGREES 26 MINUTES 54 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE TO THE LEFT AN ARC DISTANCE OF 1059.58 FEET TO STATION 1093+27.87, ALSO BEING THE NORTH LINE OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 6, BEARS NORTH 89 DEGREES 35 MINUTES 43 SECONDS EAST, AT A DISTANCE OF 2601.82 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 6, BEARS SOUTH 89 DEGREES 35 MINUTES 43 SECONDS WEST, AT A DISTANCE OF 37.28 FEET, AND FROM SAID NORTH QUARTER CORNER THE NORTHWEST CORNER OF SAID SECTION 6, BEARS SOUTH 89 DEGREES 37 MINUTES 09 SECONDS WEST, AT A DISTANCE OF 2602.97 FEET;

THENCE CONTINUING FROM SAID STATION 1093+27.87 ALONG SAID CIRCULAR CURVE TO THE LEFT AN ARC DISTANCE OF 785.25 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 1101+13.12 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1103+13.12, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#19**

THENCE SOUTH 30 DEGREES 32 MINUTES 54 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3987.00 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1143+00.12 HAVING AN INTERNAL DELTA OF 35 DEGREES 33 MINUTES 25 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 7211.39 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 48 DEGREES 19 MINUTES 36 SECONDS EAST, A DISTANCE OF 7093.07 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1144+00.12 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 11459.16 FEET, AN ARC LENGTH OF 7011.39 FEET, AND A CENTRAL ANGLE OF 35 DEGREES 03 MINUTES 25 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 232.40 FEET TO STATION 1146+32.52, ALSO BEING THE EAST LINE OF SECTION 5, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 5, BEARS SOUTH 00 DEGREES 27 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 661.30 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 5, BEARS NORTH 00 DEGREES 27 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 1977.87 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 793.55 FEET TO STATION 1154+26.07, ALSO BEING THE NORTH LINE OF SECTION 8, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 89 DEGREES 35 MINUTES 40 SECONDS WEST, AT A DISTANCE OF 437.79 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 8, BEARS NORTH 89 DEGREES 35 MINUTES 40 SECONDS EAST, AT A DISTANCE OF 2201.36 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 5985.44 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 1214+11.51 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1215+11.51, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#20**

THENCE SOUTH 66 DEGREES 06 MINUTES 19 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 205.84 FEET TO STATION 1217+17.35, ALSO BEING THE WEST LINE OF SECTION 9, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 9, BEARS NORTH 00 DEGREES 27 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 1252.15 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 9, BEARS SOUTH 00 DEGREES 27 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 1386.80 FEET;

THENCE SOUTH 66 DEGREES 06 MINUTES 19 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2169.28 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 1238+86.63 HAVING AN INTERNAL DELTA OF 48 DEGREES 32 MINUTES 28 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 3536.08 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 41 DEGREES 50 MINUTES 05 SECONDS EAST, A DISTANCE OF 3414.44 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1241+86.63 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 3819.72 FEET, AN ARC LENGTH OF 2936.08 FEET, AND A CENTRAL ANGLE OF 44 DEGREES 02 MINUTES 28 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 697.10 FEET TO STATION 1248+83.73, ALSO BEING THE NORTH LINE OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 16, BEARS SOUTH 89 DEGREES 34 MINUTES 55 SECONDS WEST, AT A DISTANCE OF 200.34 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 16, BEARS NORTH 89 DEGREES 34 MINUTES 55 SECONDS EAST, AT A DISTANCE OF 2438.77 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2238.98 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 1271+22.71 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1274+22.71, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#21**

THENCE SOUTH 17 DEGREES 33 MINUTES 51 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 798.05 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1282+20.76 HAVING AN INTERNAL DELTA OF 13 DEGREES 58 MINUTES 10 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 1231.30 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 24 DEGREES 32 MINUTES 56 SECONDS EAST, A DISTANCE OF 1226.99 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1285+20.76 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 3819.72 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 631.30 FEET THROUGH A CENTRAL ANGLE OF 09 DEGREES 28 MINUTES 10 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 1291+52.06 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1294+52.06, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#22**

THENCE SOUTH 31 DEGREES 32 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 598.74 FEET TO STATION 1300+50.80, ALSO BEING THE WEST LINE OF SECTION 15, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 15, BEARS SOUTH 00 DEGREES 27 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 816.65 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 15, BEARS NORTH 00 DEGREES 27 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 1822.53 FEET;

THENCE CONTINUING SOUTH 31 DEGREES 32 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 953.81 FEET TO STATION 1310+04.61, ALSO BEING THE NORTH LINE OF SECTION 22, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 34 MINUTES 28 SECONDS WEST, AT A DISTANCE OF 492.38 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 34 MINUTES 28 SECONDS EAST, AT A DISTANCE OF 2146.74 FEET;

THENCE CONTINUING SOUTH 31 DEGREES 32 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 4404.84 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1354+09.45 HAVING AN INTERNAL DELTA OF 57 DEGREES 57 MINUTES 04 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 3297.56 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 60 DEGREES 30 MINUTES 33 SECONDS EAST, A DISTANCE OF 3127.75 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1358+09.45 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2864.79 FEET, AN ARC LENGTH OF 2497.56 FEET, AND A CENTRAL ANGLE OF 49 DEGREES 57 MINUTES 04 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2219.69 FEET TO STATION 1380+29.14, ALSO BEING THE NORTH LINE OF SECTION 27, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 27, BEARS SOUTH 89 DEGREES 34 MINUTES 09 SECONDS WEST, AT A DISTANCE OF 2162.49 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 27, BEARS NORTH 89 DEGREES 34 MINUTES 09 SECONDS EAST, AT A DISTANCE OF 476.55 FEET, AND FROM SAID NORTHEAST CORNER OF SECTION 27 THE EAST QUARTER CORNER OF SECTION 22, BEARS NORTH 00 DEGREES 27 MINUTES 09 SECONDS WEST, AT A DISTANCE OF 2639.13 FEET;

THENCE CONTINUING FROM SAID STATION 1380+29.14 FEET ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 277.87 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 1383+07.01 AND THE BEGINNING OF A 400 FOOT TRANSITION CURVE TO THE LEFT;

THENCE ALONG SAID 400 FOOT TRANSITION CURVE TO THE LEFT A DISTANCE OF 201.68 FEET TO STATION 1385+08.69, ALSO BEING THE WEST LINE OF SECTION 26, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 26, BEARS SOUTH 00 DEGREES 27 MINUTES 20 SECONDS EAST, AT A DISTANCE OF 2590.34 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 26, BEARS NORTH 00 DEGREES 27 MINUTES 20 SECONDS WEST, AT A DISTANCE OF 48.83 FEET, AND FROM SAID NORTHWEST CORNER OF SECTION 26 THE NORTH QUARTER CORNER OF SAID SECTION 26, BEARS NORTH 89 DEGREES 33 MINUTES 54 SECONDS EAST, AT A DISTANCE OF 2639.27 FEET;

THENCE CONTINUING FROM SAID STATION 1385+08.69 ALONG SAID 400 FOOT TRANSITION CURVE TO THE LEFT A DISTANCE OF 198.32 FEET TO TANGENT (S.T) AT STATION 1387+07.01, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#23**

THENCE SOUTH 89 DEGREES 29 MINUTES 05 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1795.23 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 1405+02.24 HAVING AN INTERNAL DELTA OF 63 DEGREES 18 MINUTES 26 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 4520.48 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 57 DEGREES 49 MINUTES 52 SECONDS EAST, A DISTANCE OF 4265.43 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1408+02.24 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 3819.72 FEET, AN ARC LENGTH OF 3920.48 FEET, AND A CENTRAL ANGLE OF 58 DEGREES 48 MINUTES 26 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 3578.47 FEET TO STATION 1443+80.71, ALSO BEING THE WEST LINE OF SECTION 25, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 25, BEARS SOUTH 00 DEGREES 27 MINUTES 16 SECONDS EAST, AT A DISTANCE OF 820.44 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 25, BEARS NORTH 00 DEGREES 27 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 1818.17 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 342.01 FEET THROUGH A CENTRAL ANGLE OF 58 DEGREES 48 MINUTES 26 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 1447+22.72 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1450+22.72, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#24**

THENCE SOUTH 26 DEGREES 10 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2646.82 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1476+69.54 HAVING AN INTERNAL DELTA OF 87 DEGREES 17 MINUTES 04 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 6118.96 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 69 DEGREES 49 MINUTES 11 SECONDS EAST, A DISTANCE OF 5490.82 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1479+69.54 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 3819.72 FEET, AN ARC LENGTH OF 5518.96 FEET, AND A CENTRAL ANGLE OF 82 DEGREES 47 MINUTES 04 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 281.76 FEET TO STATION 1482+51.30, ALSO BEING THE NORTH LINE OF SECTION 36, TOWNSHIP 37 NORTH, RANGE 11 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 36, BEARS NORTH 89 DEGREES 33 MINUTES 11 SECONDS EAST, AT A DISTANCE OF 907.96 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 36, BEARS SOUTH 89 DEGREES 33 MINUTES 11 SECONDS WEST, AT A DISTANCE OF 1731.12 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 4168.58 FEET TO STATION 1524+19.88, ALSO BEING THE WEST LINE OF SECTION 31, TOWNSHIP 37 NORTH, RANGE 12 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 31, BEARS SOUTH 00 DEGREES 27 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 868.12 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 31, BEARS NORTH 00 DEGREES 27 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 1770.98 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1068.62 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 1534+88.50 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1537+88.50, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#25**

THENCE NORTH 66 DEGREES 32 MINUTES 17 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3640.130 FEET TO STATION 1574+28.63, ALSO BEING THE SOUTH LINE OF SECTION 30, TOWNSHIP 37 NORTH, RANGE 12 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 30, BEARS NORTH 89 DEGREES 32 MINUTES 21 SECONDS EAST, AT A DISTANCE OF 605.24 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 30, BEARS SOUTH 89 DEGREES 32 MINUTES 21 SECONDS WEST, AT A DISTANCE OF 2033.88 FEET;

THENCE CONTINUING NORTH 66 DEGREES 32 MINUTES 17 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 618.47 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 1580+47.10 HAVING AN INTERNAL DELTA OF 78 DEGREES 53 MINUTES 39 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 3655.77 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 74 DEGREES 00 MINUTES 53 SECONDS EAST, A DISTANCE OF 3304.03 FEET;

THENCE ALONG A 500 FOOT TRANSITION CURVE TO THE RIGHT A DISTANCE OF 38.76 FEET TO STATION 1580+85.86, ALSO BEING THE WEST LINE OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 12 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 00 DEGREES 31 MINUTES 01 SECONDS EAST, AT A DISTANCE OF 256.81 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 29, BEARS NORTH 00 DEGREES 31 MINUTES 01 SECONDS WEST, AT A DISTANCE OF 2382.32 FEET;

THENCE CONTINUING ALONG SAID 500 FOOT TRANSITION CURVE TO THE RIGHT A DISTANCE OF 461.24 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1585+47.10 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF

2291.83 FEET, ARC DISTANCE OF 2655.77 FEET, A CENTRAL ANGLE OF 66 DEGREES 23 MINUTES 39 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2240.07 FEET TO STATION 1607+87.17, ALSO BEING THE NORTH LINE OF SECTION 32, TOWNSHIP 37 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 31 MINUTES 59 SECONDS EAST, AT A DISTANCE OF 97.63 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 31 MINUTES 59 SECONDS WEST, AT A DISTANCE OF 2541.48 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 415.70 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 1612+02.87 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1617+02.87, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#26**

THENCE SOUTH 34 DEGREES 34 MINUTES 04 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3833.08 FEET TO STATION 1655+35.95, ALSO BEING THE WEST LINE OF SECTION 33, TOWNSHIP 37 NORTH, RANGE 12 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 33, BEARS NORTH 00 DEGREES 30 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 1229.31 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 33, BEARS SOUTH 00 DEGREES 30 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 1409.97 FEET;

THENCE CONTINUING SOUTH 34 DEGREES 34 MINUTES 04 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 11.50 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 1655+47.45 HAVING AN INTERNAL DELTA OF 72 DEGREES 02 MINUTES 15 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 5102.50 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 01 DEGREES 27 MINUTES 04 SECONDS WEST, A DISTANCE OF 4736.16 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1658+47.45 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 3819.72 FEET, AN ARC LENGTH OF 4502.50 FEET, AND A CENTRAL ANGLE OF 67 DEGREES 32 MINUTES 15 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1249.86 FEET TO STATION 1670+97.31, ALSO BEING THE NORTH LINE OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID

SECTION 4, BEARS SOUTH 89 DEGREES 31 MINUTES 27 SECONDS WEST, AT A DISTANCE OF 117.38 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF SECTION 33, TOWNSHIP 37 NORTH, RANGE 12 EAST, BEARS NORTH 89 DEGREES 31 MINUTES 27 SECONDS EAST, AT A DISTANCE OF 1993.26

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2161.34 FEET TO STATION 1692+58.65, ALSO BEING THE EAST LINE OF SECTION 5, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 5, BEARS NORTH 00 DEGREES 30 MINUTES 54 SECONDS WEST, AT A DISTANCE OF 2129.47 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SECTION 5, BEARS SOUTH 00 DEGREES 30 MINUTES 54 SECONDS EAST, AT A DISTANCE OF 3069.43 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1091.30 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 1703+49.95 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1706+49.95, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#27**

THENCE SOUTH 37 DEGREES 28 MINUTES 11 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 2365.71 FEET TO STATION 1730+15.66, ALSO BEING THE NORTH LINE OF SECTION 8, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 8, BEARS NORTH 89 DEGREES 31 MINUTES 53 SECONDS EAST, AT A DISTANCE OF 2140.53 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 89 DEGREES 31 MINUTES 53 SECONDS WEST, AT A DISTANCE OF 3137.73 FEET;

THENCE CONTINUING SOUTH 37 DEGREES 28 MINUTES 11 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 134.36 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1731+50.02 HAVING AN INTERNAL DELTA OF 31 DEGREES 25 MINUTES 08 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 3341.89 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 21 DEGREES 45 MINUTES 37 SECONDS WEST, A DISTANCE OF 3295.36 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1733+50.02 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2941.89 FEET THROUGH A CENTRAL ANGLE OF 29 DEGREES 25 MINUTES 08 SECONDS TO THE

CURVE TO SPIRAL (C.S.) AT STATION 1762+91.91 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1764+91.91, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#28**

THENCE SOUTH 06 DEGREES 03 MINUTES 03 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 2135.65 FEET TO STATION 1786+27.56, ALSO BEING THE NORTH LINE OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 89 DEGREES 31 MINUTES 53 SECONDS WEST, AT A DISTANCE OF 1561.38 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 17, BEARS NORTH 89 DEGREES 31 MINUTES 53 SECONDS EAST, AT A DISTANCE OF 3716.89 FEET;

THENCE CONTINUING SOUTH 06 DEGREES 03 MINUTES 03 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 5312.60 FEET TO STATION 1839+40.16, ALSO BEING THE NORTH LINE OF SECTION 20, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 31 MINUTES 53 SECONDS WEST, AT A DISTANCE OF 953.60 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 31 MINUTES 53 SECONDS EAST, AT A DISTANCE OF 4324.67 FEET;

THENCE CONTINUING SOUTH 06 DEGREES 03 MINUTES 03 SECONDS WEST ALONG A TANGENT LINE A DISTANCE OF 3040.23 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1869+80.39 HAVING AN INTERNAL DELTA OF 13 DEGREES 31 MINUTES 41 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 1552.81 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 00 DEGREES 42 MINUTES 47 SECONDS EAST, A DISTANCE OF 1548.34 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1871+80.39 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1152.81 FEET THROUGH A CENTRAL ANGLE OF 11 DEGREES 31 MINUTES 41 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 1883+33.20 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 1885+33.20, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#29**

THENCE SOUTH 07 DEGREES 28 MINUTES 38 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 714.69 FEET TO STATION 1892+47.89, ALSO BEING THE NORTH LINE OF SECTION 29, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 31 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 697.64 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 31 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 4580.62 FEET;

THENCE CONTINUING SOUTH 07 DEGREES 28 MINUTES 38 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5317.97 FEET TO STATION 1945+65.86, ALSO BEING THE NORTH LINE OF SECTION 32, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 31 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 1341.97 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 31 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 3936.30 FEET;

THENCE SOUTH 07 DEGREES 28 MINUTES 38 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 14.37 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 1945+80.23 HAVING AN INTERNAL DELTA OF 78 DEGREES 57 MINUTES 04 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 5563.41 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 46 DEGREES 57 MINUTES 10 SECONDS EAST, A DISTANCE OF 5089.57 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 1948+80.23 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 3819.72 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 4963.41 FEET THROUGH A CENTRAL ANGLE OF 74 DEGREES 27 MINUTES 04 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 1998+43.64 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2001+43.64, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#30**

THENCE SOUTH 86 DEGREES 25 MINUTES 42 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 247.32 FEET TO STATION 2003+90.96, ALSO BEING THE WEST LINE OF SECTION 33, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 33, BEARS SOUTH 00 DEGREES 31 MINUTES

05 SECONDS EAST, AT A DISTANCE OF 1742.11 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 33, BEARS NORTH 00 DEGREES 31 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 3536.15 FEET;

THENCE CONTINUING SOUTH 86 DEGREES 25 MINUTES 42 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5291.75 FEET TO STATION 2056+82.71, ALSO BEING THE WEST LINE OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 12 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 34, BEARS SOUTH 00 DEGREES 31 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 1368.26 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 34, BEARS NORTH 00 DEGREES 31 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 3910.01 FEET;

THENCE CONTINUING SOUTH 86 DEGREES 25 MINUTES 42 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 849.45 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 2065+32.16 HAVING AN INTERNAL DELTA OF 80 DEGREES 02 MINUTES 48 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 8204.67 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 46 DEGREES 24 MINUTES 18 SECONDS EAST, A DISTANCE OF 7522.91 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2067+32.16 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 5729.58 FEET, AN ARC LENGTH OF 7804.67 FEET, AND A CENTRAL ANGLE OF 78 DEGREES 02 MINUTES 48 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 3454.21 FEET TO STATION 2101+86.37, ALSO BEING THE NORTH LINE OF SECTION 3, TOWNSHIP 35 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 3, BEARS NORTH 89 DEGREES 30 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 1085.28 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 3, BEARS SOUTH 89 DEGREES 30 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 4193.01 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1618.65 FEET TO STATION 2118+05.02, ALSO BEING THE WEST LINE OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 2, BEARS NORTH 00 DEGREES 30 MINUTES 58 SECONDS WEST, AT A DISTANCE OF 1193.17 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 30 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 4085.15 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 2731.81 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 2145+36.83 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2147+36.83, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#31**

THENCE SOUTH 06 DEGREES 22 MINUTES 54 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 394.29 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2151+31.12 HAVING AN INTERNAL DELTA OF 25 DEGREES 59 MINUTES 22 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 2032.63 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 19 DEGREES 22 MINUTES 35 SECONDS EAST, A DISTANCE OF 2010.56 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2154+31.12 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 3819.72 FEET, AN ARC LENGTH 1432.63 FEET, AND A CENTRAL ANGLE OF 21 DEGREES 29 MINUTES 22 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 681.14 FEET TO STATION 2161+12.26, ALSO BEING THE NORTH LINE OF SECTION 11, TOWNSHIP 35 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 11, BEARS SOUTH 89 DEGREES 29 MINUTES 58 SECONDS WEST, AT A DISTANCE OF 1200.82 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 11, BEARS NORTH 89 DEGREES 29 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 4077.52 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 751.49 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 2168+63.75 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2171+63.75, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#32**

THENCE SOUTH 32 DEGREES 22 MINUTES 16 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5105.71 FEET TO STATION 2222+69.46, ALSO BEING THE NORTH LINE OF SECTION 14, TOWNSHIP 35 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 14, BEARS NORTH 89 DEGREES 29 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 923.25 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 14, BEARS SOUTH 89 DEGREES 29 MINUTES 58 SECONDS WEST, AT A DISTANCE OF 4355.08 FEET;

THENCE CONTINUING SOUTH 32 DEGREES 22 MINUTES 16 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1749.41 FEET TO STATION 2240+18.87, ALSO BEING THE WEST LINE OF SECTION 13, TOWNSHIP 35 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 13, BEARS NORTH 00 DEGREES 31 MINUTES 03 SECONDS WEST, AT A DISTANCE OF 1485.67 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 13, BEARS SOUTH 00 DEGREES 31 MINUTES 03 SECONDS EAST, AT A DISTANCE OF 3792.63 FEET;

THENCE CONTINUING SOUTH 32 DEGREES 22 MINUTES 16 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3371.78 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2273+90.65 HAVING AN INTERNAL DELTA OF 77 DEGREES 34 MINUTES 56 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 3603.29 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 71 DEGREES 09 MINUTES 44 SECONDS EAST, A DISTANCE OF 3266.84 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2278+90.65 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2291.83 FEET, AN ARC LENGTH OF 2603.29 FEET, AND A CENTRAL ANGLE OF 65 DEGREES 04 MINUTES 56 SECONDS ;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 767.76 FEET TO STATION 2286+58.41, ALSO BEING THE NORTH LINE OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 12 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 24, BEARS NORTH 89 DEGREES 29 MINUTES 18 SECONDS EAST, AT A DISTANCE OF 2654.61 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 24, BEARS SOUTH 89 DEGREES 29 MINUTES 18 SECONDS WEST, AT A DISTANCE OF 2623.67 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1835.53 FEET THROUGH A CENTRAL ANGLE OF 65 DEGREES 04 MINUTES 56 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2304+93.94 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2309+93.94, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#33**

THENCE NORTH 70 DEGREES 02 MINUTES 48 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 441.79 FEET TO STATION 2314+35.73, ALSO BEING THE WEST LINE OF SECTION 21, TOWNSHIP 35 NORTH, RANGE 12.5 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 21, BEARS SOUTH 00 DEGREES 31 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 5271.80 FEET, ALSO FROM WHICH POINT THE

NORTHWEST CORNER OF SAID SECTION 21, BEARS NORTH 00 DEGREES 31 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 6.53 FEET, AND FROM SAID NORTHWEST CORNER OF SECTION 21 THE NORTHWEST CORNER OF SECTION 16, TOWNSHIP 35 NORTH, RANGE 12.5 EAST, BEARS NORTH 00 DEGREES 31 MINUTES 03 SECONDS WEST, AT A DISTANCE OF 5278.32 FEET;

THENCE CONTINUING NORTH 70 DEGREES 02 MINUTES 48 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 19.62 FEET TO STATION 2314+55.35, ALSO BEING THE SOUTH LINE OF SECTION 16, TOWNSHIP 35 NORTH, RANGE 12.5 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 16, BEARS SOUTH 89 DEGREES 29 MINUTES 04 SECONDS WEST, AT A DISTANCE OF 18.50 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 16, BEARS NORTH 89 DEGREES 29 MINUTES 04 SECONDS EAST, AT A DISTANCE OF 308.55 FEET;

THENCE CONTINUING NORTH 70 DEGREES 02 MINUTES 48 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 327.12 FEET TO STATION 2317+82.47, ALSO BEING THE WEST LINE OF SECTION 15, TOWNSHIP 35 NORTH, RANGE 12.5 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 15, BEARS SOUTH 00 DEGREES 33 MINUTES 00 SECONDS EAST, AT A DISTANCE OF 108.86 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 15, BEARS NORTH 00 DEGREES 33 MINUTES 00 WEST, AT A DISTANCE OF 5169.47 FEET;

THENCE CONTINUING NORTH 70 DEGREES 02 MINUTES 48 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 362.72 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 2321+45.19 HAVING AN INTERNAL DELTA OF 33 DEGREES 45 MINUTES 11 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 1787.62 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 86 DEGREES 23 MINUTES 33 SECONDS EAST, A DISTANCE OF 1751.34 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2326+45.19 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2291.83 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 912.62 FEET THROUGH A CENTRAL ANGLE OF 22 DEGREES 48 MINUTES 56 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2335+57.81 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 375.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2339+32.81, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#34**

THENCE SOUTH 76 DEGREES 12 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 188.43 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2341+21.24 HAVING AN INTERNAL DELTA OF 36 DEGREES 10 MINUTES 06 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 1946.73 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 85 DEGREES 42 MINUTES 56 SECONDS EAST, A DISTANCE OF 1900.77 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2346+21.24 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2291.83 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 946.73 FEET THROUGH A CENTRAL ANGLE OF 23 DEGREES 40 MINUTES 06 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2355+67.97 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2360+67.97, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#35**

THENCE NORTH 67 DEGREES 37 MINUTES 53 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 273.45 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 2363+41.42 HAVING AN INTERNAL DELTA OF 35 DEGREES 35 MINUTES 13 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 1923.48 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 85 DEGREES 25 MINUTES 30 SECONDS EAST, A DISTANCE OF 1879.38 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2368+41.42 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2291.83 FEET, AN ARC LENGTH OF 923.48 FEET, AND A CENTRAL ANGLE OF 23 DEGREES 05 MINUTES 13 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 391.11 FEET TO STATION 2372+32.53, ALSO BEING THE WEST LINE OF SECTION 14, TOWNSHIP 35 NORTH, RANGE 12.5 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 14, BEARS SOUTH 00 DEGREES 33 MINUTES 00 SECONDS EAST, AT A DISTANCE OF 744.99 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 14, BEARS NORTH 00 DEGREES 33 MINUTES 00 WEST, AT A DISTANCE OF 4533.36 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 532.37 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 2377+64.90 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2382+64.90, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#36**

THENCE SOUTH 76 DEGREES 46 MINUTES 54 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 305.39 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2385+70.29 HAVING AN INTERNAL DELTA OF 44 DEGREES 04 MINUTES 07 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 2262.74 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 81 DEGREES 11 MINUTES 03 SECONDS EAST, A DISTANCE OF 2186.32 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2390+70.29 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2291.83 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1262.74 FEET THROUGH A CENTRAL ANGLE OF 31 DEGREES 34 MINUTES 07 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2403+33.03 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2408+33.03, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#37**

THENCE NORTH 59 DEGREES 08 MINUTES 59 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1596.57 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 2424+29.60 HAVING AN INTERNAL DELTA OF 26 DEGREES 46 MINUTES 44 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 45 MINUTES AND AN OVERALL LENGTH OF 3720.52 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 72 DEGREES 32 MINUTES 21 SECONDS EAST, A DISTANCE OF 3684.09 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 150.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2425+79.60 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 7639.44 FEET, AN ARC LENGTH OF 3420.52 FEET, AND A CENTRAL ANGLE OF 25 DEGREES 39 MINUTES 14 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 329.41 FEET TO STATION 2429+09.01, ALSO BEING THE WEST LINE OF SECTION 13, TOWNSHIP 35 NORTH, RANGE 12.5 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 13, BEARS SOUTH 00 DEGREES 33 MINUTES 00 SECONDS EAST, AT A DISTANCE OF 1916.73 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 13, BEARS NORTH 00 DEGREES 33 MINUTES 00 SECONDS WEST, AT A DISTANCE OF 3361.65 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 3091.11 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 2460+00.12 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 150.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2461+50.12, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#38**

THENCE NORTH 85 DEGREES 55 MINUTES 43 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2177.05 FEET TO STATION 2483+27.17, ALSO BEING THE WEST LINE OF SECTION 18, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 18, BEARS NORTH 00 DEGREES 32 MINUTES 59 SECONDS WEST, AT A DISTANCE OF 5265.11 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 18, BEARS SOUTH 00 DEGREES 32 MINUTES 59 SECONDS EAST, AT A DISTANCE OF 13.30 FEET, AND FROM SAID SOUTHWEST CORNER OF SECTION 18 THE SOUTHWEST CORNER OF SECTION 19 TOWNSHIP 35 NORTH, RANGE 13 EAST, BEARS SOUTH 00 DEGREES 32 MINUTES 59 SECONDS WEST, AT A DISTANCE OF 5278.42 FEET;

THENCE CONTINUING NORTH 85 DEGREES 55 MINUTES 43 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5247.37 FEET TO STATION 2535+74.54, ALSO BEING THE WEST LINE OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 00 DEGREES 36 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 338.64 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 17, BEARS NORTH 00 DEGREES 36 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 4930.75 FEET;

THENCE CONTINUING NORTH 85 DEGREES 55 MINUTES 43 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2533.22 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 2561+07.76 HAVING AN INTERNAL DELTA OF 56 DEGREES 44 MINUTES 10 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 3236.81 FEET, FROM WHICH

THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 65 DEGREES 42 MINUTES 12 SECONDS EAST, A DISTANCE OF 3076.44 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2565+07.76 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2864.79 FEET, AN ARC LENGTH OF 2436.81 FEET, AND A CENTRAL ANGLE OF 48 DEGREES 44 MINUTES 10 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1715.80 FEET TO STATION 2582+23.56, ALSO BEING THE NORTH LINE OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 28 MINUTES 59 SECONDS EAST, AT A DISTANCE OF 730.86 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 28 MINUTES 59 SECONDS WEST, AT A DISTANCE OF 4538.53 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 721.01 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 2589+44.57 AND THE BEGINNING OF A 400 FOOT TRANSITION CURVE TO THE RIGHT;

THENCE ALONG SAID 400 FOOT TRANSITION CURVE TO THE RIGHT A DISTANCE OF 317.27 FEET TO STATION 2592+61.84, ALSO BEING THE WEST LINE OF SECTION 21, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 21, BEARS NORTH 00 DEGREES 36 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 729.22 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 21, BEARS SOUTH 00 DEGREES 36 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 4540.17 FEET;

THENCE CONTINUING ALONG SAID 400 FOOT TRANSITION CURVE TO THE RIGHT A DISTANCE OF 82.73 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2593+44.57, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#39**

THENCE SOUTH 37 DEGREES 20 MINUTES 07 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 919.51 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2602+64.08 HAVING AN INTERNAL DELTA OF 36 DEGREES 39 MINUTES 46 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 2744.19 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 55 DEGREES 40 MINUTES 00 SECONDS EAST, A DISTANCE OF 2688.08 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2605+64.08 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 3819.72 FEET;

THENCE ALONG SAID CIRCULAR CURVE TO THE LEFT AN ARC DISTANCE OF 2144.19 FEET THROUGH A CENTRAL ANGLE OF 32 DEGREES 09 MINUTES 46 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2627+08.27 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2630+08.27, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#40**

THENCE SOUTH 73 DEGREES 59 MINUTES 53 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 498.72 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 2635+06.99 HAVING AN INTERNAL DELTA OF 46 DEGREES 37 MINUTES 00 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 2730.83 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 50 DEGREES 41 MINUTES 23 SECONDS EAST, A DISTANCE OF 2636.21 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2639+06.99 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2864.79 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1930.83 FEET THROUGH A CENTRAL ANGLE OF 38 DEGREES 37 MINUTES 00 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2658+37.82 AND THE BEGINNING OF A 400 FOOT TRANSITION CURVE TO THE RIGHT;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 333.49 FEET TO STATION 2661+71.31, ALSO BEING THE WEST LINE OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 00 DEGREES 35 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 430.27 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 22, BEARS NORTH 00 DEGREES 35 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 4839.13 FEET;

THENCE CONTINUING ALONG SAID 400 FOOT TRANSITION CURVE TO THE RIGHT A DISTANCE OF 66.51 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2662+37.82, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#41**

THENCE SOUTH 27 DEGREES 22 MINUTES 53 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 415.76 FEET TO STATION 2666+53.58, ALSO BEING THE NORTH LINE OF SECTION 27, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 27, BEARS SOUTH 89 DEGREES 28 MINUTES

07 SECONDS WEST, AT A DISTANCE OF 217.40 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 27, BEARS NORTH 89 DEGREES 28 MINUTES 07 SECONDS EAST, AT A DISTANCE OF 5055.06 FEET;

THENCE CONTINUING SOUTH 27 DEGREES 22 MINUTES 53 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1818.64 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2684+72.22 HAVING AN INTERNAL DELTA OF 72 DEGREES 19 MINUTES 23 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 5121.54 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 63 DEGREES 32 MINUTES 34 SECONDS EAST, A DISTANCE OF 4751.11 FEET.

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2687+72.22 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 3819.72 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 4521.54 FEET THROUGH A CENTRAL ANGLE OF 67 DEGREES 49 MINUTES 23 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2732+93.76 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 300.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2735+93.76, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#42**

THENCE NORTH 80 DEGREES 17 MINUTES 44 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2.98 FEET TO STATION 2735+96.74, ALSO BEING THE WEST LINE OF SECTION 26, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 26, BEARS SOUTH 00 DEGREES 34 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 1491.18 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 26, BEARS NORTH 00 DEGREES 34 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 3778.21 FEET;

THENCE CONTINUING NORTH 80 DEGREES 17 MINUTES 44 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3878.92 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 2774+75.66 HAVING AN INTERNAL DELTA OF 86 DEGREES 16 MINUTES 48 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 3951.20 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 56 DEGREES 33 MINUTES 52 SECONDS EAST, A DISTANCE OF 3505.14 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2779+75.65 AND THE BEGINNING OF A

CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2291.83 FEET, AN ARC LENGTH OF 2951.20 FEET, AND A CENTRAL ANGLE OF 73 DEGREES 46 MINUTES 48 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 962.87 FEET TO STATION 2789+38.53, ALSO BEING THE WEST LINE OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 25, BEARS SOUTH 00 DEGREES 34 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 2018.54 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 25, BEARS NORTH 00 DEGREES 34 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 3250.85 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1988.33 FEET TO THE CURVE TO SPIRAL (C.S.) AT STATION 2809+26.86 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2814+26.86, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#43**

THENCE SOUTH 13 DEGREES 25 MINUTES 28 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 153.16 FEET TO STATION 2815+80.02, ALSO BEING THE NORTH LINE OF SECTION 36, TOWNSHIP 35 NORTH, RANGE 13 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 36, BEARS SOUTH 89 DEGREES 26 MINUTES 50 SECONDS WEST, AT A DISTANCE OF 1499.94 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 36, BEARS NORTH 89 DEGREES 26 MINUTES 50 SECONDS EAST, AT A DISTANCE OF 3770.98 FEET;

THENCE CONTINUING SOUTH 13 DEGREES 25 MINUTES 28 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2321.00 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2839+01.02 HAVING AN INTERNAL DELTA OF 93 DEGREES 52 MINUTES 42 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 4255.13 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS SOUTH 60 DEGREES 21 MINUTES 49 SECONDS EAST, A DISTANCE OF 3696.85 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2844+01.02 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2291.83 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 3255.13 FEET THROUGH A CENTRAL ANGLE OF 81 DEGREES 22 MINUTES 42 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2876+56.15 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 500.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2881+56.15, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#44**

THENCE NORTH 72 DEGREES 41 MINUTES 50 SECONDS EAST ALONG A TANGENT LINE A DISTANCE 60.56 FEET TO STATION 2882+16.71, ALSO BEING THE WEST LINE OF SECTION 31, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 31, BEARS SOUTH 00 DEGREES 36 MINUTES 35 SECONDS EAST, AT A DISTANCE OF 1165.19 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 31, BEARS NORTH 00 DEGREES 36 MINUTES 35 SECONDS WEST, AT A DISTANCE OF 1474.26 FEET;

THENCE CONTINUING NORTH 72 DEGREES 41 MINUTES 50 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3113.48 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 2913+30.19 HAVING AN INTERNAL DELTA OF 7 DEGREES 47 MINUTES 20 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 1657.78 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 68 DEGREES 48 MINUTES 10 SECONDS EAST, A DISTANCE OF 1656.35 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 2914+30.19 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 11459.16 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 1457.78 FEET THROUGH A CENTRAL ANGLE OF 07 DEGREES 17 MINUTES 20 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 2928+87.97 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 2929+87.97, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#45**

THENCE NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 777.54 FEET TO STATION 2937+65.51, ALSO BEING THE WEST LINE OF SECTION 32, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 32, BEARS SOUTH 00 DEGREES 40 MINUTES 38 SECONDS EAST, AT A DISTANCE OF 324.13 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS NORTH 00 DEGREES 40 MINUTES 38 SECONDS WEST, AT A DISTANCE OF 2315.19 FEET;

THENCE CONTINUING NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5590.44 FEET TO STATION 2993+55.95, ALSO BEING THE SOUTH LINE OF SECTION 29, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 22 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 2451.19 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 22 MINUTES 16 SECONDS EAST, AT A DISTANCE OF 188.09 FEET, AND FROM SAID SOUTHEAST CORNER OF SECTION 32 THE EAST QUARTER CORNER OF SECTION 32 BEARS SOUTH 00 DEGREES 40 MINUTES 40 SECONDS EAST, AT A DISTANCE OF 2639.32 FEET;

THENCE CONTINUING NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 206.57 FEET TO STATION 2995+62.52, ALSO BEING THE WEST LINE OF SECTION 28, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 28, BEARS NORTH 00 DEGREES 40 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 2553.86 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 28, BEARS SOUTH 00 DEGREES 40 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 85.54 FEET, AND FROM SAID SOUTHWEST CORNER OF SECTION 28 THE SOUTH QUARTER CORNER OF SAID SECTION 28 BEARS NORTH 89 DEGREES 21 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 2639.32 FEET;

THENCE CONTINUING NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5797.00 FEET TO STATION 3053+59.52, ALSO BEING THE WEST LINE OF SECTION 27, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 27, BEARS NORTH 00 DEGREES 40 MINUTES 38 SECONDS WEST, AT A DISTANCE OF 153.95 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 27, BEARS SOUTH 00 DEGREES 40 MINUTES 38 SECONDS EAST, AT A DISTANCE OF 2485.31 FEET;

THENCE CONTINUING NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5796.88 FEET TO STATION 3111+56.40, ALSO BEING THE WEST LINE OF SECTION 26, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 26, BEARS NORTH 00 DEGREES 40 MINUTES 37 SECONDS WEST, AT A DISTANCE OF 394.55 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 26, BEARS SOUTH 00 DEGREES 40 MINUTES 37 SECONDS EAST, AT A DISTANCE OF 2244.72 FEET;

THENCE CONTINUING NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 953.76 FEET TO STATION 3121+10.16, ALSO BEING THE SOUTH LINE OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 23, BEARS SOUTH 89 DEGREES 20 MINUTES 39 SECONDS WEST, AT A DISTANCE OF 868.48 FEET, ALSO FROM WHICH

POINT THE SOUTH QUARTER CORNER OF SAID SECTION 23, BEARS NORTH 89 DEGREES 20 MINUTES 39 SECONDS EAST, AT A DISTANCE OF 1770.75 FEET;

THENCE CONTINUING NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 4843.03 FEET TO STATION 3169+53.19, ALSO BEING THE WEST LINE OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 14 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 24, BEARS NORTH 00 DEGREES 40 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 636.10 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 24, BEARS SOUTH 00 DEGREES 40 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 2003.17 FEET;

THENCE CONTINUING NORTH 64 DEGREES 54 MINUTES 30 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 464.16 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 3174+17.35 HAVING AN INTERNAL DELTA OF 1 DEGREES 37 MINUTES 35 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 425.28 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 64 DEGREES 05 MINUTES 43 SECONDS EAST, A DISTANCE OF 425.26 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3175+17.35 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 11459.16 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 225.28 FEET THROUGH A CENTRAL ANGLE OF 01 DEGREES 07 MINUTES 35 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3177+42.63 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3178+42.63, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#46**

THENCE NORTH 63 DEGREES 16 MINUTES 55 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 4976.34 FEET TO STATION 3228+18.97, ALSO BEING THE WEST LINE OF SECTION 19, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 19, BEARS NORTH 00 DEGREES 40 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 717.02 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 19, BEARS SOUTH 00 DEGREES 40 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 1922.29 FEET;

THENCE CONTINUING NORTH 63 DEGREES 16 MINUTES 55 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1633.26 FEET TO STATION 3244+52.23, ALSO BEING THE SOUTH LINE OF SECTION 18, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 18, BEARS NORTH 89

DEGREES 19 MINUTES 21 SECONDS EAST, AT A DISTANCE OF 1154.28 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 18, BEARS SOUTH 89 DEGREES 19 MINUTES 21 SECONDS WEST, AT A DISTANCE OF 1467.45 FEET;

THENCE CONTINUING NORTH 63 DEGREES 16 MINUTES 55 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 4219.95 FEET TO STATION 3286+72.18, ALSO BEING THE WEST LINE OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 17, BEARS NORTH 00 DEGREES 44 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 787.03 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 00 DEGREES 44 MINUTES 24 SECONDS EAST, AT A DISTANCE OF 1852.31 FEET;

THENCE CONTINUING NORTH 63 DEGREES 16 MINUTES 55 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2193.76 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 3308+65.94 HAVING AN INTERNAL DELTA OF 24 DEGREES 01 MINUTES 44 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 1601.44 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 75 DEGREES 17 MINUTES 47 SECONDS EAST, A DISTANCE OF 1584.80 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3312+65.94 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 2864.79 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 801.44 FEET THROUGH A CENTRAL ANGLE OF 16 DEGREES 01 MINUTES 44 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3320+67.38 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3324+67.38, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#47**

THENCE NORTH 87 DEGREES 18 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 802.76 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 3332+70.14 HAVING AN INTERNAL DELTA OF 25 DEGREES 35 MINUTES 00 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 1679.17 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 74 DEGREES 31 MINUTES 09 SECONDS EAST, A DISTANCE OF 1659.61 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3336+70.14 AND THE BEGINNING OF A

CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2864.79 FEET, AN ARC LENGTH OF 879.17 FEET, AND A CENTRAL ANGLE OF 17 DEGREES 35 MINUTES 00 SECONDS;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 579.92 FEET TO STATION 3342+50.06, ALSO BEING THE WEST LINE OF SECTION 16, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 16, BEARS SOUTH 00 DEGREES 44 MINUTES 27 SECONDS EAST, AT A DISTANCE OF 728.73 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 16, BEARS NORTH 00 DEGREES 44 MINUTES 27 SECONDS WEST, AT A DISTANCE OF 1910.57 FEET;

THENCE CONTINUING ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 299.25 TO THE CURVE TO SPIRAL (C.S.) AT STATION 3345+49.31 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3349+49.31, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#48**

THENCE NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3519.05 FEET TO STATION 3384+68.36, ALSO BEING THE SOUTH LINE OF SECTION 9, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 9, BEARS SOUTH 89 DEGREES 17 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 1120.39 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 9, BEARS NORTH 89 DEGREES 17 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 1518.96 FEET;

THENCE CONTINUING NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 776.79 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 3392+45.15 HAVING AN INTERNAL DELTA OF 2 DEGREES 17 MINUTES 26 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 558.11 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 62 DEGREES 52 MINUTES 22 SECONDS EAST, A DISTANCE OF 558.06 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3393+45.15 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 11459.16 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 358.11 FEET THROUGH A CENTRAL ANGLE OF 1 DEGREES 47 MINUTES 26 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3397+03.26 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3398+03.26, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#49**

THENCE NORTH 64 DEGREES 01 MINUTES 05 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 365.05 FEET TO STATION 3401+68.31, ALSO BEING THE WEST LINE OF SECTION 10, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 10, BEARS SOUTH 00 DEGREES 44 MINUTES 33 SECONDS EAST, AT A DISTANCE OF 763.62 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 10, BEARS NORTH 00 DEGREES 44 MINUTES 33 SECONDS WEST, AT A DISTANCE OF 1875.62 FEET;

THENCE CONTINUING NORTH 64 DEGREES 01 MINUTES 05 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1610.79 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 3417+79.10 HAVING AN INTERNAL DELTA OF 2 DEGREES 17 MINUTES 26 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 30 MINUTES AND AN OVERALL LENGTH OF 558.11 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 62 DEGREES 52 MINUTES 22 SECONDS EAST, A DISTANCE OF 558.06 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3418+79.10 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 11459.16 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 358.11 FEET THROUGH A CENTRAL ANGLE OF 1 DEGREES 47 MINUTES 26 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3422+37.21 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 100.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3423+37.21, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#50**

THENCE NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3745.88 FEET TO STATION 3460+83.09, ALSO BEING THE WEST LINE OF SECTION 11, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 11, BEARS SOUTH 00 DEGREES 44 MINUTES 35 SECONDS EAST, AT A DISTANCE OF 793.21 FEET, ALSO FROM WHICH POINT THE

NORTHWEST CORNER OF SAID SECTION 11, BEARS NORTH 00 DEGREES 44 MINUTES 35 SECONDS WEST, AT A DISTANCE OF 1846.20 FEET;

THENCE CONTINUING NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3991.63 FEET TO STATION 3500+74.72, ALSO BEING THE SOUTH LINE OF SECTION 2, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 89 DEGREES 16 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 900.35 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 2, BEARS NORTH 89 DEGREES 16 MINUTES 23 SECONDS EAST, AT A DISTANCE OF 1738.92 FEET;

THENCE CONTINUING NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1960.96 FEET TO STATION 3520+35.68, ALSO BEING THE WEST LINE OF SECTION 1, TOWNSHIP 35 NORTH, RANGE 15 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 1, BEARS SOUTH 00 DEGREES 44 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 906.85 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 1, BEARS NORTH 00 DEGREES 44 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 1732.43 FEET;

THENCE CONTINUING NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5952.66 FEET TO STATION 3579+88.34, ALSO BEING THE WEST LINE OF SECTION 6, TOWNSHIP 35 NORTH, RANGE 16 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 6, BEARS SOUTH 00 DEGREES 44 MINUTES 27 SECONDS EAST, AT A DISTANCE OF 1019.43 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 6, BEARS NORTH 00 DEGREES 44 MINUTES 27 SECONDS WEST, AT A DISTANCE OF 1620.18 FEET;

THENCE CONTINUING NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3507.40 FEET TO STATION 3614+95.74, ALSO BEING THE SOUTH LINE OF SECTION 31, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 31, BEARS NORTH 89 DEGREES 14 MINUTES 22 SECONDS EAST, AT A DISTANCE OF 2168.28 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 31, BEARS SOUTH 89 DEGREES 14 MINUTES 22 SECONDS WEST, AT A DISTANCE OF 3110.20 FEET;

THENCE CONTINUING NORTH 61 DEGREES 43 MINUTES 39 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 501.82 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 3619+97.56 HAVING AN INTERNAL DELTA OF 9 DEGREES 59 MINUTES 08 SECONDS, A DEGREE OF CURVATURE (ARC) OF 2 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 899.28 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 56 DEGREES 44 MINUTES 05 SECONDS EAST, A DISTANCE OF 897.47 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3623+97.56 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 2864.79 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 99.28 FEET THROUGH A CENTRAL ANGLE OF 1 DEGREES 59 MINUTES 08 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3624+96.84 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 400.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3628+96.84, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#51**

THENCE NORTH 51 DEGREES 44 MINUTES 31 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1215.01 FEET TO STATION 3641+11.85, ALSO BEING THE WEST LINE OF SECTION 32, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 00 DEGREES 51 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 1453.69 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS NORTH 00 DEGREES 51 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 3824.79 FEET;

THENCE CONTINUING NORTH 51 DEGREES 44 MINUTES 31 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5759.11 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 3698+70.96 HAVING AN INTERNAL DELTA OF 02 DEGREES 16 MINUTES 30 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 427.50 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 50 DEGREES 36 MINUTES 16 SECONDS EAST, A DISTANCE OF 427.46 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3700+70.96 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 27.50 FEET THROUGH A CENTRAL ANGLE OF 0 DEGREES 16 MINUTES 30 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3700+98.46 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3702+98.46, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#52**

THENCE NORTH 49 DEGREES 28 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 81.55 FEET TO STATION 3703+80.01, ALSO BEING THE SOUTH LINE OF

SECTION 29, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 14 MINUTES 22 SECONDS EAST, AT A DISTANCE OF 306.52 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 14 MINUTES 22 SECONDS WEST, AT A DISTANCE OF 4971.95 FEET;

THENCE CONTINUING NORTH 49 DEGREES 28 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 398.28 FEET TO STATION 3707+78.29, ALSO BEING THE WEST LINE OF SECTION 28, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 28, BEARS SOUTH 00 DEGREES 51 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 254.79 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 28, BEARS NORTH 00 DEGREES 51 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 5023.69 FEET;

THENCE CONTINUING NORTH 49 DEGREES 28 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 6862.22 FEET TO STATION 3776+40.51, ALSO BEING THE WEST LINE OF SECTION 27, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 27, BEARS NORTH 00 DEGREES 50 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 634.29 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 27, BEARS SOUTH 00 DEGREES 50 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 4644.19 FEET;

THENCE CONTINUING NORTH 49 DEGREES 28 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 991.78 FEET TO STATION 3786+32.29, ALSO BEING THE SOUTH LINE OF SECTION 22, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 13 MINUTES 30 SECONDS WEST, AT A DISTANCE OF 763.12 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 13 MINUTES 30 SECONDS EAST, AT A DISTANCE OF 4518.43 FEET;

THENCE CONTINUING NORTH 49 DEGREES 28 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5873.77 FEET TO STATION 3845+06.06, ALSO BEING THE WEST LINE OF SECTION 23, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 23, BEARS NORTH 00 DEGREES 49 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 1521.93 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 23, BEARS SOUTH 00 DEGREES 49 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 3756.55 FEET;

THENCE CONTINUING NORTH 49 DEGREES 28 MINUTES 01 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 1060.68 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 3855+66.74 HAVING AN INTERNAL DELTA OF 6 DEGREES 19 MINUTES 22 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 832.28 FEET, FROM WHICH THE

SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 52 DEGREES 37 MINUTES 42 SECONDS EAST, A DISTANCE OF 831.68 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3857+66.74 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 432.28 FEET THROUGH A CENTRAL ANGLE OF 4 DEGREES 19 MINUTES 22 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3861+99.02 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3863+99.02, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#53**

THENCE NORTH 55 DEGREES 47 MINUTES 23 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 632.02 FEET TO STATION 3870+31.04, ALSO BEING THE SOUTH LINE OF SECTION 14, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 14, BEARS SOUTH 89 DEGREES 12 MINUTES 39 SECONDS WEST, AT A DISTANCE OF 2011.75 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 14, BEARS NORTH 89 DEGREES 12 MINUTES 39 SECONDS EAST, AT A DISTANCE OF 3266.73 FEET;

THENCE CONTINUING NORTH 55 DEGREES 47 MINUTES 23 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3912.52 FEET TO STATION 3909+43.56, ALSO BEING THE WEST LINE OF SECTION 13, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 13, BEARS SOUTH 00 DEGREES 49 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 2154.97 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 13, BEARS NORTH 00 DEGREES 49 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 3123.51 FEET;

THENCE CONTINUING NORTH 55 DEGREES 47 MINUTES 23 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2530.28 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 3934+73.84 HAVING AN INTERNAL DELTA OF 0 DEGREES 32 MINUTES 00 SECONDS, A DEGREE OF CURVATURE (ARC) OF 0 DEGREES 15 MINUTES AND AN OVERALL LENGTH OF 263.33 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 56 DEGREES 03 MINUTES 23 SECONDS EAST, A DISTANCE OF 263.33 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 50.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 3935+23.84 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 22918.31 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 163.33 FEET THROUGH A CENTRAL ANGLE OF 0 DEGREES 24 MINUTES 30 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 3936+87.17 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 50.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 3937+37.17, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#54**

THENCE NORTH 56 DEGREES 19 MINUTES 23 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 2921.67 FEET TO STATION 3966+58.84, ALSO BEING THE SOUTH LINE OF SECTION 12, TOWNSHIP 36 NORTH, RANGE 16 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 12, BEARS NORTH 89 DEGREES 12 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 497.16 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 12, BEARS SOUTH 89 DEGREES 12 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 4787.47 FEET;

THENCE CONTINUING NORTH 56 DEGREES 19 MINUTES 23 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 591.94 FEET TO STATION 3972+50.78, ALSO BEING THE WEST LINE OF SECTION 7, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 7, BEARS SOUTH 00 DEGREES 48 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 321.36 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 7, BEARS NORTH 00 DEGREES 48 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 4957.12 FEET;

THENCE CONTINUING NORTH 56 DEGREES 19 MINUTES 23 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 5237.60 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE RIGHT AT STATION 4024+88.38 HAVING AN INTERNAL DELTA OF 4 DEGREES 30 MINUTES 59 SECONDS, A DEGREE OF CURVATURE (ARC) OF 1 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 651.64 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 58 DEGREES 34 MINUTES 53 SECONDS EAST, A DISTANCE OF 651.39 FEET;

THENCE ALONG A TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 4026+88.38 AND THE BEGINNING OF A CIRCULAR CURVE TO THE RIGHT HAVING A RADIUS OF 5729.58 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 251.64 FEET THROUGH A CENTRAL ANGLE OF 2 DEGREES 30 MINUTES 59 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 4029+40.02 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE RIGHT A DISTANCE OF 200.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 4031+40.02, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

**SPIRAL#55**

THENCE NORTH 60 DEGREES 50 MINUTES 22 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 306.29 FEET TO STATION 4034+46.31, ALSO BEING THE WEST LINE OF SECTION 8, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS NORTH 00 DEGREES 55 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 1638.95 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 00 DEGREES 55 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 3639.53 FEET;

THENCE CONTINUING NORTH 60 DEGREES 50 MINUTES 22 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 3453.08 FEET TO STATION 4068+99.39, ALSO BEING THE SOUTH LINE OF SECTION 5, TOWNSHIP 36 NORTH, RANGE 17 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 5, BEARS NORTH 89 DEGREES 10 MINUTES 30 SECONDS EAST, AT A DISTANCE OF 2236.48 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 5, BEARS SOUTH 89 DEGREES 10 MINUTES 30 SECONDS WEST, AT A DISTANCE OF 3042.00 FEET;

THENCE CONTINUING NORTH 60 DEGREES 50 MINUTES 22 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 586.70 FEET TO THE TANGENT TO SPIRAL (T.S.) OF A TANGENT SPIRAL CURVE TO THE LEFT AT STATION 4074+86.09 HAVING AN INTERNAL DELTA OF 45 DEGREES 00 MINUTES 00 SECONDS, A DEGREE OF CURVATURE (ARC) OF 3 DEGREES 00 MINUTES AND AN OVERALL LENGTH OF 2100.00 FEET, FROM WHICH THE SPIRAL TO TANGENT (S.T.) OF SAID TANGENT SPIRAL CURVE, BEARS NORTH 38 DEGREES 20 MINUTES 22 SECONDS EAST, A DISTANCE OF 2021.62 FEET;

THENCE ALONG A TRANSITION CURVE TO THE LEFT A DISTANCE OF 600.00 FEET TO THE SPIRAL TO CURVE (S.C.) AT STATION 4080+86.09 AND THE BEGINNING OF A CIRCULAR CURVE TO THE LEFT HAVING A RADIUS OF 1909.86 FEET;

THENCE ALONG SAID CIRCULAR CURVE AN ARC DISTANCE OF 900.00 FEET THROUGH A CENTRAL ANGLE OF 27 DEGREES 00 MINUTES 00 SECONDS TO THE CURVE TO SPIRAL (C.S.) AT STATION 4089+86.09 AND THE BEGINNING OF A TRANSITION CURVE;

THENCE ALONG SAID TRANSITION CURVE TO THE LEFT A DISTANCE OF 600.00 FEET TO THE SPIRAL TO TANGENT (S.T) AT STATION 4095+86.09, THE END OF THE TANGENT SPIRAL CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 15 DEGREES 50 MINUTES 22 SECONDS EAST ALONG A TANGENT LINE A DISTANCE OF 413.91 FEET TO STATION 4100+00.00 BEING THE **POINT OF TERMINUS** OF THE PORTION OF THIS RIGHT OF WAY BEING DESCRIBED BY THE ABOVE CENTERLINE DESCRIPTION, FROM WHICH THE NATIONAL GEODETIC SURVEY TRIANGULATION STATION DESIGNATED AS “COAL MINE" (PID GP0632) BEING A BRASS

DISK SET IN CONCRETE MARKED "COAL MINE 1951", BEARS SOUTH 70 DEGREES 36 MINUTES 50 SECONDS EAST A DISTANCE OF 10013.69 FEET.

THE WIDTHS AND AREAS OF THE PORTION OF THE RIGHT OF WAY DESCRIBED BY THE ABOVE CENTERLINE DESCRIPTION ARE DEFINED BY THE STATION AND WIDTH TABLES ON THE FOLLOWING PAGES.

**TOGETHER WITH** THE FOLLOWING DESCRIBED CLOSING PARCEL,

**BEGINNING** AT STATION 4100+00.00 OF THE ABOVE DESCRIBED CENTERLINE OF THE BLACK MESA AND LAKE POWELL RAILROAD;

THENCE NORTH 74 DEGREES 09 MINUTES 38 SECONDS WEST A DISTANCE OF 100.00 FEET;

THENCE NORTH 15 DEGREES 50 MINUTES 22 SECONDS EAST A DISTANCE OF 1531.95 FEET TO A POINT ON THE WESTERLY BOUNDARY OF THE RAIL LOADING SITE;

THENCE SOUTH 28 DEGREES 38 MINUTES 27 SECONDS EAST ALONG THE WESTERLY BOUNDARY OF THE RAIL LOADING STATION A DISTANCE OF 1161.29 FEET TO THE SOUTHWESTERLY CORNER OF THE RAIL LOADING STATION;

THENCE SOUTH 56 DEGREES 56 MINUTES 35 SECONDS WEST A DISTANCE OF 933.45 FEET;

THENCE NORTH 74 DEGREES 09 MINUTES 38 SECONDS WEST A DISTANCE OF 100.00 FEET TO THE **POINT OF BEGINNING**;

A GRID TO GROUND SCALE FACTOR OF 1.000244760 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR RIGHT OF WAY FOR THE CLOSING PARCEL. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000489580) TO PRODUCE GROUND (SURFACE) ACREAGES.

CONTAINING 15.92 ACRES OF RIGHT OF WAY ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 15.93 GROUND (SURFACE) ACRES. FOR THE ABOVE PARCEL ONLY.

## RIGHT OF WAY WIDTHS AND AREAS
## FROM STATION 14+62.96 TO STATION 1014+00.00 TABLE

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 14+62.96 | 26+75.00 | 55' | 90' |
| 26+75.00 | 47+75.00 | 90' | 90' |
| 47+75.00 | 60+00.00 | 55' | 90' |
| 60+00.00 | 79+50.00 | 55' | 55' |
| 79+50.00 | 90+50.00 | 105' | 105' |

| | | | |
|---|---|---|---|
| 90+50.00 | 105+00.00 | 65' | 45' |
| 105+00.00 | 114+50.00 | 70' | 70' |
| 114+50.00 | 122+50.00 | 55' | 55' |
| 122+50.00 | 133+50.00 | 110' | 110' |
| 133+50.00 | 140+00.00 | 280' | 280' |
| 140+00.00 | 147+50.00 | 110' | 110' |
| 147+50.00 | 158+00.00 | 120' | 135' |
| 158+00.00 | 182+50.00 | 45' | 55' |
| 182+50.00 | 185+50.00 | 120' | 120' |
| 185+50.00 | 241+00.00 | 55' | 65' |
| 241+00.00 | 245+50.00 | 120' | 120' |
| 245+50.00 | 273+25.00 | 55' | 65' |
| 273+25.00 | 365+75.00 | 130' | 100' |
| 365+75.00 | 402+50.00 | 45' | 55' |
| 402+50.00 | 414+50.00 | 130' | 140' |
| 414+50.00 | 430+25.00 | 90' | 110' |
| 430+25.00 | 444+75.00 | 130' | 140' |
| 444+75.00 | 475+00.00 | 50' | 75' |
| 475+00.00 | 504+75.00 | 45' | 55' |
| 504+75.00 | 535+00.00 | 120' | 120' |
| 535+00.00 | 549+00.00 | 45' | 55' |
| 549+00.00 | 567+50.00 | 120' | 120' |
| 567+50.00 | 583+50.00 | 45' | 55' |
| 583+50.00 | 609+50.00 | 140' | 150' |
| 609+50.00 | 674+50.00 | 90' | 95' |
| 674+50.00 | 864+25.00 | 45' | 55' |
| 864+25.00 | 879+50.00 | 50' | 60' |
| 879+50.00 | 903+00.00 | 45' | 55' |
| 903+00.00 | 937+25.00 | 70' | 75' |
| 937+25.00 | 1014+00.00 | 45' | 55' |

A GRID TO GROUND SCALE FACTOR OF 1.000309116 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR RIGHT OF WAY FROM STATION 14+62.96 TO STATION 1014+00.00. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000618327) TO PRODUCE GROUND (SURFACE) ACREAGES.

CONTAINING 349.23 ACRES OF RIGHT OF WAY ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 349.45 GROUND (SURFACE) ACRES. THIS TABLE ONLY FROM STATION 14+62.96 TO STATION 1014+00.00.

## RIGHT OF WAY WIDTHS AND AREAS
## FROM STATION 1014+00.00 TO STATION 2058+00.00 TABLE

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 1014+00.00 | 1215+50.00 | 45' | 55' |
| 1215+50.00 | 1227+00.00 | 70' | 120' |
| 1227+00.00 | 1247+25.00 | 45' | 55' |

| | | | |
|---|---|---|---|
| 1247+25.00 | 1273+25.00 | 60' | 65' |
| 1273+25.00 | 1279+25.00 | 65' | 75' |
| 1279+25.00 | 1397+75.00 | 60' | 65' |
| 1397+75.00 | 1406+50.00 | 45' | 55' |
| 1406+50.00 | 1415+00.00 | 75' | 80' |
| 1415+00.00 | 1429+75.00 | 45' | 55' |
| 1429+75.00 | 1436+25.00 | 60' | 65' |
| 1436+25.00 | 1473+00.00 | 45' | 55' |
| 1473+00.00 | 1530+00.00 | 55' | 60' |
| 1530+00.00 | 1544+50.00 | 75' | 80' |
| 1544+50.00 | 1586+50.00 | 45' | 55' |
| 1586+50.00 | 1606+75.00 | 75' | 80' |
| 1606+75.00 | 1617+50.00 | 45' | 55' |
| 1617+50.00 | 1628+75.00 | 75' | 85' |
| 1628+75.00 | 1645+00.00 | 85' | 95' |
| 1645+00.00 | 1820+00.00 | 45' | 55' |
| 1820+00.00 | 1841+25.00 | 85' | 85' |
| 1841+25.00 | 1849+00.00 | 45' | 55' |
| 1849+00.00 | 1863+50.00 | 65' | 75' |
| 1863+50.00 | 1915+50.00 | 70' | 120' |
| 1915+50.00 | 1937+00.00 | 45' | 55' |
| 1937+00.00 | 1950+25.00 | 55' | 60' |
| 1950+25.00 | 1954+50.00 | 45' | 55' |
| 1954+50.00 | 1975+50.00 | 60' | 70' |
| 1975+50.00 | 1986+25.00 | 45' | 55' |
| 1986+25.00 | 2000+75.00 | 90' | 100' |
| 2000+75.00 | 2017+50.00 | 45' | 55' |
| 2017+50.00 | 2039+75.00 | 75' | 80' |
| 2039+75.00 | 2058+00.00 | 45' | 55' |

A GRID TO GROUND SCALE FACTOR OF 1.000328568 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR RIGHT OF WAY FROM STATION 1014+00.00 TO STATION 2058+00.00. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000657244) TO PRODUCE GROUND (SURFACE) ACREAGES.

CONTAINING 286.45 ACRES OF RIGHT OF WAY ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 286.64 GROUND (SURFACE) ACRES. THIS TABLE ONLY STATION 1014+00.00 TO STATION 2058+00.00

## RIGHT OF WAY WIDTHS AND AREAS FROM STATION 2058+00 TO STATION 3014+00.00 TABLE

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 2058+00.00 | 2144+50.00 | 45' | 55' |
| 2144+50.00 | 2165+50.00 | 70' | 120' |
| 2165+50.00 | 2183+00.00 | 65' | 70' |
| 2183+00.00 | 2197+50.00 | 45' | 55' |

| | | | |
|---|---|---|---|
| 2197+50.00 | 2226+00.00 | 60' | 120' |
| 2226+00.00 | 2244+00.00 | 120' | 120' |
| 2244+00.00 | 2255+50.00 | 70' | 160' |
| 2255+50.00 | 2260+50.00 | 120' | 90' |
| 2260+50.00 | 2311+25.00 | 45' | 55' |
| 2311+25.00 | 2317+25.00 | 55' | 65' |
| 2317+25.00 | 2340+25.00 | 80' | 90' |
| 2340+25.00 | 2346+21.24 | 55' | 65' |
| 2346+21.24 | 2362+25.00 | 45' | 55' |
| 2362+25.00 | 2364+50.00 | 55' | 60' |
| 2364+50.00 | 2378+00.00 | 45' | 55' |
| 2378+00.00 | 2383+00.00 | 60' | 70' |
| 2383+00.00 | 2388+00.00 | 45' | 55' |
| 2388+00.00 | 2401+50.00 | 65' | 75' |
| 2401+50.00 | 2409+50.00 | 45' | 55' |
| 2409+50.00 | 2416+75.00 | 60' | 70' |
| 2416+75.00 | 2424+50.00 | 45' | 55' |
| 2424+50.00 | 2425+79.60 | 50' | 60' |
| 2425+79.60 | 2435+50.00 | 45' | 55' |
| 2435+50.00 | 2439+50.00 | 70' | 75' |
| 2439+50.00 | 2451+75.00 | 45' | 55' |
| 2451+75.00 | 2455+00.00 | 70' | 75' |
| 2455+00.00 | 2552+75.00 | 45' | 55' |
| 2552+75.00 | 2557+00.00 | 70' | 75' |
| 2557+00.00 | 2593+25.00 | 45' | 55' |
| 2593+25.00 | 2618+25.00 | 50' | 55' |
| 2618+25.00 | 2642+25.00 | 45' | 55' |
| 2642+25.00 | 2712+50.00 | 55' | 60' |
| 2712+50.00 | 2844+01.02 | 45' | 55' |
| 2844+01.02 | 2856+75.00 | 45' | 130' |
| 2856+75.00 | 2913+30.19 | 120' | 130' |
| 2913+30.19 | 2925+00.00 | 120' | TAPER 130' to 100' * |
| 2925+00.00 | 3014+00.00 | 120' | 100' |

TAPER DEFINED AS WIDTH CHANGE PER LINEAR FOOT OF STATION.
DEFINED BY FOLLOWING FORMULA:
DELTA R/W WIDTH / DELTA STATION = DELTA R/W WIDTH PER FT

* -30 / 1169.81 = -0.025645 CHANGE OF R/W WIDTH PER FT

A GRID TO GROUND SCALE FACTOR OF 1.000293426 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR RIGHT OF WAY FROM STATION 2058+00.00 TO STATION 3014+00.00. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000586938) TO PRODUCE GROUND (SURFACE) ACREAGES.

CONTAINING 301.20 ACRES OF RIGHT OF WAY ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 301.37 GROUND (SURFACE) ACRES. THIS TABLE ONLY STATION 2058+00.00 TO STATION 3014+00.00

## RIGHT OF WAY WIDTHS AND AREAS
## FROM STATION 3014+00 TO STATION 4100+00.00 TABLE

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 3014+00.00 | 3308+65.94 | 120' | 100' |
| 3308+65.94 | 3324+67.39 | 120' | TAPER 100'-200' * |
| 3324+67.39 | 3392+45.15 | 120' | 200' |
| 3392+45.15 | 3417+79.10 | 120' | TAPER 200'-100' ** |
| 3417+79.10 | 4074+00.00 | 120' | 100' |
| 4074+00.00 | 4100+00.00 | 100' | 100' |

TAPER DEFINED AS WIDTH CHANGE PER LINEAR FOOT OF STATION.
DEFINED BY FOLLOWING FORMULA:
DELTA R/W WIDTH / DELTA STATION = DELTA R/W WIDTH PER FOOT OF STATIONING

* 100 / 1601.45 = 0.062443 CHANGE OF R/W WIDTH PER FOOT OF STATIONING.

** -100 / 2533.95 = -0.039464 CHANGE OF R/W WIDTH PER FOOT OF STATIONING.

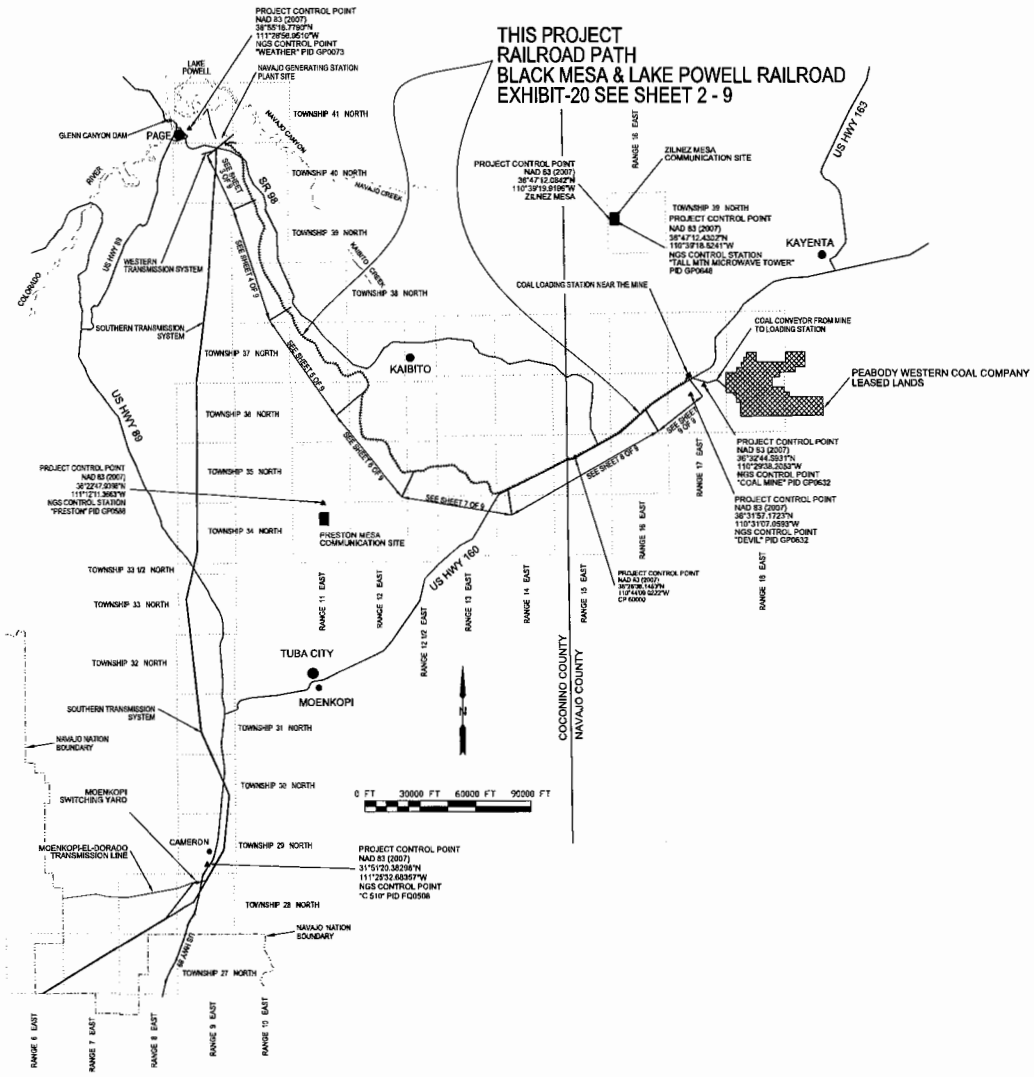
A GRID TO GROUND SCALE FACTOR OF 1.000244760 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR RIGHT OF WAY FROM STATION 3014+00.00 TO STATION 4100+00.00. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000489580) TO PRODUCE GROUND (SURFACE) ACREAGES.

CONTAINING 567.67 ACRES OF RIGHT OF WAY ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 567.95 GROUND (SURFACE) ACRES. THIS TABLE ONLY STATION 3014+00.00 TO STATION 4100+00.00

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
DICKEY
Date Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES: 03-31-16

# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZDNA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STAN DICKEY RLS#32224
EXPIRES 3/31/18

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____

NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I_____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF_____, HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FORECOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF_____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPAREO TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

SUBSCRIBED AND SWORN BEFORE ME THIS _____ DAY OF _____, 20____.

NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY

PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY

REGISTRATION
EXPIRES: 03-31-19

SURVEY DIVISION
LAND DEPARTMENT

**EXHIBIT 20**

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213A8 | SCALE: 1" = 3000' | DRAWING SIZE: 34x36 |
| CUSTOMER: B. BRIGHT | DEPARTMENT: BASE LOAD GEN. | CHKD BY: D.S.D. | SHEET: 1 OF 9 |
| DSGN CHIEF: JM / S.C. | FIELD DATE: 6/2011 & 9/2015 | FILE: P4213A8_MESA-223-Exh001.rlb | 8x-12-2017.DWG |
| SYTECK: C.V.F. | COMPL. DATE: 04/18/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

**RAILROAD PATH**
**BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY**

# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY

## SPIRAL CURVE TABLE

| SPIRAL DATA | | | | | | | | | | MAIN CURVE | | | SPIRAL STATIONS | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SPIRAL NO. | T.S. STATION | INTERNAL ANGLE | DEGREE OF CURVE | OVERALL LENGTH (IFT) | TANGENT SPIRAL (IFT) | CHORD BEARING | CHORD DISTANCE (IFT) | SPIRAL IN (IFT) | SPIRAL OUT (IFT) | CENTRAL ANGLE | ARC LENGTH (IFT) | RADIUS (IFT) | S.C. STATION | C.S. STATION | S.T. STATION |
| 1 | 1+30.91 | 65°29'55" | 3°00'00" | 2633.29 | 1456.17 | SOUTH 55°03'38" EAST | 2449.40 | 450 | 450 | 51°59'55" | 1733.29 | 1909.86 | 5+80.91 | 23+14.20 | 27+64.20 |
| 2 | 31+86.51 | 49°27'23" | 2°30'00" | 2478.26 | 1307.48 | SOUTH 63°04'54" EAST | 2375.18 | 500 | 500 | 36°57'23" | 1478.26 | 2291.83 | 36+86.51 | 51+64.77 | 56+64.77 |
| 3 | 78+44.62 | 25°22'45" | 2°30'00" | 1515.17 | 766.97 | SOUTH 51°02'35" EAST | 1486.48 | 500 | 500 | 12°52'45" | 515.17 | 2291.83 | 83+44.62 | 88+59.79 | 93+59.79 |
| 4 | 97+66.04 | 46°17'59" | 1°30'00" | 3386.65 | 1783.59 | SOUTH 40°34'58" EAST | 3279.85 | 300 | 300 | 41°47'59" | 2786.65 | 3819.72 | 100+66.04 | 128+52.69 | 131+52.69 |
| 5 | 145+74.92 | 09°59'23" | 2°00'00" | 899.49 | 450.55 | SOUTH 12°26'17" EAST | 897.58 | 400 | 400 | 1°59'23" | 99.49 | 2864.79 | 149+74.92 | 150+74.41 | 154+74.41 |
| 6 | 176+09.64 | 07°46'58" | 1°00'00" | 978.28 | 489.76 | SOUTH 03°33'07" EAST | 977.26 | 200 | 200 | 5°46'58" | 578.28 | 5729.58 | 178+09.64 | 183+88.12 | 185+88.12 |
| 7 | 235+38.02 | 25°38'26" | 1°00'00" | 2764.06 | 1403.93 | SOUTH 12°28'51" EAST | 2737.88 | 200 | 200 | 23°38'26" | 2364.06 | 5729.58 | 237+38.02 | 261+02.08 | 263+02.08 |
| 8 | 402+01.55 | 14°52'29" | 1°00'00" | 1687.47 | 847.98 | SOUTH 17°51'49" EAST | 1681.69 | 200 | 200 | 12°52'29" | 1287.47 | 5729.58 | 404+01.55 | 416+89.02 | 418+89.02 |
| 9 | 438+60.26 | 22°33'56" | 1°00'00" | 2456.53 | 1243.13 | SOUTH 21°42'32" EAST | 2438.22 | 200 | 200 | 20°33'55" | 2056.53 | 5729.58 | 438+60.26 | 459+16.79 | 461+16.79 |
| 10 | 509+79.56 | 62°50'04" | 2°00'00" | 3541.72 | 1951.25 | SOUTH 01°34'28" EAST | 3330.36 | 400 | 400 | 54°50'04" | 2741.72 | 2864.79 | 513+79.55 | 541+21.27 | 545+21.27 |
| 11 | 560+64.22 | 18°11'20" | 1°30'00" | 1512.59 | 761.59 | SOUTH 20°44'54" WEST | 1504.03 | 300 | 300 | 13°41'20" | 912.59 | 3819.72 | 563+64.22 | 572+76.81 | 575+76.81 |
| 12 | 632+41.48 | 16°26'49" | 1°00'00" | 1744.69 | 877.10 | SOUTH 03°55'50" WEST | 1738.28 | 200 | 200 | 13°26'49" | 1344.69 | 5729.58 | 634+41.48 | 647+86.17 | 649+86.17 |
| 13 | 685+32.98 | 15°37'44" | 0°30'00" | 3225.78 | 1622.66 | SOUTH 11°36'27" EAST | 3215.18 | 100 | 100 | 15°07'44" | 3025.78 | 11459.16 | 686+32.98 | 716+58.76 | 717+58.76 |
| 14 | 761+85.04 | 13°49'43" | 0°30'00" | 2665.72 | 1439.62 | SOUTH 26°20'10" EAST | 2658.30 | 100 | 100 | 13°19'43" | 2665.72 | 11459.16 | 762+85.04 | 789+50.76 | 790+50.76 |
| 15 | 925+92.67 | 16°31'02" | 0°30'00" | 3403.44 | 1713.26 | SOUTH 24°59'31" EAST | 3390.99 | 100 | 100 | 16°01'02" | 3203.44 | 11459.16 | 926+92.67 | 958+96.11 | 959+96.11 |
| 16 | 969+67.70 | 33°05'40" | 1°00'00" | 3509.44 | 1802.40 | SOUTH 33°16'50" EAST | 3455.51 | 200 | 200 | 31°05'40" | 3109.44 | 5729.58 | 971+67.70 | 1002+77.14 | 1004+77.14 |
| 17 | 1034+64.95 | 38°43'40" | 1°00'00" | 4172.78 | 2170.10 | SOUTH 29°57'50" EAST | 4081.97 | 200 | 200 | 37°43'40" | 3772.78 | 5729.58 | 1036+64.95 | 1074+37.73 | 1076+37.73 |
| 18 | 1080+68.29 | 20°26'54" | 1°00'00" | 2244.63 | 1133.46 | SOUTH 20°18'27" EAST | 2230.92 | 200 | 200 | 18°28'54" | 1844.83 | 5729.58 | 1082+68.29 | 1101+13.12 | 1103+13.12 |
| 19 | 1143+00.12 | 35°33'25" | 0°30'00" | 7211.39 | 3724.40 | SOUTH 48°19'36" EAST | 7093.07 | 100 | 100 | 35°03'25" | 7011.39 | 11459.16 | 1144+00.12 | 1214+11.51 | 1215+11.51 |
| 20 | 1238+86.63 | 48°32'28" | 1°30'00" | 3536.08 | 1872.75 | SOUTH 41°50'05" EAST | 3414.44 | 300 | 300 | 44°02'28" | 2936.08 | 3819.72 | 1241+86.63 | 1271+22.71 | 1274+22.71 |
| 21 | 1282+20.76 | 13°58'10" | 1°30'00" | 1231.30 | 618.08 | SOUTH 24°32'56" EAST | 1226.99 | 300 | 300 | 09°28'10" | 631.30 | 3819.72 | 1285+20.76 | 1291+52.06 | 1294+52.06 |
| 22 | 1354+09.45 | 57°57'04" | 2°00'00" | 3297.56 | 1787.64 | SOUTH 60°30'33" EAST | 3127.75 | 400 | 400 | 49°57'04" | 2497.56 | 2864.79 | 1358+09.45 | 1383+07.01 | 1387+07.01 |
| 23 | 1405+02.24 | 63°18'26" | 1°30'00" | 4520.48 | 2505.43 | SOUTH 57°49'52" EAST | 4265.43 | 300 | 300 | 58°48'26" | 3920.48 | 3819.72 | 1408+02.24 | 1447+22.72 | 1450+22.72 |
| 24 | 1476+69.54 | 87°17'04" | 1°30'00" | 6118.96 | 3793.77 | SOUTH 69°49'11" EAST | 5490.82 | 300 | 300 | 82°47'04" | 5518.96 | 3819.72 | 1479+69.54 | 1534+88.50 | 1537+88.50 |
| 25 | 1580+47.10 | 78°53'39" | 2°30'00" | 3655.77 | 2139.33 | SOUTH 74°00'53" EAST | 3304.03 | 500 | 500 | 66°23'39" | 2655.77 | 2291.83 | 1585+47.10 | 1612+02.87 | 1617+02.87 |
| 26 | 1655+47.45 | 72°02'15" | 1°30'00" | 5102.50 | 2927.80 | SOUTH 01°27'04" WEST | 4736.16 | 300 | 300 | 67°32'15" | 4502.50 | 3819.72 | 1658+47.45 | 1703+49.95 | 1706+49.95 |
| 27 | 1731+50.02 | 31°25'08" | 1°00'00" | 3341.89 | 1711.61 | SOUTH 21°45'37" WEST | 3295.36 | 200 | 200 | 29°25'08" | 2941.89 | 5729.58 | 1733+50.02 | 1762+91.91 | 1764+91.91 |
| 28 | 1869+80.39 | 13°31'41" | 1°00'00" | 1552.81 | 779.60 | SOUTH 00°42'47" EAST | 1546.34 | 200 | 200 | 11°31'41" | 1152.81 | 5729.58 | 1871+80.39 | 1883+33.20 | 1885+33.20 |
| 29 | 1945+80.23 | 78°57'04" | 1°30'00" | 5563.41 | 3296.60 | SOUTH 46°57'10" EAST | 5089.57 | 300 | 300 | 74°27'04" | 4963.41 | 3819.72 | 1948+80.23 | 1998+43.64 | 2001+43.64 |
| 30 | 2065+32.16 | 80°02'48" | 1°00'00" | 8204.67 | 4911.91 | SOUTH 46°24'18" EAST | 7522.91 | 200 | 200 | 78°02'48" | 7804.67 | 5729.58 | 2067+32.16 | 2145+36.83 | 2147+36.83 |
| 31 | 2151+31.12 | 25°59'22" | 1°30'00" | 2032.63 | 1031.70 | SOUTH 19°22'35" EAST | 2010.56 | 300 | 300 | 21°20'22" | 1432.63 | 3819.72 | 2154+31.12 | 2168+63.75 | 2171+63.75 |
| 32 | 2273+90.65 | 77°34'56" | 2°30'00" | 3603.29 | 2095.65 | SOUTH 71°09'44" EAST | 3268.84 | 500 | 500 | 65°04'56" | 2603.29 | 2291.83 | 2278+90.65 | 2304+93.94 | 2309+93.94 |
| 33 | 2321+45.19 | 33°45'11" | 2°30'00" | 1787.62 | *942.99IN / *887.10OUT | NORTH 86°23'33" EAST | 1751.34 | 500 | 375 | 22°48'56" | 912.62 | 2291.83 | 2326+45.19 | 2335+57.81 | 2339+32.81 |
| 34 | 2341+21.24 | 36°10'06" | 2°30'00" | 1946.73 | 999.77 | NORTH 85°42'56" EAST | 1900.77 | 500 | 500 | 23°40'06" | 946.73 | 2291.83 | 2346+21.24 | 2355+67.97 | 2360+67.97 |
| 35 | 2363+41.42 | 35°35'13" | 2°30'00" | 1923.48 | 986.90 | NORTH 85°25'30" EAST | 1879.38 | 500 | 500 | 23°06'13" | 923.48 | 2291.83 | 2368+41.42 | 2377+64.90 | 2382+64.90 |
| 36 | 2385+70.29 | 44°04'07" | 2°30'00" | 2262.74 | 1179.30 | NORTH 81°11'03" EAST | 2186.32 | 500 | 500 | 31°34'07" | 1262.74 | 2291.83 | 2390+70.29 | 2403+33.03 | 2408+33.03 |
| 37 | 2424+29.60 | 26°46'44" | 0°45'00" | 3720.52 | 1893.51 | NORTH 72°32'21" EAST | 3684.09 | 150 | 150 | 25°39'14" | 3420.52 | 7639.44 | 2425+79.60 | 2460+00.12 | 2461+50.12 |
| 38 | 2561+07.76 | 58°44'10" | 2°00'00" | 3236.81 | 1748.15 | SOUTH 65°42'12" EAST | 3076.44 | 400 | 400 | 48°44'10" | 2436.61 | 2864.79 | 2565+07.76 | 2589+44.57 | 2593+44.57 |
| 39 | 2602+64.08 | 38°38'46" | 1°30'00" | 2744.19 | 1415.89 | SOUTH 55°40'00" EAST | 2888.08 | 300 | 300 | 32°09'46" | 2144.19 | 3819.72 | 2605+64.08 | 2627+08.27 | 2630+08.27 |
| 40 | 2635+06.99 | 48°37'00" | 2°00'00" | 2730.83 | 1435.24 | SOUTH 50°41'23" EAST | 2636.21 | 400 | 400 | 38°37'00" | 1930.83 | 2864.79 | 2639+06.99 | 2658+37.82 | 2662+37.82 |
| 41 | 2684+72.22 | 72°19'23" | 1°30'00" | 5121.54 | 2942.38 | SOUTH 63°32'34" EAST | 4751.11 | 300 | 300 | 67°49'23" | 4521.54 | 3819.72 | 2687+72.22 | 2732+93.76 | 2735+93.76 |
| 42 | 2774+75.66 | 86°16'48" | 2°30'00" | 3951.20 | 2401.82 | SOUTH 56°33'52" EAST | 3505.14 | 500 | 500 | 73°46'48" | 2951.20 | 2291.83 | 2779+75.66 | 2809+26.86 | 2814+26.86 |
| 43 | 2839+01.02 | 93°52'42" | 2°30'00" | 4255.13 | 2707.23 | SOUTH 60°21'49" EAST | 3696.85 | 500 | 500 | 81°22'42" | 3255.13 | 2291.83 | 2844+01.02 | 2876+56.15 | 2881+56.15 |
| 44 | 2913+30.19 | 7°47'20" | 0°30'00" | 1657.78 | 830.09 | NORTH 68°48'10" EAST | 1656.35 | 100 | 100 | 07°17'20" | 1457.78 | 11459.16 | 2914+30.19 | 2928+87.97 | 2929+87.97 |
| 45 | 3174+17.35 | 1°37'35" | 0°30'00" | 425.28 | 212.65 | NORTH 64°05'43" EAST | 425.26 | 100 | 100 | 1°07'35" | 225.28 | 11459.16 | 3175+17.35 | 3177+42.63 | 3178+42.63 |
| 46 | 3308+65.94 | 24°01'44" | 2°00'00" | 1601.44 | 810.15 | NORTH 75°17'47" EAST | 1584.80 | 400 | 400 | 16°01'44" | 801.44 | 2864.79 | 3312+65.94 | 3320+67.38 | 3324+67.38 |
| 47 | 3332+70.14 | 25°35'00" | 2°00'00" | 1679.17 | 850.92 | NORTH 74°31'09" EAST | 1659.61 | 400 | 400 | 17°35'00" | 879.17 | 2864.79 | 3336+70.14 | 3345+49.31 | 3349+49.31 |
| 48 | 3392+45.15 | 2°17'26" | 0°30'00" | 558.11 | 279.09 | NORTH 62°52'22" EAST | 558.06 | 100 | 100 | 1°47'26" | 358.11 | 11459.16 | 3393+45.15 | 3397+03.26 | 3398+03.26 |
| 49 | 3417+79.10 | 2°17'26" | 0°30'00" | 558.11 | 279.09 | NORTH 62°52'22" EAST | 558.06 | 100 | 100 | 1°47'26" | 358.11 | 11459.16 | 3418+79.10 | 3422+37.21 | 3423+37.21 |
| 50 | 3619+97.56 | 9°59'08" | 2°00'00" | 899.28 | 450.44 | NORTH 56°44'05" EAST | 897.47 | 400 | 400 | 1°59'08" | 99.28 | 2864.79 | 3623+97.56 | 3624+96.84 | 3628+96.84 |
| 51 | 3698+70.96 | 2°16'30" | 1°00'00" | 427.50 | 213.77 | NORTH 50°36'16" EAST | 427.46 | 200 | 200 | 0°16'30" | 27.50 | 5729.58 | 3700+70.96 | 3700+98.46 | 3702+98.46 |
| 52 | 3855+66.74 | 6°19'22" | 1°00'00" | 832.28 | 416.48 | NORTH 52°37'42" EAST | 831.68 | 200 | 200 | 4°19'22" | 432.28 | 5729.58 | 3857+66.74 | 3861+99.02 | 3863+99.02 |
| 53 | 3934+73.84 | 0°32'00" | 0°15'00" | 263.33 | 131.67 | NORTH 56°03'23" EAST | 263.33 | 50 | 50 | 0°24'30" | 163.33 | 22918.31 | 3935+23.84 | 3936+87.17 | 3937+37.17 |
| 54 | 4024+88.38 | 4°30'59" | 1°00'00" | 651.64 | 325.95 | NORTH 58°34'53" EAST | 651.39 | 200 | 200 | 2°30'59" | 251.64 | 5729.58 | 4026+88.38 | 4029+40.02 | 4031+40.02 |
| 55 | 4074+86.09 | 45°00'00" | 3°00'00" | 2100.00 | 1094.09 | NORTH 38°20'22" EAST | 2021.62 | 600 | 600 | 27°00'00" | 900.00 | 1909.86 | 4080+86.09 | 4089+86.09 | 4095+86.09 |

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007, WITH GEODETIC RECKONING PERFORMED UTILIZING GLOBAL POSITIONING SYSTEM (GPS) WITH POST PROCESSING METHODS.

2) DISTANCES NOTED ON THIS DRAWING ARE GRID DISTANCES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007, DERIVED FROM GLOBAL POSITIONING SYSTEM (GPS) MEASUREMENTS.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. GRID TO GROUND SCALE FACTORS AS NOTED IN THE RIGHT OF WAY WIDTH TABLES ARE USED TO COMPUTE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011 AND MAY OF 2015.

5) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT CONDITIONS AND DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR AREAS NECCESSARY TO OPERATE AND MAINTAIN THE NAVAJO GENERATING STATION.

## SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM DATA PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY CENTERLINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE POSITIONS TAKEN FROM BLM PROTRACTION DIAGRAMS OR DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS

TS = 0000+00 TANGENT TO SPIRAL STATION
SC = 0000+00 SPIRAL TO CURVE STATION
CS = 0000+00 CURVE TO SPIRAL STATION
ST = 0000+00 SPIRAL TO TANGENT STATION
0000+00* RIGHT OF WAY WIDTH CHANGE STATION
(0000+00.00) SECTION LINE CROSING STATION

T11013 NAVAJO TRIBAL TRACT

## ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| (#) | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

## RIGHT OF WAY WIDTH TABLES

### R/W WIDTHS 14+62.96 - 1014+00

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 14+62.96 | 26+75.00 | 55' | 90' |
| 26+75.00 | 47+75.00 | 90' | 90' |
| 47+75.00 | 60+00.00 | 55' | 90' |
| 60+00.00 | 79+50.00 | 55' | 55' |
| 79+50.00 | 90+50.00 | 105' | 105' |
| 90+50.00 | 105+00.00 | 65' | 45' |
| 105+00.00 | 114+50.00 | 70' | 70' |
| 114+50.00 | 122+50.00 | 55' | 55' |
| 122+50.00 | 133+50.00 | 110' | 110' |
| 133+50.00 | 140+00.00 | 280' | 280' |
| 140+00.00 | 147+50.00 | 110' | 110' |
| 147+50.00 | 158+00.00 | 120' | 135' |
| 158+00.00 | 182+50.00 | 45' | 55' |
| 182+50.00 | 185+50.00 | 120' | 120' |
| 185+50.00 | 241+00.00 | 55' | 65' |
| 241+00.00 | 245+50.00 | 120' | 120' |
| 245+50.00 | 273+25.00 | 55' | 65' |
| 273+25.00 | 365+75.00 | 130' | 100' |
| 365+75.00 | 402+50.00 | 45' | 55' |
| 402+50.00 | 414+50.00 | 130' | 140' |
| 414+50.00 | 430+25.00 | 90' | 110' |
| 430+25.00 | 444+75.00 | 130' | 140' |
| 444+75.00 | 475+00.00 | 50' | 75' |
| 475+00.00 | 504+75.00 | 45' | 55' |
| 504+75.00 | 535+00.00 | 120' | 120' |
| 535+00.00 | 549+00.00 | 45' | 55' |
| 549+00.00 | 567+50.00 | 120' | 120' |
| 567+50.00 | 583+50.00 | 45' | 55' |
| 583+50.00 | 609+50.00 | 140' | 150' |
| 609+50.00 | 674+50.00 | 90' | 95' |
| 674+50.00 | 864+25.00 | 45' | 55' |
| 864+25.00 | 879+50.00 | 50' | 60' |
| 879+50.00 | 903+00.00 | 45' | 55' |
| 903+00.00 | 937+25.00 | 70' | 75' |
| 937+25.00 | 1014+00.00 | 45' | 55' |

CONTAINING 349.45 GROUND (SURFACE) ACRES. A GRID TO GROUND SCALE FACTOR OF 1.000309116 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGE FROM STATION 14+62.96 TO STATION 1014+00.00.

### R/W WIDTHS 1014+00 - 2058+00

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 1014+00.00 | 1215+50.00 | 45' | 55' |
| 1215+50.00 | 1227+00.00 | 70' | 120' |
| 1227+00.00 | 1247+25.00 | 45' | 55' |
| 1247+25.00 | 1273+25.00 | 60' | 65' |
| 1273+25.00 | 1279+25.00 | 65' | 75' |
| 1279+25.00 | 1397+75.00 | 60' | 65' |
| 1397+75.00 | 1406+50.00 | 45' | 55' |
| 1406+50.00 | 1415+00.00 | 75' | 80' |
| 1415+00.00 | 1429+75.00 | 45' | 55' |
| 1429+75.00 | 1436+25.00 | 60' | 65' |
| 1436+25.00 | 1473+00.00 | 45' | 55' |
| 1473+00.00 | 1530+00.00 | 55' | 60' |
| 1530+00.00 | 1544+50.00 | 75' | 80' |
| 1544+50.00 | 1586+50.00 | 45' | 55' |
| 1586+50.00 | 1606+75.00 | 75' | 80' |
| 1606+75.00 | 1617+50.00 | 45' | 55' |
| 1617+50.00 | 1628+75.00 | 75' | 85' |
| 1628+75.00 | 1645+00.00 | 85' | 95' |
| 1645+00.00 | 1820+00.00 | 45' | 55' |
| 1820+00.00 | 1841+25.00 | 85' | 85' |
| 1841+25.00 | 1849+00.00 | 45' | 55' |
| 1849+00.00 | 1863+50.00 | 65' | 75' |
| 1863+50.00 | 1915+50.00 | 70' | 120' |
| 1915+50.00 | 1937+00.00 | 45' | 55' |
| 1937+00.00 | 1950+25.00 | 55' | 60' |
| 1950+25.00 | 1954+50.00 | 45' | 55' |
| 1954+50.00 | 1975+50.00 | 60' | 70' |
| 1975+50.00 | 1986+25.00 | 45' | 55' |
| 1986+25.00 | 2000+75.00 | 90' | 100' |
| 2000+75.00 | 2017+50.00 | 45' | 55' |
| 2017+50.00 | 2039+75.00 | 75' | 80' |
| 2039+75.00 | 2058+00.00 | 45 | 55' |

CONTAINING 286.64 GROUND (SURFACE) ACRES. A GRID TO GROUND SCALE FACTOR OF 1.000328568 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGE FROM STATION 1014+00.00 TO STATION 2058+00.00.

### R/W WIDTHS 2058+00 - 3014+00

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 2058+00.00 | 2144+50.00 | 45' | 55' |
| 2144+50.00 | 2165+50.00 | 70' | 120' |
| 2165+50.00 | 2183+00.00 | 65' | 70' |
| 2183+00.00 | 2197+50.00 | 45' | 55' |
| 2197+50.00 | 2226+00.00 | 60' | 120' |
| 2226+00.00 | 2244+00.00 | 120' | 120' |
| 2244+00.00 | 2255+50.00 | 70' | 160' |
| 2255+50.00 | 2260+50.00 | 120' | 90' |
| 2260+50.00 | 2311+25.00 | 45' | 55' |
| 2311+25.00 | 2317+25.00 | 55' | 65' |
| 2317+25.00 | 2340+25.00 | 80' | 90' |
| 2340+25.00 | 2346+21.24 | 55' | 65' |
| 2346+21.24 | 2362+25.00 | 45' | 55' |
| 2362+25.00 | 2364+50.00 | 55' | 60' |
| 2364+50.00 | 2378+00.00 | 45' | 55' |
| 2378+00.00 | 2383+00.00 | 60' | 70' |
| 2383+00.00 | 2388+00.00 | 45' | 55' |
| 2388+00.00 | 2401+50.00 | 65' | 75' |
| 2401+50.00 | 2409+50.00 | 45' | 55' |
| 2409+50.00 | 2416+75.00 | 60' | 70' |
| 2416+75.00 | 2424+50.00 | 45' | 55' |
| 2424+50.00 | 2425+79.60 | 50' | 60' |
| 2425+79.60 | 2435+50.00 | 45' | 55' |
| 2435+50.00 | 2439+50.00 | 70' | 75' |
| 2439+50.00 | 2451+75.00 | 45' | 55' |
| 2451+75.00 | 2455+00.00 | 70' | 75' |
| 2455+00.00 | 2552+75.00 | 45' | 55' |
| 2552+75.00 | 2557+00.00 | 70' | 75' |
| 2557+00.00 | 2593+25.00 | 45' | 55' |
| 2593+25.00 | 2618+25.00 | 50' | 55' |
| 2618+25.00 | 2642+25.00 | 45' | 55' |
| 2642+25.00 | 2712+50.00 | 55' | 60' |
| 2712+50.00 | 2844+01.02 | 45' | 55' |
| 2844+01.02 | 2856+75.00 | 45' | 130' |
| 2856+75.00 | 2913+30.19 | 120' | 130' |
| 2913+30.19 | 2925+00.00 | 120' | TAPER 130' to 100' * |
| 2925+00.00 | 3014+00.00 | 120' | 100' |

TAPER DEFINED AS WIDTH CHANGE PER LINEAR FOOT OF STATION. DEFINED BY FOLOWING FORMULA:

DELTA R/W WIDTH / DELTA STATION = DELTA R/W WIDTH PER FOOT OF STATIONING.

* -30 / 1169.81 = -0.025645 CHANGE OF R/W WIDTH PER FOOT OF STATIONING.

CONTAINING 301.37 GROUND (SURFACE) ACRES. A GRID TO GROUND SCALE FACTOR OF 1.000293426 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGE FROM STATION 2058+00.00 TO STATION 3014+00.00.

### R/W WIDTHS 3014+00 - 4100+00

| BEG-STATION | END-STATION | LEFT R/W WIDTH | RIGHT R/W WIDTH |
|---|---|---|---|
| 3014+00.00 | 3308+65.94 | 120' | 100' |
| 3308+65.94 | 3324+67.39 | 120' | TAPER 100' - 200' * |
| 3324+67.39 | 3392+45.15 | 120' | 200' |
| 3392+45.15 | 3417+79.10 | 120' | TAPER 200' - 100' ** |
| 3417+79.10 | 4074+00.00 | 120' | 100' |
| 4074+00.00 | 4100+00.00 | 100' | 100' |

TAPER DEFINED AS WIDTH CHANGE PER LINEAR FOOT OF STATION. DEFINED BY FOLOWING FORMULA:

DELTA R/W WIDTH / DELTA STATION = DELTA R/W WIDTH PER FOOT OF STATIONING

* 100 / 1601.45 = 0.062443 CHANGE OF R/W WIDTH PER FOOT OF STATIONING.

** -100 / 2533.95 = -0.039464 CHANGE OF R/W WIDTH PER FOOT OF STATIONING.

CONTAINING 667.95 GROUND (SURFACE) ACRES FROM STATION 3014+00.00 TO STATION 4100+00.00.

CONTAINING 15.93 GROUND (SURFACE) ACRES FOR THE CLOSING PARCEL.

A GRID TO GROUND SCALE FACTOR OF 1.000244760 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FROM STATION 3014+00.00 TO STATION 4100+00.00 AND THE CLOSING PARCEL.

REGISTERED LAND SURVEYOR, CERTIFICATE NO. 32224, STAN DICKEY, ARIZONA
PRELIMINARY FOR INTERNAL USE ONLY
REGISTRATION EXPIRES: 03-31-19

REGISTERED LAND SURVEYOR, CERTIFICATE NO. 32224, STAN DICKEY, ARIZONA
PRELIMINARY FOR INTERNAL USE ONLY
REGISTRATION EXPIRES: 03-31-19

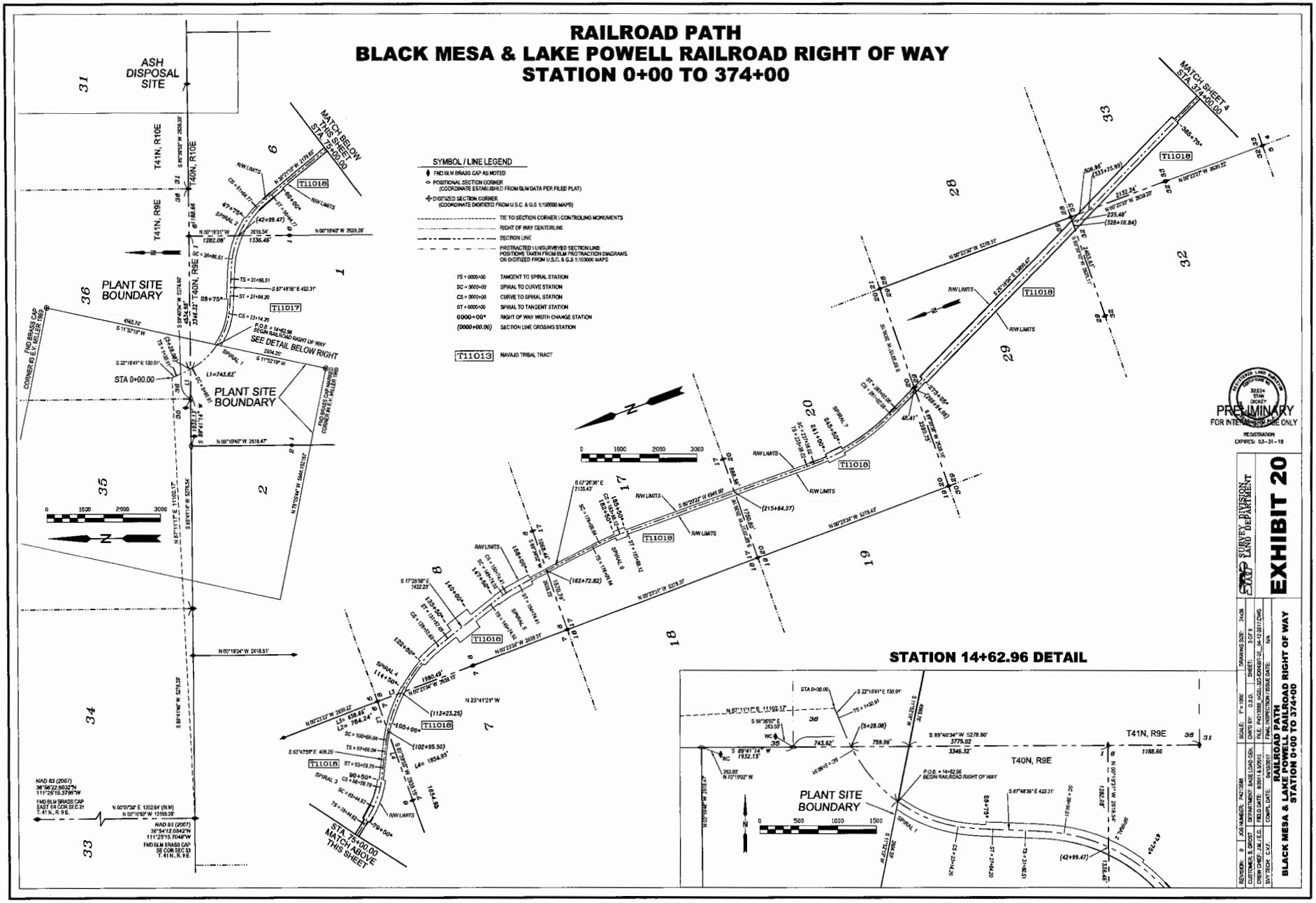
SRP SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 20

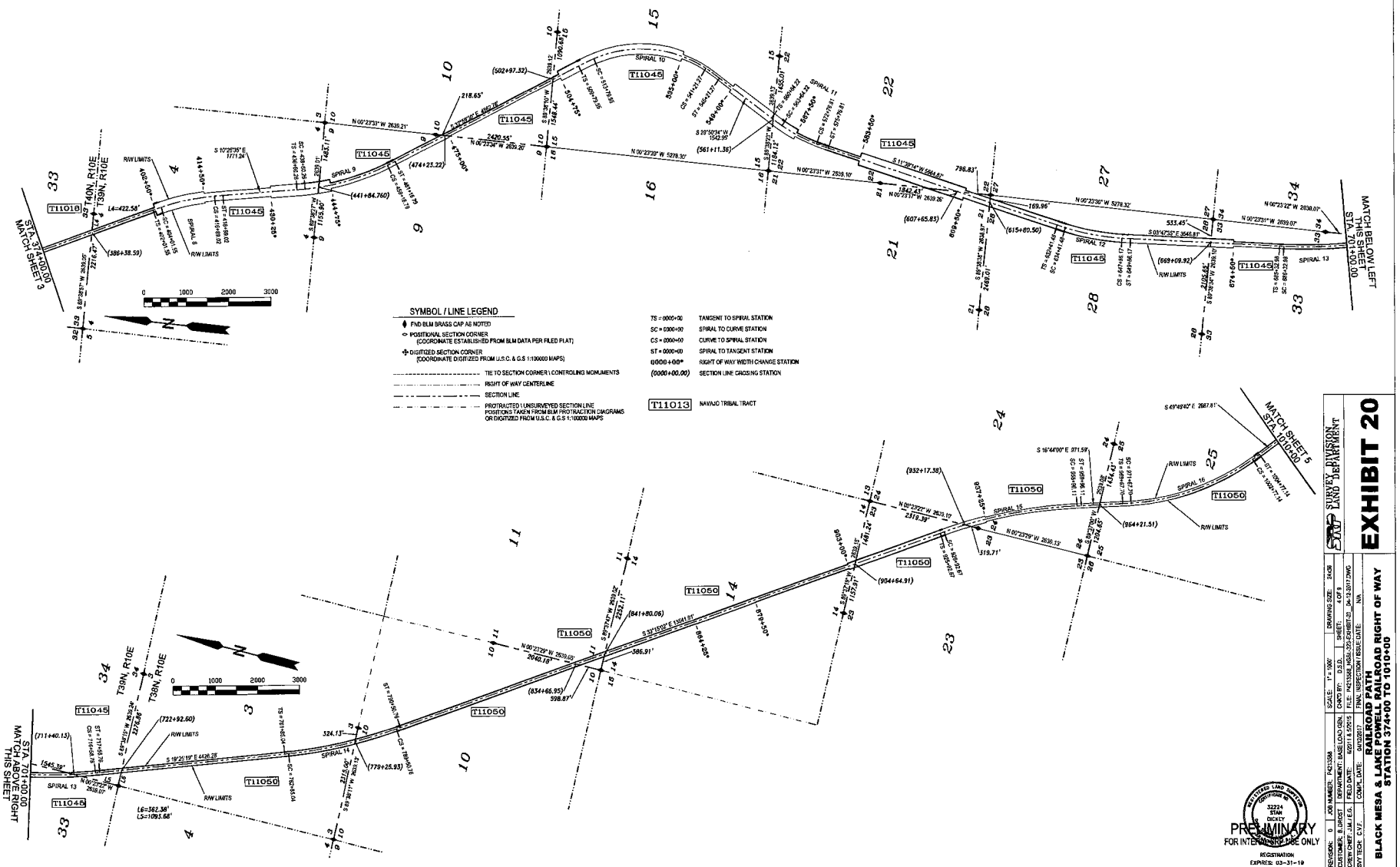
| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1" = 1000' | DRAWING SIZE: 24X36 |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LOAD GEN. | CHK'D BY: D.S.D. | SHEET: 2 OF 9 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: 6/2011 & 5/2015 | FILE: P4213588_NGSL-323-EXHIBIT-20__04-12-2017.DWG | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

RAILROAD PATH
BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
ALIGNMENT AND RIGHT OF WAY WIDTH TABLES

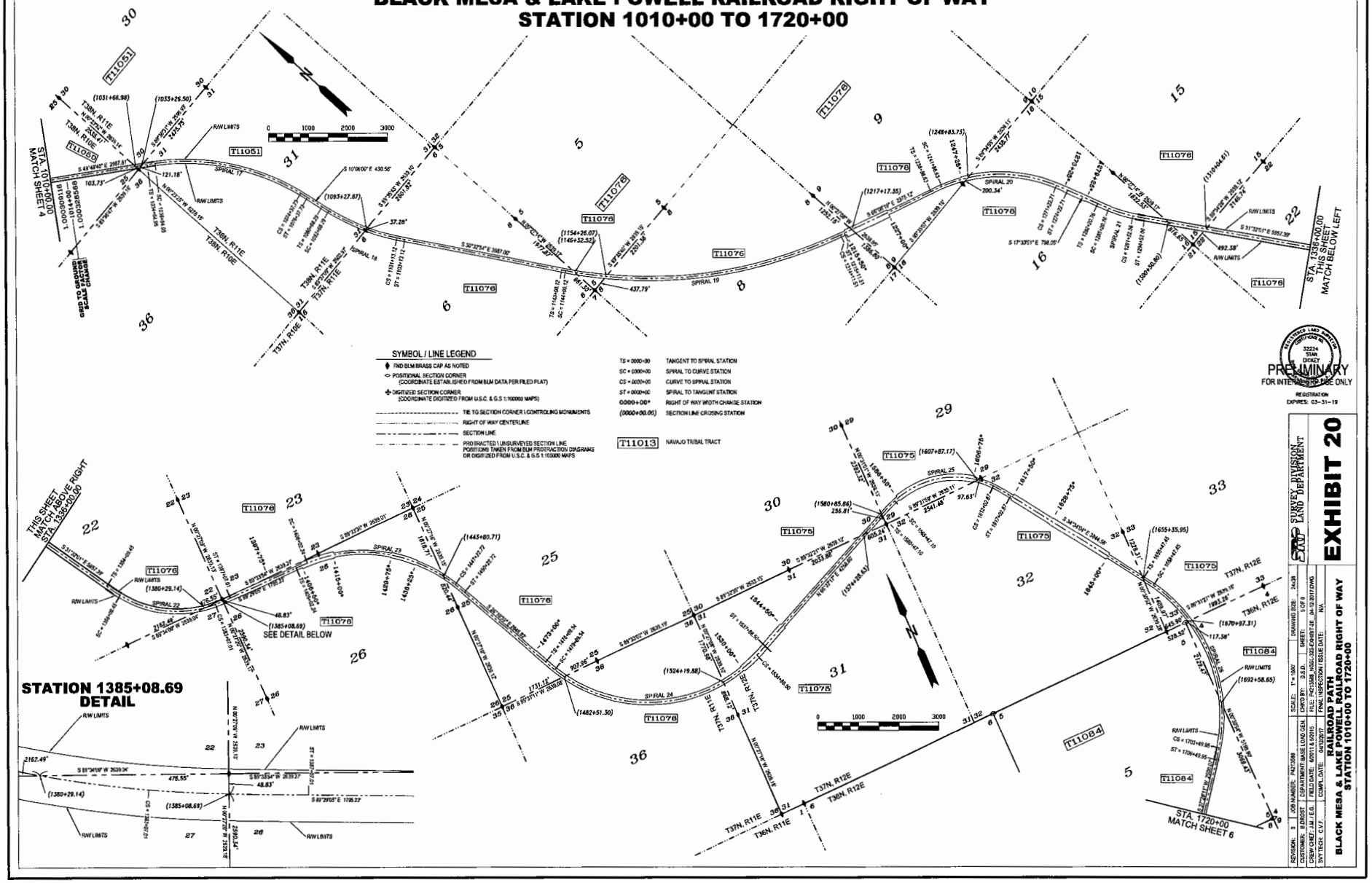
# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
# STATION 0+00 TO 374+00



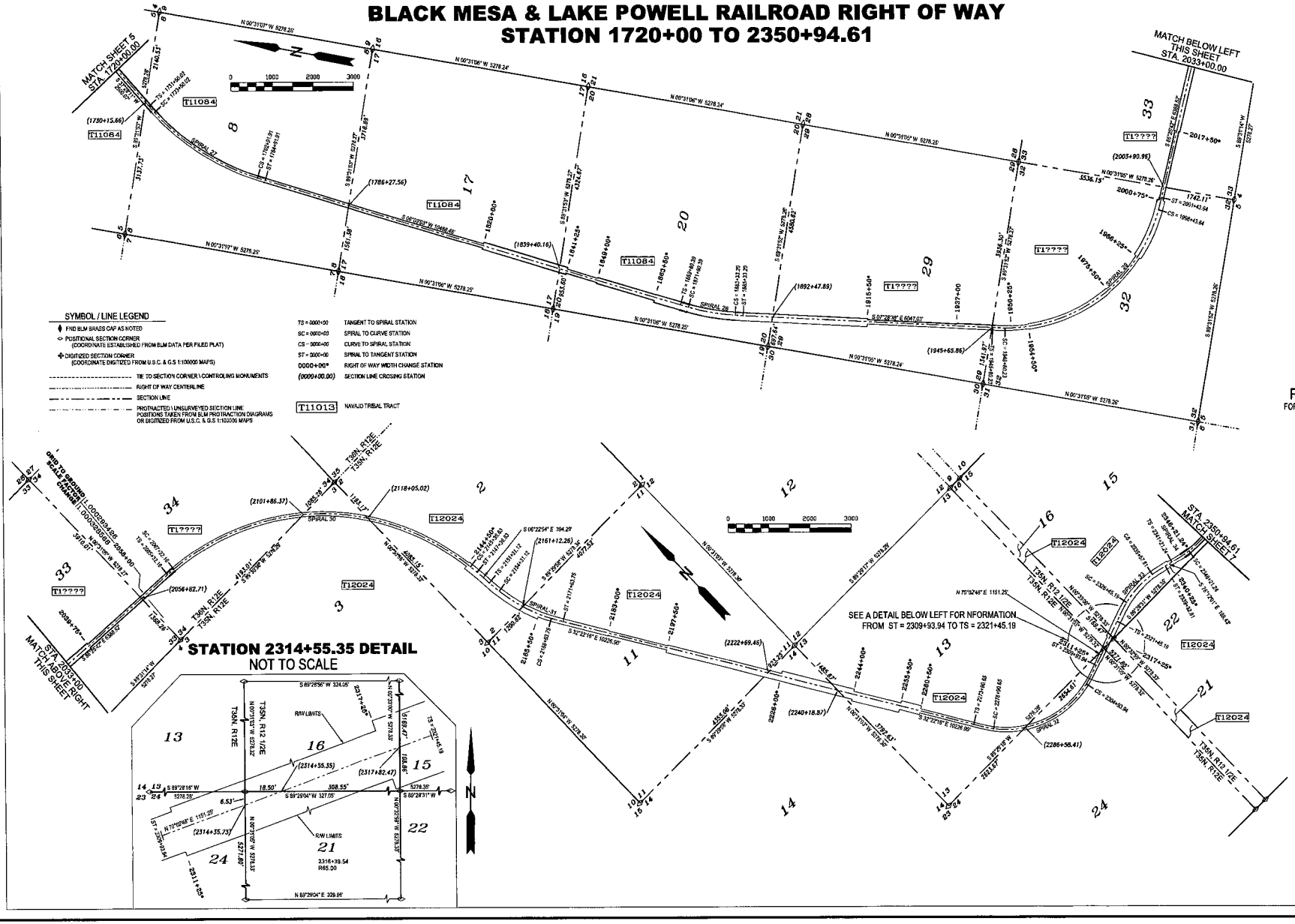
# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
# STATION 374+00 TO 1010+00



# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
# STATION 1010+00 TO 1720+00



# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
# STATION 1720+00 TO 2350+94.61




PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY
REGISTRATION
EXPIRES: 03-31-19

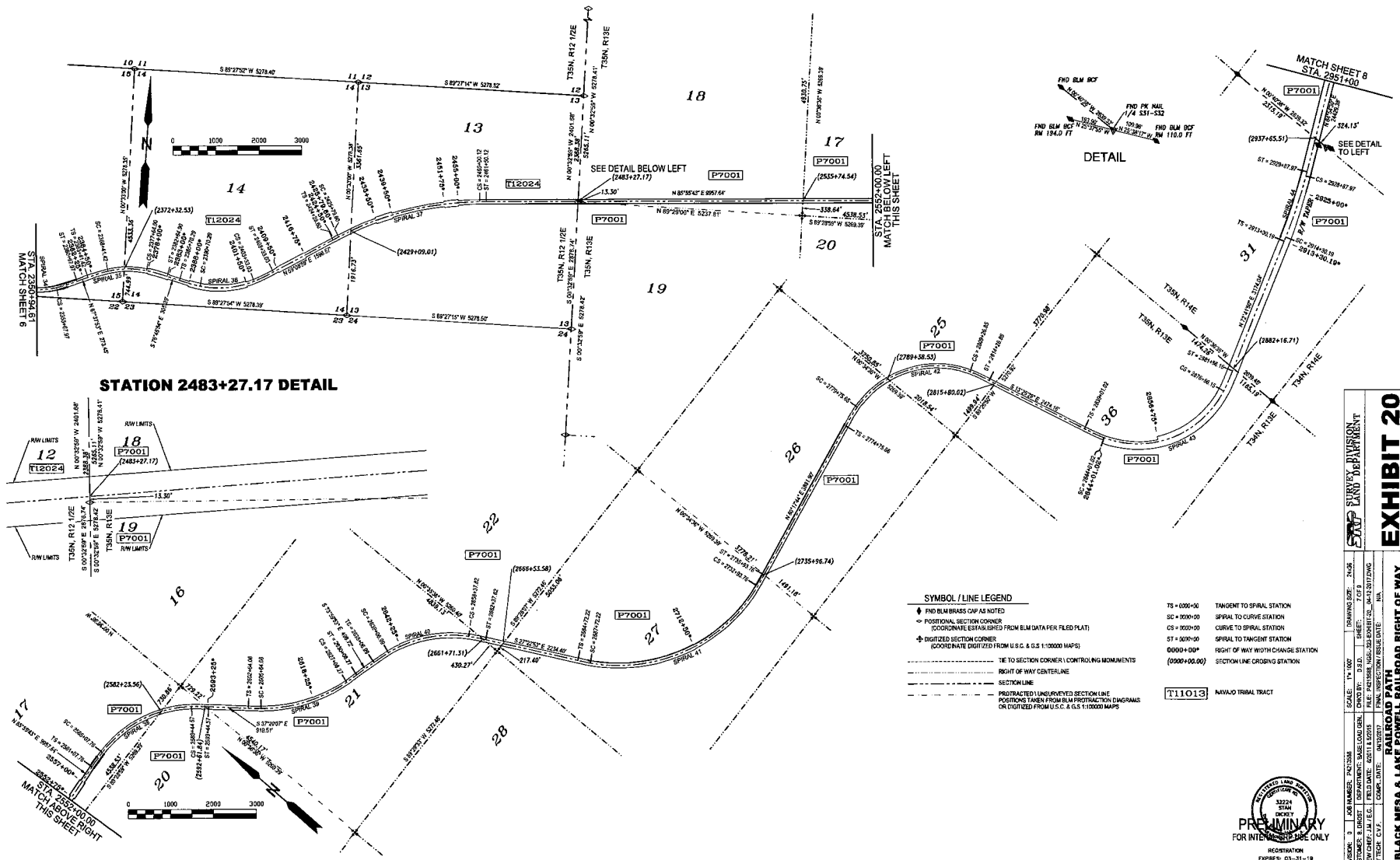
SURVEY DIVISION
LAND DEPARTMENT

**EXHIBIT 20**

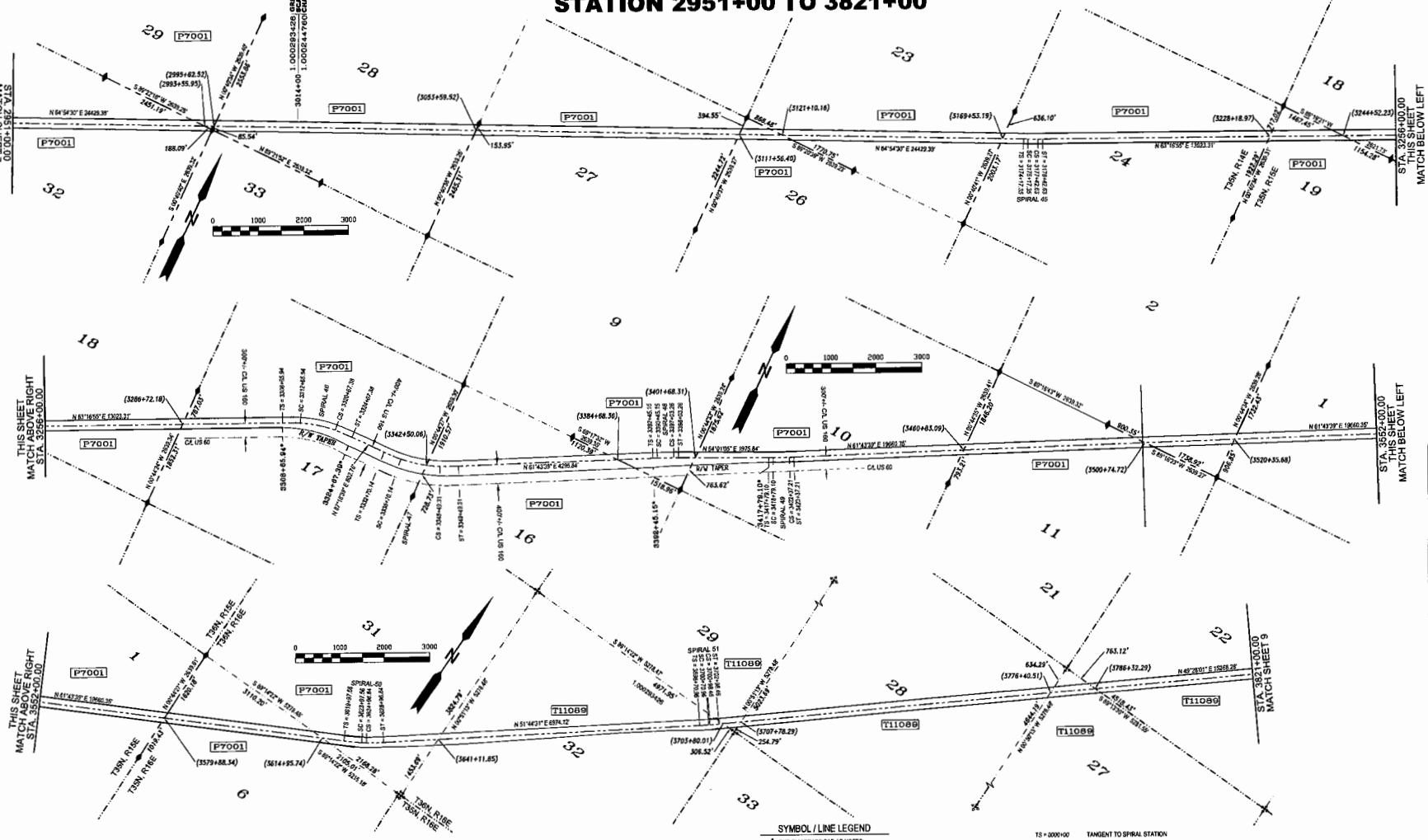
| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: 042135B | SCALE: 1"=1000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DIRSKY | DEPARTMENT: BASE LAND DEN. | CHKD BY: D.S.D. | SHEET: 6 OF 8 |
| DSN CHIEF: J.M. / E.G. | FIELD DATE: 6/20/11 & 5/2015 | FILE: 042135B_NGSL-323-EXHIBIT-20 | Jul-12-2017 DWG |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

**RAILROAD PATH**
**BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY**
**STATION 1720+00 TO 2350+94.61**

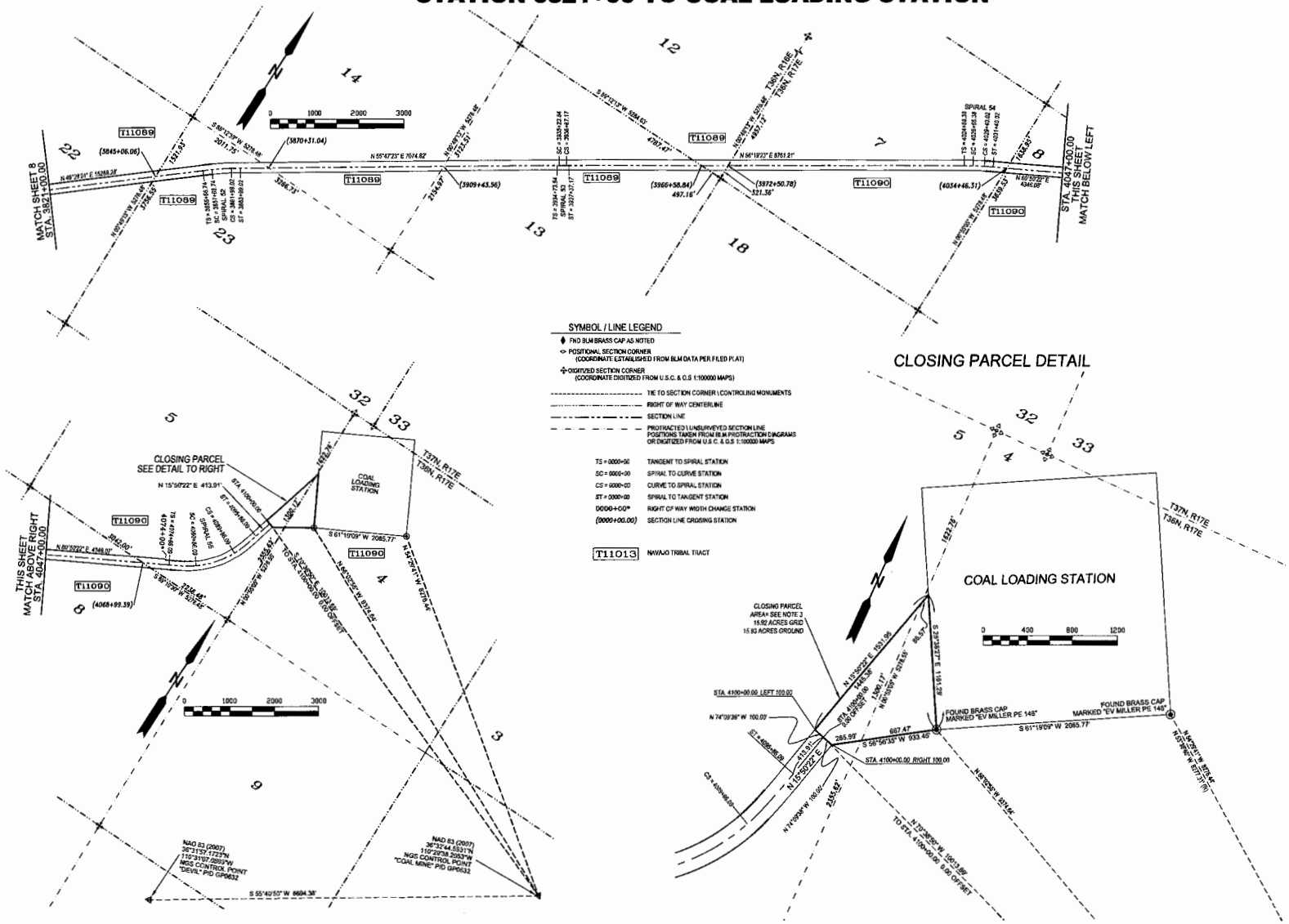
# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
# STATION 2350+94.61 TO 2951+00



# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
# STATION 2951+00 TO 3821+00



# RAILROAD PATH
# BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY
# STATION 3821+00 TO COAL LOADING STATION




PRELIMINARY
FOR INTERPRETIVE USE ONLY
REGISTRATION EXPIRES: 03-31-19

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4215588 | SCALE: 1" = 1000' | DRAWING SIZE: 24x36 | SURVEY DIVISION LAND DEPARTMENT | |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LOAD GEN | CHKD BY: D.S.D. | SHEET: 9 OF 9 | | |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: 6/2011 & 5/2015 | FILE: P4215588_NGSL-303-EXHIBIT-20_04-12-2017.DWG | | | EXHIBIT 20 |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION ISSUE DATE: | N/A | | |

**BLACK MESA & LAKE POWELL RAILROAD**
**BLACK MESA & LAKE POWELL RAILROAD RIGHT OF WAY**
**STATION 3821+00 TO COAL LOADING STATION**

# EXHIBIT 21

230kV TIE LINE

THE FOLLOWING RIGHT OF WAY BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT OF WAY EXTENDING FROM THE NAVAJO GENERATING PLANT SITE TO THE EXISTING UNITED STATES BUREAU OF RECLAMATION 230kV TRANSMISSION LINE , THROUGH OR ACROSS SECTION 2 (UNSURVEYED), TOWNSHIP 40 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A 200 FOOT WIDE STRIP LYING 100 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

**COMMENCING** AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 34 SECONDS EAST A DISTANCE OF 2618.51 FEET;

THENCE SOUTH 31 DEGREES 45 MINUTES 13 SECONDS EAST, A DISTANCE OF 2670.28 FEET, TO THE SOUTHWEST CORNER OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY (EXHIBIT 1 AND 2), BEING A HALF INCH REBAR;

THENCE SOUTH 78 DEGREES 06 MINUTES 44 SECONDS EAST ALONG THE SOUTH BOUNDARY OF THE NAVAJO GENERATING STATION PLANT SITE, A DISTANCE OF 425.07 FEET, TO THE **POINT OF BEGINNING;**

THENCE SOUTH 13 DEGREES 20 MINUTES 07 SECONDS WEST, A DISTANCE OF 222.90 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY OF THE UNITED STATES BUREAU OF RECLAMATION 230kV TRANSMISSION LINE AND THE **POINT OF TERMINUS.**

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

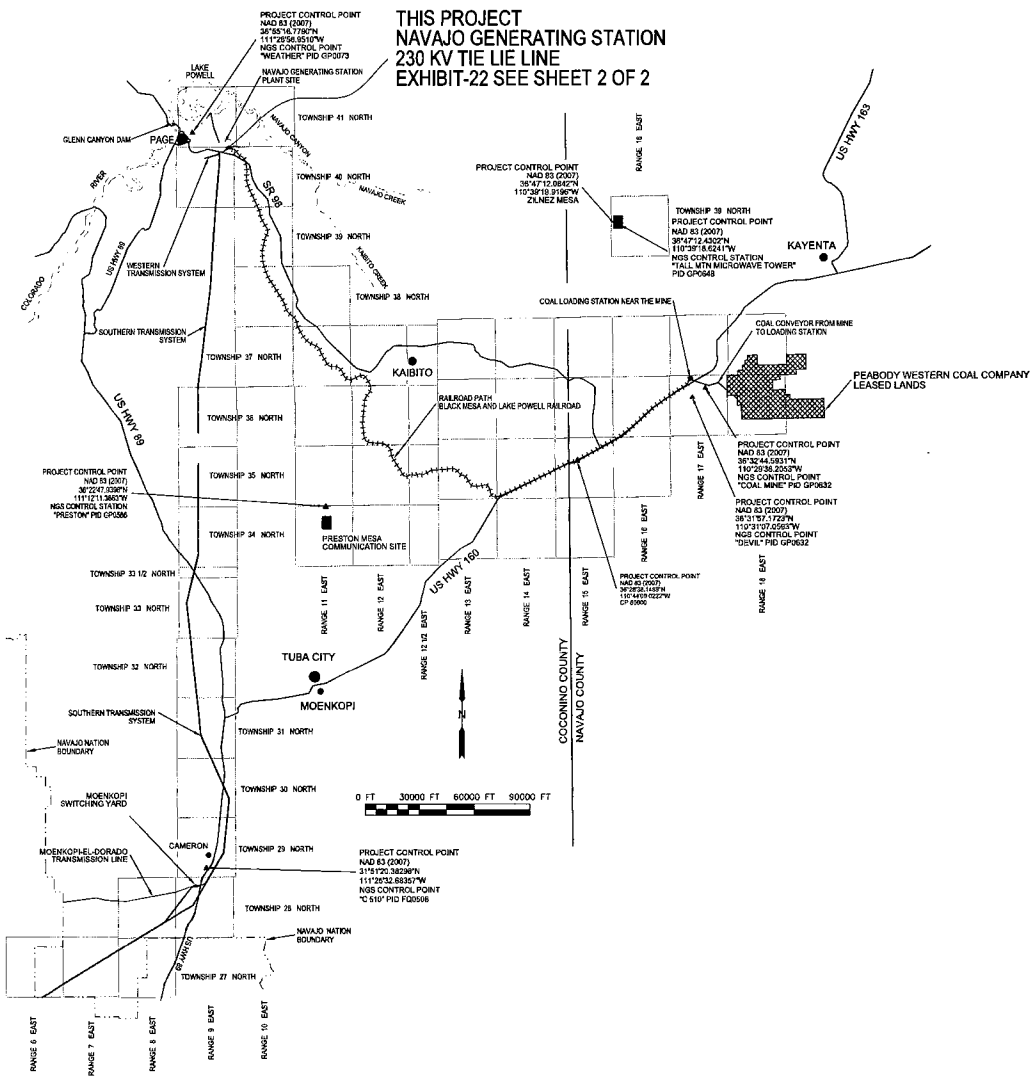
SAID PARCEL CONTAINING 1.02 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 1.02 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32221
JOHN
DICKEY
Date Signed .....
ARIZONA, U.S.A.

PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# 230KV TIE LINE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR, THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT", THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/16

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____, HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR CERTIFICATE NO. 32224 STAN DICKEY ARIZONA U.S.A.

PRELIMINARY
FOR INTERNAL USE ONLY

REGISTRATION
EXPIRES: 03-31-19

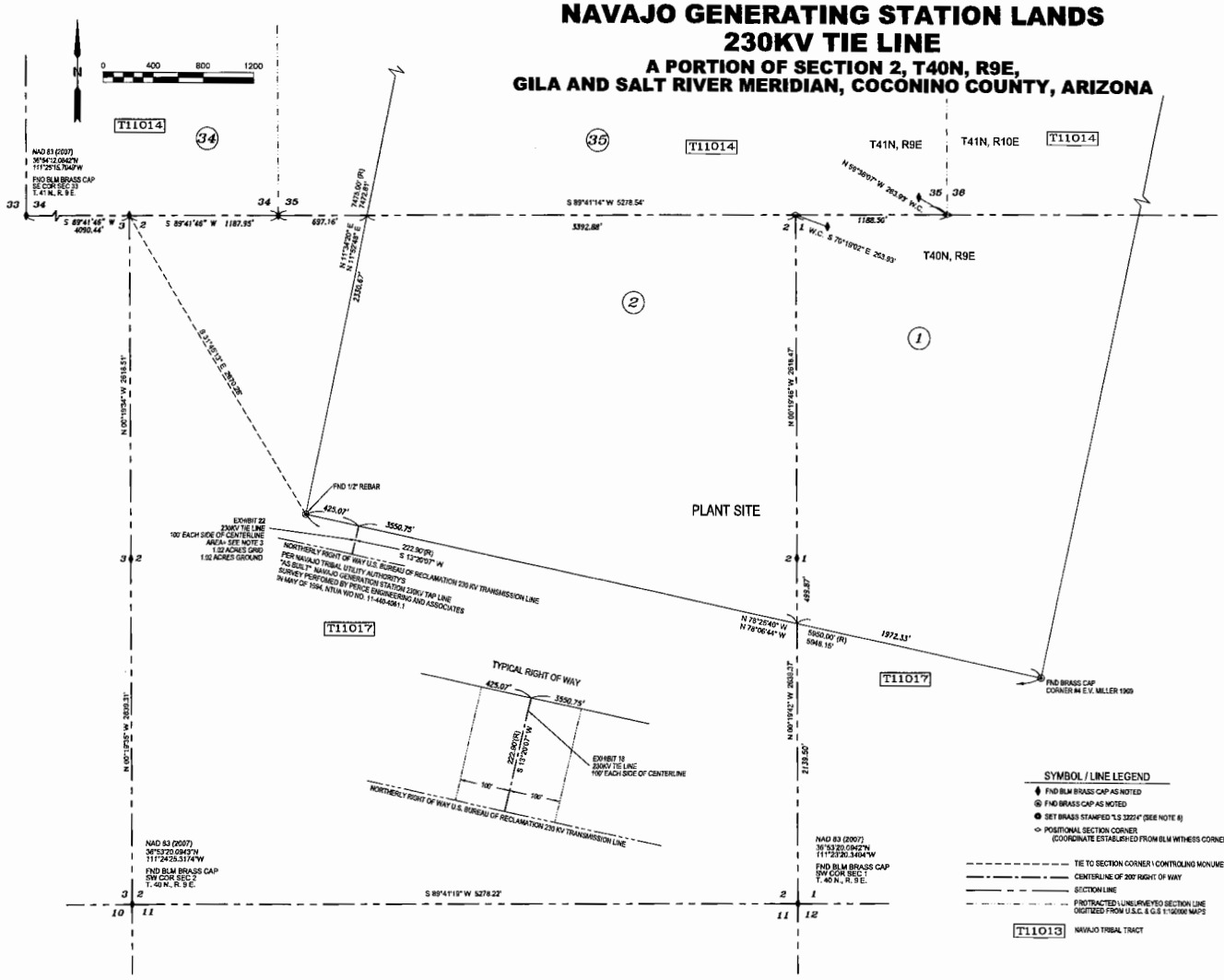
| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DROST | DEPARTMENT #:N/S/LAND GEN. | CHK'D BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: P4213588_NGSA-303-EXHIBIT-22_04-12-2017.DWG | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

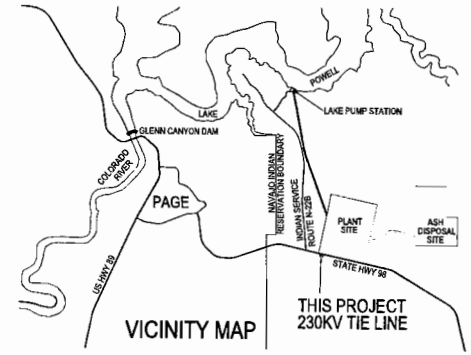
SURVEY DIVISION
LAND DEPARTMENT

**EXHIBIT 22**

**NAVAJO GENERATING STATION LANDS**
**230KV TIE LINE**

# NAVAJO GENERATING STATION LANDS
## 230KV TIE LINE
### A PORTION OF SECTION 2, T40N, R9E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (FID DPC073).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.999719920.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000200158 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560334) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES.
DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 382, PAGES 229-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 10, 1970 IN DOCKET 317, PAGES 315-396, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-6554) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1344-E FILED 7/14/2006.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 8)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- CENTERLINE OF 200' RIGHT OF WAY
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT

ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| (#) | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

REGISTERED LAND SURVEYOR
32224
STAN DICKEY
REGISTRATION
EXPIRES: 03-31-19

PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY

SRP SURVEY DIVISION
LAND DEPARTMENT

EXHIBIT 22

NAVAJO GENERATING STATION LANDS
230KV TIE LINE

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1"= 200' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DRUST | DEPARTMENT: BASE LOAD GEN. | CHK'D BY: G.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: JM / E.G. | FIELD DATE: JUNE 2011 | FILE: P4213588_NGS_323-EXHIBIT22_4A-12-2017.DWG | |
| SW TECH: C.V.F. | COMPL DATE: 04/13/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

# EXHIBIT 23

PRESTON MESA COMMUNICATION SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 10 (UNSURVEYED), TOWNSHIP 34 NORTH, RANGE 11 EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "PRESTON" (PID GP0586), BEING AN ALUMINUM DISK MARKED "PRESTON 1970";

THENCE SOUTH 01 DEGREES 20 MINUTES 27 SECONDS EAST, A DISTANCE OF 7655.31 FEET, TO THE **POINT OF BEGINNING**, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 10 BEARS NORTH 23 DEGREES 01 MINUTES 19 SECONDS WEST, AT A DISTANCE OF 3245.71;

THENCE SOUTH 00 DEGREES 00 MINUTES 12 SECONDS EAST, A DISTANCE OF 39.57 FEET;

THENCE SOUTH 89 DEGREES 01 MINUTES 5 SECONDS EAST, A DISTANCE OF 38.19 FEET;

THENCE SOUTH 65 DEGREES 03 MINUTES 06 SECONDS EAST, A DISTANCE OF 95.71 FEET;

THENCE NORTH 24 DEGREES 56 MINUTES 54 SECONDS EAST, A DISTANCE OF 4.25 FEET;

THENCE SOUTH 65 DEGREES 03 MINUTES 06 SECONDS EAST, A DISTANCE OF 32.33 FEET;

THENCE SOUTH 24 DEGREES 56 MINUTES 54 SECONDS WEST, A DISTANCE OF 35.71 FEET;

THENCE NORTH 65 DEGREES 03 MINUTES 06 SECONDS WEST, A DISTANCE OF 72.68 FEET;

THENCE NORTH 78 DEGREES 40 MINUTES 53 SECONDS WEST, A DISTANCE OF 76.59 FEET;

THENCE SOUTH 88 DEGREES 08 MINUTES 07 SECONDS WEST, A DISTANCE OF 51.19 FEET;

THENCE NORTH 00 DEGREES 13 MINUTES 19 SECONDS EAST, A DISTANCE OF 70.54 FEET;

THENCE NORTH 80 DEGREES 51 MINUTES 16 SECONDS EAST, A DISTANCE OF 51.54 FEET, TO THE **POINT OF BEGINNING**.

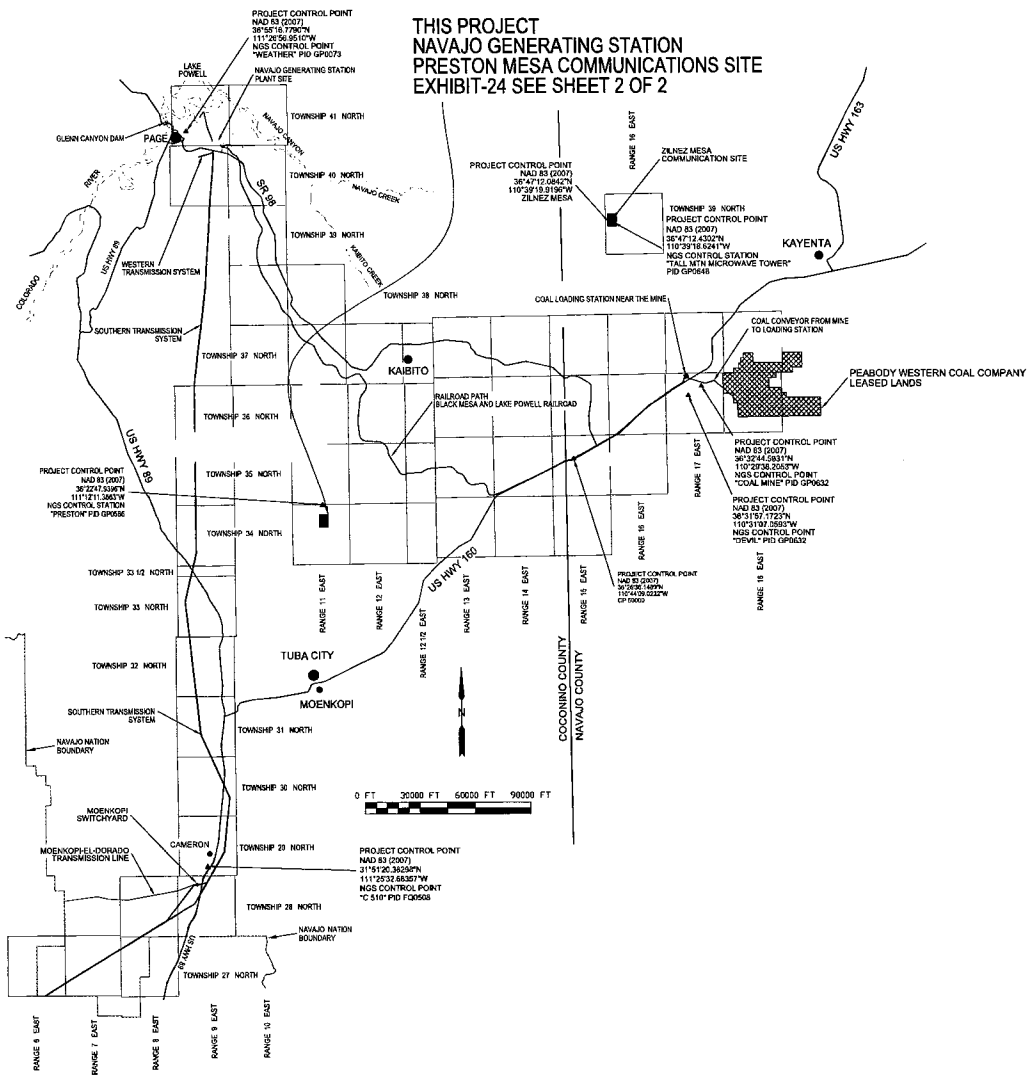
A GRID TO GROUND SCALE FACTOR OF 1.000369727 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000739590) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 0.22 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 0.22 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
PRELIMINARY
Not Signed
ARIZONA, U.S.A.

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# PRESTON MESA COMMUNICATIONS SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP; TO BE GRANTED TO_____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STAN DICKEY RLS#32224
EXPIRES 3/31/18

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____

NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____ HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FORECGING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT, THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___.

_____

NOTARY PUBLIC

REGISTERED LAND SURVEYOR
32224
STAN
DICKEY

PRELIMINARY
FOR INTERIM USE ONLY

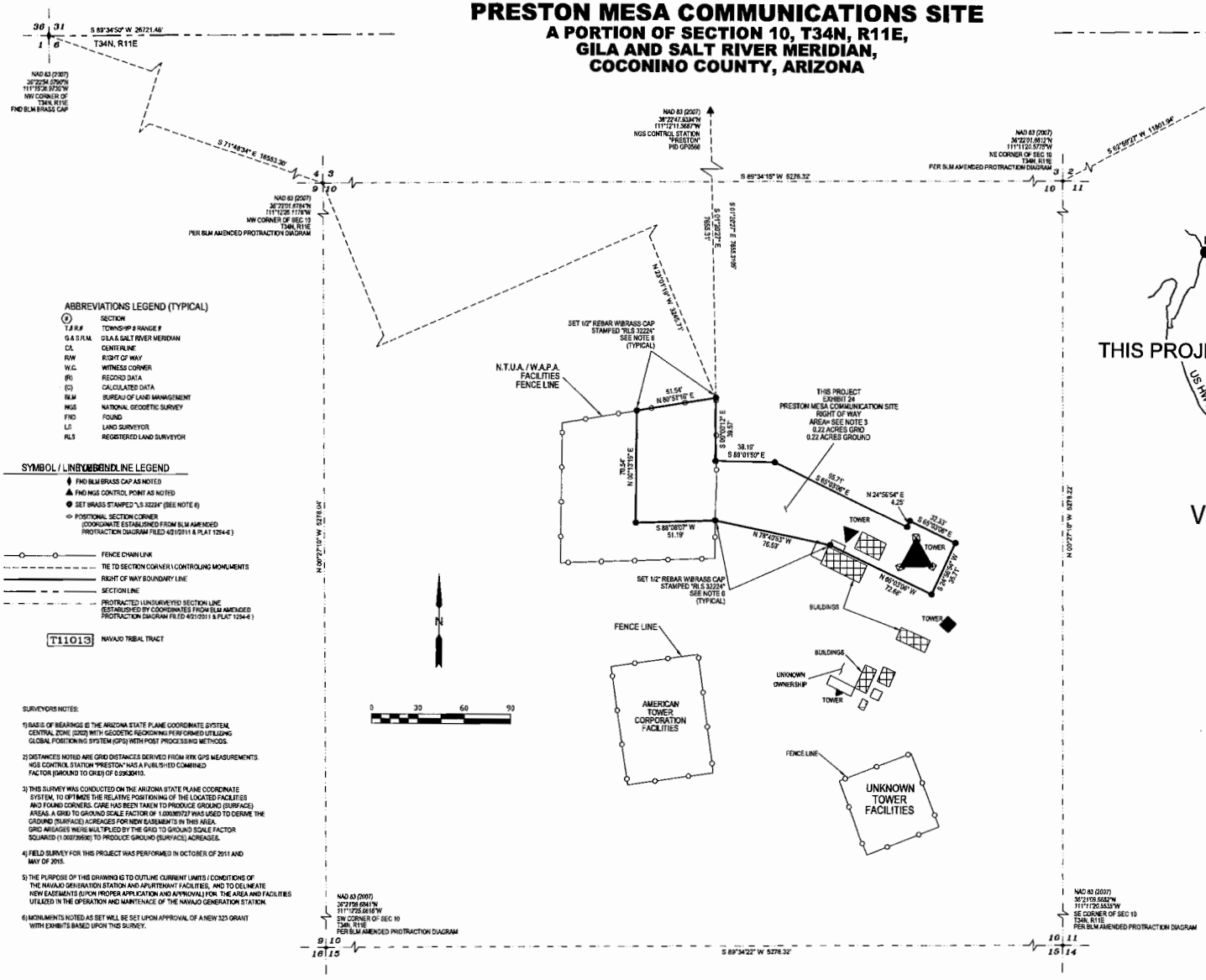
REGISTRATION
EXPIRES: 03-31-19

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4215868 | SCALE: 1"=500' | DRAWING SIZE: 24x36 | SURVEY DIVISION LAND DEPARTMENT | |
| CUSTOMER: B.DROST | DEPARTMENT:BASS,DAD GEN. | CHKD BY: D.S.D. | SHEET: 1 OF 2 | | |
| CREW CHIEF: J.M./E.G. | FIELD DATE: JUNE 2011 | FILE: P4215868_NGS_32-EXHIBIT-24_04-12-2017.DWG | | | |
| SVY TECH: C.V.F. | COMPL DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A | | |

**NAVAJO GENERATING STATION LANDS**
**PRESTON MESA COMMUNICATIONS SITE**

**EXHIBIT 24**

# NAVAJO GENERATING STATION LANDS
# PRESTON MESA COMMUNICATIONS SITE
## A PORTION OF SECTION 10, T34N, R11E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| ② | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C.L. | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

### SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND NGS CONTROL POINT AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 6)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM AMENDED PROTRACTION DIAGRAM FILED 4/21/2011 & PLAT 1294-6 )
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED / UNSURVEYED SECTION LINE (ESTABLISHED BY COORDINATES FROM BLM AMENDED PROTRACTION DIAGRAM FILED 4/21/2011 & PLAT 1294-6 )
- T11013 NAVAJO TRIBAL TRACT

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (2202) WITH GEODETIC RECKONING PERFORMED UTILIZING GLOBAL POSITIONING SYSTEM (GPS) WITH POST PROCESSING METHODS.

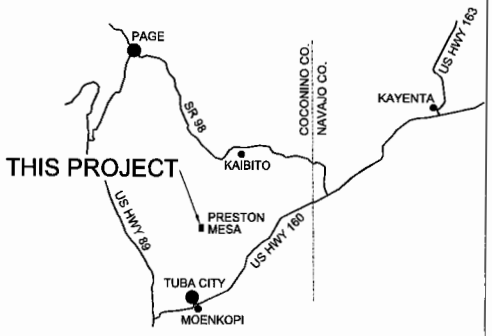
2) DISTANCES NOTED ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "PRESTON" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.99630410.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.00030727 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS AREA. GRID ARGAGES WERE MULTIPLED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.00073556) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED IN OCTOBER OF 2011 AND MAY OF 2015.

5) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

6) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.




VICINITY MAP

PRELIMINARY
FOR INTERNAL USE ONLY

REGISTRATION
EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213583 | SCALE: AS NOTED | DRAWING SIZE: 24x36 |
| CUSTOMER: | DEPARTMENT-BASE LOAD GEN. | DWG BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: MAY 2015 | FILE: P4213583_NGS_23-EXHIBIT-24_04-12-2017.DWG | |
| SYS TECH: C.V.P. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

EXP SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 24

## NAVAJO GENERATING STATION LANDS
## PRESTON MESA COMMUNICATIONS SITE

# EXHIBIT 25

ZILNEZ MESA COMMUNICATION SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007. A GRID TO GROUND SCALE FACTOR OF 1.000296598 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000593284) TO PRODUCE GROUND (SURFACE) ACREAGES.

A PARCEL OF LAND LOCATED IN SECTION 18 (UNSURVEYED), TOWNSHIP 39 NORTH, RANGE 16 EAST GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "TALL MTN MICROWAVE TOWER" (PID GP0648), BEING A TRIANGULAR STEEL TOWER +/- 140 HIGH WITH MICROWAVE DISKS;

THENCE NORTH 4 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 500.00 FEET, TO THE **POINT OF BEGINNING**;

THENCE NORTH 86 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 150.00 FEET, TO A POINT FROM WHICH THE NORTHEAST CORNER OF SAID SECTION 18, BEARS NORTH 27 DEGREES 36 MINUTES 47 SECONDS EAST, AT A DISTANCE OF 3282.37 FEET;

THENCE SOUTH 4 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 300.00 FEET;

THENCE SOUTH 69 DEGREES 30 MINUTES 00 SECONDS WEST, A DISTANCE OF 312.88 FEET;

THENCE NORTH 4 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 388.86 FEET;

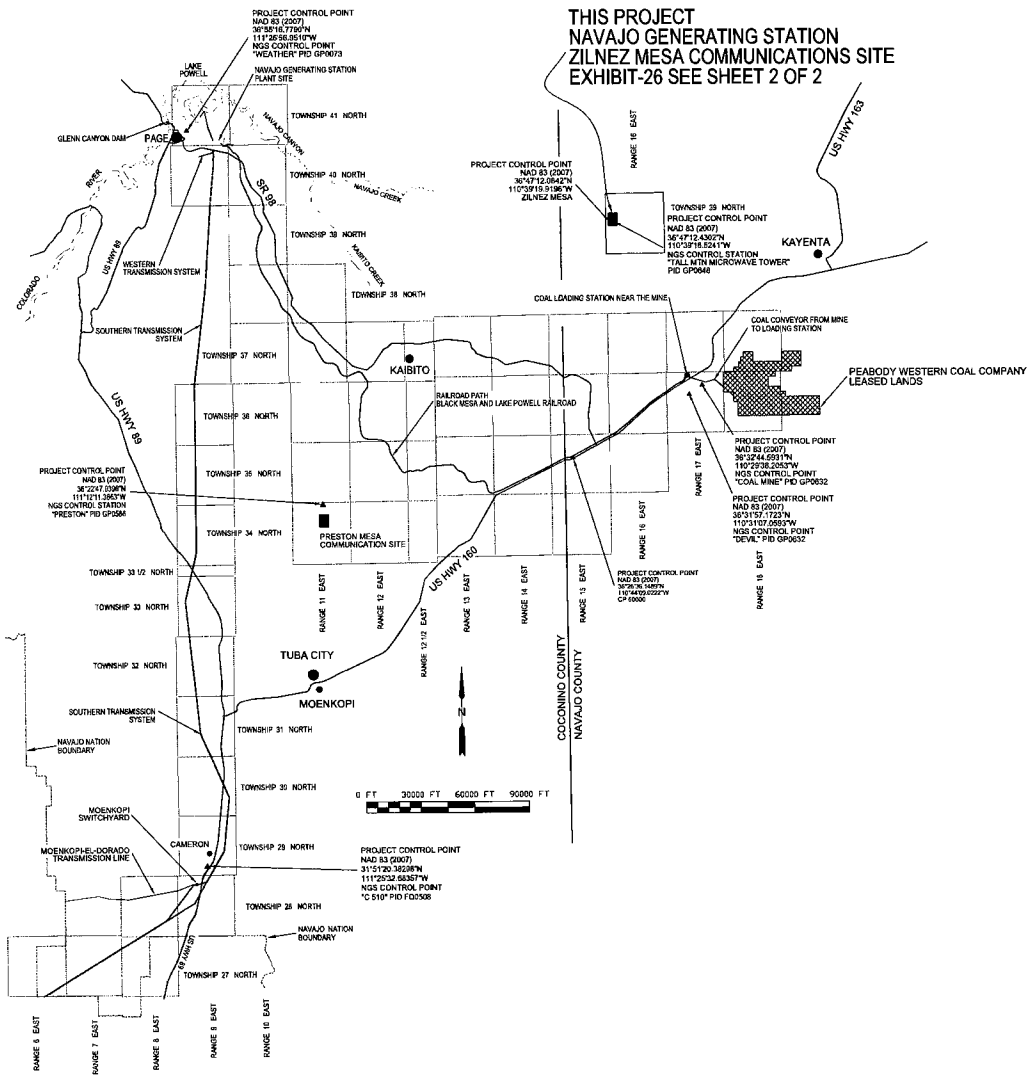
THENCE NORTH 86 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 150.00 FEET, TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINING 2.37 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 2.37 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
PRELIMINARY
Signed .....
ARIZONA, U.S.A.

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# ZILNEZ MESA COMMUNICATIONS SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT", THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/16

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF ___ ___ ___ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

___ ___

_____
_____
_____
_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____.

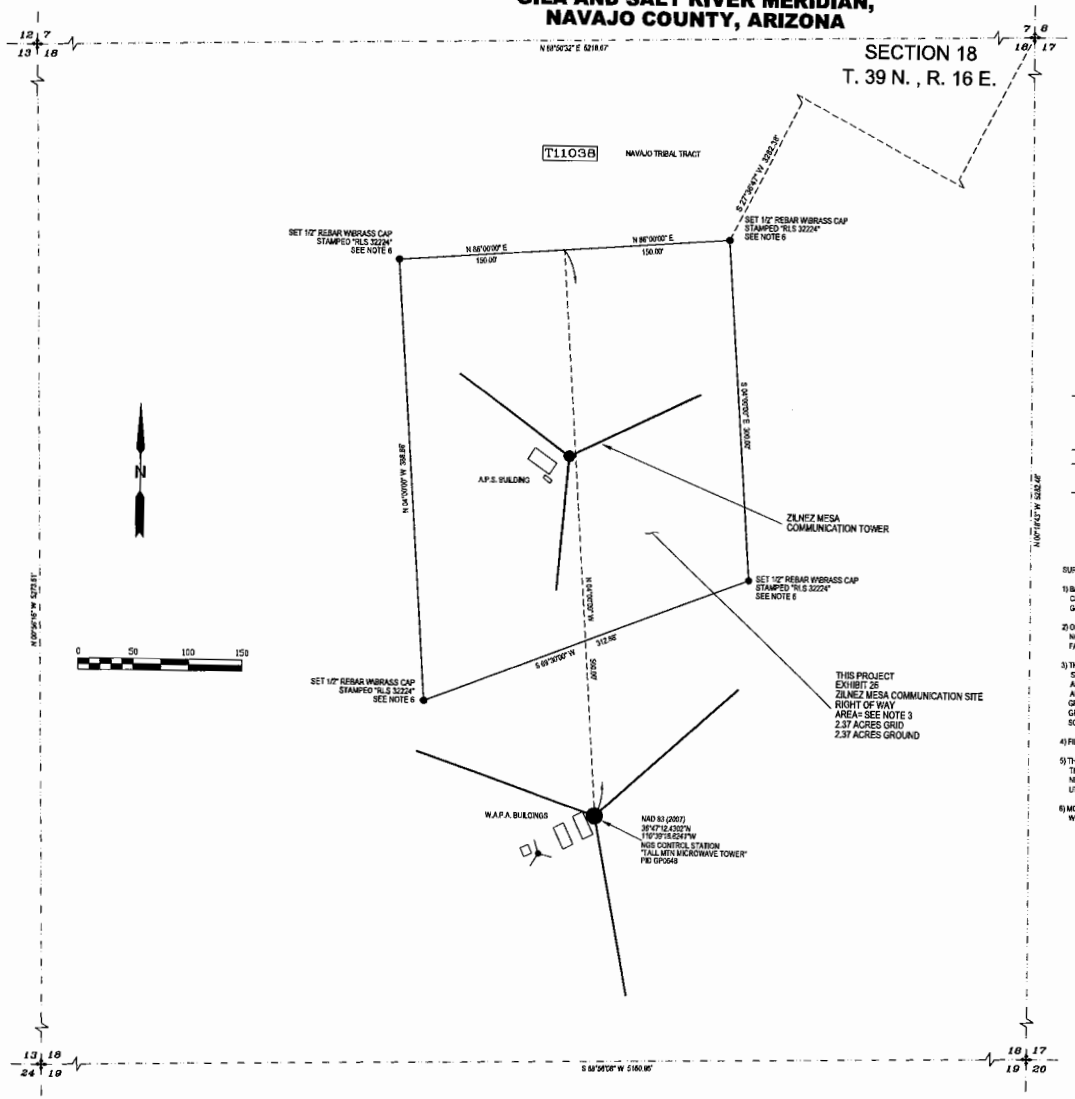
_____
NOTARY PUBLIC

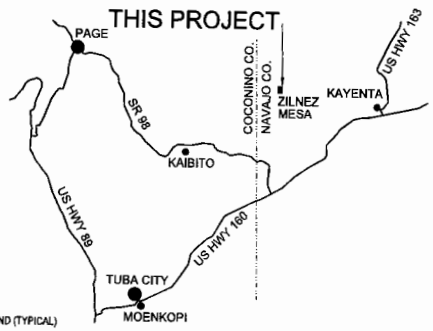
REGISTERED LAND SURVEYOR
32224
STAN
DICKEY
ARIZONA U.S.A.

PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY
REGISTRATION
EXPIRES: 03-31-16

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213886 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 | SRP SURVEY DIVISION LAND DEPARTMENT | EXHIBIT 26 |
| CUSTOMER: B. BROST | DEPARTMENT: BASELAND GEN. | CHKD BY: D.S.D. | SHEET: 1 OF 2 | | |
| CREW CHIEF: J.M./ E.G. | FIELD DATE: JUNE 2011 | FILE: P4213886_NGSL-233-EXHIBIT-26_04-12-2017.DWG | | | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | | NAVAJO GENERATING STATION LANDS ZILNEZ MESA COMMUNICATIONS SITE | |

# NAVAJO GENERATING STATION LANDS
# ZILNEZ MESA COMMUNICATIONS SITE
## A PORTION OF UNSURVEYED
## SECTION 18, T39N, R16E,
## GILA AND SALT RIVER MERIDIAN,
## NAVAJO COUNTY, ARIZONA




### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| SEC | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| APS | ARIZONA PUBLIC SERVICE |
| N.T.U.A. | NAVAJO TRIBAL UTILITY AUTHORITY |
| W.A.P.A. | WESTERN AREA POWER ADMINISTRATION |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

### SYMBOL / LINE LEGEND

- FND NGS CONTROL POINT AS NOTED
- SET BRASS CAP AS NOTED
- SEC CORNER (DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- RIGHT OF WAY BOUNDARY LINE
- T11038 NAVAJO TRIBAL TRACT

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (3002) WITH GEODETIC RECKONING PERFORMED UTILIZING GLOBAL POSITIONING SYSTEM (GPS) WITH POST PROCESSING METHODS.

2) DISTANCES NOTED ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "TALL MTN MICROWAVE TOWER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.9977783490.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.002266534 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS AREA. GRID AREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.005569264) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011.

5) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES. AND TO DELINEATE NEW EASEMENTS UPON PROPER APPLICATION AND APPROVAL FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

6) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

REGISTERED LAND SURVEYOR 32224 STAN DICKEY

PRELIMINARY
FOR INTERPRETIVE USE ONLY

REGISTRATION EXPIRES: 03-31-10

SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 26

NAVAJO GENERATING STATION LANDS
ZILNEZ MESA COMMUNICATIONS SITE

| | | | |
|---|---|---|---|
| SCHEDULE: 0 | JOB NUMBER: P4215889 | SCALE: AS NOTED | DRAWING SIZE: 24x36 |
| CUSTOMER: | DRAWING NAME: BASE EXHIBIT | CHKD BY: D.S.D. | SHEET: 2 OF 2 |
| DRW CHKR: J.M. / E.G. | FIELD BOOK: N/A | FILE: P4215889_NGS_323 EXHIBIT26_04-12-2017.DWG | |
| SUV TECH: C.V.F. | COMP. DATE: 04/05/2017 | FINAL INSPECTION ISSUE DATE: N/A | |

# EXHIBIT 27

JACKS PEAK COMMUNICATION SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 15 (UNSURVEYED), TOWNSHIP 38 NORTH, RANGE 7 EAST GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "RED" (PID GP0503), BEING A BRASS DISK SET IN CONCRETE MARKED "RED 1983", FROM WHICH THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "FALL" (PID GP0601), BEING AN BRASS DISK SET IN CONCRETE MARKED "FALL 1963", BEARS NORTH 28 DEGREES 30 MINUTES 07 SECONDS EAST, A DISTANCE OF 32277.26 FEET;

THENCE SOUTH 73 DEGREES 34 MINUTES 45 SECONDS WEST, A DISTANCE OF 9416.62 FEET, TO THE **POINT OF BEGINNING**, FROM WHICH THE NORTHEAST CORNER OF SECTION 15, TOWNSHIP 34 NORTH, RANGE 7 EAST, BEARS NORTH 61 DEGREES 51 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 1779.01 FEET;

THENCE SOUTH 37 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 58.00 FEET;

THENCE SOUTH 52 DEGREES 57 MINUTES 16 SECONDS WEST, A DISTANCE OF 22.00 FEET;

THENCE NORTH 37 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 25.20 FEET;

THENCE SOUTH 59 DEGREES 25 MINUTES 33 SECONDS WEST, A DISTANCE OF 30.66 FEET;

THENCE SOUTH 68 DEGREES 49 MINUTES 02 SECONDS WEST, A DISTANCE OF 119.19 FEET;

THENCE SOUTH 66 DEGREES 15 MINUTES 39 SECONDS WEST, A DISTANCE OF 65.61 FEET, TO THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 169.06 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS SOUTH 64 DEGREES 11 MINUTES 05 SECONDS WEST, A DISTANCE OF 120.66 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 123.38 FEET, THROUGH A CENTRAL ANGLE OF 41 DEGREES 49 MINUTES 00 SECONDS TO THE END OF THE

NON TANGENT CURVE AND THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 149.76 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS SOUTH 63 DEGREES 13 MINUTES 42 SECONDS WEST, A DISTANCE OF 102.20 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 104.30 FEET, THROUGH A CENTRAL ANGLE OF 39 DEGREES 54 MINUTES 13 SECONDS TO THE END OF THE NON TANGENT CURVE;

THENCE SOUTH 78 DEGREES 21 MINUTES 30 SECONDS WEST, A DISTANCE OF 80.41 FEET;

THENCE SOUTH 71 DEGREES 13 MINUTES 33 SECONDS WEST, A DISTANCE OF 12.09 FEET;

THENCE NORTH 84 DEGREES 25 MINUTES 24 SECONDS WEST, A DISTANCE OF 9.51 FEET;

THENCE SOUTH 08 DEGREES 23 MINUTES 36 SECONDS WEST, A DISTANCE OF 25.45 FEET;

THENCE NORTH 81 DEGREES 36 MINUTES 24 SECONDS WEST, A DISTANCE OF 68.00 FEET;

THENCE NORTH 08 DEGREES 23 MINUTES 36 SECONDS EAST, A DISTANCE OF 67.00 FEET;

THENCE SOUTH 81 DEGREES 36 MINUTES 24 SECONDS EAST, A DISTANCE OF 68.00 FEET;

THENCE SOUTH 08 DEGREES 23 MINUTES 36 SECONDS WEST, A DISTANCE OF 31.54 FEET;

THENCE SOUTH 84 DEGREES 25 MINUTES 24 SECONDS EAST, A DISTANCE OF 6.86 FEET;

THENCE NORTH 71 DEGREES 13 MINUTES 33 SECONDS EAST, A DISTANCE OF 10.55 FEET;

THENCE NORTH 78 DEGREES 21 MINUTES 30 SECONDS EAST, A DISTANCE OF 81.46 FEET, TO THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 139.76 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS NORTH 63 DEGREES 18 MINUTES 47 SECONDS EAST, A DISTANCE OF 95.77 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 97.75 FEET, THROUGH A CENTRAL ANGLE OF 40 DEGREES 04 MINUTES 24 SECONDS TO THE END OF THE NON TANGENT CURVE AND THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 179.06 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS NORTH 63 DEGREES 54 MINUTES 57 SECONDS EAST, A DISTANCE OF 126.23 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 129.00 FEET, THROUGH A CENTRAL ANGLE OF 41 DEGREES 16 MINUTES 43 SECONDS TO THE END OF THE NON TANGENT CURVE;

THENCE NORTH 66 DEGREES 15 MINUTES 39 SECONDS EAST, A DISTANCE OF 64.20 FEET;

THENCE NORTH 68 DEGREES 49 MINUTES 02 SECONDS EAST, A DISTANCE OF 118.59 FEET;

THENCE NORTH 59 DEGREES 25 MINUTES 33 SECONDS EAST, A DISTANCE OF 28.70 FEET;

THENCE NORTH 37 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 22.74 FEET;

THENCE NORTH 52 DEGREES 57 MINUTES 16 SECONDS EAST, A DISTANCE OF 22.00 FEET, TO THE **POINT OF BEGINNING**.

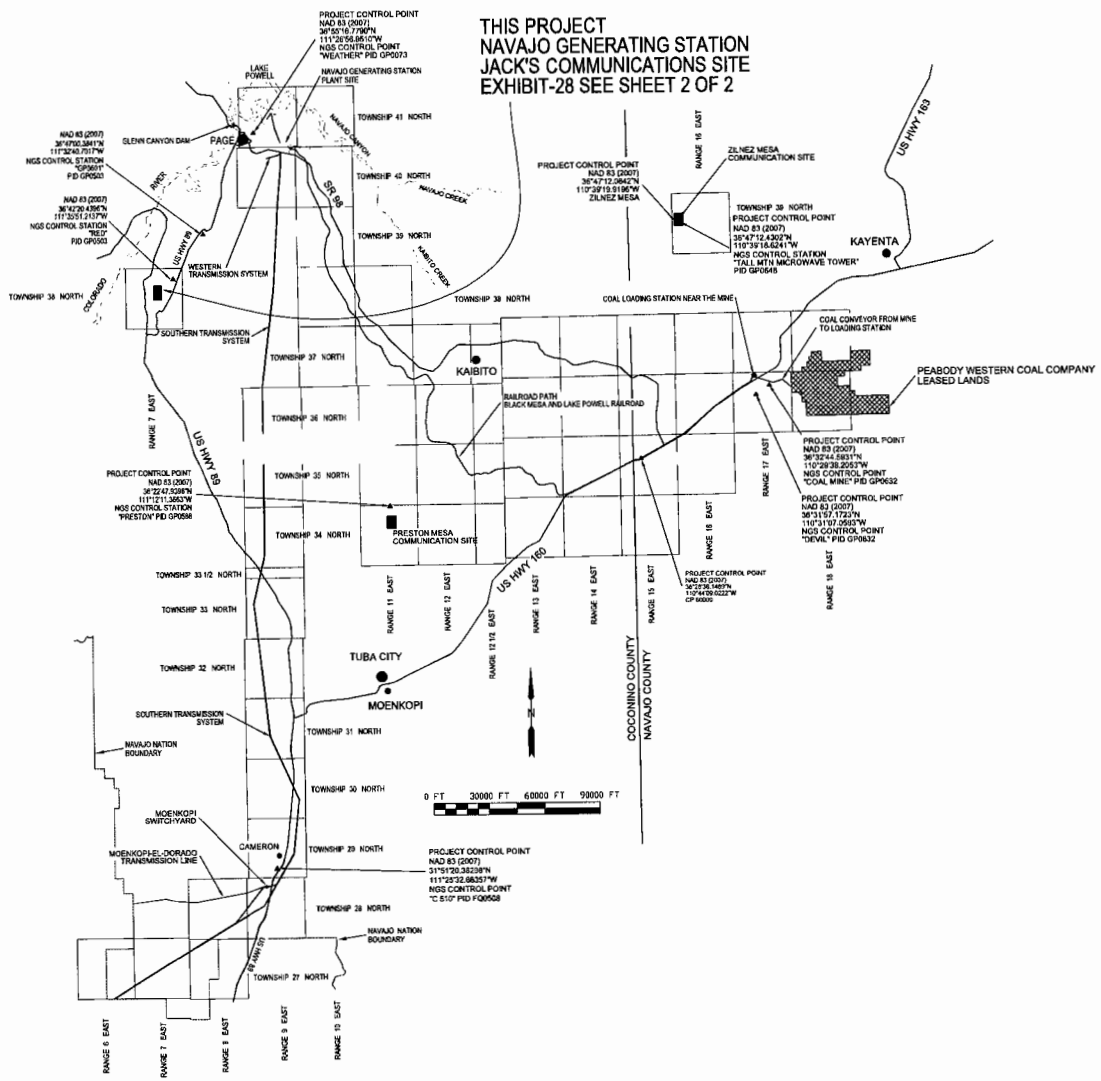
A GRID TO GROUND SCALE FACTOR OF 1.000377152 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000754447) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 0.26 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND HAVING 0.26 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
SURVEY
Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO GENERATING STATION LANDS
# JACK'S PEAK COMMUNICATIONS SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20__

_____

NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____.

_____

NOTARY PUBLIC

REGISTERED LAND SURVEYOR
32224
STAN
DICKEY

PRELIMINARY
FOR INTERIM REVIEW USE ONLY

REGISTRATION
EXPIRES: 03-31-19

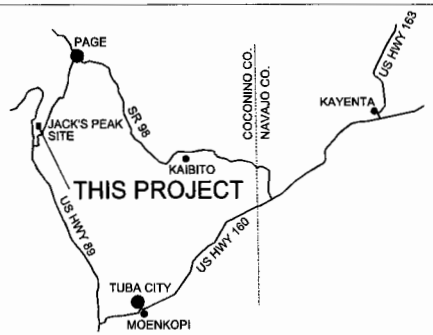
SURVEY DIVISION
LAND DEPARTMENT

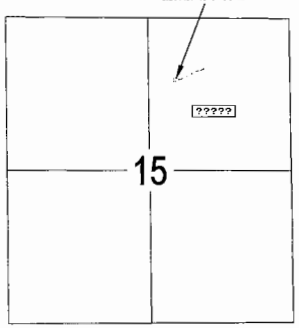
| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: 1N21/0808 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B.A.POST | DRAWN BY: BASE/DAE/GRA | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| CONTRACT: B.A.POST | FIELD DATE: JUN 2015 | FILE: P4210588_NGS-JD-EXHIBIT-28 | 04-12-2017.DWG |
| SUPERVISOR: C.V.E. | COMPL. DATE: 8/4/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |
| BY TECH: C.V.E. | | | |

**NAVAJO GENERATING STATION LANDS**
**JACK'S PEAK COMMUNICATIONS SITE**

**EXHIBIT 28**

# NAVAJO GENERATING STATION LANDS
# JACK'S PEAK COMMUNICATIONS SITE
## A PORTION OF UNSURVEYED
## SECTION 15, T34N, R7E,
## GILA AND SALT RIVER MERIDIAN,
## COCONINO COUNTY, ARIZONA

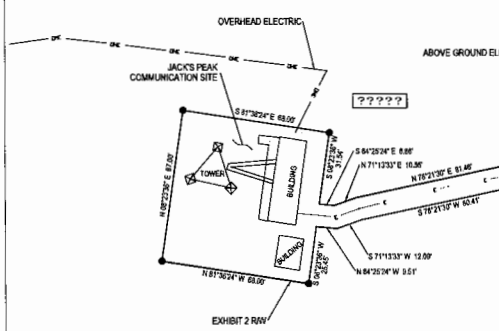


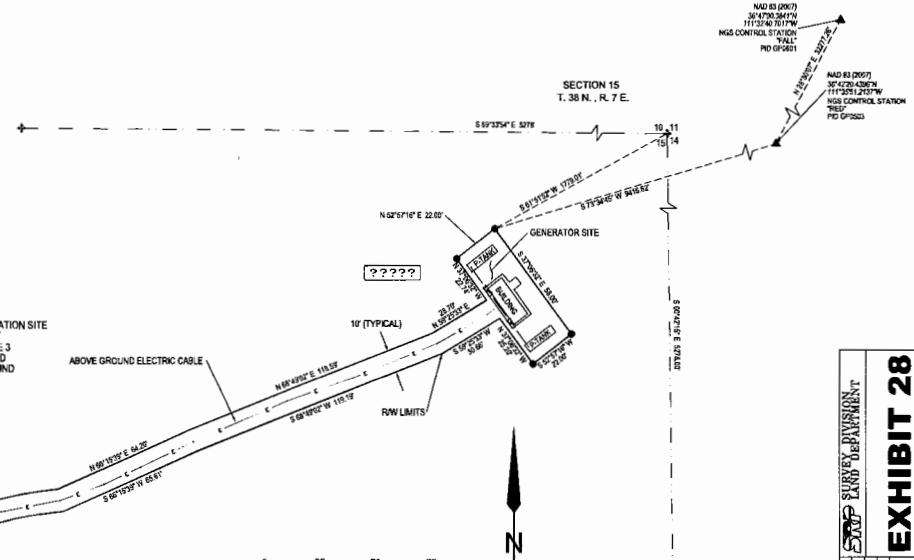




T38N, R7E

PROTRACTED/UNSURVEYED SECTION LINES DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS

| CURVE | RADIUS | ARC LENGTH | DELTA ANGLE | CHORD BEARING | CHORD LENGTH |
|---|---|---|---|---|---|
| C #1 | 169.06' | 123.34' | 41°49'00" | S 64°11'03" W | 120.66' |
| C #2 | 149.76' | 104.90' | 39°54'13" | S 63°13'42" W | 102.20' |
| C #3 | 139.79' | 67.75' | 40°04'24" | N 63°16'47" E | 95.77' |
| C #4 | 178.06' | 129.09' | 41°16'49" | N 63°54'57" E | 126.23' |




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING GLOBAL POSITIONING SYSTEM (GPS) WITH POST PROCESSING METHODS.

2) DISTANCES NOTED ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "PRESTON" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.99962299.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000377152 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS AREA. GRID AREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000754447) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED IN JANUARY OF 2015.

5) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT CONDITIONS OF EASEMENTS IN AGREEMENT WITH THE NAVAJO GENERATION STATION PROJECT 323 GRANT, AND DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR AREAS HAVING FACILITIES CONFLICTING WITH CURRENT EASEMENTS OF SAID 323 GRANT.

6) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| SEC | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.&S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| P-TANK | PROPANE TANK |
| RLS | REGISTERED LAND SURVEYOR |

SYMBOL / LINE LEGEND

- FND NGS CONTROL POINT AS NOTED
- SET BRASS CAP AS NOTED
- SEC CORNER (DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- T11013 NAVAJO TRIBAL TRACT
- FENCE CHAIN LINK
- ABOVE GROUND ELECTRIC CABLE
- OVERHEAD ELECTRIC
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- PROTRACTED/UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS

REGISTERED LAND SURVEYOR
32324
STAN
DICKEY
PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY
REGISTRATION EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421338 | SCALE: AS NOTED | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LOAD GEN | CHK'D BY: D.S.D. | SHEET: 2 OF 2 |
| DRCW CHIEF: J.M / S.M. | FIELD DATE: JAN. 2015 | FILE: P421338_NGSLJ_323-EXHIBIT-28_04-12-2017.DWG | |
| BY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 28

## NAVAJO GENERATING STATION LANDS
## JACK'S PEAK COMMUNICATIONS SITE

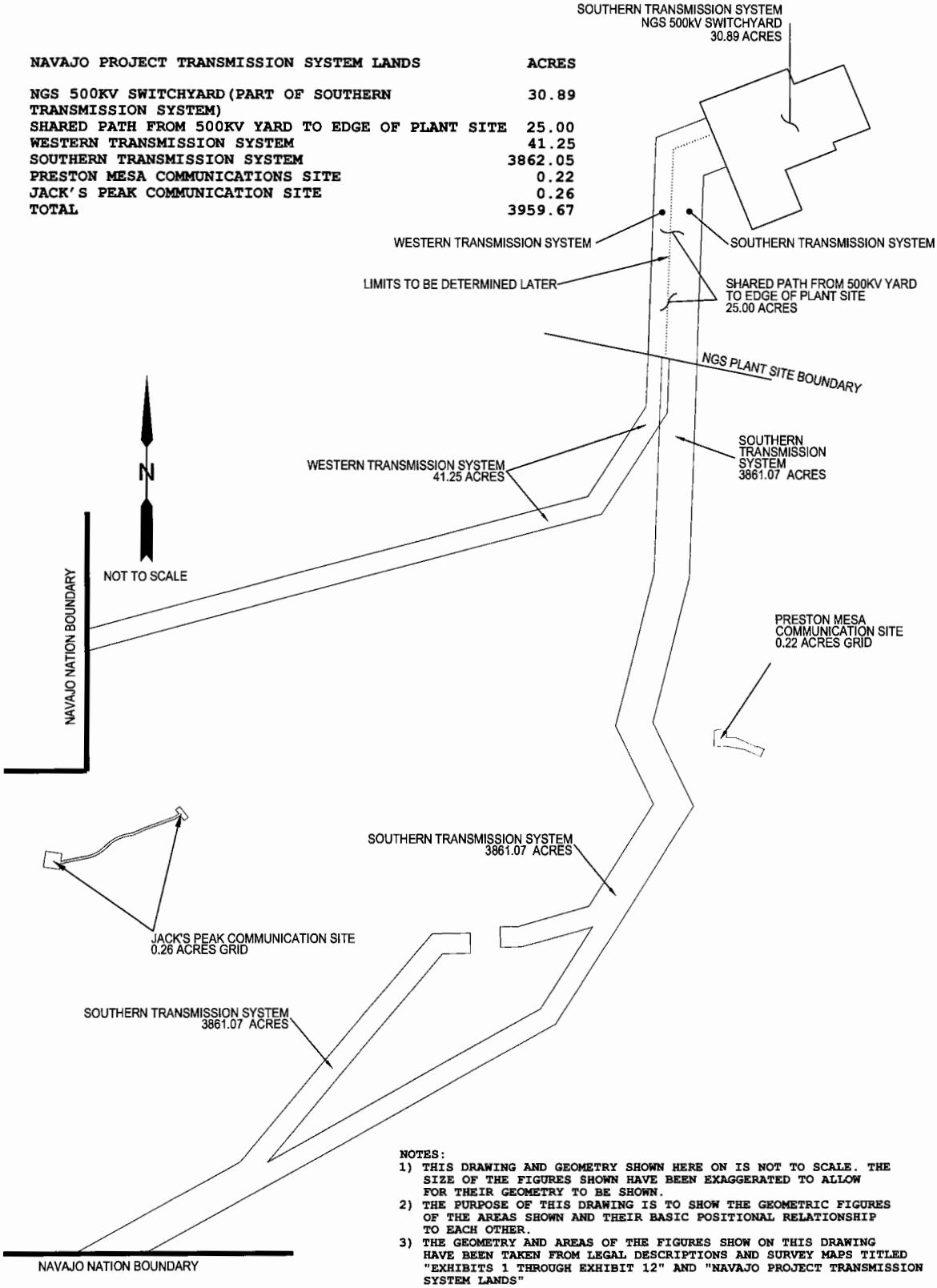
**Exhibit A (Continued)**
**(Tract B)**

**The Transmission Site**

**Legal Description and Survey Map of the Transmission Site,**
**a portion of the Leased Premises**

# NAVAJO PROJECT TRANSMISSION
# SOUTHERN TRANSMISSION SYSTEM
# WESTERN TRANSMISSION SYSTEM
# EXHIBIT A
# TRACT B

| NAVAJO PROJECT TRANSMISSION SYSTEM LANDS | ACRES |
|---|---|
| NGS 500KV SWITCHYARD(PART OF SOUTHERN TRANSMISSION SYSTEM) | 30.89 |
| SHARED PATH FROM 500KV YARD TO EDGE OF PLANT SITE | 25.00 |
| WESTERN TRANSMISSION SYSTEM | 41.25 |
| SOUTHERN TRANSMISSION SYSTEM | 3862.05 |
| PRESTON MESA COMMUNICATIONS SITE | 0.22 |
| JACK'S PEAK COMMUNICATION SITE | 0.26 |
| TOTAL | 3959.67 |




NOTES:
1) THIS DRAWING AND GEOMETRY SHOWN HERE ON IS NOT TO SCALE. THE SIZE OF THE FIGURES SHOWN HAVE BEEN EXAGGERATED TO ALLOW FOR THEIR GEOMETRY TO BE SHOWN.
2) THE PURPOSE OF THIS DRAWING IS TO SHOW THE GEOMETRIC FIGURES OF THE AREAS SHOWN AND THEIR BASIC POSITIONAL RELATIONSHIP TO EACH OTHER.
3) THE GEOMETRY AND AREAS OF THE FIGURES SHOW ON THIS DRAWING HAVE BEEN TAKEN FROM LEGAL DESCRIPTIONS AND SURVEY MAPS TITLED "EXHIBITS 1 THROUGH EXHIBIT 12" AND "NAVAJO PROJECT TRANSMISSION SYSTEM LANDS"

# EXHIBIT 1

## SOUTHERN TRANSMISSION SYSTEM POWER CORRIDOR

## CENTERLINE DESCRIPTION

A RIGHT OF WAY 330 FEET IN WIDTH, LYING 100 FEET WEST AND 230 FEET EAST OF THE FOLLOWING DESCRIBED SURVEY LINE:

BEGINNING AT THE SOUTHEAST CORNER OF SECTION THIRTY-THREE (33), TOWNSHIP FORTY-ONE (41) NORTH, RANGE NINE (9) EAST, GILA AND SALT RIVER BASE AND MERIDIAN, BEING A FOUND BLM BRASS CAP; THENCE ON A GRID BEARING OF SOUTH 67 DEGREES 44 MINUTES 19 SECONDS EAST, A DISTANCE OF 5938.55 FEET TO CORNER #1 OF THE NAVAJO PLANT SITE;

THENCE SOUTH 78 DEGREES 06 MINUTES 47 SECONDS EAST ALONG THE SOUTHERLY BOUNDARY LINE OF SAID PLANT SITE, A DISTANCE OF 1219.79 FEET TO THE TRUE POINT OF BEGINNING OF THE EASEMENT HEREIN DESCRIBED;

THENCE SOUTH 01 DEGREES 53 MINUTES 07 SECONDS WEST, A DISTANCE OF 2724.18 FEET TO A POINT ON THE NORTH LINE OF SECTION 11, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 11, BEARS NORTH 89 DEGREES 41 MINUTES 31 SECONDS EAST, AT A DISTANCE OF 161.51 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 11, BEARS SOUTH 89 DEGREES 41 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 2478.22 FEET;

THENCE SOUTH 01 DEGREES 53 MINUTES 07 SECONDS WEST, A DISTANCE OF 5283.84 FEET TO A POINT ON THE NORTH LINE OF SECTION 14, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 14, BEARS NORTH 89 DEGREES 41 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 365.59 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 14, BEARS SOUTH 89 DEGREES 41 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 2274.22 FEET;

THENCE SOUTH 01 DEGREES 53 MINUTES 07 SECONDS WEST, A DISTANCE OF 1340.90 FEET TO ANGLE POINT 3/1;

**11164 3/1 AP**

THENCE SOUTH 05 DEGREES 24 MINUTES 30 SECONDS WEST, A DISTANCE OF 3959.71 FEET TO A POINT ON THE NORTH LINE OF SECTION 23, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 23, BEARS NORTH 89 DEGREES 41 MINUTES 18 SECONDS EAST, AT A DISTANCE OF 813.04 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 23, BEARS SOUTH 89

DEGREES 41 MINUTES 18 SECONDS WEST, AT A DISTANCE OF 1826.85 FEET;

THENCE SOUTH 05 DEGREES 24 MINUTES 30 SECONDS WEST, A DISTANCE OF 5306.42 FEET TO A POINT ON THE NORTH LINE OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 26, BEARS NORTH 89 DEGREES 41 MINUTES 28 SECONDS EAST, AT A DISTANCE OF 1343.45 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 26, BEARS SOUTH 89 DEGREES 41 MINUTES 28 SECONDS WEST, AT A DISTANCE OF 1296.48 FEET;

THENCE SOUTH 05 DEGREES 24 MINUTES 30 SECONDS WEST, A DISTANCE OF 5306.46 FEET TO A POINT ON THE NORTH LINE OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 25 SECONDS WEST, AT A DISTANCE OF 766.34 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 35, BEARS NORTH 89 DEGREES 41 MINUTES 25 SECONDS EAST, AT A DISTANCE OF 1873.66 FEET;

THENCE SOUTH 05 DEGREES 24 MINUTES 30 SECONDS WEST, A DISTANCE OF 4249.33 FEET TO ANGLE POINT 6/3;

**2472 6/3 AP**

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 1054.32 FEET TO A POINT ON THE NORTH LINE OF SECTION 2, TOWNSHIP 39 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 9, BEARS SOUTH 89 DEGREES 41 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 266.66 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 2, BEARS NORTH 89 DEGREES 41 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 2373.31 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 3744.71 FEET TO A POINT ON THE EAST LINE OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 3, BEARS SOUTH 00 DEGREES 19 MINUTES 46 SECONDS EAST, AT A DISTANCE OF 1544.94 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 3, BEARS NORTH 00 DEGREES 19 MINUTES 46 SECONDS WEST, AT A DISTANCE OF 3735.29 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 1548.84 FEET TO A POINT ON THE NORTH LINE OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 10, BEARS NORTH 89 DEGREES 41 MINUTES 43 SECONDS EAST, AT A DISTANCE OF 110.29 FEET, ALSO FROM WHICH POINT THE NORTH

QUARTER CORNER OF SAID SECTION 10, BEARS SOUTH 89 DEGREES 41 MINUTES 43 SECONDS WEST, AT A DISTANCE OF 2529.63 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 5293.30 FEET TO A POINT ON THE NORTH LINE OF SECTION 15, TOWNSHIP 39 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 15, BEARS NORTH 89 DEGREES 41 MINUTES 40 SECONDS EAST, AT A DISTANCE OF 487.02 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 15, BEARS SOUTH 89 DEGREES 41 MINUTES 40 SECONDS WEST, AT A DISTANCE OF 2152.91 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 5293.26 FEET TO A POINT ON THE NORTH LINE OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 41 MINUTES 51 SECONDS EAST, AT A DISTANCE OF 863.73 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 41 MINUTES 51 SECONDS WEST, AT A DISTANCE OF 1776.13 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 5293.33 FEET TO A POINT ON THE NORTH LINE OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 27, BEARS NORTH 89 DEGREES 41 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 1240.47 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 27, BEARS SOUTH 89 DEGREES 41 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 1399.53 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 5293.21 FEET TO A POINT ON THE NORTH LINE OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 34, BEARS SOUTH 89 DEGREES 41 MINUTES 42 SECONDS WEST, AT A DISTANCE OF 1022.89 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 34, BEARS NORTH 89 DEGREES 41 MINUTES 42 SECONDS EAST, AT A DISTANCE OF 1617.11 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 5293.20 FEET TO A POINT ON THE NORTH LINE OF SECTION 3, TOWNSHIP 38 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 3, BEARS SOUTH 89 DEGREES 41 MINUTES 50 SECONDS WEST, AT A DISTANCE OF 646.13 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 3, BEARS NORTH 89 DEGREES 41 MINUTES 50 SECONDS EAST, AT A DISTANCE OF 1993.87 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 5293.05 FEET TO A POINT ON THE NORTH LINE OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 10, BEARS SOUTH 89 DEGREES 41 MINUTES 58 SECONDS WEST, AT A DISTANCE OF 269.52 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 10, BEARS NORTH 89 DEGREES 41 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 2370.50 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 5293.18 FEET TO A POINT ON THE NORTH LINE OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 15, BEARS NORTH 89 DEGREES 42 MINUTES 23 SECONDS EAST, AT A DISTANCE OF 107.11 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 15, BEARS SOUTH 89 DEGREES 42 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 2532.88 FEET;

THENCE SOUTH 03 DEGREES 45 MINUTES 15 SECONDS WEST, A DISTANCE OF 774.65 FEET TO ANGLE POINT 15/1;

**11154 15/1 AP**

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 4546.70 FEET TO A POINT ON THE NORTH LINE OF SECTION 22, TOWNSHIP 38 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 42 MINUTES 22 SECONDS EAST, AT A DISTANCE OF 762.48 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 42 MINUTES 22 SECONDS WEST, AT A DISTANCE OF 1877.34 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 5326.18 FEET TO A POINT ON THE NORTH LINE OF SECTION 27, TOWNSHIP 38 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 27, BEARS SOUTH 89 DEGREES 42 MINUTES 17 SECONDS WEST, AT A DISTANCE OF 1173.96 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 27, BEARS NORTH 89 DEGREES 42 MINUTES 17 SECONDS EAST, AT A DISTANCE OF 1466.01 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 5326.39 FEET TO A POINT ON THE NORTH LINE OF SECTION 34, TOWNSHIP 38 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 34, BEARS SOUTH 89 DEGREES 42 MINUTES 10 SECONDS WEST, AT A DISTANCE OF 470.60 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 34, BEARS NORTH 89 DEGREES 42 MINUTES 10 SECONDS EAST, AT A DISTANCE OF 2169.35 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 3563.43 FEET TO A POINT ON THE EAST LINE OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 9 EAST, FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 33, BEARS NORTH 00 DEGREES 19 MINUTES 42 SECONDS WEST, AT A DISTANCE OF 892.51 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 33, BEARS SOUTH 00 DEGREES 19 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 1747.36 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 1762.65 FEET TO A POINT ON THE NORTH LINE OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 4, BEARS NORTH 89 DEGREES 42 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 232.84 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 4, BEARS SOUTH 89 DEGREES 42 MINUTES 34 SECONDS WEST, AT A DISTANCE OF 2407.20 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 5326.99 FEET TO A POINT ON THE NORTH LINE OF SECTION 9, TOWNSHIP 37 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 9, BEARS NORTH 89 DEGREES 42 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 936.04 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 9, BEARS SOUTH 89 DEGREES 42 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 1704.00 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 5326.17 FEET TO A POINT ON THE NORTH LINE OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 16, BEARS SOUTH 89 DEGREES 42 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 1000.74 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 16, BEARS NORTH 89 DEGREES 42 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 1639.30 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 5326.20 FEET TO A POINT ON THE NORTH LINE OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 21, BEARS SOUTH 89 DEGREES 42 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 297.37 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 21, BEARS NORTH 89 DEGREES 42 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 2342.63 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 5326.20 FEET TO A POINT ON THE NORTH LINE OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 28,

BEARS NORTH 89 DEGREES 42 MINUTES 51 SECONDS EAST, AT A DISTANCE OF 405.88 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 28, BEARS SOUTH 89 DEGREES 42 MINUTES 51 SECONDS WEST, AT A DISTANCE OF 2234.00 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 5326.10 FEET TO A POINT ON THE NORTH LINE OF SECTION 33, TOWNSHIP 37 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 33, BEARS NORTH 89 DEGREES 42 MINUTES 55 SECONDS EAST, AT A DISTANCE OF 1109.16 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 33, BEARS SOUTH 89 DEGREES 42 MINUTES 55 SECONDS WEST, AT A DISTANCE OF 1530.77 FEET;

THENCE SOUTH 07 DEGREES 15 MINUTES 45 SECONDS WEST, A DISTANCE OF 4399.16 FEET TO ANGLE POINT 24/3;

**11136 24/3 AP**

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 918.95 FEET TO A POINT ON THE NORTH LINE OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH WEST CORNER OF SAID SECTION 4, BEARS SOUTH 89 DEGREES 42 MINUTES 43 SECONDS WEST, AT A DISTANCE OF 46.30 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF SECTION 33, TOWNSHIP 37 NORTH, RANGE 9 EAST BEARS NORTH 89 DEGREES 42 MINUTES 43 SECONDS EAST, AT A DISTANCE OF 1692.79 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5199.34 FEET TO A POINT ON THE NORTH LINE OF SECTION 9, TOWNSHIP 36 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 9, BEARS SOUTH 89 DEGREES 42 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 30.55 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 9, BEARS NORTH 89 DEGREES 42 MINUTES 31 SECONDS EAST, AT A DISTANCE OF 5249.45 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5279.99 FEET TO A POINT ON THE NORTH LINE OF SECTION 16, TOWNSHIP 36 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 16, BEARS SOUTH 89 DEGREES 42 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 14.54 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 16, BEARS NORTH 89 DEGREES 42 MINUTES 31 SECONDS EAST, AT A DISTANCE OF 5265.46 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 4797.82 FEET TO A POINT ON THE EAST LINE OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 9 EAST, FROM WHICH

POINT THE SOUTHEAST CORNER OF SAID SECTION 17, BEARS SOUTH 00 DEGREES 19 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 482.13 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 17, BEARS NORTH 00 DEGREES 19 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 4797.82 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 482.13 FEET TO A POINT ON THE NORTH LINE OF SECTION 20, TOWNSHIP 36 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 43 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 1.46 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 43 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 5278.54 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5279.95 FEET TO A POINT ON THE NORTH LINE OF SECTION 29, TOWNSHIP 36 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 43 MINUTES 10 SECONDS EAST, AT A DISTANCE OF 17.45 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 43 MINUTES 10 SECONDS WEST, AT A DISTANCE OF 5262.55 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5279.98 FEET TO A POINT ON THE NORTH LINE OF SECTION 32, TOWNSHIP 36 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 43 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 33.44 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 43 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 5246.56 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.00 FEET TO A POINT ON THE NORTH LINE OF SECTION 5, TOWNSHIP 35 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 5, BEARS NORTH 89 DEGREES 43 MINUTES 15 SECONDS EAST, AT A DISTANCE OF 49.42 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 5, BEARS SOUTH 89 DEGREES 43 MINUTES 15 SECONDS WEST, AT A DISTANCE OF 5230.58 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5279.58 FEET TO A POINT ON THE NORTH LINE OF SECTION 8, TOWNSHIP 35 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 8, BEARS NORTH 89 DEGREES 43 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 65.13 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 89

DEGREES 43 MINUTES 15 SECONDS WEST, AT A DISTANCE OF 5214.87 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.02 FEET TO A POINT ON THE NORTH LINE OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 17, BEARS NORTH 89 DEGREES 43 MINUTES 15 SECONDS EAST, AT A DISTANCE OF 81.06 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 89 DEGREES 43 MINUTES 15 SECONDS WEST, AT A DISTANCE OF 5198.94 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.04 FEET TO A POINT ON THE NORTH LINE OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 43 MINUTES 16 SECONDS EAST, AT A DISTANCE OF 96.98 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 43 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 5183.02 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.04 FEET TO A POINT ON THE NORTH LINE OF SECTION 29, TOWNSHIP 35 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 42 MINUTES 39 SECONDS EAST, AT A DISTANCE OF 112.89 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 42 MINUTES 39 SECONDS WEST, AT A DISTANCE OF 5167.11 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.05 FEET TO A POINT ON THE NORTH LINE OF SECTION 32, TOWNSHIP 35 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 43 MINUTES 18 SECONDS EAST, AT A DISTANCE OF 128.99 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 43 MINUTES 18 SECONDS WEST, AT A DISTANCE OF 5151.21 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.05 FEET TO A POINT ON THE NORTH LINE OF SECTION 5, TOWNSHIP 34 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 5, BEARS NORTH 89 DEGREES 43 MINUTES 19 SECONDS EAST, AT A DISTANCE OF 144.69 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 5, BEARS SOUTH 89 DEGREES 43 MINUTES 19 SECONDS WEST, AT A DISTANCE OF 5135.31 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5279.92 FEET TO A POINT ON THE NORTH LINE OF SECTION 8, TOWNSHIP 34 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 8, BEARS NORTH 89 DEGREES 43 MINUTES 23 SECONDS EAST, AT A DISTANCE OF 160.43 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 89 DEGREES 43 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 5119.57 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.05 FEET TO A POINT ON THE NORTH LINE OF SECTION 17, TOWNSHIP 34 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 17, BEARS NORTH 89 DEGREES 43 MINUTES 42 SECONDS EAST, AT A DISTANCE OF 176.39 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 89 DEGREES 43 MINUTES 42 SECONDS WEST, AT A DISTANCE OF 5103.61 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.05 FEET TO A POINT ON THE NORTH LINE OF SECTION 20, TOWNSHIP 34 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 43 MINUTES 24 SECONDS EAST, AT A DISTANCE OF 192.24 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 43 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 5087.76 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 5280.06 FEET TO A POINT ON THE NORTH LINE OF SECTION 29, TOWNSHIP 34 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 43 MINUTES 24 SECONDS EAST, AT A DISTANCE OF 208.11 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 43 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 5071.89 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 11 SECONDS EAST, A DISTANCE OF 3893.40 FEET TO ANGLE POINT 41/4;

**11067 41/4 AP**

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 1428.88 FEET TO A POINT ON THE NORTH LINE OF SECTION 32, TOWNSHIP 34 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 43 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 565.66 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 43 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 2074.36 FEET;

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 5440.65 FEET TO A POINT ON THE NORTH LINE OF SECTION 29, TOWNSHIP 33 1/2 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 43 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 757.56 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 43 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 1881.64 FEET;

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 546.57 FEET TO A POINT ON THE NORTH LINE OF SECTION 32, TOWNSHIP 33 1/2 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 43 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 625.55 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 43 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 2014.33 FEET;

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 5440.70 FEET TO A POINT ON THE NORTH LINE OF SECTION 5, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 5, BEARS NORTH 89 DEGREES 43 MINUTES 47 SECONDS EAST, AT A DISTANCE OF 691.11 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 5, BEARS SOUTH 89 DEGREES 43 MINUTES 47 SECONDS WEST, AT A DISTANCE OF 1949.06 FEET;

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 5576.54 FEET TO A POINT ON THE NORTH LINE OF SECTION 8, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 89 DEGREES 43 MINUTES 30 SECONDS WEST, AT A DISTANCE OF 600.59 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 8, BEARS NORTH 89 DEGREES 43 MINUTES 30 SECONDS EAST, AT A DISTANCE OF 2039.31 FEET;

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 2483.95 FEET TO A POINT ON THE EAST LINE OF SECTION 7, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 7, BEARS NORTH 00 DEGREES 18 MINUTES 45 SECONDS WEST, AT A DISTANCE OF 2410.63 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 7, BEARS SOUTH 00 DEGREES 18 MINUTES 45 SECONDS EAST, AT A DISTANCE OF 2869.29 FEET;

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 2956.48 FEET TO A POINT ON THE NORTH LINE OF SECTION 18, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 18, BEARS

NORTH 89 DEGREES 44 MINUTES 01 SECONDS EAST, AT A DISTANCE OF 714.82FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 18, BEARS SOUTH 89 DEGREES 44 MINUTES 01 SECONDS WEST, AT A DISTANCE OF 4712.49 FEET;

THENCE SOUTH 13 DEGREES 40 MINUTES 46 SECONDS WEST, A DISTANCE OF 2330.58 FEET TO ANGLE POINT 46/3;

**11048 46/3 AP**

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 3035.49 FEET TO A POINT ON THE NORTH LINE OF SECTION 19, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 19, BEARS NORTH 89 DEGREES 43 MINUTES 23 SECONDS EAST, AT A DISTANCE OF 955.80 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 19, BEARS SOUTH 89 DEGREES 43 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 4476.45 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5310.45 FEET TO A POINT ON THE NORTH LINE OF SECTION 30, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 30, BEARS NORTH 89 DEGREES 44 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 391.62 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 30, BEARS SOUTH 89 DEGREES 44 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 5045.53 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 3685.76 FEET TO A POINT ON THE WEST LINE OF SECTION 29, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 00 DEGREES 18 MINUTES 49 SECONDS EAST, AT A DISTANCE OF 1615.39 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS NORTH 00 DEGREES 18 MINUTES 49 SECONDS WEST, AT A DISTANCE OF 3664.64 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 1624.67 FEET TO A POINT ON THE NORTH LINE OF SECTION 32, TOWNSHIP 33 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 32, BEARS SOUTH 89 DEGREES 43 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 172.62 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 43 MINUTES 24 SECONDS EAST, AT A DISTANCE OF 5107.38 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5313.03 FEET TO A POINT ON THE NORTH LINE OF SECTION 5, TOWNSHIP 32 NORTH, RANGE 9 EAST, FROM WHICH

POINT THE SOUTHWEST CORNER OF SECTION 32, TOWNSHIP 33 NORTH, RANGE 9 EAST, BEARS SOUTH 89 DEGREES 45 MINUTES 47 SECONDS WEST, AT A DISTANCE OF 897.04 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF 32, TOWNSHIP 33 NORTH, RANGE 9 EAST BEARS NORTH 89 DEGREES 45 MINUTES 47 SECONDS EAST, AT A DISTANCE OF 1747.19 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5363.13 FEET TO A POINT ON THE NORTH LINE OF SECTION 8, TOWNSHIP 32 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 8, BEARS NORTH 89 DEGREES 43 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 2589.45 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 89 DEGREES 43 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 2690.55 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5310.42 FEET TO A POINT ON THE NORTH LINE OF SECTION 17, TOWNSHIP 32 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 17, BEARS NORTH 89 DEGREES 43 MINUTES 33 SECONDS EAST, AT A DISTANCE OF 2025.29 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 17, BEARS SOUTH 89 DEGREES 43 MINUTES 33 SECONDS WEST, AT A DISTANCE OF 3254.71 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5310.44 FEET TO A POINT ON THE NORTH LINE OF SECTION 20, TOWNSHIP 32 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 43 MINUTES 35 SECONDS EAST, AT A DISTANCE OF 1460.75 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 43 MINUTES 35 SECONDS WEST, AT A DISTANCE OF 3819.25 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5310.47 FEET TO A POINT ON THE NORTH LINE OF SECTION 29, TOWNSHIP 32 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 43 MINUTES 35 SECONDS EAST, AT A DISTANCE OF 896.19 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 43 MINUTES 35 SECONDS WEST, AT A DISTANCE OF 4383.81 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5310.59 FEET TO A POINT ON THE NORTH LINE OF SECTION 32, TOWNSHIP 32 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 32, BEARS NORTH 89 DEGREES 43 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 331.61 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89

DEGREES 43 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 4948.39 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 3118.77 FEET TO A POINT ON THE WEST LINE OF SECTION 33, TOWNSHIP 32 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 33, BEARS SOUTH 00 DEGREES 18 MINUTES 33 SECONDS EAST, AT A DISTANCE OF 2179.19 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 33, BEARS NORTH 00 DEGREES 18 MINUTES 33 SECONDS WEST, AT A DISTANCE OF 3100.86 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 2191.73 FEET TO A POINT ON THE NORTH LINE OF SECTION 4, TOWNSHIP 31 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 4, BEARS SOUTH 89 DEGREES 42 MINUTES 58 SECONDS WEST, AT A DISTANCE OF 233.20 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 4, BEARS NORTH 89 DEGREES 42 MINUTES 58 SECONDS EAST, AT A DISTANCE OF 5046.80 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 4874.62 FEET TO A POINT ON THE NORTH LINE OF SECTION 9, TOWNSHIP 31 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 31, BEARS SOUTH 89 DEGREES 42 MINUTES 56 SECONDS WEST, AT A DISTANCE OF 753.50 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 9, BEARS NORTH 89 DEGREES 42 MINUTES 56 SECONDS EAST, AT A DISTANCE OF 4526.50 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5310.41 FEET TO A POINT ON THE NORTH LINE OF SECTION 16, TOWNSHIP 31 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 16, BEARS SOUTH 89 DEGREES 42 MINUTES 57 SECONDS WEST, AT A DISTANCE OF 1320.01 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 16, BEARS NORTH 89 DEGREES 42 MINUTES 57 SECONDS EAST, AT A DISTANCE OF 3959.99 FEET;

THENCE SOUTH 06 DEGREES 24 MINUTES 47 SECONDS EAST, A DISTANCE OF 5311.73 FEET TO A POINT ON THE NORTH LINE OF SECTION 21, TOWNSHIP 31 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 21, BEARS SOUTH 89 DEGREES 41 MINUTES 39 SECONDS WEST, AT A DISTANCE OF 1886.81 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 21, BEARS NORTH 89 DEGREES 41 MINUTES 39 SECONDS EAST, AT A DISTANCE OF 3393.19 FEET;

THENCE SOUTH 06 DEGREES 24 SECONDS 47 SECONDS EAST, A DISTANCE OF 4065.86 FEET TO ANGLE POINT 60/1;

**11056 60/1 AP**

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 1358.53 FEET TO A POINT ON THE NORTH LINE OF SECTION 28, TOWNSHIP 31 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 28, BEARS NORTH 89 DEGREES 42 MINUTES 59 SECONDS EAST, AT A DISTANCE OF 2395.95 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 28, BEARS SOUTH 89 DEGREES 42 MINUTES 59 SECONDS WEST, AT A DISTANCE OF 2884.05 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 5777.10 FEET TO A POINT ON THE WEST LINE OF SECTION 27, TOWNSHIP 31 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 27, BEARS SOUTH 00 DEGREES 17 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 23.27 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 27, BEARS NORTH 00 DEGREES 17 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 5256.69 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 25.57 FEET TO A POINT ON THE NORTH LINE OF SECTION 34, TOWNSHIP 31 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 34, BEARS SOUTH 89 DEGREES 42 MINUTES 21 SECONDS WEST, AT A DISTANCE OF 10.60 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 34, BEARS NORTH 89 DEGREES 42 MINUTES 21 SECONDS EAST, AT A DISTANCE OF 5269.40 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 5802.23 FEET TO A POINT ON THE NORTH LINE OF SECTION 3, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 3, BEARS SOUTH 89 DEGREES 42 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 2416.98 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 3, BEARS NORTH 89 DEGREES 42 MINUTES 23 SECONDS EAST, AT A DISTANCE OF 2863.02 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 5802.16 FEET TO A POINT ON THE NORTH LINE OF SECTION 10, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 10, BEARS NORTH 89 DEGREES 42 MINUTES 27 SECONDS EAST, AT A DISTANCE OF 457.00 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 10, BEARS SOUTH 89 DEGREES 42 MINUTES 27 SECONDS WEST, AT A DISTANCE OF 4823.01 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 1101.95 FEET TO A POINT ON THE WEST LINE OF SECTION 11, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 11, BEARS NORTH 00 DEGREES 17 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 1002.76 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 11, BEARS SOUTH 00 DEGREES 17 MINUTES 16 SECONDS EAST, AT A DISTANCE OF 1637.26 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 4700.09 FEET TO A POINT ON THE NORTH LINE OF SECTION 14, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 14, BEARS NORTH 89 DEGREES 41 MINUTES 56 SECONDS EAST, AT A DISTANCE OF 690.63 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 14, BEARS SOUTH 89 DEGREES 41 MINUTES 56 SECONDS WEST, AT A DISTANCE OF 1949.33 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 5801.72 FEET TO A POINT ON THE NORTH LINE OF SECTION 23, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 23, BEARS NORTH 89 DEGREES 41 MINUTES 31 SECONDS EAST, AT A DISTANCE OF 924.52 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 23, BEARS SOUTH 89 DEGREES 41 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 1715.54 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 2229.07 FEET TO A POINT ON THE WEST LINE OF SECTION 24, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 24, BEARS SOUTH 00 DEGREES 17 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 611.40 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 24, BEARS NORTH 00 DEGREES 17 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 2028.64 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 3572.33 FEET TO A POINT ON THE NORTH LINE OF SECTION 25, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 25, BEARS SOUTH 89 DEGREES 41 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 1481.70 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 25, BEARS NORTH 89 DEGREES 41 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 3798.30 FEET;

THENCE SOUTH 24 DEGREES 47 MINUTES 23 SECONDS EAST, A DISTANCE OF 812.08 FEET TO ANGLE POINT 67/1;

**11038 67/1 AP**

THENCE SOUTH 06 DEGREES 08 MINUTES 37 SECONDS WEST, A DISTANCE OF 4569.89 FEET TO A POINT ON THE NORTH LINE OF SECTION 36, TOWNSHIP 30 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 36, BEARS SOUTH 89 DEGREES 41 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 1306.76 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 36, BEARS NORTH 89 DEGREES 41 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 3973.24 FEET;

THENCE SOUTH 06 DEGREES 08 MINUTES 37 SECONDS WEST, A DISTANCE OF 5313.73 FEET TO A POINT ON THE NORTH LINE OF SECTION 1, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 1, BEARS SOUTH 89 DEGREES 41 MINUTES 17 SECONDS WEST, AT A DISTANCE OF 711.76 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 1, BEARS NORTH 89 DEGREES 41 MINUTES 17 SECONDS EAST, AT A DISTANCE OF 1928.27 FEET;

THENCE SOUTH 06 DEGREES 08 MINUTES 37 SECONDS WEST, A DISTANCE OF 5313.59 FEET TO A POINT ON THE NORTH LINE OF SECTION 12, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 12, BEARS SOUTH 89 DEGREES 41 MINUTES 23 SECONDS WEST, AT A DISTANCE OF 116.75 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 12, BEARS NORTH 89 DEGREES 41 MINUTES 23 SECONDS EAST, AT A DISTANCE OF 2523.38 FEET;

THENCE SOUTH 06 DEGREES 08 MINUTES 37 SECONDS WEST, A DISTANCE OF 1042.29 FEET TO A POINT ON THE EAST LINE OF SECTION 11, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 11, BEARS NORTH 00 DEGREES 17 MINUTES 16 SECONDS WEST, AT A DISTANCE OF 1035.69 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 11, BEARS SOUTH 00 DEGREES 17 MINUTES 16 SECONDS EAST, AT A DISTANCE OF 1604.32 FEET;

THENCE SOUTH 06 DEGREES 08 MINUTES 37 SECONDS WEST, A DISTANCE OF 4271.35 FEET TO A POINT ON THE NORTH LINE OF SECTION 14, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 14, BEARS NORTH 89 DEGREES 41 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 478.40 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 14, BEARS SOUTH 89 DEGREES 41 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 2161.68 FEET;

THENCE SOUTH 06 DEGREES 08 MINUTES 37 SECONDS WEST, A DISTANCE OF 5313.71 FEET TO A POINT ON THE NORTH LINE OF SECTION 23, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 23, BEARS

NORTH 89 DEGREES 41 MINUTES 43 SECONDS EAST, AT A DISTANCE OF 1073.48 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 23, BEARS SOUTH 89 DEGREES 41 MINUTES 43 SECONDS WEST, AT A DISTANCE OF 1566.55 FEET;

THENCE SOUTH 06 DEGREES 08 MINUTES 37 SECONDS WEST, A DISTANCE OF 2866.55 FEET TO ANGLE POINT 72/2;

**11021 72/2 AP**

THENCE SOUTH 31 DEGREES 15 MINUTES 54 SECONDS WEST, A DISTANCE OF 2855.69 FEET TO A POINT ON THE NORTH LINE OF SECTION 26, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 26, BEARS NORTH 89 DEGREES 21 MINUTES 05 SECONDS EAST, AT A DISTANCE OF 248.78 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 26, BEARS SOUTH 89 DEGREES 21 MINUTES 05 SECONDS WEST, AT A DISTANCE OF 2419.05 FEET;

THENCE SOUTH 31 DEGREES 15 MINUTES 54 SECONDS WEST, A DISTANCE OF 4597.07 FEET TO A POINT ON THE EAST LINE OF SECTION 27, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 27, BEARS NORTH 00 DEGREES 36 MINUTES 36 SECONDS WEST, AT A DISTANCE OF 1268.35 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 27, BEARS SOUTH 00 DEGREES 36 MINUTES 36 SECONDS EAST, AT A DISTANCE OF 1371.03 FEET;

THENCE SOUTH 31 DEGREES 15 MINUTES 54 SECONDS WEST, A DISTANCE OF 1610.37 FEET TO A POINT ON THE NORTH LINE OF SECTION 34, TOWNSHIP 29 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 34, BEARS NORTH 89 DEGREES 37 MINUTES 32 SECONDS EAST, AT A DISTANCE OF 850.39 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 34, BEARS SOUTH 89 DEGREES 37 MINUTES 32 SECONDS WEST, AT A DISTANCE OF 1797.77 FEET;

THENCE SOUTH 31 DEGREES 15 MINUTES 54 SECONDS WEST, A DISTANCE OF 6199.80 FEET TO A POINT ON THE NORTH LINE OF SECTION 3, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SECTION 34, TOWNSHIP 29 NORTH, RANGE 9 EAST BEARS SOUTH 89 DEGREES 39 MINUTES 37 SECONDS WEST, AT A DISTANCE OF 1186.11 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 34, BEARS NORTH 89 DEGREES 39 MINUTES 37 SECONDS EAST, AT A DISTANCE OF 1456.29 FEET;

THENCE SOUTH 31 DEGREES 15 MINUTES 54 SECONDS WEST, A DISTANCE OF 3744.69 FEET TO A POINT HEREIN DESIGNATED **POINT "A".**

THE UNDIVIDED INTEREST OF EACH GRANTEE IN THE ABOVE DESCRIBED RIGHT OF WAY IS AS FOLLOWS:

IN THE EASTERLY 200 FEET:

| | |
|---|---|
| ARIZONA PUBLIC SERVICE COMPANY | 24.7% |
| TUCSON GAS & ELECTRIC COMPANY | 13.3% |
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT | 38.3% |
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES OF AMERICA | 23.7% |

IN THE WESTERLY 200 FEET:

| | |
|---|---|
| ARIZONA PUBLIC SERVICE COMPANY | 14.0% |
| DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES | 21.2% |
| NV ENERGY | 11.3% |
| TUCSON GAS & ELECTRIC COMPANY | 7.5% |
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT | 21.7% |
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES OF AMERICA | 24.3% |

ALSO, A RIGHT OF WAY 200 FEET IN WIDTH, LYING 100 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED SURVEY LINE:

BEGINNING AT POINT "A" HEREINABOVE DESCRIBED;

THENCE SOUTH 73 DEGREES 34 MINUTES 56 SECONDS WEST, A DISTANCE OF 586.95 FEET TO A POINT ON THE EAST LINE OF SECTION 4, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 4, BEARS NORTH 00 DEGREES 29 MINUTES 51 SECONDS WEST, AT A DISTANCE OF 647.65 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 4, BEARS SOUTH 00 DEGREES 29 MINUTES 51 SECONDS EAST, AT A DISTANCE OF 1992.79 FEET;

THENCE SOUTH 73 DEGREES 34 MINUTES 56 SECONDS WEST, A DISTANCE OF 3148.23 FEET TO ANGLE POINT 76/3;

THENCE SOUTH 87 DEGREES 54 MINUTES 35 SECONDS WEST, A DISTANCE OF 801.59 FEET, TO A POINT ON THE EAST BOUNDARY OF MOENKOPI SWITCHYARD, SAID POINT LYING NORTH 47 DEGREES 41 MINUTES 49 SECONDS WEST 1614.85 FEET OF THE SOUTH QUARTER CORNER OF SECTION FOUR (4), TOWNSHIP TWENTY-EIGHT (28) NORTH, RANGE NINE (9) EAST .

THE UNDIVIDED INTEREST OF EACH GRANTEE IN THE ABOVE DESCRIBED RIGHT OF WAY IS AS FOLLOWS:

| | |
|---|---|
| ARIZONA PUBLIC SERVICE COMPANY | 14.0% |
| DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES | 21.2% |
| NV ENERGY | 11.3% |
| TUCSON GAS & ELECTRIC COMPANY | 7.5% |
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT | 21.7% |
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES OF AMERICA | 24.3% |

ALSO, A RIGHT OF WAY 200 FEET IN WIDTH, LYING 100 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED SURVEY LINE:

BEGINNING AT A POINT LYING SOUTH 58 DEGREES 44 MINUTES 06 SECONDS EAST 130 FEET FROM POINT "A" HEREINABOVE DESCRIBED;

THENCE SOUTH 31 DEGREES 16 MINUTES 04 SECONDS WEST, A DISTANCE OF 1282.14 FEET TO A POINT ON THE EAST LINE OF SECTION 4, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 4, BEARS SOUTH 00 DEGREES 29 MINUTES 51 SECONDS EAST, AT A DISTANCE OF 995.27 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 4, BEARS NORTH 00 DEGREES 29 MINUTES 51 SECONDS WEST, AT A DISTANCE OF 1645.17 FEET;

THENCE SOUTH 31 DEGREES 16 MINUTES 04 SECONDS WEST, A DISTANCE OF 1167.95 FEET TO A POINT ON THE NORTH LINE OF SECTION 9, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 9, BEARS NORTH 89 DEGREES 42 MINUTES 50 SECONDS EAST, AT A DISTANCE OF 614.86 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 9, BEARS SOUTH 89 DEGREES 42 MINUTES 50 SECONDS WEST, AT A DISTANCE OF 2029.07 FEET;

THENCE SOUTH 31 DEGREES 16 SECONDS 04 SECONDS WEST, A DISTANCE OF 6189.71 FEET TO A POINT ON THE NORTH LINE OF SECTION 16, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 16, BEARS NORTH 89 DEGREES 51 MINUTES 30 SECONDS EAST, AT A DISTANCE OF 1236.78 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 16, BEARS SOUTH 89 DEGREES 51 MINUTES 30 SECONDS WEST, AT A DISTANCE OF 1402.69 FEET;

THENCE SOUTH 31 DEGREES 16 MINUTES 04 SECONDS WEST, A DISTANCE OF 2675.44 FEET TO A POINT ON THE EAST LINE OF SECTION 17, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 17, BEARS SOUTH 00 DEGREES 21 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 356.94 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 17, BEARS NORTH 00 DEGREES 21 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 2283.42 FEET;

THENCE SOUTH 31 DEGREES 16 MINUTES 04 SECONDS WEST, A DISTANCE OF 1825.21 FEET TO ANGLE POINT 78/3;

**11018 78/3 AP**

THENCE SOUTH 59 DEGREES 50 MINUTES 45 SECONDS WEST, A DISTANCE OF 2885.77 FEET TO A POINT ON THE NORTH LINE OF SECTION 20, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 20, BEARS NORTH 89 DEGREES 47 MINUTES 31 SECONDS EAST, AT A DISTANCE OF 823.24 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 20, BEARS SOUTH 89 DEGREES 47 MINUTES 31 SECONDS WEST, AT A DISTANCE OF 1808.94 FEET;

THENCE SOUTH 59 DEGREES 50 MINUTES 45 SECONDS WEST, A DISTANCE OF 19.96 FEET TO ANGLE POINT 79/1

**11013 79/1 AP**

THENCE SOUTH 61 DEGREES 21 MINUTES 05 SECONDS WEST, A DISTANCE OF 1395.48 FEET TO ANGLE POINT 79/2;

**11013 79/2 AP**

THENCE SOUTH 62 DEGREES 50 MINUTES 45 SECONDS WEST, A DISTANCE OF 631.26 FEET TO A POINT ON THE EAST LINE OF SECTION 19, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 19, BEARS NORTH 00 DEGREES 19 MINUTES 07 SECONDS WEST, AT A DISTANCE OF 960.62 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 19, BEARS SOUTH 00 DEGREES 19 MINUTES 07 SECONDS EAST, AT A DISTANCE OF 1690.82 FEET;

THENCE SOUTH 62 DEGREES 50 MINUTES 45 SECONDS WEST, A DISTANCE OF 1596.51 FEET TO ANGLE POINT 79/4;

**2151 79/4 AP**

THENCE SOUTH 57 DEGREES 55 MINUTES 43 SECONDS WEST, A DISTANCE OF 4349.44 FEET TO A POINT ON THE EAST LINE OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 24, BEARS SOUTH 00 DEGREES 15 MINUTES 07 SECONDS EAST, AT A DISTANCE OF 1268.49 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 24, BEARS NORTH 00 DEGREES 15 MINUTES 07 SECONDS WEST, AT A DISTANCE OF 1371.98 FEET;

THENCE SOUTH 57 DEGREES 55 MINUTES 43 SECONDS WEST, A DISTANCE OF 218.38 FEET TO ANGLE POINT 80/3;

**11007 80/3 AP**

THENCE SOUTH 59 DEGREES 51 MINUTES 04 SECONDS WEST, A DISTANCE OF 2319.32 FEET TO A POINT ON THE NORTH LINE OF SECTION 25, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 25, BEARS NORTH 89 DEGREES 40 MINUTES 40 SECONDS EAST, AT A DISTANCE OF 2196.23 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 25, BEARS SOUTH 89 DEGREES 40 MINUTES 40 SECONDS WEST, AT A DISTANCE OF 3099.18 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 04 SECONDS WEST, A DISTANCE OF 3571.60 FEET TO A POINT ON THE EAST LINE OF SECTION 26, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 26, BEARS NORTH 00 DEGREES 20 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 1776.42 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 26, BEARS SOUTH 00 DEGREES 20 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 3513.19 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 04 SECONDS WEST, A DISTANCE OF 771.27 FEET TO A POINT HEREIN DESIGNATED POINT "B".

ALSO, A RIGHT OF WAY 200 FEET IN WIDTH, LYING 100 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED SURVEY LINES

BEGINNING AT A POINT LYING NORTH 30 DEGREES 08 MINUTES 38 SECONDS WEST 130 FEET FROM POINT "B" HEREINABOVE DESCRIBED;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 1159.51 FEET TO A POINT ON THE WEST LINE OF SECTION 25, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH

POINT THE NORTHWEST CORNER OF SAID SECTION 25, BEARS NORTH 00 DEGREES 20 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 1149.23 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 25, BEARS SOUTH 00 DEGREES 20 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 4140.38 FEET;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 1483.89 FEET TO A POINT ON THE SOUTH LINE OF SECTION 24, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 24, BEARS SOUTH 89 DEGREES 40 MINUTES 40 SECONDS WEST, AT A DISTANCE OF 939.16 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 24, BEARS NORTH 89 DEGREES 40 MINUTES 40 SECONDS EAST, AT A DISTANCE OF 4356.25 FEET;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 6821.94 FEET TO A POINT ON THE SOUTH LINE OF SECTION 13, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 13, BEARS NORTH 89 DEGREES 34 MINUTES 03 SECONDS EAST, AT A DISTANCE OF 47.09 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 13, BEARS SOUTH 89 DEGREES 34 MINUTES 03 SECONDS WEST, AT A DISTANCE OF 5204.76 FEET;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 74.74 FEET TO A POINT ON THE WEST LINE OF SECTION 18, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 18, BEARS SOUTH 00 DEGREES 08 MINUTES 10 SECONDS EAST, AT A DISTANCE OF 57.79 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 18, BEARS NORTH 00 DEGREES 08 MINUTES 10 SECONDS WEST, AT A DISTANCE OF 2581.60 FEET;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 6685.63 FEET TO A POINT ON THE SOUTH LINE OF SECTION 7, TOWNSHIP 28 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 7, BEARS SOUTH 89 DEGREES 38 MINUTES 29 SECONDS EAST, AT A DISTANCE OF 867.61 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 7, BEARS NORTH 89 DEGREES 38 MINUTES 29 SECONDS WEST, AT A DISTANCE OF 1768.10 FEET;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 1366.71 FEET TO A POINT ON THE WEST LINE OF SECTION 8, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 8, BEARS SOUTH 00 DEGREES 28 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 1068.80 FEET, ALSO FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 8, BEARS NORTH 00

DEGREES 28 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 1561.56 FEET;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 5424.81 FEET TO A POINT ON THE SOUTH LINE OF SECTION 5, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 5, BEARS SOUTH 89 DEGREES 39 MINUTES 18 SECONDS WEST, AT A DISTANCE OF 807.11 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 5, BEARS NORTH 89 DEGREES 39 MINUTES 18 SECONDS EAST, AT A DISTANCE OF 1831.79 FEET;

THENCE NORTH 38 DEGREES 55 MINUTES 12 SECONDS EAST, A DISTANCE OF 1109.13 FEET TO ANGLE POINT 77/1;

THENCE NORTH 89 DEGREES 12 MINUTES 29 SECONDS EAST, A DISTANCE OF 847.24 FEET TO A POINT ON THE WEST BOUNDARY OF MOENKOPI SWITCHYARD, SAID POINT LYING NORTH 18 DEGREES 25 MINUTES 52 SECONDS WEST 910.30 FEET OF THE SOUTHEAST CORNER OF SECTION FIVE (5), TOWNSHIP TWENTY-EIGHT (28) NORTH, RANGE NINE (9) EAST.

ALSO, A RIGHT OF WAY 330 FEET IN WIDTH, LYING 230 FEET EAST AND 100 FEET WEST OF THE FOLLOWING DESCRIBED SURVEY LINE:

BEGINNING AT A POINT LYING NORTH 30 DEGREES 08 MINUTES 38 SECONDS WEST 130 FEET FROM POINT "B" HEREINABOVE DESCRIBED;

THENCE SOUTH 59 DEGREES 51 MINUTES 22 SECONDS WEST, A DISTANCE OF 5240.35 FEET TO A POINT ON THE EAST LINE OF SECTION 27, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 27, BEARS SOUTH 00 DEGREES 05 MINUTES 51 SECONDS WEST, AT A DISTANCE OF 620.23 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 27, BEARS NORTH 00 DEGREES 05 MINUTES 51 SECONDS EAST, AT A DISTANCE OF 4647.68 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 22 SECONDS WEST, A DISTANCE OF 1240.40 FEET TO A POINT ON THE NORTH LINE OF SECTION 34, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 34, BEARS NORTH 89 DEGREES 51 MINUTES 28 SECONDS EAST, AT A DISTANCE OF 1071.61 FEET, ALSO FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 34, BEARS SOUTH 89 DEGREES 51 MINUTES 28 SECONDS WEST, AT A DISTANCE OF 1571.88 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 22 SECONDS WEST, A DISTANCE OF 4843.25 FEET TO A POINT ON THE EAST LINE OF SECTION 33, TOWNSHIP 28 NORTH, RANGE 8 EAST, FROM WHICH POINT THE WEST QUARTER CORNER OF SAID SECTION 33, BEARS

SOUTH 00 DEGREES 09 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 229.05 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 33, BEARS NORTH 00 DEGREES 09 MINUTES 24 SECONDS EAST, AT A DISTANCE OF 2409.36 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 22 SECONDS WEST, A DISTANCE OF 5753.93 FEET TO A POINT ON THE NORTH LINE OF SECTION 4, TOWNSHIP 27 NORTH, RANGE 8 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 4, BEARS SOUTH 89 DEGREES 45 MINUTES 02 SECONDS WEST, AT A DISTANCE OF 288.99 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 4, BEARS NORTH 89 DEGREES 45 MINUTES 02 SECONDS EAST, AT A DISTANCE OF 4992.36 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 22 SECONDS WEST, A DISTANCE OF 333.39 FEET TO A POINT ON THE EAST LINE OF SECTION 5, TOWNSHIP 27 NORTH, RANGE 8 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 5, BEARS NORTH 00 DEGREES 14 MINUTES 11 SECONDS WEST, AT A DISTANCE OF 166.16 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 5, BEARS SOUTH 00 DEGREES 14 MINUTES 11 SECONDS EAST, AT A DISTANCE OF 2484.57 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 22 SECONDS WEST, A DISTANCE OF 6048.66 FEET TO A POINT ON THE EAST LINE OF SECTION 6, TOWNSHIP 27 NORTH, RANGE 8 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 6, BEARS SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST, AT A DISTANCE OF 2105.01 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 6, BEARS NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, AT A DISTANCE OF 3174.69 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 22 SECONDS WEST, A DISTANCE OF 3011.13 FEET TO ANGLE POINT 86/2;

**11001 86/2 AP**

THENCE SOUTH 59 DEGREES 51 MINUTES 54 SECONDS WEST, A DISTANCE OF 1204.99 FEET TO A POINT ON THE NORTH LINE OF SECTION 7, TOWNSHIP 27 NORTH, RANGE 8 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 7, BEARS NORTH 89 DEGREES 47 MINUTES 25 SECONDS EAST, AT A DISTANCE OF 968.41 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 7, BEARS SOUTH 89 DEGREES 47 MINUTES 25 SECONDS WEST, AT A DISTANCE OF 1613.27 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 54 SECONDS WEST, A DISTANCE OF 1851.41 FEET TO A POINT ON THE EAST LINE OF SECTION 12, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH

POINT THE SOUTHWEST CORNER OF SAID SECTION 12, BEARS SOUTH 00 DEGREES 44 MINUTES 57 SECONDS EAST, AT A DISTANCE OF 4355.32 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SECTION 7, TOWNSHIP 27 NORTH, RANGE 8 EAST BEARS NORTH 00 DEGREES 44 MINUTES 57 SECONDS WEST, AT A DISTANCE OF 923.34 FEET, AND FROM SAID NORTHWEST CORNER OF SECTION 7, THE NORTHEAST CORNER OF SECTION 12, TOWNSHIP 27 NORTH, RANGE 7 EAST BEARS NORTH 00 DEGREES 14 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 732.75 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 54 SECONDS WEST, A DISTANCE OF 6039.80 FEET TO A POINT ON THE EAST LINE OF SECTION 11, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 11, BEARS SOUTH 00 DEGREES 13 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 609.45 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 11, BEARS NORTH 00 DEGREES 13 MINUTES 52 SECONDS WEST, AT A DISTANCE OF 4670.30 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 54 SECONDS WEST, A DISTANCE OF 1221.53 FEET TO A POINT ON THE NORTH LINE OF SECTION 14, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 14 BEARS NORTH 89 DEGREES 48 MINUTES 18 SECONDS EAST, AT A DISTANCE OF 1058.54 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 14, BEARS SOUTH 89 DEGREES 48 MINUTES 18 SECONDS WEST, AT A DISTANCE OF 4221.97 FEET;

THENCE SOUTH 59 DEGREES 51 MINUTES 54 SECONDS WEST, A DISTANCE OF 4424.30 FEET TO ANGLE POINT 89/2;

**11031 89/2 AP**

THENCE SOUTH 59 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 449.45 FEET TO A POINT ON THE EAST LINE OF SECTION 15, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 15, BEARS NORTH 00 DEGREES 11 MINUTES 47 SECONDS WEST, AT A DISTANCE OF 2431.59 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 15, BEARS SOUTH 00 DEGREES 11 MINUTES 47 SECONDS EAST, AT A DISTANCE OF 2853.67 FEET;

THENCE SOUTH 59 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 5687.22 FEET TO A POINT ON THE NORTH LINE OF SECTION 22, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 22, BEARS SOUTH 89 DEGREES 59 MINUTES 44 SECONDS WEST, AT A DISTANCE OF 347.95 FEET, ALSO FROM WHICH POINT THE

NORTHEAST CORNER OF SAID SECTION 22, BEARS NORTH 89 DEGREES 59 MINUTES 44 SECONDS EAST, AT A DISTANCE OF 4926.79 FEET;

THENCE SOUTH 59 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 401.68 FEET TO A POINT ON THE EAST LINE OF SECTION 21, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 21, BEARS NORTH 00 DEGREES 11 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 201.55 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 21, BEARS SOUTH 00 DEGREES 11 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 5082.45 FEET;

THENCE SOUTH 59 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 6107.44 FEET TO A POINT ON THE EAST LINE OF SECTION 20, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 20, BEARS SOUTH 00 DEGREES 13 MINUTES 03 SECONDS EAST, AT A DISTANCE OF 2034.99 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 20, BEARS NORTH 00 DEGREES 13 MINUTES 03 SECONDS WEST, AT A DISTANCE OF 3240.13 FEET;

THENCE SOUTH 59 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 4071.28 FEET TO A POINT ON THE NORTH LINE OF SECTION 29, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 29, BEARS SOUTH 89 DEGREES 52 MINUTES 19 SECONDS WEST, AT A DISTANCE OF 1750.07 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 29, BEARS NORTH 89 DEGREES 52 MINUTES 19 SECONDS EAST, AT A DISTANCE OF 3527.59 FEET;

THENCE SOUTH 59 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 2019.93 FEET TO A POINT ON THE EAST LINE OF SECTION 30, TOWNSHIP 27 NORTH, RANGE 7 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 30, BEARS NORTH 00 DEGREES 12 MINUTES 41 SECONDS WEST, AT A DISTANCE OF 1009.74 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 30, BEARS SOUTH 00 DEGREES 12 MINUTES 41 SECONDS EAST, AT A DISTANCE OF 4275.08 FEET;

THENCE SOUTH 59 DEGREES 52 MINUTES 03 SECONDS WEST, A DISTANCE OF 3457.59 FEET TO ANGLE POINT 93/3;

**11035 93/3 AP**

THENCE SOUTH 58 DEGREES 54 MINUTES 16 SECONDS WEST, A DISTANCE OF 1528.66 FEET TO A POINT ON THE EAST LINE OF SECTION 25, TOWNSHIP 27 NORTH, RANGE 6 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 25, BEARS SOUTH 00 DEGREES 04 MINUTES 39 SECONDS WEST, AT A

DISTANCE OF 1773.90 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 25, BEARS NORTH 00 DEGREES 04 MINUTES 39 SECONDS EAST, AT A DISTANCE OF 3520.10 FEET;

THENCE SOUTH 58 DEGREES 54 MINUTES 16 SECONDS WEST, A DISTANCE OF 3468.54 FEET TO A POINT ON THE NORTH LINE OF SECTION 36, TOWNSHIP 27 NORTH, RANGE 6 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 36, BEARS NORTH 89 DEGREES 43 MINUTES 08 SECONDS EAST, AT A DISTANCE OF 326.97 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 25, BEARS SOUTH 89 DEGREES 43 MINUTES 08 SECONDS WEST, AT A DISTANCE OF 2318.10 FEET;

THENCE SOUTH 58 DEGREES 54 MINUTES 16 SECONDS WEST, A DISTANCE OF 2703.19 FEET TO A POINT ON THE EAST LINE OF SECTION 35, TOWNSHIP 27 NORTH, RANGE 6 EAST, FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 35, BEARS SOUTH 00 DEGREES 08 MINUTES 13 SECONDS EAST, AT A DISTANCE OF 1257.40 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 35, BEARS NORTH 00 DEGREES 08 MINUTES 13 SECONDS WEST, AT A DISTANCE OF 1384.74 FEET;

THENCE SOUTH 58 DEGREES 54 MINUTES 16 SECONDS WEST, A DISTANCE OF 6161.40 FEET TO A POINT ON THE EAST LINE OF SECTION 34, TOWNSHIP 27 NORTH, RANGE 6 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 34, BEARS SOUTH 00 DEGREES 07 MINUTES 48 SECONDS EAST, AT A DISTANCE OF 744.55 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 34, BEARS NORTH 00 DEGREES 07 MINUTES 48 SECONDS WEST, AT A DISTANCE OF 1897.45 FEET;

THENCE SOUTH 58 DEGREES 54 MINUTES 16 SECONDS WEST, A DISTANCE OF 1455.38 FEET TO THE **POINT OF TERMINUS**, AND THE SOUTH BOUNDARY OF THE NAVAJO INDIAN RESERVATION, ALSO BEING THE SOUTH LINE OF SECTION 34, TOWNSHIP 27 NORTH, RANGE 6 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 34, BEARS NORTH 89 DEGREES 40 MINUTES 24 SECONDS EAST, AT A DISTANCE OF 1247.96 FEET, ALSO FROM WHICH POINT THE SOUTH QUARTER CORNER OF SAID SECTION 34, BEARS SOUTH 89 DEGREES 40 MINUTES 24 SECONDS WEST, AT A DISTANCE OF 1393.42 FEET;

THE UNDIVIDED INTEREST OF EACH GRANTEE IN EACH OF THE ABOVE DESCRIBED RIGHTS OF WAY IS AS FOLLOWS:

| | |
|---|---|
| ARIZONA PUBLIC SERVICE COMPANY | 24.7% |
| TUCSON GAS & ELECTRIC COMPANY | 13.3% |

| | |
|---|---|
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT | 38.3% |
| SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES OF AMERICA | 23.7% |

ALL RIGHTS OF WAY DESCRIBED ABOVE COMPRISING AN AGGREGATE TOTAL OF 3862.055 ACRES, MORE OR LESS.

NOTE: ALL BEARINGS ARE GRID BEARINGS, ALL DISTANCES ARE GROUND DISTANCES IN INTERNATIONAL FEET. THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS GRID NORTH BASED ON THE ARIZONA STATE PLANE CENTRAL ZONE 202.

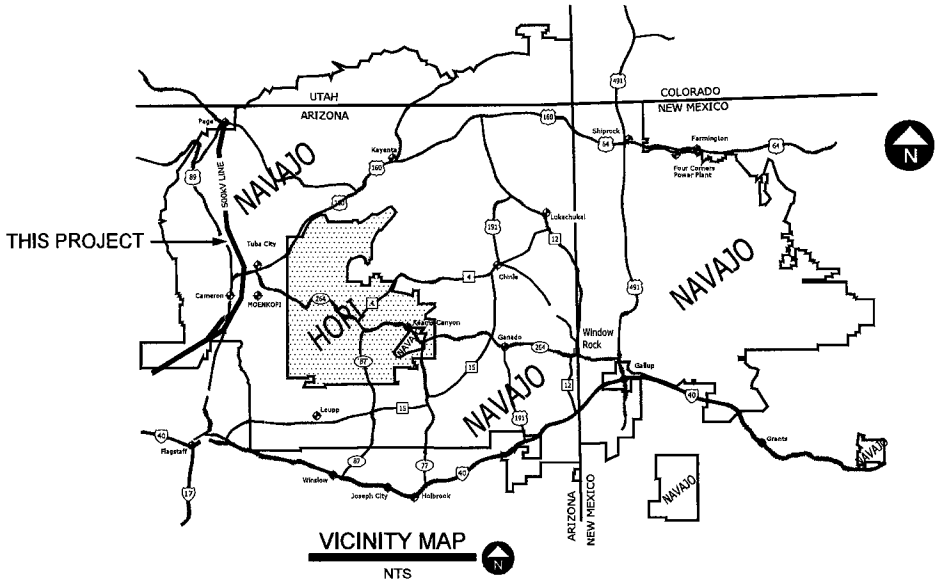
THIS DESCRIPTION WAS BASED UPON A PRELIMINARY SURVEY BY FERGUSON LAND SERVICES, INC DATED 9-30-2013 AND MARKED "PRELIMINARY".

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
TICKEY
Date Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES: 03-31-16

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)




VICINITY MAP

NTS

## APPLICANT'S CERTIFICATE

I, XXXXXXXXX, DO HEREBY CERTIFY THAT I AM THE LAND SERVICES DEPARTMENT SECTION LEADER FOR SALT RIVER PROJECT HEREINAFTER DESIGNATED THE APPLICANT; THAT DAVID R. FERGUSON, WHO SUBSCRIBED TO THE FOREGOING AFFIDAVIT, WAS UNDER CONTRACT AS A CONSULTANT BY THE APPLICANT AS A REGISTERED LAND SURVEYOR AND THAT HE WAS DIRECTED BY THE APPLICANT TO SURVEY THE LOCATION OF A RIGHT-OF-WAY AND TO PREPARE THIS MAP; THAT THE LOCATION OF SAID RIGHT-OF-WAY, IS ACCURATELY REPRESENTED ON THIS MAP; THAT SUCH SURVEY AS REPRESENTED ON THIS MAP HAS BEEN ADOPTED BY THE APPLICANT AS THE DEFINITE LOCATION OF THE RIGHT-OF-WAY THEREBY SHOWN; AND THAT THE MAP HAS BEEN PREPARED TO BE FILED WITH THE SECRETARY OF THE INTERIOR OR HIS DULY AUTHORIZED REPRESENTATIVE AS PART OF THE APPLICATION FOR SAID RIGHT-OF-WAY TO BE GRANTED THE APPLICANT, ITS SUCCESSORS AND ASSIGNS, WITH THE RIGHT TO CONSTRUCT, MAINTAIN, AND REPAIR IMPROVEMENTS, THEREON AND THEREOVER, AND WITH THE FURTHER RIGHT IN THE APPLICANT, ITS SUCCESSORS AND ASSIGNS, TO TRANSFER THIS RIGHT-OF-WAY BY ASSIGNMENT, GRANT, OR OTHERWISE.

SALT RIVER PROJECT

_____

XXXXXXX XXXXXXXX
SECTION LEADER, LAND SERVICES DEPARTMENT

STATE OF ARIZONA )
) SS.
COUNTY OF_____ )

DAVID R FERGUSON, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO SALT RIVER PROJECT, HEREINAFTER DESIGNATED THE "APPLICANT"; THAT THE SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, AND THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## SURVEYORS NOTE

◇ =(APD)AMENDED PROTRACTION DIAGRAM WAS PREPARED BY THE BUREAU OF LAND MANAGEMENT FOR THE EXPRESS PURPOSE OF DESCRIBING THE UNSURVEYED NAVAJO NATION TRUST LANDS. IT DOES NOT CONSTITUTE AN OFFICIAL SURVEY, BUT ESTABLISHES THE PLAN FOR EXTENDING THE RECTANGULAR SYSTEM OVER THESE UNSURVEYED LANDS AND MAY BE USED FOR LEASING AND OTHER ADMINISTRATIVE PURPOSES ONLY.

I, DAVID R. FERGUSON, ARIZONA PROFESSIONAL SURVEYOR No. 21065, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION IN 2012 AND 2016, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

| EXHIBIT C - AREA TOTALS | | |
|---|---|---|
| 500kV | ROW ℄ MILES | ACRES |
| NAVAJO NATION LANDS | 101.0955 | 3862.055 |

NOTE: SEE SHEET 2 FOR ADDITIONAL AREA INFORMATION.

REV 12-20-11

COUNTY RECORDER

NAVAJO NATION
SALT RIVER PROJECT
SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

DATE: 09-30-2013
VERSION #: 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-18-2016 ADDITIONAL PLSS SHOWN
JOB#: 1001.56.00

Ferguson
Land Services, Inc.
2932 West Peoria Avenue, Suite 1167, Phoenix, Arizona 85029
P: (602) 528-1644 F: (602) 528-6903

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

## GENERAL NOTES

ARIZONA STATE PLANE
ZONE: 0202 AZ CENTRAL
LINEAR UNIT: INTERNATIONAL FEET
DATUM: NAD 83 EPOCH (2007)
ALL DISTANCES SHOWN ARE GROUND UNLESS OTHERWISE NOTED
ALL BEARINGS SHOWN ARE GRID (BASIS OF BEARING)

## NGS CONTROL POINTS USED

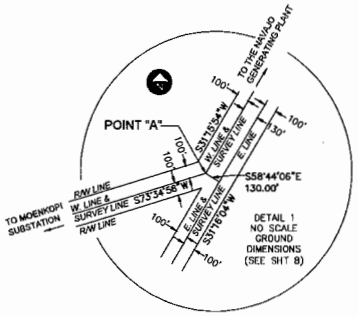
| DESIGNATION | ZONE | PID | LATITUDE | LONGITUDE |
|---|---|---|---|---|
| U 508 | AZ 0202 | FQ0479 | N35°30'08.85890" | W111°33'02.12820" |
| C 510 | AZ 0202 | FQ0508 | N35°51'20.38298" | W111°25'32.68357" |
| A 511 | AZ 0202 | GP0351 | N36°09'05.19662" | W111°23'51.94085" |
| C 508 | AZ 0202 | GP0374 | N36°20'55.90294" | W111°30'18.82544" |
| P 499 | AZ 0202 | GP0359 | N36°41'19.84616" | W111°36'24.34550" |
| L 404 | AZ 0202 | GP0283 | N36°51'58.31245" | W111°30'12.23451" |
| PGA A | AZ 0202 | AC6815 | N36°55'01.37520" | W111°26'48.19954" |

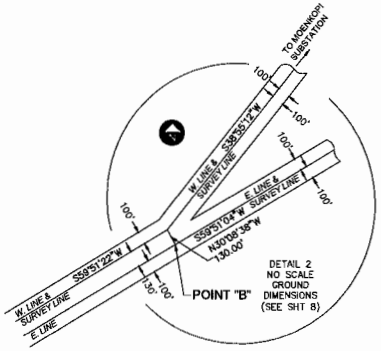
SEE NGS DATASHEET FOR RECOVERY

## AREAS
## AZ CENTRAL ZONE (0202)

500kV POWER LINE ROW
GROSS = 168,231,115.80 SQ FT
3862.055 ACRES

(NOTE: ALL HIGHWAY AND OTHER RIGHT-OF-WAY CROSSINGS ARE INCLUDED IN AREAS)




## SYMBOL LEGEND

- ○ CALCULATED POINT
- ◉ FOUND ALUMINUM/BRASS CAP
- ⊙ FOUND IRON PIPE
- ● FOUND IRON BAR
- 123/4 STRUCTURE ID No.
- ‡ STRUCTURE
- ◇ POINT PER BLM AMENDED PROTRACTION DIAGRAM
- ▲ POINT PER BLM GEOGRAPHIC COORDINATE DATABASE

## ABBREVIATION LEGEND

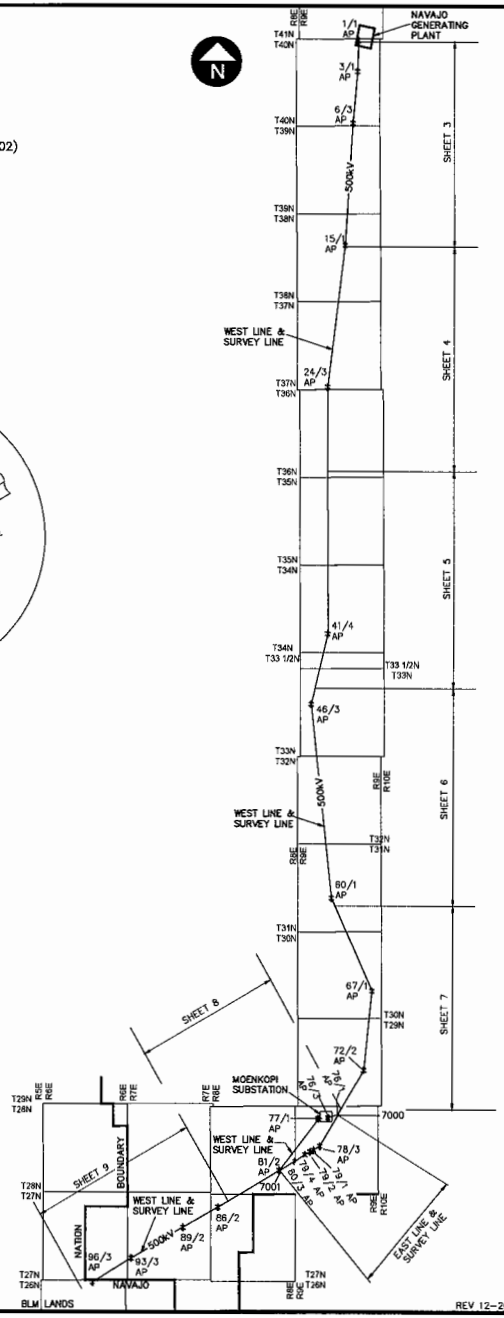
- AC ALUMINUM CAP
- AP ANGLE POINT
- BC BRASS CAP
- BLM BUREAU OF LAND MANAGEMENT
- CC CLOSING CORNER
- CL or ℄ CENTER LINE
- GLO GENERAL LAND OFFICE
- INT INTERSECTION
- MONO MONO POLE STRUCTURE
- PI POINT OF INTERSECTION
- POL POINT ONLINE
- RLS REGISTERED LAND SURVEYOR
- RM REFERENCE MONUMENT
- ROW RIGHT-OF-WAY
- SF COMBINED SCALE FACTOR USED GROUND TO GRID
- USLO UNITED STATES LAND OFFICE
- USDA UNITED STATES DEPARTMENT OF AGRICULTURE
- USDOI UNITED STATES DEPARTMENT OF THE INTERIOR
- WC WITNESS CORNER
- SC STANDARD CORNER

## LINE LEGEND

- SURVEY LINE
- MISCELLANEOUS BOUNDARY (AS NOTED)
- SECTION LINE (NOT SURVEYED)
- SEC SUB LINE (NOT SURVEYED)
- SECTION LINE
- SECTION SUBDIVISION LINE
- EASEMENT (AS NOTED)
- LOT LINE
- RIGHT OF WAY
- CHAIN LINK FENCE
- TIE
- TOWNSHIP or RANGE LINE

## ADDITIONAL AREA INFORMATION

| | 500kV | ROW WIDTH | ℄ ROW LENGTH FT | ℄ ROW LENGTH MILES | ACRES |
|---|---|---|---|---|---|
| | NAVAJO NATION LANDS | VARIES | 533,784.24 | 101.0955 | 3862.055 |
| | | | | | |
| TOTAL | | | 533,784.24 | 101.0955 | 3862.055 |




REV 12-20-11

COUNTY RECORDER

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

DATE: 09-30-2013
VERSION # 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016 ADDITIONAL PLSS SHOWN
JOB # 1001.56.00

21085 DAVID R. FERGUSON ARIZONA REGISTERED LAND SURVEYOR EXPIRES 12/31/2017

Ferguson Land Services, Inc.
2452 West Peoria Avenue, Suite 1167 Phoenix, Arizona 85029
P - (602) 569-2688 F - (602) 569-6909



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# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

COUNTY RECORDER

SCALE: 1"= 1000'

DATE: 09-30-2013
VERSION # 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016
ADDITIONAL PLSS SHOWN
JOB#: 1001.56.00

Ferguson Land Services, Inc.
2943 West Peoria Avenue, Suite 112, Phoenix, Arizona 85029
P: (602) 943-2161 F: (602) 943-0931

3 OF 11

NAVAJO GENERATING PLANT SUPPORT DOCUMENTS USED:
(R1) A 1969 MAP TITLED "BOUNDARY SURVEY AND COORDINATES", BY EARL V. MILLER, P.E., EARL V. MILLER ENGINEERS. OBTAINED FROM SALT RIVER PROJECT.
(R2) A 1967 RIGHT OF WAY MAP TITLED "U.S. DEPARTMENT OF THE INTERIOR BUREAU OF INDIAN AFFAIRS NAVAJO AREA – BRANCH OF ROADS"

MATCH ABOVE - LEFT

MATCH BELOW - RIGHT

MATCH ABOVE RIGHT

SHEET 4

NAVAJO NATION

UNSURVEYED LANDS

NAVAJO GENERATING PLANT

STATE ROUTE 98

DETAIL 3 NO SCALE GROUND DIMENSIONS

DETAIL 4 NO SCALE GROUND DIMENSIONS

SEC 2

T41N
T40N
T39N
T38N
R9E

REPLACEMENT LEASE - EXHIBIT A

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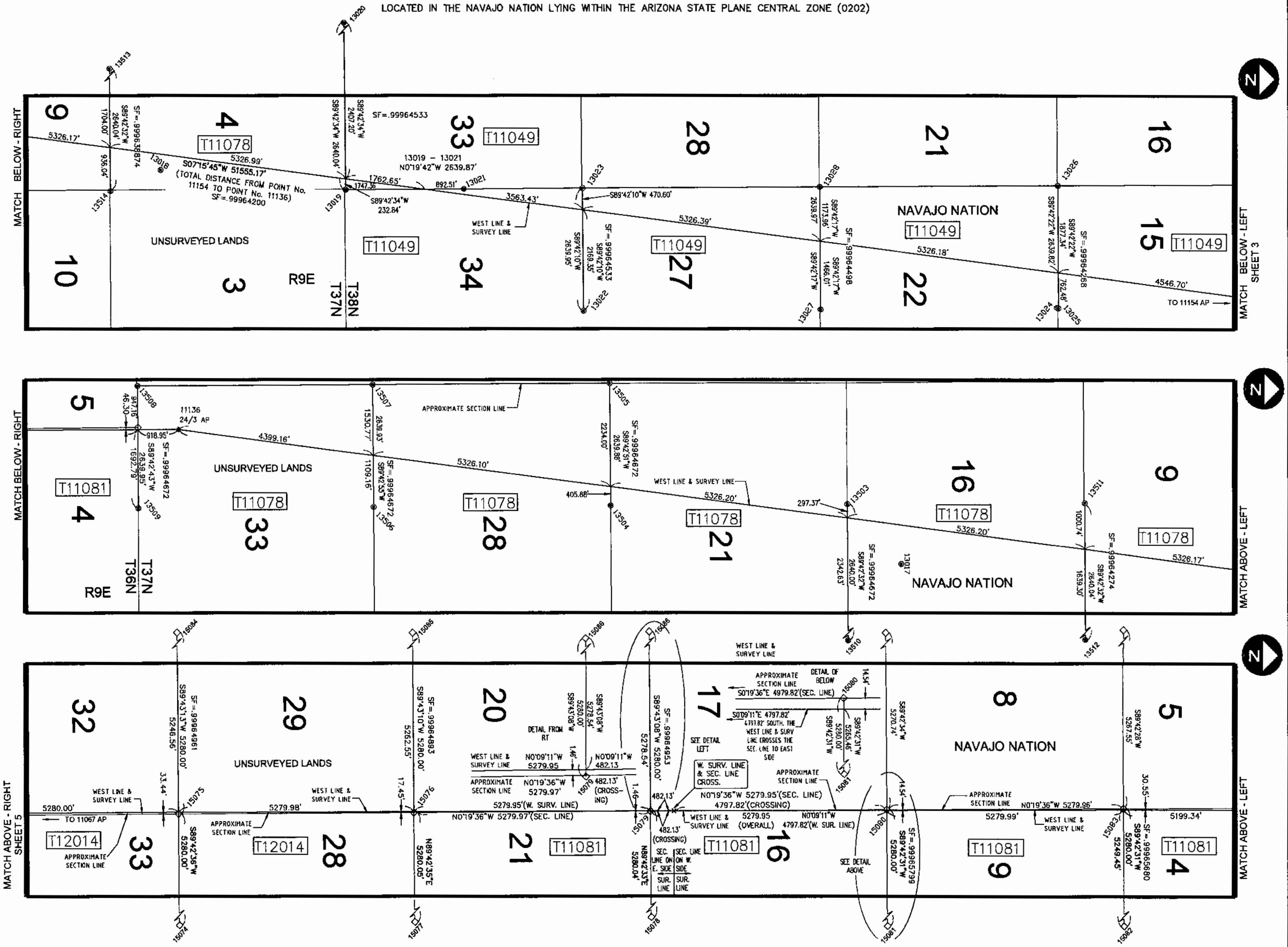
# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

## SURVEYORS NOTE

◇ *(APD)AMENDED PROTRACTION DIAGRAM WAS PREPARED BY THE BUREAU OF LAND MANAGEMENT FOR THE EXPRESS PURPOSE OF DESCRIBING THE UNSURVEYED NAVAJO NATION TRUST LANDS. IT DOES NOT CONSTITUTE AN OFFICIAL SURVEY, BUT ESTABLISHES THE PLAN FOR EXTENDING THE RECTANGULAR SYSTEM OVER THESE UNSURVEYED LANDS AND MAY BE USED FOR LEASING AND OTHER ADMINISTRATIVE PURPOSES ONLY.




COUNTY RECORDER

NAVAJO NATION
SALT RIVER PROJECT
SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

0 500 1000 2000 3000

SCALE: 1"= 1000'

DATE: 09-30-2013
VERSION # 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016 ADDITIONAL PLSS SHOWN
JOB# 1001.56.00

REGISTERED LAND SURVEYOR 21065 DAVID R. FERGUSON ARIZONA U.S.A. EXPIRES 12/31/2017

Ferguson Land Services, Inc.
2432 West Peoria Avenue, Suite 1162, Phoenix, Arizona 85029
P: (602) 368-2068 | F: (602) 368-4905



REV 12-20-11

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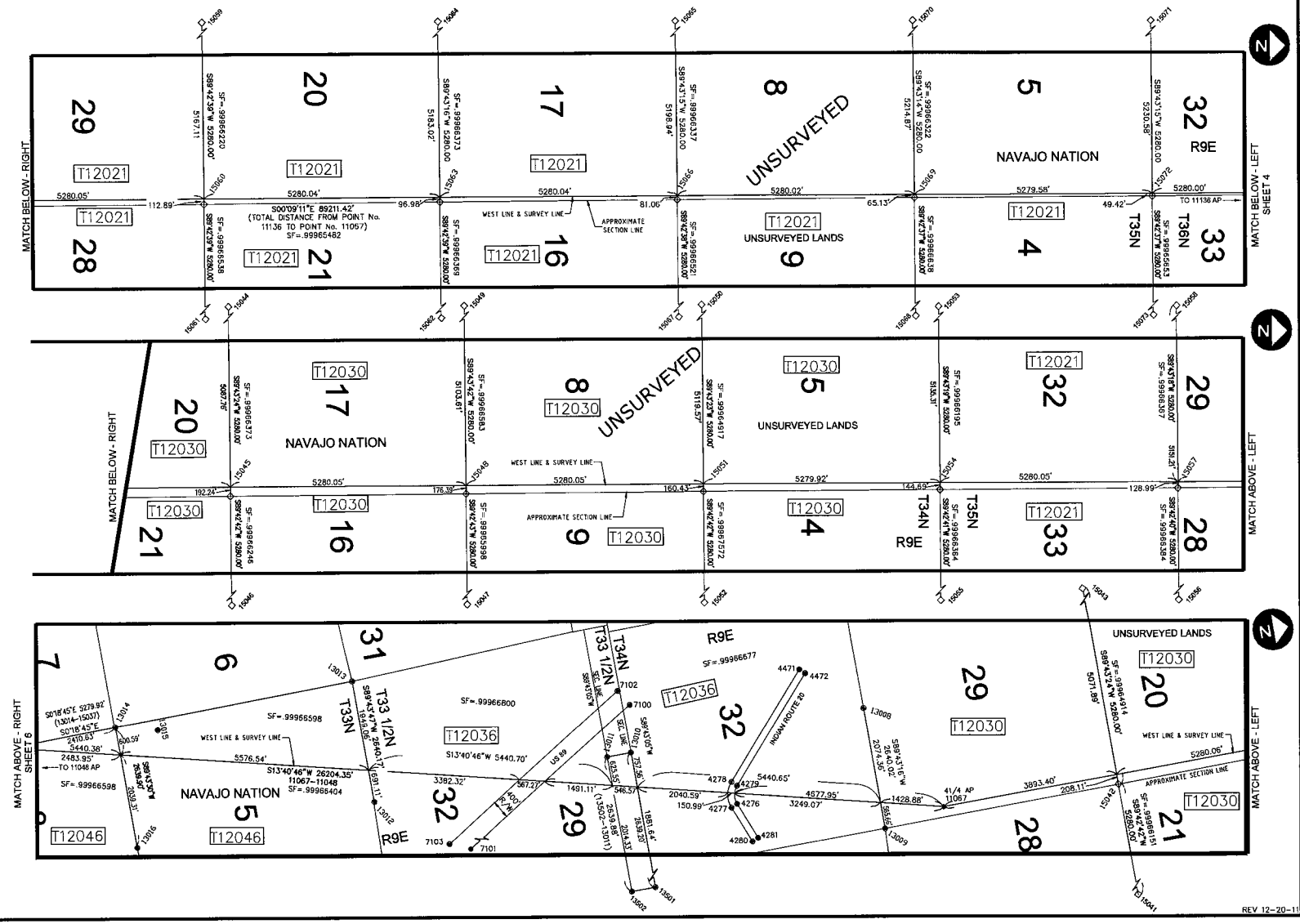
REPLACEMENT LEASE - EXHIBIT A

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

## SURVEYORS NOTE

◇ =(APD)AMENDED PROTRACTION DIAGRAM WAS PREPARED BY THE BUREAU OF LAND MANAGEMENT FOR THE EXPRESS PURPOSE OF DESCRIBING THE UNSURVEYED NAVAJO NATION TRUST LANDS. IT DOES NOT CONSTITUTE AN OFFICIAL SURVEY, BUT ESTABLISHES THE PLAN FOR EXTENDING THE RECTANGULAR SYSTEM OVER THESE UNSURVEYED LANDS AND MAY BE USED FOR LEASING AND OTHER ADMINISTRATIVE PURPOSES ONLY.




COUNTY RECORDER

NAVAJO NATION
SALT RIVER PROJECT
SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

0 500 1000 2000 3000

SCALE: 1"= 1000'

DATE: 09-30-2013
VERSION #: 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016
ADDITIONAL PLSS SHOWN
JOB#: 1001.56.00

REGISTERED LAND SURVEYOR 21085 DAVID R. FERGUSON ARIZONA U.S.A. EXPIRES 12/31/2017

Ferguson Land Services, Inc.
2952 West Peoria Avenue, Suite 1167, Phoenix, Arizona 85029
P: (602) 568-2068 F: (602) 568-6705



REV 12-20-11

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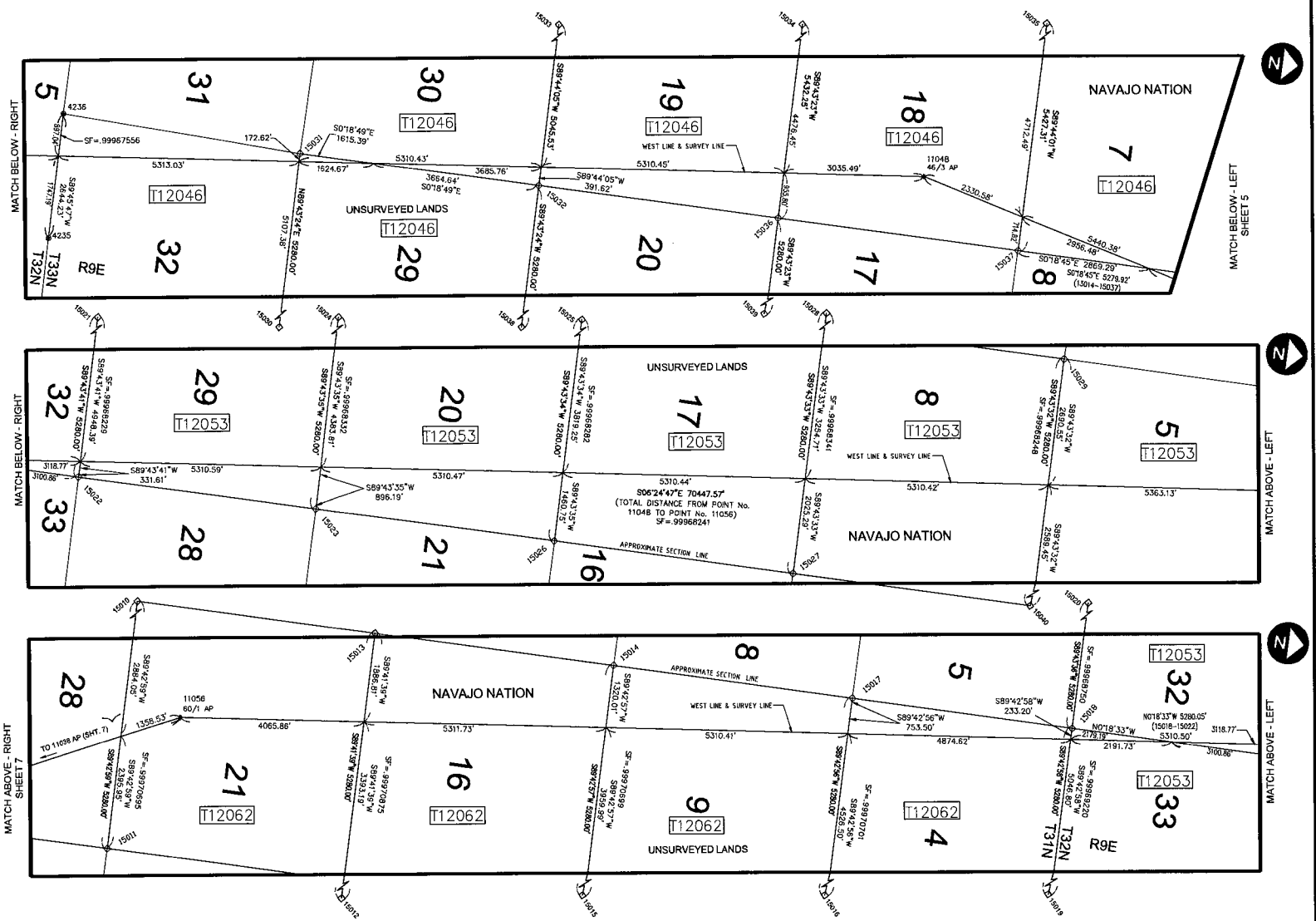
REPLACEMENT LEASE - EXHIBIT A

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

## SURVEYORS NOTE

◇ =(AP)/AMENDED PROTRACTION DIAGRAM WAS PREPARED BY THE BUREAU OF LAND MANAGEMENT FOR THE EXPRESS PURPOSE OF DESCRIBING THE UNSURVEYED NAVAJO NATION TRUST LANDS. IT DOES NOT CONSTITUTE AN OFFICIAL SURVEY, BUT ESTABLISHES THE PLAN FOR EXTENDING THE RECTANGULAR SYSTEM OVER THESE UNSURVEYED LANDS AND MAY BE USED FOR LEASING AND OTHER ADMINISTRATIVE PURPOSES ONLY.




COUNTY RECORDER

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

0 500 1000 2000 3000

SCALE: 1"= 1000'

DATE: 09-30-2013
VERSION #: 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016
ADDITIONAL PLSS SHOWN
JOB#: 1001.56.00

REGISTERED LAND SURVEYOR 21083 DAVID R. FERGUSON ARIZONA U.S.A. EXPIRES 12/31/2017

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2494 West Peoria Avenue, Suite 1167, Phoenix, Arizona 85029
P-(602) 568-1668 F-(602) 568-0403



REV 12-20-11

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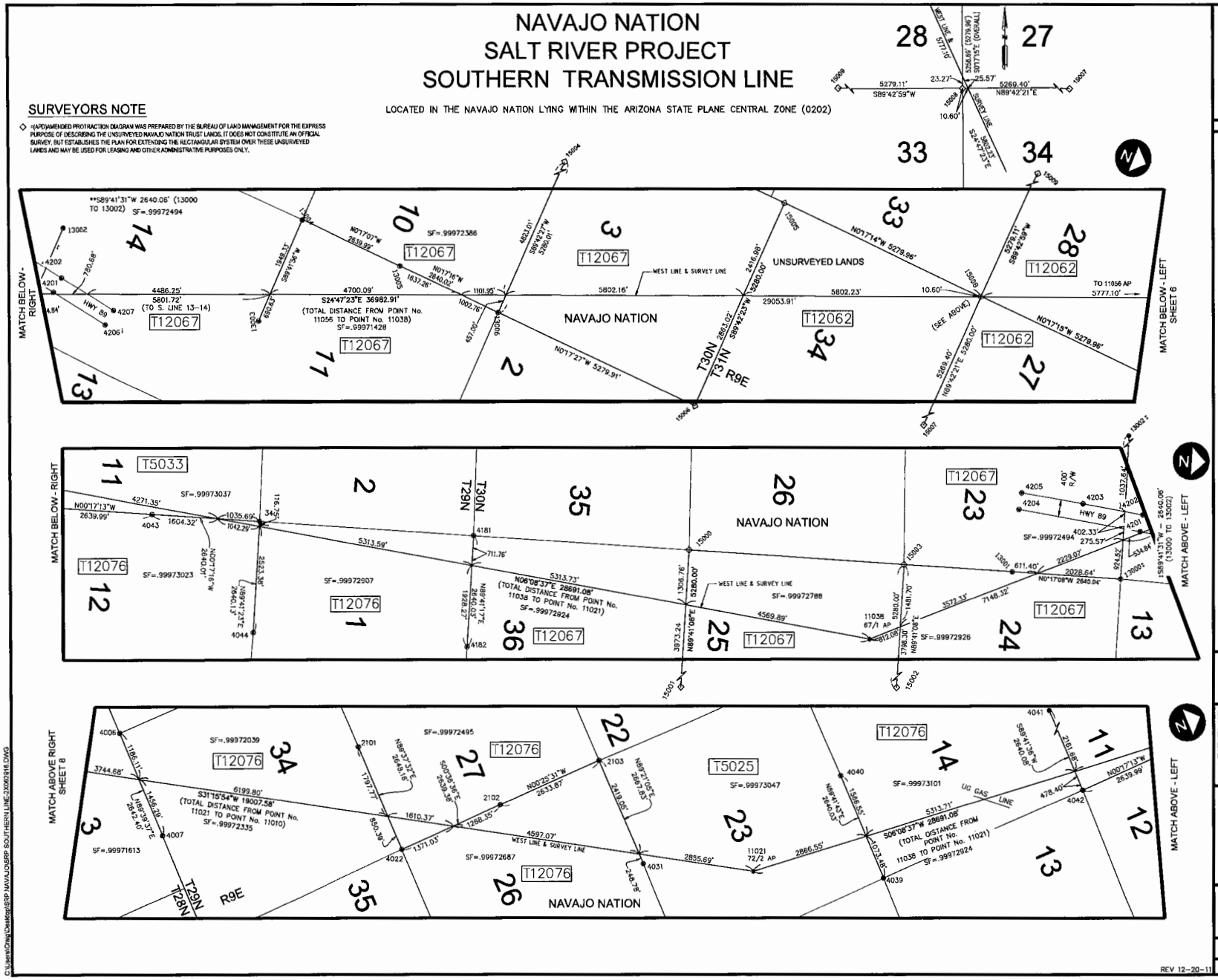
REPLACEMENT LEASE - EXHIBIT A

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

## SURVEYORS NOTE

◇ H(PO)AMENDED PROTRACTION DIAGRAM WAS PREPARED BY THE BUREAU OF LAND MANAGEMENT FOR THE EXPRESS PURPOSE OF DESCRIBING THE UNSURVEYED NAVAJO NATION TRUST LANDS. IT DOES NOT CONSTITUTE AN OFFICIAL SURVEY, BUT ESTABLISHES THE PLAN FOR EXTENDING THE RECTANGULAR SYSTEM OVER THESE UNSURVEYED LANDS AND MAY BE USED FOR LEASING AND OTHER ADMINISTRATIVE PURPOSES ONLY.




COUNTY RECORDER

NAVAJO NATION
SALT RIVER PROJECT
SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

0 500 1000 2000 3000
SCALE: 1"= 1000'

DATE: 09-30-2013
VERSION # 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016
ADDITIONAL PLSS SHOWN
JOB# 1001.56.00

REGISTERED LAND SURVEYOR
21065
DAVID R. FERGUSON
ARIZONA U.S.A.
EXPIRES 12/31/2017

Ferguson
Land Services, Inc.
2432 West Peoria Avenue, Suite 1167, Phoenix, Arizona 85029
P - (602) 368-2668 | F - (602) 368-0903

7 OF 11

REV 12-20-11

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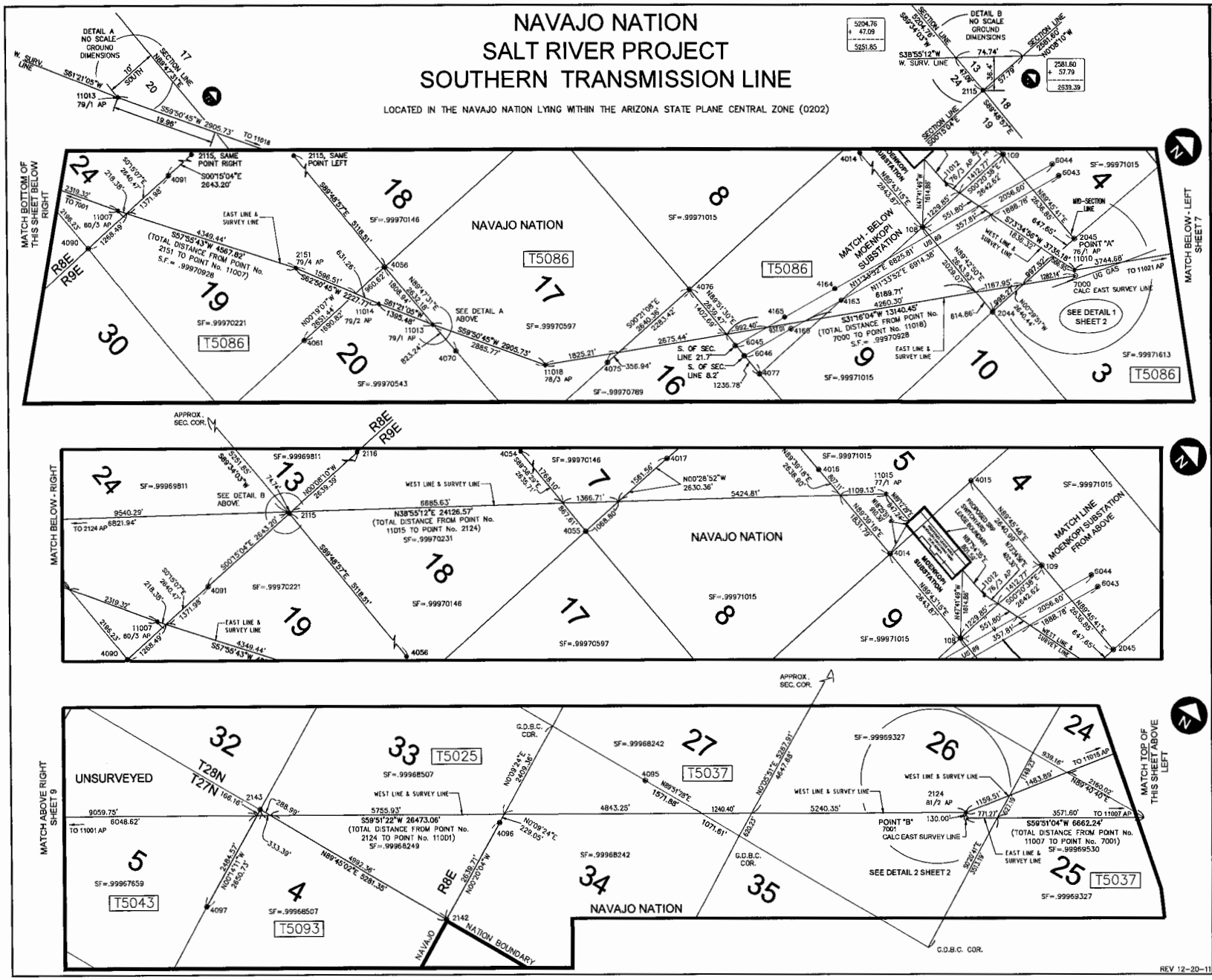
REPLACEMENT LEASE - EXHIBIT A

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)




COUNTY RECORDER

# NAVAJO NATION
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# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

0 500 1000 2000 3000

SCALE: 1"= 1000'

DATE: 09-30-2013
VERSION # 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016 ADDITIONAL PLSS SHOWN
JOB# 1001.56.00

21063 DAVID R. FERGUSON ARIZONA U.S.A. EXPIRES 12/31/2017

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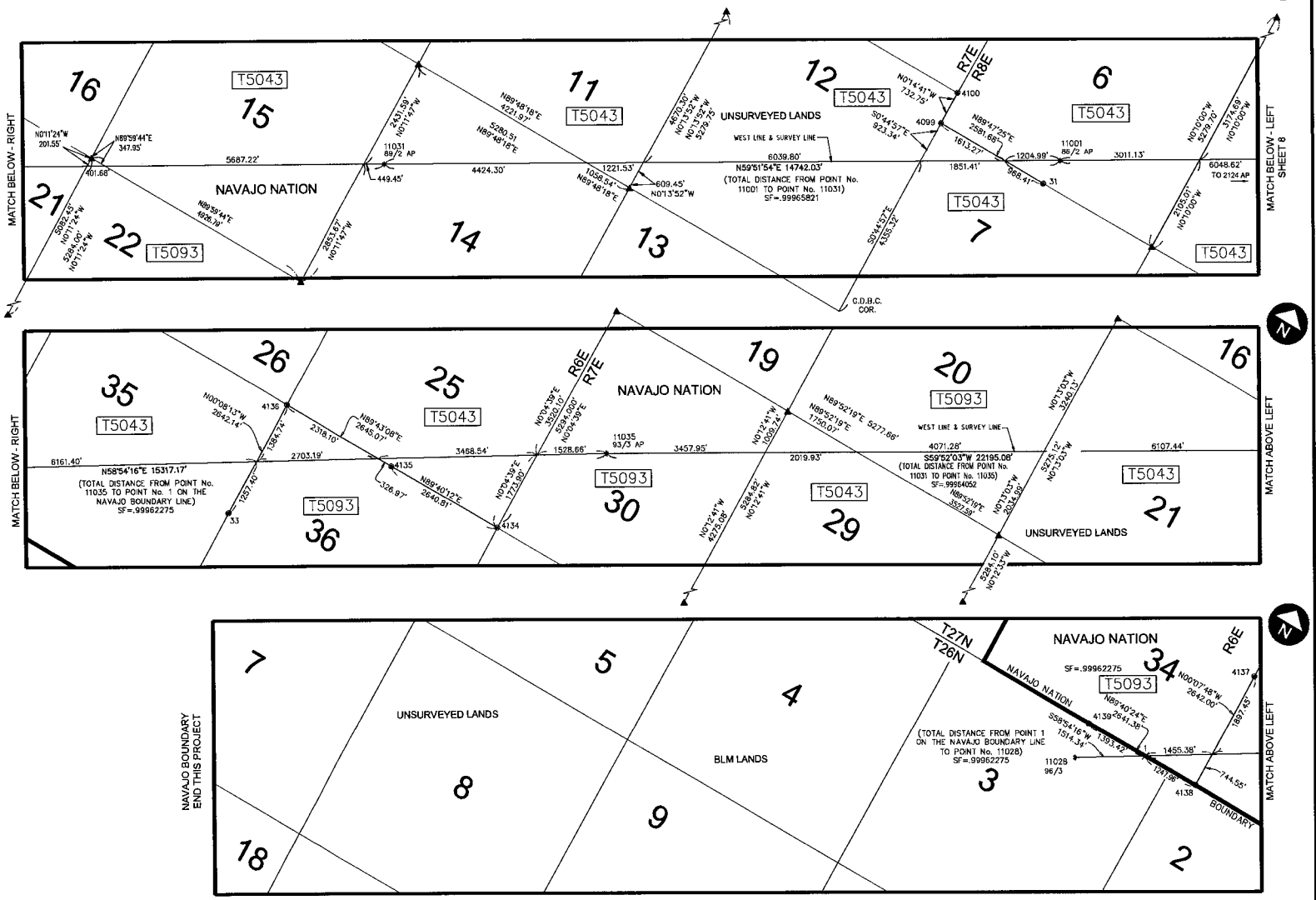
REV 12-20-11

# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

**NOTE**

▲ =Point established from linework taken from the Bureau Of Land Management, BLM, Geographic Coordinate Database, GCDB. These Points represent the approximate location of the corner and have not been surveyed.




COUNTY RECORDER

NAVAJO NATION
SALT RIVER PROJECT
SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

0 500 1000 2000 3000

SCALE: 1"= 1000'

DATE: 09-30-2013
VERSION #: 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016
ADDITIONAL PLSS SHOWN
JOB#: 1001.56.00

REGISTERED LAND SURVEYOR 21093 DAVID R. FERGUSON ARIZONA U.S.A. EXPIRES 12/31/2017

Ferguson Land Services, Inc.
2932 West Peoria Avenue, Suite 1107, Phoenix, Arizona 85029
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REV 12-20-11

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# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

STATE PLANE GRID COORDINATES

Point Table

| Point # | MONUMENT DESCRIPTION AND STAMPING | Northing | Easting | LATITUDE | LONGITUDE |
|---|---|---|---|---|---|
| 1 | CALCULATED POSITION ON NAVAJO BNDY | 1699953.787 | 754541.187 | | |
| 31 | GLO BC "1/4 S6 S7 1916" | 1725796.920 | 799512.842 | | |
| 33 | GLO BC "1/4 S35 S36 1916" | 1702629.206 | 761064.029 | | |
| 34 | BLM BC "T29N R9E S2 S1 S11 S12 2009" | 1789440.661 | 855780.506 | | |
| 101 | BLM BC "T41N R9E S33 S34" | 2148493.234 | 844911.450 | | |
| 103 | FND 2-1/2" BC IN 4" CLAY PIPE FILLED WITH CONCRETE STAMPED "E.V. MILLER ENGR PE 148 CORNER - NO 4 1969" | 2145019.026 | 856227.767 | | |
| 107 | FND 3" BC IN CONCRETE "BIA ROADS 1968" | 2144482.560 | 858772.311 | | |
| 108 | BLM BC "T28N R9E 1/4 S4 S9 2009" | 1757614.590 | 841402.704 | | |
| 109 | BLM BC "T28N R9E C-1/4 S4 2009" | 1760256.396 | 841386.844 | | |
| 208 | FND 3" BC IN CONCRETE "BIA ROADS 1968" | 2144286.872 | 858731.219 | | |
| 210 | BIA BC IN CONCRETE "BIA ROADS" 1968 STA 29+47.79 | 2146679.868 | 848333.893 | | |
| 211 | BIA BC R/W 29+47.79 | 2146484.100 | 848292.782 | | |
| 212 | FND 2-1/2" BC IN 4" CLAY PIPE FILLED WITH CONCRETE STAMPED "E.V. MILLER ENGR PE 148 CORNER - NO 1 1969" | 2146244.139 | 850405.871 | | |
| 213 | U.S.D.O.I. BLM BC "T40N R9E 1/4 S2 S1 2005" | 2145925.209 | 854294.901 | | |
| 222 | U.S.D.O.I. BLM BC "T40N R9E 1/4 S3 S2 2005" | 2145896.522 | 849016.923 | | |
| 223 | U.S.D.O.I. BLM BC "T40N R9E 1/4 S2 S11 2005" | 2143271.439 | 851670.955 | | |
| 2044 | BLM BC "T28N R9E S3 S4 S9 S10 2009" | 1757627.794 | 844045.830 | | |
| 2045 | BLM BC "T28N R9E 1/4 S3 S4 2009" | 1760267.374 | 844022.910 | | |
| 2101 | BLM BC "T29N R9E 1/4 S27 S34 2009" | 1768271.974 | 847953.852 | | |
| 2102 | BLM BC "T29N R9E 1/4 S27 S28 2009" | 1770927.785 | 850573.129 | | |
| 2103 | BLM BC "T29N R9E S22 S23 S27 S26 2009" | 1773560.859 | 850553.566 | | |
| 2115 | BLM BC "T28N R8E R9E S13 S18 S24 S19 2009" | 1747050.477 | 828464.207 | | |
| 2116 | BLM BC "T28N R8E R9E 1/4 S13 S18 2009" | 1749689.064 | 828457.937 | | |
| 2142 | GLO BC, DISTURBED, LOCATED PIPE AT GROUND, R8E T28N S33 S34 S4 S3 T27N 1916" | 1731135.328 | 812697.588 | | |
| 2143 | GLO BC "R8E T28N S32 S33 S5 S4 T27N 1916" | 1731112.338 | 807417.945 | | |
| 2461 | BLM BC "T40N R9E S34 S35 S3 S2 2005" | 2116855.515 | 849182.530 | | |
| 2480 | BLM BC "T40N R9E 1/4 S35 S2 T39N 2005" | 2116879.660 | 851821.655 | | |
| 4006 | GLO BC "SC T29N R9E S33 S34 2009 1916" | 1762978.730 | 845348.561 | | |
| 4007 | BLM BC "SC T29N R9E 1/4 S34 2009" | 1762994.387 | 847990.169 | | |
| 4014 | GLO BC "T28N R9E S4 S5 S8 S9 2009 1916" | 1757601.706 | 838759.633 | | |
| 4015 | BLM BC "T28N R9E 1/4 S4 S5 2009" | 1760245.463 | 838746.642 | | |
| 4016 | BLM BC "T28N R9E 1/4 S5 S8 2009" | 1757585.827 | 836121.547 | | |
| 4017 | BLM BC "T28N R9E 1/4 S7 S8 2009" | 1754932.329 | 833508.226 | | |
| 4022 | GLO BC "T29N R9E S27 S26 S34 S35 2009 1916" | 1768289.277 | 850601.218 | | |
| 4031 | BLM BC "T29N R9E 1/4 S23 S26 2009" | 1773591.049 | 853220.514 | | |
| 4039 | BLM BC "T29N R9E S14 S13 S23 S24 2009" | 1778883.556 | 855833.370 | | |
| 4040 | BLM BC "T29N R9E 1/4 S14 S23 2009" | 1778869.514 | 853194.093 | | |
| 4041 | BLM BC "T29N R9E 1/4 S11 S14 2009" | 1784148.034 | 853167.643 | | |
| 4042 | BLM BC "T29N R9E S11 S12 S14 S13 2009" | 1784162.158 | 855808.975 | | |
| 4043 | BLM BC "T29N R9E 1/4 S11 S12 2009" | 1786801.401 | 855793.761 | | |
| 4044 | BLM BC "T29N R9E 1/4 S1 S12 2009" | 1789454.957 | 858419.888 | | |

Point Table

| Point # | MONUMENT DESCRIPTION AND STAMPING | Northing | Easting | LATITUDE | LONGITUDE |
|---|---|---|---|---|---|
| 4054 | BLM BC "T28N R9E 1/4 S7 S18 2009" | 1752319.337 | 830895.433 | | |
| 4055 | BLM BC "T28N R9E S7 S8 S18 S17 2009" | 1752302.840 | 833530.304 | | |
| 4056 | BLM BC "T28N R9E S18 S17 S19 S20 2009" | 1747034.034 | 833581.163 | | |
| 4061 | BLM BC "T28N R9E 1/4 S19 S20 2009" | 1744383.417 | 833595.904 | | |
| 4070 | BLM BC "T28N R9E 1/4 S17 S20 2009" | 1747043.585 | 836212.553 | | |
| 4075 | BLM BC "T28N R9E S17 S16 2009" | 1749692.585 | 838833.350 | | |
| 4076 | BLM BC "T28N R9E S8 S9 S17 S16 2009" | 1752332.124 | 838817.121 | | |
| 4077 | BLM BC "T28N R9E 1/4 S9 S16 2009" | 1752338.646 | 841455.819 | | |
| 4090 | BLM BC "T28N R8E R9E S24 S19 S25 S30 2009" | 1741768.440 | 828487.398 | | |
| 4091 | BLM BC "T28N R8E R9E 1/4 S24 S19 2009" | 1744408.090 | 828475.788 | | |
| 4095 | GLO BC "1/4 S27 S34 1916" | 1736430.616 | 815298.389 | | |
| 4096 | GLO BC, BENT, USED PIPE AT GROUND, "1/4 S33 S34 1916" | 1733774.163 | 812682.182 | | |
| 4097 | GLO BC "1/4 S5 S4 1916" | 1728462.477 | 807428.879 | | |
| 4099 | GLO BC "T27N S6 S7 R7E R8E 1916" | 1725787.478 | 796932.057 | | |
| 4100 | GLO BC "T27N R7E R8E S1 S12 1916" | 1726519.968 | 798928.929 | | |
| 4134 | GLO BC "R6E R7E S30 S25 S36 S31 T27N 1916" | 1705298.533 | 766341.522 | | |
| 4135 | GLO BC "1/4 S25 S36" | 1705283.325 | 763701.750 | | |
| 4136 | GLO BC "T27N R6E S26 S25 S35 S36 1916" | 1705270.347 | 761057.712 | | |
| 4137 | GLO BC "1/4 S34 S35" | 1702601.900 | 755782.666 | | |
| 4138 | GLO BC "T27N R6E S34 S35 S2 T26N 1916" | 1699960.899 | 755788.657 | | |
| 4139 | GLO BC "1/4 S34 1916" | 1699945.847 | 753148.318 | | |
| 4163 | ADOT AC "ADOT HIGHWAY DIV. ELEV 4497.39 1976" | 1754984.527 | 841425.351 | | |
| 4164 | ADOT AC "ADOT HIGHWAY DIV. ELEV. 4053.45 1976" | 1755048.002 | 841115.730 | | |
| 4165 | ADOT AC "ADOT HIGHWAY DIV. ELEV. 4515.92 1976" | 1753685.906 | 840837.066 | | |
| 4166 | ADOT AC "ADOT HIGHWAY DIV. ELEV 4511.21 1976" | 1753622.471 | 841146.562 | | |
| 4181 | BLM BC "T30N R9E S35 S36 S2 S1 2009" | 1794719.056 | 855754.169 | | |
| 4182 | BLM BC "T30N R9E 1/4 S36 S1 2009" | 1794733.431 | 858393.444 | | |
| 4201 | ADOT BC "ARIZONA HIGHWAY DEPT 19" STA ON ANGLE IRON 368+00 | 1810955.419 | 854518.436 | | |
| 4202 | ADOT BC "ARIZONA HIGHWAY DEPT 19" STA ON ANGLE IRON 368+00 | 1810997.275 | 854120.877 | | |
| 4203 | ADOT BC "ARIZONA HIGHWAY DEPT 19" STA ON ANGLE IRON 353+00 | 1808505.289 | 853963.657 | | |
| 4204 | ADOT BC "ARIZONA HIGHWAY DEPT 19" STA ON ANGLE IRON 338+00 | 1807972.584 | 854204.232 | | |
| 4205 | ADOT BC "ARIZONA HIGHWAY DEPT 19" STATION ON ANGLE IRON 338+00 | 1808014.112 | 853806.756 | | |
| 4206 | ADOT BC "ARIZONA HIGHWAY DEPT 19" STA ON ANGLE IRON 353+00 | 1812446.491 | 854675.750 | | |
| 4207 | ADOT BC "ARIZONA HIGHWAY DEPT 19" STA ON ANGLE IRON 353+00 | 1812488.375 | 854278.160 | | |
| 4235 | BLM BC "SC T33N R9E 1/4 S32 2009" | 1889259.602 | 838019.754 | | |
| 4236 | BLM BC "SC T33N R9E S31 S32 2009" | 1889248.665 | 835376.403 | | |
| 4276 | BIA BC "BIA ROADS" STA ON ANGLE IRON 1+862.39 | 1929021.533 | 839479.903 | | |
| 4277 | BIA BC "BIA ROADS" STA ON ANGLE IRON 1+862.39 | 1928882.338 | 839538.068 | | |
| 4278 | BIA BC "BIA ROADS" STA ON ANGLE IRON 1+709.82 | 1928977.314 | 838991.110 | | |
| 4279 | BIA BC "BIA ROADS" STA ON ANGLE IRON 1+709.82 | 1929088.884 | 839092.761 | | |
| 4280 | BIA BC "BIA ROADS" STA ON ANGLE IRON 2+127.79 | 1929220.329 | 840340.424 | | |

REV 12-20-11

COUNTY RECORDER

NAVAJO NATION
SALT RIVER PROJECT
SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (0202)

DATE: 09-30-2013
VERSION # 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016 ADDITIONAL PLSS SHOWN
JOB#: 1001.56.00

REGISTERED LAND SURVEYOR
31063
DAVID R. FERGUSON
ARIZONA U.S.A.
EXPIRES 12/31/2017

Ferguson
Land Services, Inc.
2452 West Fresno Avenue, Suite 1167, Phoenix, Arizona 85029
P-(602) 368-4663 - (602) 566-6905



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# NAVAJO NATION
# SALT RIVER PROJECT
# SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (D202)

## STATE PLANE GRID COORDINATES

| Point Table | | | | | |
|---|---|---|---|---|---|
| Point # | MONUMENT DESCRIPTION AND STAMPING | Northing | Easting | LATITUDE | LONGITUDE |
| 4281 | BIA BC "BIA ROADS" STA ON ANGLE IRON 2+127.79 | 1929357.384 | 840283.098 | | |
| 4471 | BIA BC "BIA ROADS" STA ON ANGLE IRON 0+836.56 | 1930908.526 | 836875.824 | | |
| 4472 | BIA BC "BIA ROADS" STA ON ANGLE IRON 0+836.56 | 1931020.002 | 836977.242 | | |
| 4660 | BLM BC "T40N R9E S3 S2 S10 S11 2005" | 2143257.256 | 849031.986 | | |
| 4661 | BLM BC "T40N R9E S10 S11 S15 S14 2005" | 2137978.833 | 849062.164 | | |
| 4662 | BLM BC "T40N R9E 1/4 S11 S14 2005" | 2137993.011 | 851701.198 | | |
| 4663 | BLM BC "T40N R9E 1/4 S14 S23 2005" | 2132714.692 | 851731.304 | | |
| 4664 | BLM BC "T40N R9E S15 S14 S22 S23 2005" | 2132700.337 | 849092.213 | | |
| 4665 | BLM BC "T40N R9E S22 S23 S27 S26 2005" | 2127422.024 | 849122.432 | | |
| 4868 | BLM BC "T40N R9E S27 S26 S34 S35 2005" | 2122143.650 | 849152.411 | | |
| 4669 | BLM BC "T40N R9E 1/4 S26 S35 2005" | 2122157.921 | 851791.566 | | |
| 4670 | BLM BC "T40N R9E 1/4 S23 S26 2005" | 2127436.256 | 851761.534 | | |
| 6043 | STEM OF ALUMINUM CAP FLUSH IN 6" CONCRETE CYLINDER | 1760950.970 | 842646.137 | | |
| 6044 | ADOT HWY DIV AC "ELEV 4496.26 19__" | 1761014.244 | 842336.626 | | |
| 6045 | ADOT HWY DEV AC "ELEV 4542.68 1976" | 1752314.655 | 840556.545 | | |
| 6046 | ADOT HWY DIV AC "ELEV 4540.52 1976" | 1752329.029 | 840881.835 | | |
| 7100 | US 89 APPROXIMATE ROW | 1927030.561 | 836954.776 | | |
| 7101 | US 89 APPROXIMATE ROW | 1922755.876 | 839539.484 | | |
| 7102 | US 89 APPROXIMATE ROW | 1926823.667 | 836612.608 | | |
| 7103 | US 89 APPROXIMATE ROW | 1922548.983 | 839197.316 | | |

| Survey - Line Angle Point Table | | | | | |
|---|---|---|---|---|---|
| Point # | Angle Point Description | Northing | Easting | LATITUDE | LONGITUDE |
| 2124 | 81/2 AP | 1739687.929 | 822472.322 | | |
| 2151 | 79/4 AP | 1745345.300 | 832166.380 | | |
| 2472 | 6/3 AP | 2117918.679 | 849518.120 | | |
| 7000 | CALC EAST SURVEY LINE | 1759718.338 | 844702.477 | | |
| 11001 | 86/2 AP | 1726398.122 | 799586.541 | | |
| 11007 | 80/3 AP | 1742920.616 | 828296.828 | | |
| 11010 | 76/1 AP | 1759785.788 | 844591.388 | | |
| 11012 | 76/3 AP | 1758730.385 | 841009.542 | | |
| 11013 | 79/1 AP | 1747030.572 | 835372.300 | | |
| 11014 | 79/2 AP | 1746361.722 | 834148.019 | | |
| 11015 | 77/1 AP | 1758453.358 | 837624.996 | | |
| 11018 | 78/3 AP | 1748489.778 | 837884.085 | | |
| 11021 | 72/2 AP | 1776028.537 | 854453.504 | | |
| 11028 | 96/3 | 1699171.677 | 753244.447 | | |
| 11031 | 89/2 AP | 1718999.599 | 786841.310 | | |
| 11035 | 93/3 AP | 1707861.644 | 767652.427 | | |
| 11038 | 67/1 AP | 1804547.118 | 857523.176 | | |
| 11048 | 46/3 AP | 1908097.094 | 834155.065 | | |
| 11056 | 60/1 AP | 1839112.568 | 842021.080 | | |
| 11062 | 1/1 AP | 2147955.337 | 851683.689 | | |
| 11067 | 41/4 AP | 1933549.577 | 840350.045 | | |
| 11136 | 24/3 AP | 2022729.882 | 840111.732 | | |
| 11154 | 15/1 AP | 2073853.152 | 846626.669 | | |
| 11164 | 3/1 AP | 2136851.247 | 851291.619 | | |

| Control - Point Table | | | |
|---|---|---|---|
| Point # | NGS Control Designation | LATITUDE | LONGITUDE |
| NA | NGS RECOVERED SURVEY CONTROL "PGA A" | | |
| NA | NGS RECOVERED SURVEY CONTROL "L 404" | | |
| NA | NGS RECOVERED SURVEY CONTROL "P 499" | | |
| NA | NGS RECOVERED SURVEY CONTROL "C 508" | | |
| NA | NGS RECOVERED SURVEY CONTROL "U 508" | | |
| NA | NGS RECOVERED SURVEY CONTROL "A 511" | | |
| NA | NGS RECOVERED SURVEY CONTROL "C 510" | | |

| Point | Description | Northing | Easting |
|---|---|---|---|
| 13000 | BLMBC14/16/23/24 | 1810554.435 | 855675.260 |
| 13001 | BLMBC1/4 23/24 | 1807915.158 | 855688.418 |
| 13002 | BLMBC1/4 14/23 | 1810540.247 | 853035.984 |
| 13003 | BLMBC1/4 11/14 | 1815818.752 | 853009.517 |
| 13004 | BLMBC10/11/14/15 | 1815804.886 | 850370.322 |
| 13005 | BLMBC1/4 10/11 | 1818444.113 | 850357.175 |
| 13006 | BLMBC3/2/10/11 | 1821083.366 | 850343.913 |
| 13007 | T510CA | 1817267.982 | 854727.795 |
| 13008 | BLMBC1/4 29/32 | 1932151.594 | 837938.595 |
| 13009 | BLMBC29/28/32/33 | 1932164.442 | 840577.709 |
| 13010 | BLMBC1/4 32/29 | 1926873.429 | 837968.466 |
| 13011 | BLMBC1/4 29/32 | 1926343.172 | 837971.461 |
| 13012 | BLMBC1/4 32/5 | 1921084.914 | 836001.438 |
| 13013 | BLMBC31/32/6/5 | 1921052.463 | 833362.178 |
| 13014 | BLMBC5/6/7/8 | 1915642.221 | 833391.625 |
| 13015 | 4265CA | 1916557.846 | 835613.424 |
| 13016 | BLMBC1/4 5/8 | 1915654.884 | 838030.811 |
| 13017 | #4 rbr aux ctrl | 2038857.173 | 843007.500 |
| 13018 | #4 rbr aux ctrl | 2049339.288 | 843843.539 |
| 13019 | BLMBC33/32/4/3 | 2053500.928 | 844285.665 |
| 13020 | BLMBC1/4 33/4 | 2053487.543 | 841626.597 |
| 13021 | BLMBC1/4 33/34 | 2056139.806 | 844250.548 |
| 13022 | BLMBC1/4 27/34 | 2058792.460 | 846874.518 |
| 13023 | BLMBC27/28/33/34 | 2058778.770 | 844235.536 |
| 13024 | BLMBC WC | 2069314.286 | 846802.071 |
| 13025 | CALC COR | 2069348.449 | 846814.304 |
| 13026 | BLMBC16/15/21/22 | 2069334.816 | 844175.464 |
| 13027 | BLMBC1/4 22/27 | 2064070.529 | 846844.523 |
| 13028 | BLMBC21/22/28/27 | 2064056.929 | 844205.525 |
| 13029 | BLMBC1/4 10/15 | 2074626.432 | 846784.446 |
| 13030 | BLMBC9/10/15/16 | 2074612.909 | 844145.425 |
| 13031 | BLMBC1/4 3/10 | 2079904.511 | 846754.411 |
| 13032 | BLMBC3/2/10/11 | 2079918.361 | 849393.474 |
| 13033 | BLMBC1/4 34/3 | 2085182.441 | 846724.391 |
| 13034 | BLMBC34/35/2/3 | 2085196.392 | 849363.438 |
| 13035 | BLMBC10/11/14/15 | 2106308.947 | 849243.003 |
| 13036 | BLMBC1/4 15/22 | 2101016.835 | 846634.166 |
| 13037 | BLMBC1/4 3/10 | 2111573.084 | 846573.866 |
| 13038 | BLMBC2/3/10/11 | 2111587.114 | 849212.881 |
| 13039 | BLMBC1/4 10/15 | 2106294.873 | 846603.985 |
| 13040 | BLMBC1/4 22/27 | 2095738.560 | 846864.216 |
| 13041 | BLMBC26/27/34/35 | 2090474.530 | 849333.263 |
| 13042 | BLMBC22/23/26/27 | 2095752.627 | 849303.223 |
| 13043 | BLMBC 1/4 27/34 | 2090460.485 | 846694.225 |
| 13044 | BLMBC14/15/22/23 | 2101030.773 | 849273.113 |
| 13500 | BLMBC WCS29 | 1926865.581 | 840616.951 |
| 13501 | CALC SC | 1926886.351 | 840607.639 |
| 13502 | BLMBC SC28/29/32/33 | 1926356.153 | 840610.436 |
| 13503 | BLMBC 1/4 16/21 | 2037653.741 | 841716.494 |
| 13504 | BLMBC 1/4 21/28 | 2032375.690 | 841746.428 |
| 13505 | BLMBC SC 20/21/28/29 | 2032362.529 | 839107.520 |
| 13506 | BLMBC 1/4 28/33 | 2027097.896 | 841776.401 |
| 13507 | BLMBC SC 28/29/32/33 | 2027084.586 | 839137.441 |
| 13508 | BLMBC SC 32/33 | 2021806.494 | 839167.376 |
| 13509 | BLMBC 1/4 33 | 2021819.764 | 841806.357 |
| 13510 | BLMBC SC 15/16 21/22 | 2037687.147 | 844355.532 |
| 13511 | BLMBC 1/4 9/16 | 2042931.751 | 841686.450 |
| 13512 | BLMBC SC 9/10 15/15 | 2042945.157 | 844325.518 |
| 13513 | BLMBC 1/4 4/9 | 2048209.729 | 841656.518 |
| 13514 | BLMBC SC 4/3 9/10 | 2048223.133 | 844295.570 |

## (AMENDED PROTRACTED DIAGRAM) 'APD' COORDINATES

| Point | Description | Northing | Easting |
|---|---|---|---|
| 15000 | | 1799997.540 | 855727.860 |
| 15001 | | 1800026.507 | 881006.346 |
| 15002 | | 1805304.995 | 860979.996 |
| 15003 | BLM APD | 1805276.028 | 855701.505 |
| 15004 | | 1821056.429 | 845065.433 |
| 15005 | | 1826334.653 | 845038.695 |
| 15006 | | 1826361.708 | 850317.126 |
| 15007 | | 1831840.148 | 850290.867 |
| 15008 | | 1831813.053 | 845012.234 |
| 15009 | | 1831586.940 | 839734.693 |
| 15010 | | 1836885.289 | 839707.368 |
| 15011 | | 1836891.435 | 844985.756 |
| 15012 | | 1842169.810 | 844959.277 |
| 15013 | | 1842141.633 | 839680.890 |
| 15014 | | 1847421.973 | 839654.392 |
| 15015 | | 1847448.147 | 844932.780 |
| 15016 | | 1852726.487 | 844906.283 |
| 15017 | | 1852700.283 | 839627.895 |
| 15018 | | 1857545.443 | 839603.799 |
| 15019 | | 1857571.594 | 844882.109 |
| 15020 | | 1857520.273 | 834325.509 |
| 15021 | | 1862798.711 | 834297.045 |
| 15022 | | 1862823.768 | 839575.308 |
| 15023 | | 1868102.156 | 839548.736 |
| 15024 | | 1868078.949 | 834268.468 |
| 15025 | | 1873355.190 | 834239.883 |
| 15026 | | 1873380.425 | 839518.148 |
| 15027 | | 1878658.667 | 839489.552 |
| 15028 | | 1878633.414 | 834211.284 |
| 15029 | | 1885911.619 | 834182.686 |
| 15030 | | 1894555.140 | 840785.540 |
| 15031 | | 1894529.649 | 835507.339 |
| 15032 | | 1899807.823 | 835478.440 |
| 15033 | | 1899782.663 | 830043.141 |
| 15034 | | 1905060.834 | 830019.121 |
| 15035 | | 1910338.987 | 829995.093 |
| 15036 | | 1905085.979 | 835449.533 |
| 15037 | | 1910364.118 | 835420.620 |
| 15038 | | 1899833.323 | 840756.642 |
| 15039 | | 1905111.487 | 840727.736 |
| 15040 | | 1883936.891 | 839460.949 |
| 15041 | | 1937469.182 | 845825.824 |
| 15042 | | 1937442.626 | 840547.678 |
| 15043 | | 1937417.140 | 835269.592 |

| Point | Description | Northing | Easting |
|---|---|---|---|
| 15044 | | 1942695.281 | 835239.555 |
| 15045 | | 1942720.766 | 840517.718 |
| 15046 | | 1942747.319 | 845795.869 |
| 15047 | | 1948025.449 | 845765.897 |
| 15048 | | 1947998.907 | 840487.759 |
| 15049 | | 1947973.415 | 835209.585 |
| 15050 | | 1953251.531 | 835179.617 |
| 15051 | | 1953277.041 | 840457.703 |
| 15052 | | 1953303.602 | 845735.924 |
| 15053 | | 1958529.438 | 835149.708 |
| 15054 | | 1958555.047 | 840427.861 |
| 15055 | | 1958581.637 | 845706.018 |
| 15056 | | 1963855.785 | 845676.029 |
| 15057 | | 1963833.177 | 840397.871 |
| 15058 | | 1963807.549 | 835119.709 |
| 15059 | | 1969085.653 | 835089.712 |
| 15060 | | 1969111.309 | 840367.866 |
| 15061 | | 1969137.936 | 845646.032 |
| 15062 | | 1974416.079 | 845616.019 |
| 15063 | | 1974389.434 | 840337.882 |
| 15064 | | 1974363.748 | 835058.700 |
| 15065 | | 1979641.838 | 835029.681 |
| 15066 | | 1979667.551 | 840307.841 |
| 15067 | | 1979694.215 | 845586.006 |
| 15068 | | 1984972.343 | 845555.985 |
| 15069 | | 1984945.650 | 840277.814 |
| 15070 | | 1984919.900 | 834999.655 |
| 15071 | | 1990197.601 | 834969.919 |
| 15072 | | 1990223.309 | 840248.002 |
| 15073 | | 1990249.999 | 845526.121 |
| 15074 | | 1995528.102 | 845496.043 |
| 15075 | | 1995501.393 | 840217.926 |
| 15076 | | 2000779.450 | 840187.836 |
| 15077 | | 2000806.188 | 845463.64 |
| 15078 | | 2006064.276 | 845435.870 |
| 15079 | | 2006057.479 | 840157.746 |
| 15080 | | 2011335.510 | 840127.641 |
| 15081 | | 2011362.346 | 845405.767 |
| 15082 | | 2016640.430 | 845375.656 |
| 15083 | | 2016613.575 | 840097.536 |
| 15084 | | 1995475.617 | 834939.839 |
| 15085 | | 2000753.595 | 834909.753 |
| 15086 | | 2006031.575 | 834879.660 |

REV 12-20-11

COUNTY RECORDER

NAVAJO NATION
SALT RIVER PROJECT
SOUTHERN TRANSMISSION LINE

LOCATED IN THE NAVAJO NATION LYING WITHIN THE ARIZONA STATE PLANE CENTRAL ZONE (D202)

DATE: 09-30-2013
VERSION # 2
DRAWN BY: JVC
REVIEWED BY: LJ, CJ, DF
REVISIONS: 04-19-2016 ADDITIONAL PLSS SHOWN
JOB# 1001.56.00

REGISTERED LAND SURVEYOR 21063 DAVID R. FERGUSON ARIZONA U.S.A. EXPIRES 12/31/2017

Ferguson Land Services, Inc.
2632 West Peoria Avenue, Suite 1167, Phoenix, Arizona 85029
P: (602) 568-6661 F: (602) 568-6909



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# EXHIBIT 3

WESTERN TRANSMISSION SYSTEM

THE FOLLOWING RIGHT OF WAY BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A RIGHT OF WAY EXTENDING FROM THE NAVAJO GENERATING PLANT SITE TO THE NAVAJO INDIAN RESERVATION WESTERLY BOUNDARY LINE, THROUGH OR ACROSS SECTIONS 2, 3 AND 10, TOWNSHIP 40 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A 200 FOOT WIDE STRIP LYING 100 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

**COMMENCING** AT THE EAST QUARTER CORNER OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 1, BEARS SOUTH 00 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 2639.26 FEET;

THENCE SOUTH 74 DEGREES 22 MINUTES 24 SECONDS WEST, A DISTANCE OF 3473.68 FEET, TO THE SOUTHEAST CORNER OF THE PLANT SITE BOUNDARY BEING A BRASS CAP MARKED "CORNER No. 4"

THENCE NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST, A DISTANCE OF 4862.57 FEET TO THE **POINT OF BEGINNING,** FROM WHICH THE SOUTHWEST CORNER OF THE PLANT SITE BOUNDARY, BEARS NORTH 78 DEGREES 25 MINUTES 40 SECONDS WEST, AT A DISTANCE OF 1085.58 FEET;

THENCE SOUTH 1 DEGREES 59 MINUTES 05 SECONDS WEST, A DISTANCE OF 508.95 FEET;

THENCE SOUTH 32 DEGREES 02 MINUTES 13 SECONDS WEST, A DISTANCE OF 1082.77 FEET;

THENCE SOUTH 74 DEGREES 34 MINUTES 13 SECONDS WEST, A DISTANCE OF 1919.53 FEET TO A POINT ON THE EAST LINE OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 3, BEARS SOUTH 00 DEGREES 19 MINUTES 35 SECONDS EAST, AT A DISTANCE OF 826.31 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 3, BEARS NORTH 00 DEGREES 19 MINUTES 35 SECONDS WEST, AT A DISTANCE OF 1813.00 FEET;

THENCE SOUTH 74 DEGREES 34 MINUTES 13 SECONDS WEST, A DISTANCE OF 3223.33 FEET TO A POINT ON THE NORTH LINE OF SECTION 10, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTH QUARTER CORNER OF SAID SECTION 10, BEARS NORTH 89 DEGREES 25 MINUTES 44 SECONDS EAST, AT A DISTANCE OF 472.87 FEET, ALSO FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 9, BEARS SOUTH 89 DEGREES 25 MINUTES 44 SECONDS WEST, AT A DISTANCE OF 2165.65 FEET;

THENCE SOUTH 74 DEGREES 34 MINUTES 13 SECONDS WEST, A DISTANCE OF 2243.58 FEET, TO A POINT ON THE EAST LINE OF SECTION 9, TOWNSHIP 40 NORTH, RANGE 9 EAST, ALSO BEING THE WESTERLY BOUNDARY OF THE NAVAJO INDIAN RESERVATION AND BEING THE **POINT OF TERMINUS.** FROM WHICH THE NORTHEAST CORNER OF SECTION 9, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEARS NORTH 00 DEGREES 16 MINUTES 55 SECONDS WEST, A DISTANCE OF 575.33 FEET, ALSO FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 9, BEARS SOUTH 00 DEGREES 16 MINUTES 55 SECONDS EAST, AT A DISTANCE OF 2061.39 FEET;

SIDELINES BEING LENGTHENED OR SHORTENED TO FORM VERTICES AT ALL ANGLE POINTS AND TO BEGIN ON THE SOUTHERLY BOUNDARY OF SAID NAVAJO GENERATING PLANT SITE WHICH PASSES THROUGH THE POINT OF BEGINNING AND TO TERMINATE ON THE EAST LINE OF SAID SECTION 9 BEING THE WESTERLY BOUNDARY OF THE NAVAJO INDIAN RESERVATION WHICH PASSES THROUGH THE POINT OF TERMINUS.

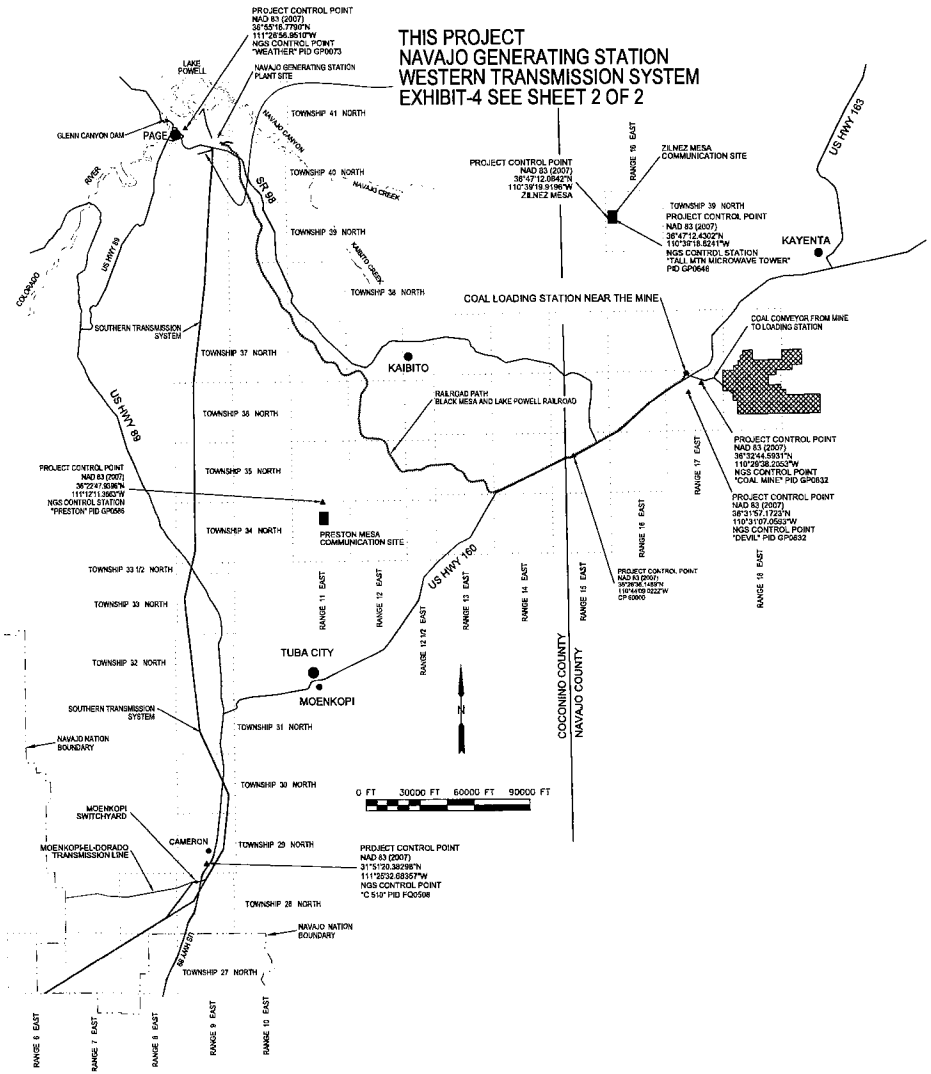
A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 41.22 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 41.25 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
ST
SURVEY
Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# WESTERN TRANSMISSION SYSTEM




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____
_____ _____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____.

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY

PRELIMINARY
FOR INTENT AND USE ONLY
REGISTRATION
EXPIRES: 03-31-19

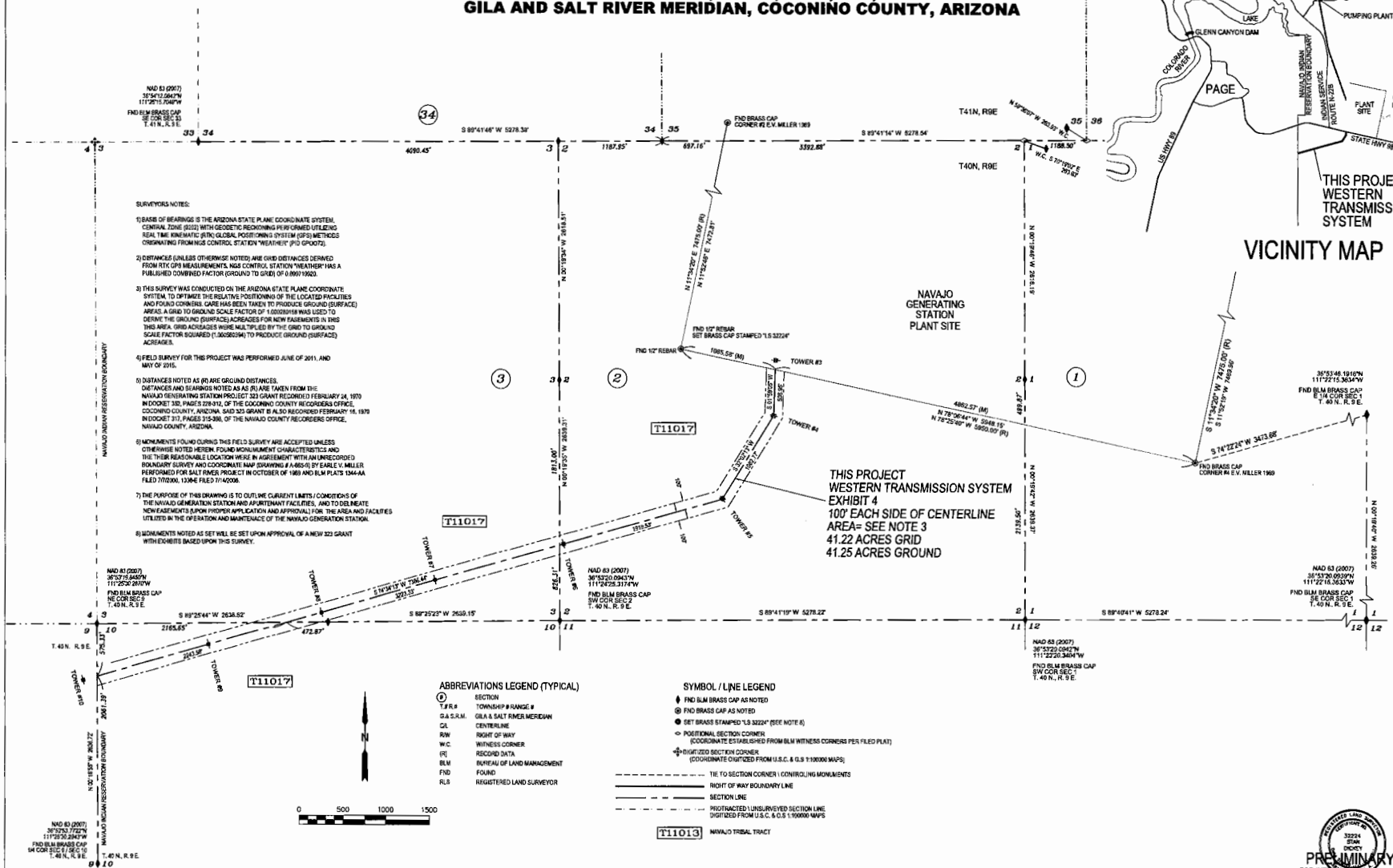
SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 4

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421588 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DROST | DEPARTMENT: BASELOAD GEN. | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M. / E.C. | FIELD DATE: JUNE 2011 | FILE: P421588_NPTS-303_EXHIBIT-4_4-12-2017.DWG | |
| SVY TECH: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

## NAVAJO GENERATING STATION LANDS
## WESTERN TRANSMISSION SYSTEM

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# WESTERN TRANSMISSION SYSTEM
# RIGHT OF WAY
## SECTIONS 2, 3 & 10, T40N, R9E,
## GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (5102) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0072).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.999710920.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM. TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS, CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000280168 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES. DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 330, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 16, 1970 IN DOCKET 312, PAGES 315-339, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-665-0) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1336-E FILED 7/14/2006.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421588 | SCALE: 1"=500' | DRAWING SIZE: 24x36 | | |
| CUSTOMER: B. GROST | DEPARTMENT: BASE LAND GEN. | DWG BY: D.S.D. | SHEET: 2 OF 2 | | |
| CREW CHIEF: J.M / E.G. | FIELD DATE: JUNE 2011 | FILE: P421588_NPTS_323_EXHIBIT_4_4-15-2017.DWG | | | |
| SYY FILE: C.V.F. | COMP. DATE: 04/7/2017 | FINAL INSPECTION / ISSUE DATE: N/A | | | |

# EXHIBIT 5

SHARED PATH FROM 500kV YARD TO EDGE OF PLANT

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 34 SECONDS EAST, A DISTANCE OF 2618.57 FEET;

THENCE SOUTH 31 DEGREES 45 MINUTES 13 SECONDS EAST, A DISTANCE OF 2670.28 FEET TO THE SOUTHWEST CORNER OF NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, FROM WHICH THE NORTHWEST CORNER OF SAID PLANT SITE RIGHT OF WAY BEARS, NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 7472.81

THENCE SOUTH 78 DEGREES 06 MINUTES 44 SECONDS EAST ALONG THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, A DISTANCE OF 984.49 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 01 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 2095.06 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 507.43 FEET TO A POINT ON THE WEST LINE OF THE NGS 500kV SWITCHYARD;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 506.00 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 228.64 FEET;

THENCE SOUTH 01 DEGREES 53 MINUTES 07 SECONDS WEST, A DISTANCE OF 1826.67 FEET TO THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY;

THENCE NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST ALONG SAID SOUTH LINE, A DISTANCE OF 467.10 FEET TO THE **POINT OF BEGINNING**;

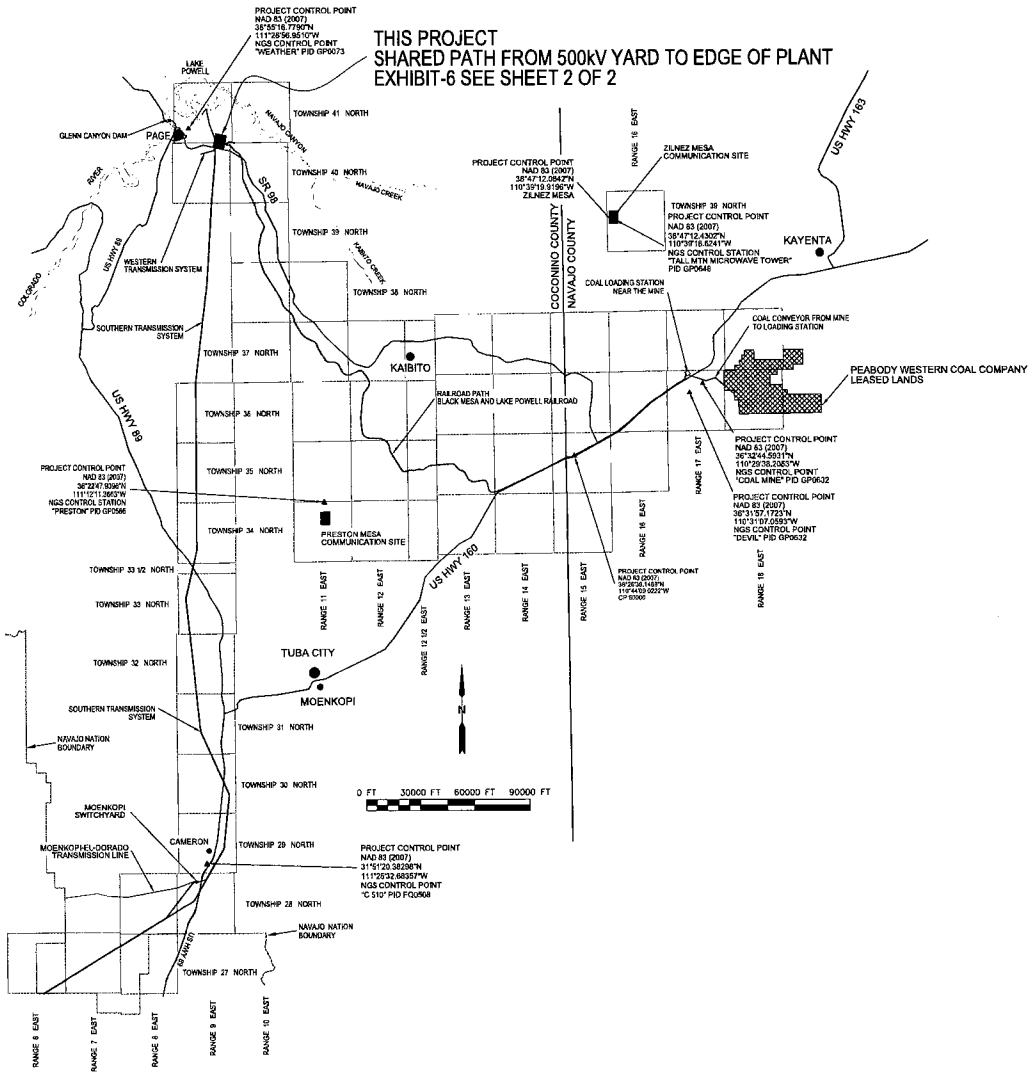
A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 24.98 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 25.00 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STEPHEN L. DOKEY
Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# SHARED PATH FROM 500kV YARD TO EDGE OF PLANT




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO ____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/16

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF ____ ____ ____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

___ ___ ___

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___.

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY

PRELIMINARY
FOR INTERNAL USE ONLY

REGISTRATION
EXPIRES: 03-31-19

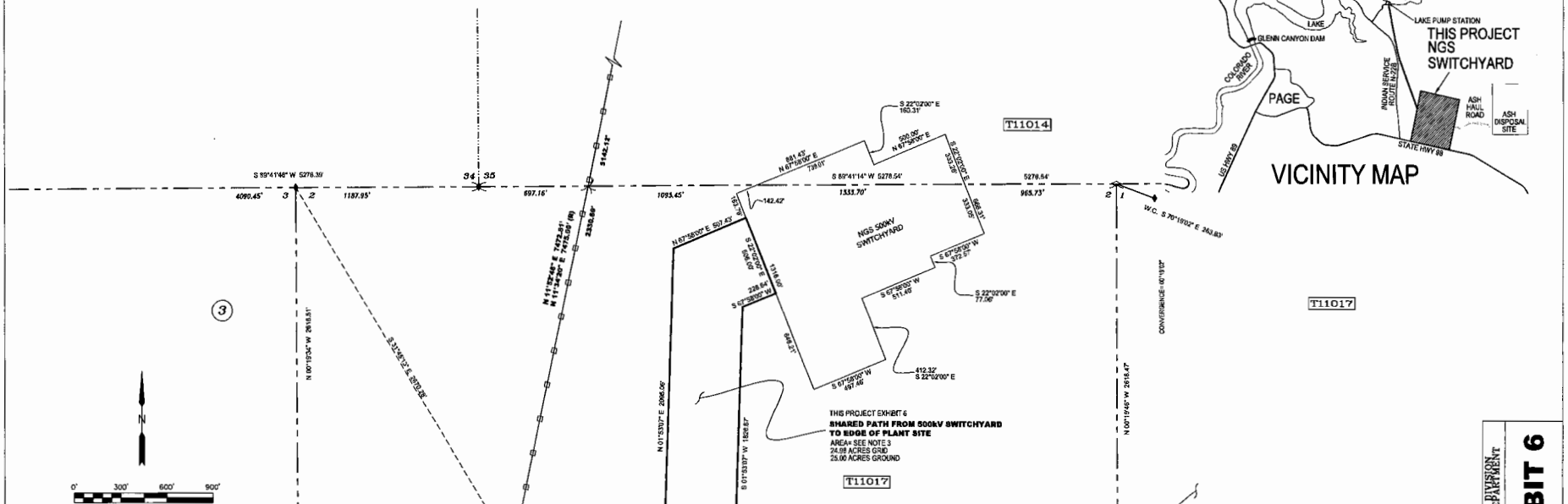
SRP SURVEY DIVISION LAND DEPARTMENT

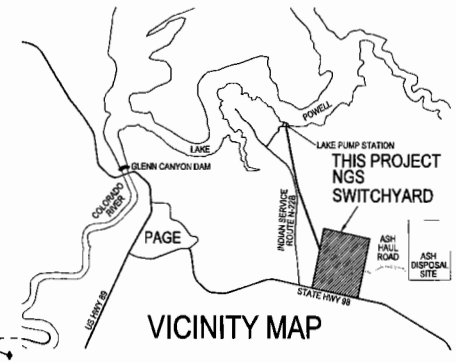
# EXHIBIT 6

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421568 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DRIST | DEPARTMENT:SAS/DAO/DPA | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M / E.G. | FIELD DATE: JUNE-2011 | FILE: P421568_NPTS-123_EXHIBIT-6_4-12-2017.DWG | |
| SYT TECH: C.V.F. | COMPL DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

**NAVAJO PROJECT TRANSMISSION SYSTEM LANDS**
**SHARED PATH FROM 500kV YARD TO EDGE OF PLANT**

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# SHARED PATH FROM 500kV YARD TO EDGE OF PLANT
## A PORTION OF
## SECTION 2, T40N, R9E,
## GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GF0073).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.99971620.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM. TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS, CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.00039616 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.00079234) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES.
DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 352, PAGES 228-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 16, 1970 IN DOCKET 317, PAGES 315-398, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENT CHARACTERISTICS AND THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-665-B) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1334-E FILED 7/14/2000.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

### SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 8)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- FENCE BARB WIRE
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT

### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| # | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

REGISTERED LAND SURVEYOR
EXPIRES 12/31/19
32224
STAN DICKEY
PRELIMINARY
FOR INTERAGENCY USE ONLY
REGISTRATION EXPIRES: 03-31-19

SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 6

| | | | |
|---|---|---|---|
| REVISION: 6 | JOB NUMBER: P4213588 | SCALE: 1" = 300' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LAND GEN. | CHK'D BY: D.S.D. | SHEET: 2 OF 2 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: P4213588_NPTS_323_EXHIBIT_A_4-10-2017.DWG | |
| BY TECH: C.V.F. | COMP. DATE: 04/12/17 | FINAL INSPECTION / ISSUE DATE: N/A | |

**NAVAJO PROJECT TRANSMISSION SYSTEM LANDS**
**SHARED PATH FROM 500kV YARD TO EDGE OF PLANT**

# EXHIBIT 7

NGS 500kV SWITCHYARD

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, AND SECTION 35 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 34 SECONDS EAST, A DISTANCE OF 2618.51 FEET;

THENCE SOUTH 31 DEGREES 45 MINUTES 13 SECONDS EAST, A DISTANCE OF 2670.28 FEET TO THE SOUTHWEST CORNER OF NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, FROM WHICH THE NORTHWEST CORNER OF SAID PLANT SITE RIGHT OF WAY BEARS, NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 7472.81

THENCE SOUTH 78 DEGREES 06 MINUTES 44 SECONDS EAST ALONG THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, A DISTANCE OF 984.49 FEET;

THENCE NORTH 01 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 2095.06 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 507.43 FEET TO THE **POINT OF BEGINNING;**

THENCE NORTH 22 DEGREES 02 MINUTES 00 SECONDS WEST, A DISTANCE OF 163.79 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 142.42 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 1790.61 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 2299.43 FEET;

THENCE CONTINUING NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 739.01 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 160.31 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 500.00 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 333.26 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 3124.31 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 2154.23 FEET;

THENCE CONTINUING SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 333.05 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 372.57 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 77.06 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 511.40 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 412.32 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 497.46 FEET,

THENCE NORTH 22 DEGREES 02 MINUTES 00 SECONDS WEST, A DISTANCE OF 1152.21 FEET TO THE **POINT OF BEGINNING**.

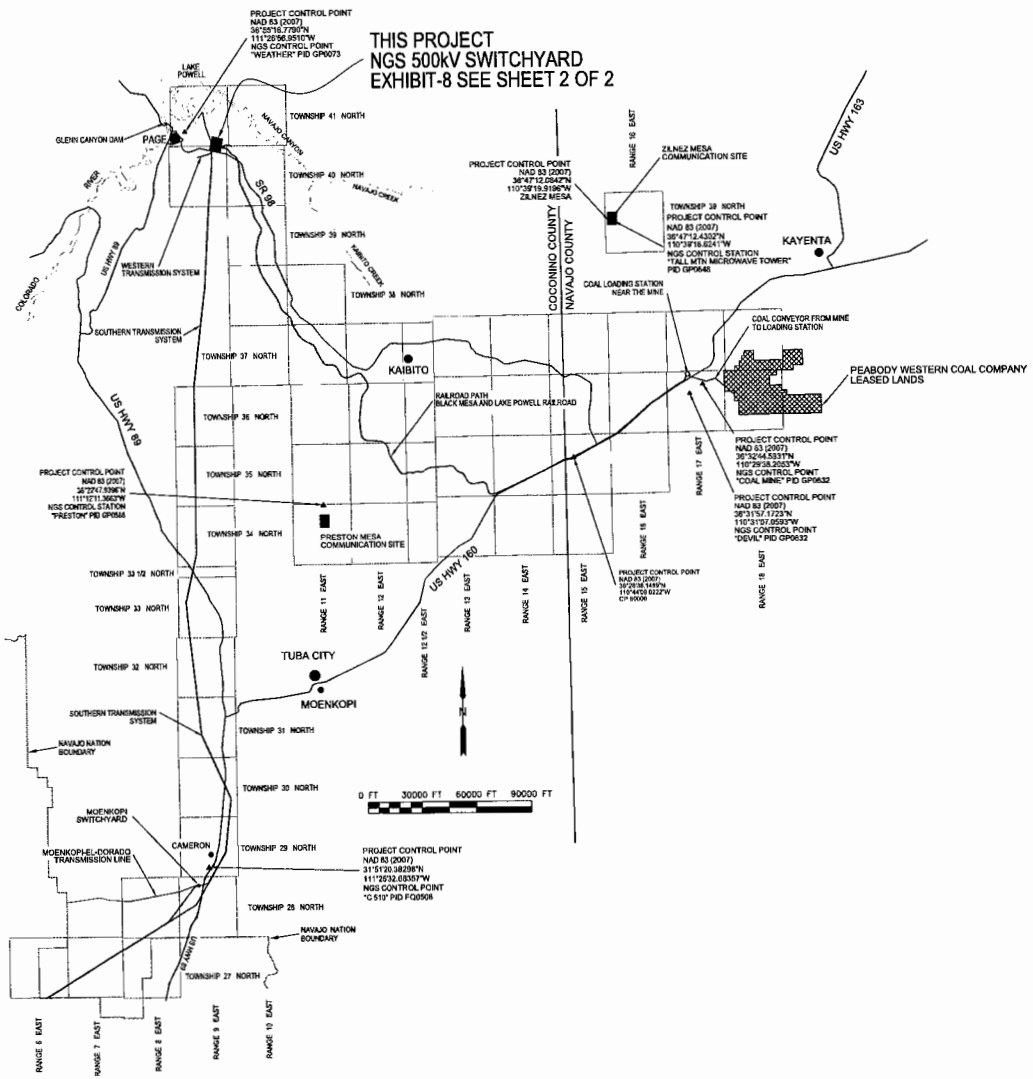
A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 30.87 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 30.89 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STEVEN J. LOCKEY
Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# NGS 500kV SWITCHYARD




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____ HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

ARIZONA LAND SURVEYOR
32224
STAN
DICKEY
REGISTRATION
EXPIRES: 03-31-19

PRELIMINARY
FOR INTERAGENCY USE ONLY

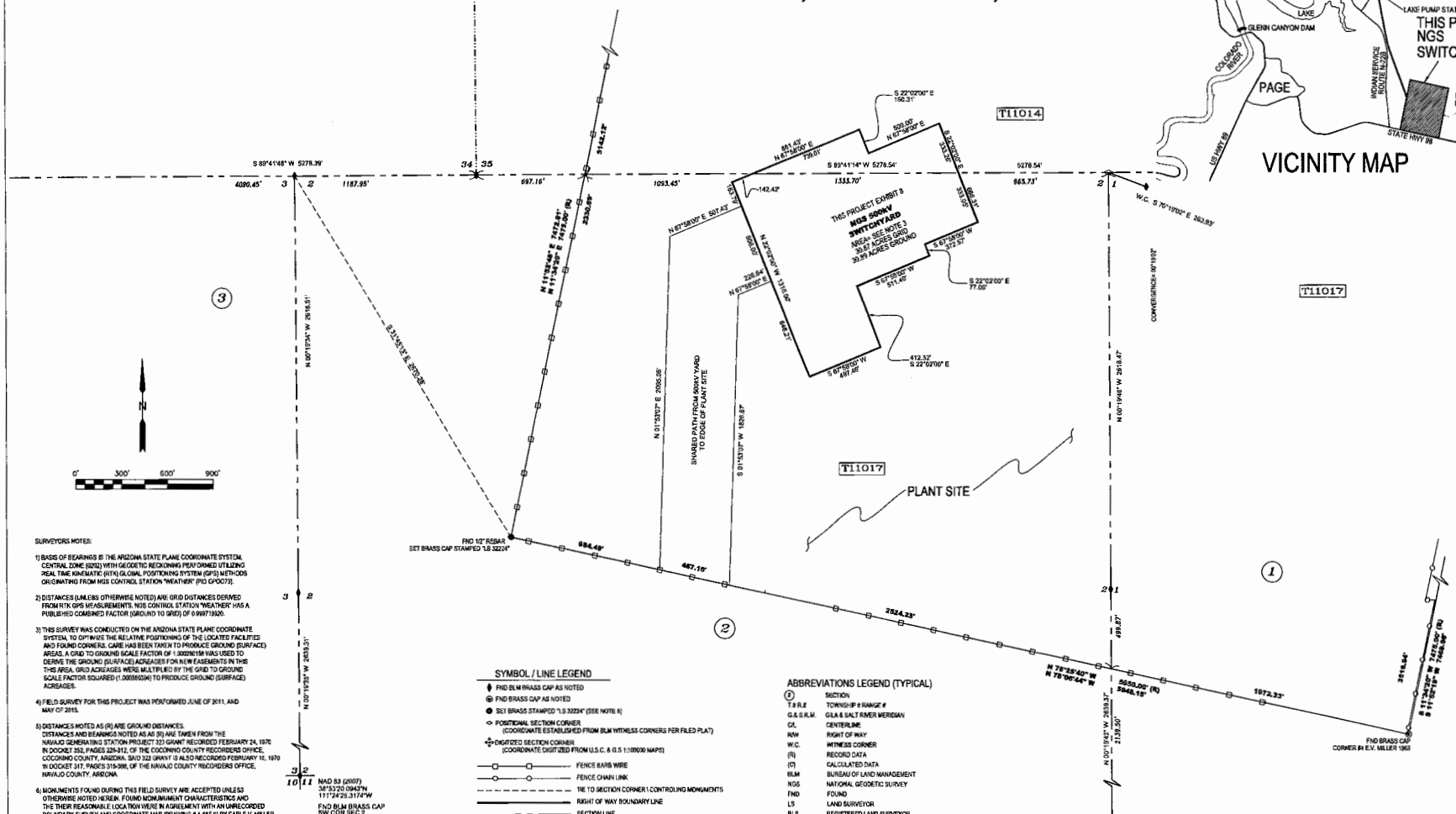
| | | | |
|---|---|---|---|
| REVISION: 3 | JOB NUMBER: PA21398 | SCALE: 1"=2000' | DRAWING SIZE: 24x36 |
| CADTOPO: B. LARSON | DRAWN BY: MARCIO GIRI | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| PD DATE: JUNE 2011 | FILE: PA21398_NPTS-320_EXHIBIT-8_4-19-2017.DWG | | |
| SYSTEM: C.V.E. | COMPL DATE: 04/17/2017 | FINAL INSPECTION ISSUE DATE: N/A | |

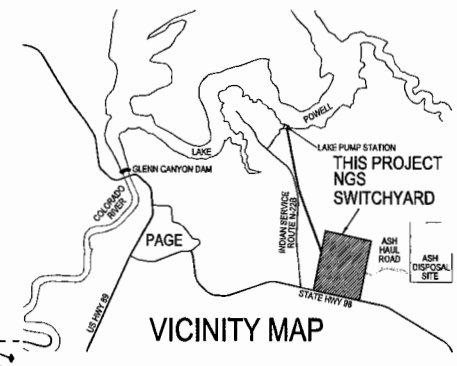
**NAVAJO GENERATING STATION LANDS**
**NGS 500kV SWITCHYARD**

SURVEY DIVISION
LAND DEPARTMENT

**EXHIBIT 8**

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# NGS 500kV SWITCHYARD
## A PORTION OF
## SECTION 2, T40N, R9E,
## UNSURVEYED SECTION 35, T41N, R9E,
## GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0073).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.999719920.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000290158 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000580334) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES. DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 352, PAGES 229-312, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA. SAID 323 GRANT IS ALSO RECORDED FEBRUARY 16, 1970 IN DOCKET 317, PAGES 315-388, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENT CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-6654) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2000, 1336-E FILED 7/14/2004.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENANCE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

### SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 6)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- FENCE BARB WIRE
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT

### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| 2 | SECTION |
| T.9 R.E | TOWNSHIP 9 RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| CL | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

REGISTERED LAND SURVEYOR 33224 STAN DICKEY ARIZONA U.S.A.

PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY

REGISTRATION EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213588 | SCALE: 1" = 300' | DRAWING SIZE: 34x48 |
| CUSTOMER: B. DIRECT | DEPARTMENT: BASE LOAD (GEN) | CHKD BY: G.S.D. | SHEET: 2 OF 2 |
| CHIEF CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: P4213588_NPTSL323_EXHIBIT-B_4-13-2017.DWG | |
| BY/ TECH: C.V.F. | COMP. DATE: 04/10/17 | FINAL INSPECTION / ISSUE DATE: | N/A |

SURVEY DIVISION LAND DEPARTMENT

# EXHIBIT 8

## NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
## NGS 500kV SWITCHYARD

# EXHIBIT 9

PRESTON MESA COMMUNICATION SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 10 (UNSURVEYED), TOWNSHIP 34 NORTH, RANGE 11 EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "PRESTON" (PID GP0586), BEING AN ALUMINUM DISK MARKED "PRESTON 1970";

THENCE SOUTH 01 DEGREES 20 MINUTES 27 SECONDS EAST, A DISTANCE OF 7655.31 FEET, TO THE **POINT OF BEGINNING**, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 10 BEARS NORTH 23 DEGREES 01 MINUTES 19 SECONDS WEST, AT A DISTANCE OF 3245.71;

THENCE SOUTH 00 DEGREES 00 MINUTES 12 SECONDS EAST, A DISTANCE OF 39.57 FEET;

THENCE SOUTH 89 DEGREES 01 MINUTES 5 SECONDS EAST, A DISTANCE OF 38.19 FEET;

THENCE SOUTH 65 DEGREES 03 MINUTES 06 SECONDS EAST, A DISTANCE OF 95.71 FEET;

THENCE NORTH 24 DEGREES 56 MINUTES 54 SECONDS EAST, A DISTANCE OF 4.25 FEET;

THENCE SOUTH 65 DEGREES 03 MINUTES 06 SECONDS EAST, A DISTANCE OF 32.33 FEET;

THENCE SOUTH 24 DEGREES 56 MINUTES 54 SECONDS WEST, A DISTANCE OF 35.71 FEET;

THENCE NORTH 65 DEGREES 03 MINUTES 06 SECONDS WEST, A DISTANCE OF 72.68 FEET;

THENCE NORTH 78 DEGREES 40 MINUTES 53 SECONDS WEST, A DISTANCE OF 76.59 FEET;

THENCE SOUTH 88 DEGREES 08 MINUTES 07 SECONDS WEST, A DISTANCE OF 51.19 FEET;

THENCE NORTH 00 DEGREES 13 MINUTES 19 SECONDS EAST, A DISTANCE OF 70.54 FEET;

THENCE NORTH 80 DEGREES 51 MINUTES 16 SECONDS EAST, A DISTANCE OF 51.54 FEET, TO THE **POINT OF BEGINNING**.

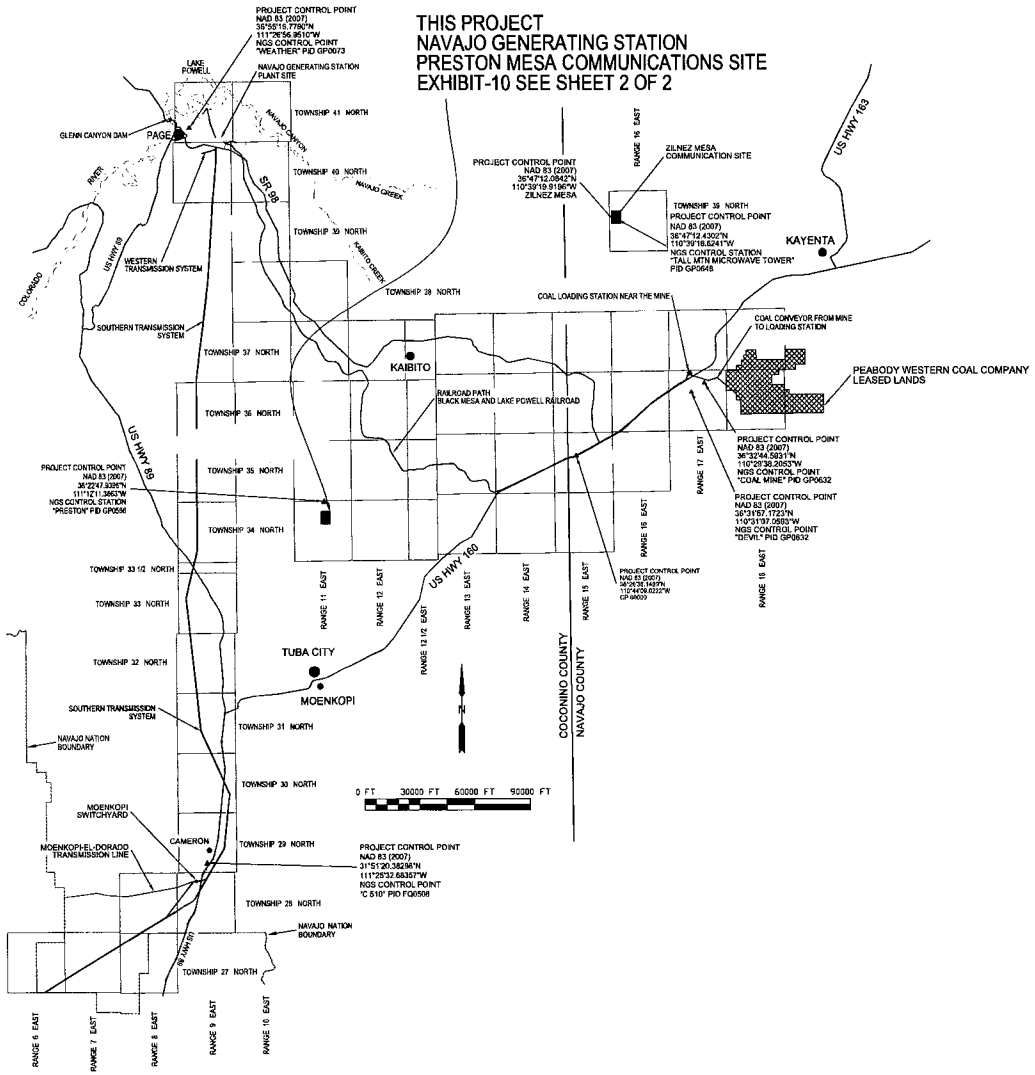
A GRID TO GROUND SCALE FACTOR OF 1.000369727 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000739590) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 0.22 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 0.22 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STEVEN J. MCKEY
Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# PRESTON MESA COMMUNICATIONS SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STAN DICKEY RLS#32224
EXPIRES 3/31/16

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___.

_____
NOTARY PUBLIC

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY
ARIZONA U.S.A.

PRELIMINARY
FOR INTERDEPARTMENTAL USE ONLY

REGISTRATION
EXPIRES: 03-31-19

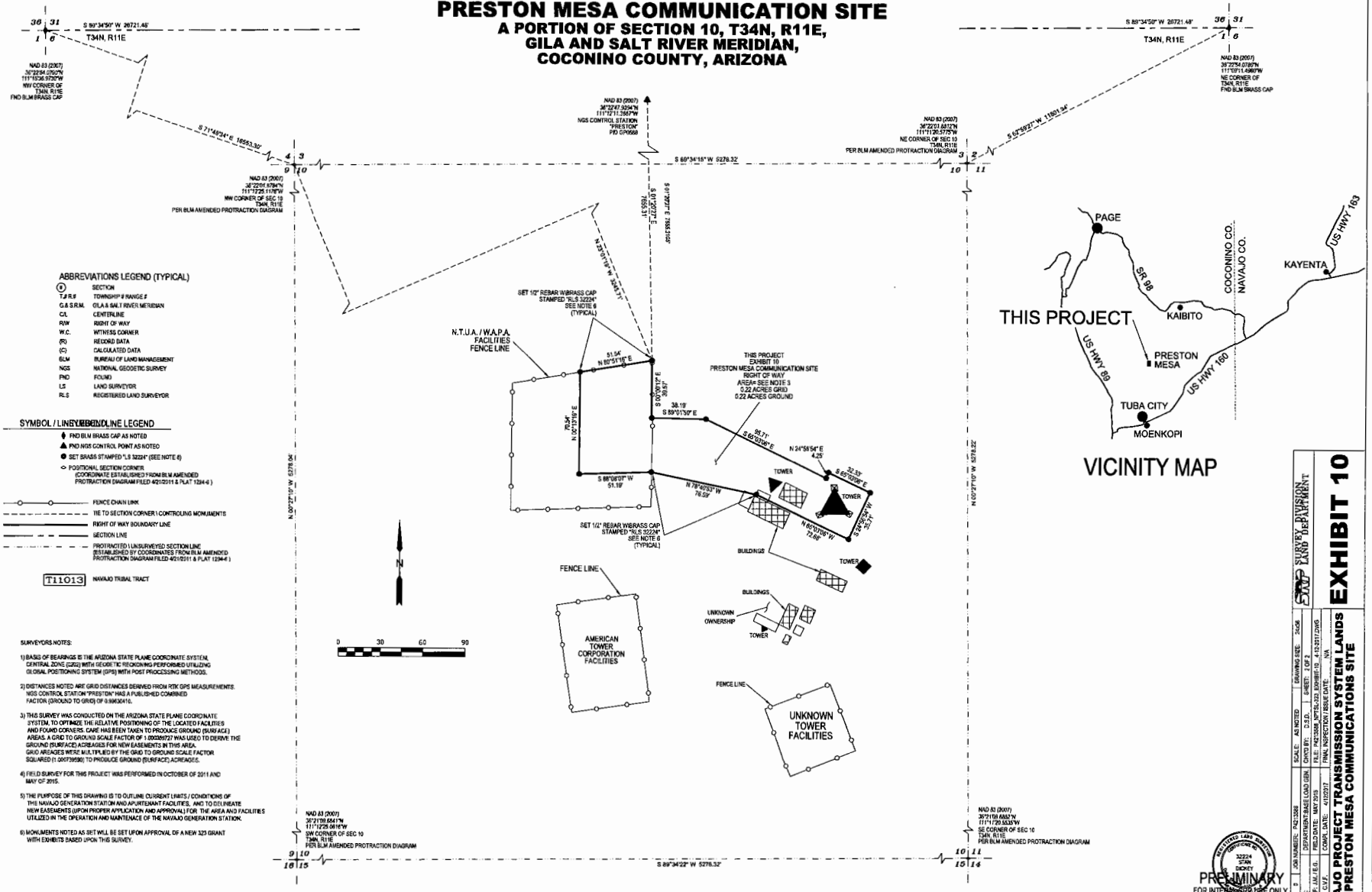
SRP SURVEY DIVISION
LAND DEPARTMENT

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421388 | SCALE: 1"=2000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B.DROST | DEPARTMENT:BASELAND SUR. | CH'CT BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M./E.G. | FIELD DATE: JUNE 2011 | FILE: P421388_NPTS-320_EXHIBIT-10_4-12-2017.DWG | |
| SYY TECH: C.V.F. | COMPL. DATE: 4/12/2017 | FINAL INSPECTION ISSUE DATE: N/A | |

**NAVAJO PROJECT TRANSMISSION SYSTEM LANDS**
**PRESTON MESA COMMUNICATIONS SITE**

# EXHIBIT 10

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# PRESTON MESA COMMUNICATION SITE
## A PORTION OF SECTION 10, T34N, R11E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA




### ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| ⊙ | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

### SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND NGS CONTROL POINT AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 6)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM AMENDED PROTRACTION DIAGRAM FILED 4/21/2011 & PLAT 1294-4 )
- FENCE CHAIN LINK
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- SECTION LINE
- PROTRACTED \ UNSURVEYED SECTION LINE (ESTABLISHED BY COORDINATES FROM BLM AMENDED PROTRACTION DIAGRAM FILED 4/21/2011 & PLAT 1294-4 )
- T11013 NAVAJO TRIBAL TRACT

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (2202) WITH GEODETIC RECKONING PERFORMED UTILIZING GLOBAL POSITIONING SYSTEM (GPS) WITH POST PROCESSING METHODS.

2) DISTANCES NOTED ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "PRESTON" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.9963046.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000269727 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000739590) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED IN OCTOBER OF 2011 AND MAY OF 2015.

5) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

6) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

PRELIMINARY
FOR INTERNAL USE ONLY
REGISTRATION EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P421308 | SCALE: AS NOTED | DRAWING SIZE: 24x36 |
| CUSTOMER: | DEPARTMENT-BASE LOAD (GB) | CHK'D BY: C.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: MAY 2015 | FILE: P421308_NPTSL-323_EXHIBIT-10_4-13-2017.DWG | |
| SVY TECH: C.V.F. | COMPL DATE: 4/10/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

SURVEY DIVISION LAND DEPARTMENT

**EXHIBIT 10**

**NAVAJO PROJECT TRANSMISSION SYSTEM LANDS**
**PRESTON MESA COMMUNICATIONS SITE**

# EXHIBIT 11

JACKS PEAK COMMUNICATION SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 15 (UNSURVEYED), TOWNSHIP 38 NORTH, RANGE 7 EAST GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "RED" (PID GP0503), BEING A BRASS DISK SET IN CONCRETE MARKED "RED 1983", FROM WHICH THE NATIONAL GEODETIC SURVEY'S TRIANGULATION STATION DESIGNATED AS "FALL" (PID GP0601), BEING AN BRASS DISK SET IN CONCRETE MARKED "FALL 1963", BEARS NORTH 28 DEGREES 30 MINUTES 07 SECONDS EAST, A DISTANCE OF 32277.26 FEET;

THENCE SOUTH 73 DEGREES 34 MINUTES 45 SECONDS WEST, A DISTANCE OF 9416.62 FEET, TO THE **POINT OF BEGINNING**, FROM WHICH THE NORTHEAST CORNER OF SECTION 15, TOWNSHIP 34 NORTH, RANGE 7 EAST, BEARS NORTH 61 DEGREES 51 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 1779.01 FEET;

THENCE SOUTH 37 DEGREES 06 MINUTES 32 SECONDS EAST, A DISTANCE OF 58.00 FEET;

THENCE SOUTH 52 DEGREES 57 MINUTES 16 SECONDS WEST, A DISTANCE OF 22.00 FEET;

THENCE NORTH 37 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 25.20 FEET;

THENCE SOUTH 59 DEGREES 25 MINUTES 33 SECONDS WEST, A DISTANCE OF 30.66 FEET;

THENCE SOUTH 68 DEGREES 49 MINUTES 02 SECONDS WEST, A DISTANCE OF 119.19 FEET;

THENCE SOUTH 66 DEGREES 15 MINUTES 39 SECONDS WEST, A DISTANCE OF 65.61 FEET, TO THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 169.06 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS SOUTH 64 DEGREES 11 MINUTES 05 SECONDS WEST, A DISTANCE OF 120.66 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 123.38 FEET, THROUGH A CENTRAL ANGLE OF 41 DEGREES 49 MINUTES 00 SECONDS TO THE END OF THE

NON TANGENT CURVE AND THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 149.76 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS SOUTH 63 DEGREES 13 MINUTES 42 SECONDS WEST, A DISTANCE OF 102.20 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 104.30 FEET, THROUGH A CENTRAL ANGLE OF 39 DEGREES 54 MINUTES 13 SECONDS TO THE END OF THE NON TANGENT CURVE;

THENCE SOUTH 78 DEGREES 21 MINUTES 30 SECONDS WEST, A DISTANCE OF 80.41 FEET;

THENCE SOUTH 71 DEGREES 13 MINUTES 33 SECONDS WEST, A DISTANCE OF 12.09 FEET;

THENCE NORTH 84 DEGREES 25 MINUTES 24 SECONDS WEST, A DISTANCE OF 9.51 FEET;

THENCE SOUTH 08 DEGREES 23 MINUTES 36 SECONDS WEST, A DISTANCE OF 25.45 FEET;

THENCE NORTH 81 DEGREES 36 MINUTES 24 SECONDS WEST, A DISTANCE OF 68.00 FEET;

THENCE NORTH 08 DEGREES 23 MINUTES 36 SECONDS EAST, A DISTANCE OF 67.00 FEET;

THENCE SOUTH 81 DEGREES 36 MINUTES 24 SECONDS EAST, A DISTANCE OF 68.00 FEET;

THENCE SOUTH 08 DEGREES 23 MINUTES 36 SECONDS WEST, A DISTANCE OF 31.54 FEET;

THENCE SOUTH 84 DEGREES 25 MINUTES 24 SECONDS EAST, A DISTANCE OF 6.86 FEET;

THENCE NORTH 71 DEGREES 13 MINUTES 33 SECONDS EAST, A DISTANCE OF 10.55 FEET;

THENCE NORTH 78 DEGREES 21 MINUTES 30 SECONDS EAST, A DISTANCE OF 81.46 FEET, TO THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 139.76 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS NORTH 63 DEGREES 18 MINUTES 47 SECONDS EAST, A DISTANCE OF 95.77 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 97.75 FEET, THROUGH A CENTRAL ANGLE OF 40 DEGREES 04 MINUTES 24 SECONDS TO THE END OF THE NON TANGENT CURVE AND THE POINT OF CURVATURE (P.C.) OF A NON TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 179.06 FEET, FROM WHICH THE END OF CURVE (E.C.) OF SAID TANGENT CURVE BEARS NORTH 63 DEGREES 54 MINUTES 57 SECONDS EAST, A DISTANCE OF 126.23 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 129.00 FEET, THROUGH A CENTRAL ANGLE OF 41 DEGREES 16 MINUTES 43 SECONDS TO THE END OF THE NON TANGENT CURVE;

THENCE NORTH 66 DEGREES 15 MINUTES 39 SECONDS EAST, A DISTANCE OF 64.20 FEET;

THENCE NORTH 68 DEGREES 49 MINUTES 02 SECONDS EAST, A DISTANCE OF 118.59 FEET;

THENCE NORTH 59 DEGREES 25 MINUTES 33 SECONDS EAST, A DISTANCE OF 28.70 FEET;

THENCE NORTH 37 DEGREES 06 MINUTES 32 SECONDS WEST, A DISTANCE OF 22.74 FEET;

THENCE NORTH 52 DEGREES 57 MINUTES 16 SECONDS EAST, A DISTANCE OF 22.00 FEET, TO THE **POINT OF BEGINNING**.

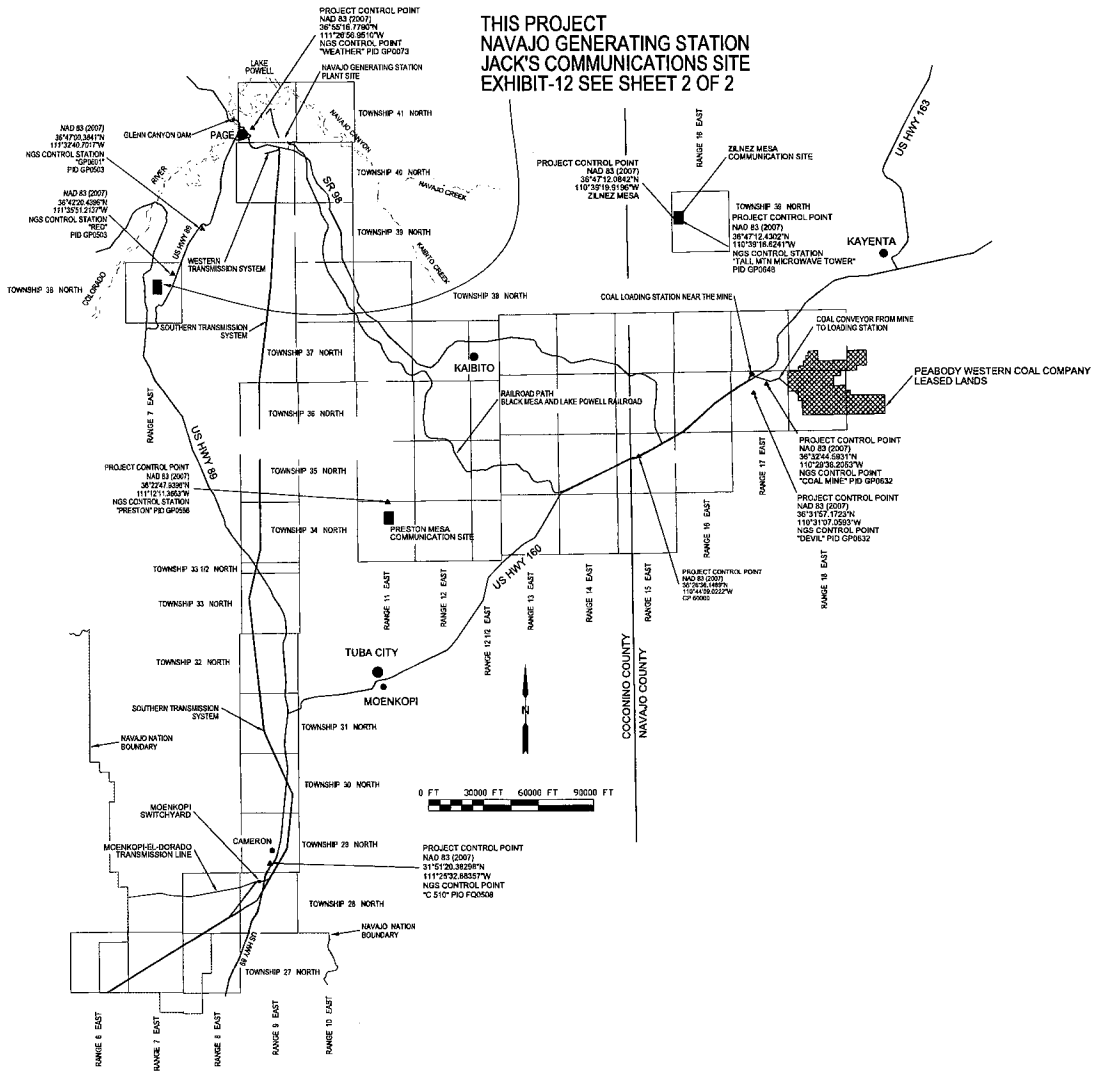
A GRID TO GROUND SCALE FACTOR OF 1.000377152 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000754447) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 0.26 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND HAVING 0.26 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
STEVEN J. GRAEY
Signed .....
ARIZONA, U.S.A.
PRELIMINARY

REGISTRATION
EXPIRES 03-31-2019

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
# JACK'S PEAK COMMUNICATIONS SITE




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/19

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____

_____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____.

_____
NOTARY PUBLIC

ARIZONA LAND SURVEYOR
CERTIFICATE NO.
32224
STAN
DICKEY

PRELIMINARY
FOR INTERPRETIVE USE ONLY

REGISTRATION
EXPIRES: 03-31-19

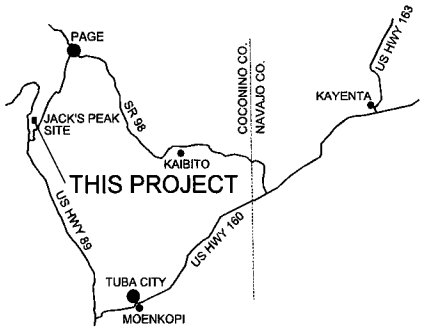
| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4213585 | SCALE: 1"=30000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. CHOST | DEPARTMENT:BASE/LAND/GEN | CHK'D BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M./ E.M. | FIELD DATE: JAN. 2015 | FILE: P4213585_NPTS_3D_EXHIBIT-12_4-12-2017.DWG | |
| SVY TECH: C.V.F. | COMPL. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: | N/A |

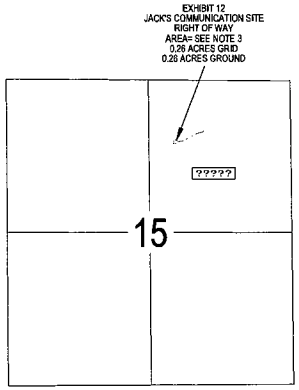
SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT 12

NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
JACK'S PEAK COMMUNICATIONS SITE

# NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
## JACK'S PEAK COMMUNICATION SITE
### A PORTION OF UNSURVEYED
### SECTION 15, T34N, R7E,
### GILA AND SALT RIVER MERIDIAN,
### COCONINO COUNTY, ARIZONA

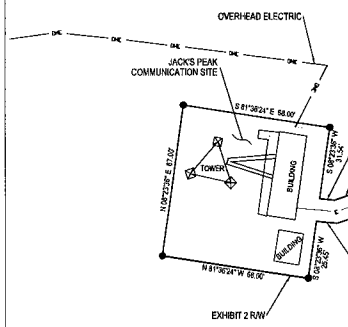



T38N, R7E

PROTRACTED/UNSURVEYED SECTION LINES DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS

| CURVE | RADIUS | ARC LENGTH | DELTA ANGLE | CHORD BEARING | CHORD LENGTH |
|---|---|---|---|---|---|
| C #1 | 189.00' | 123.38' | 41°49'00" | S 64°11'05" W | 120.66' |
| C #2 | 148.76' | 104.30' | 39°54'13" | S 63°13'42" W | 102.22' |
| C #3 | 139.76' | 97.75' | 40°04'24" | N 63°18'47" E | 95.77' |
| C #4 | 175.00' | 129.07' | 41°16'43" | N 63°54'57" E | 126.23' |




0 25 50 75

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING GLOBAL POSITIONING SYSTEM (GPS) WITH POST PROCESSING METHODS.

2) DISTANCES NOTED ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "PRESTON" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.99962299.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS. CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.000377152 WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS AREA. GRID AREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000754447) TO PRODUCE GROUND (SURFACE) ACREAGES.

4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED IN JANUARY OF 2015.

5) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT CONDITIONS OF EASEMENTS IN AGREEMENT WITH THE NAVAJO GENERATION STATION PROJECT 323 GRANT, AND DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR AREAS HAVING FACILITIES CONFLICTING WITH CURRENT EASEMENTS OF SAID 323 GRANT.

6) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| SEC | SECTION |
| T.#R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C/L | CENTERLINE |
| R/W | RIGHT OF WAY |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| P-TANK | PROPANE TANK |
| RLS | REGISTERED LAND SURVEYOR |

SYMBOL / LINE LEGEND

- FND NGS CONTROL POINT AS NOTED
- SET BRASS CAP AS NOTED
- SEC CORNER (DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- T11O13 NAVAJO TRIBAL TRACT
- FENCE CHAIN LINK
- ABOVE GROUND ELECTRIC CABLE
- OVERHEAD ELECTRIC
- TIE TO SECTION CORNER \ CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- PROTRACTED/UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS

NAVAJO NATION LAND SURVEYOR CERTIFICATE NO. 32234 STAN DICKEY

PRELIMINARY
FOR INTERNAL USE ONLY

REGISTRATION EXPIRES: 03-31-19

SURVEY DIVISION LAND DEPARTMENT

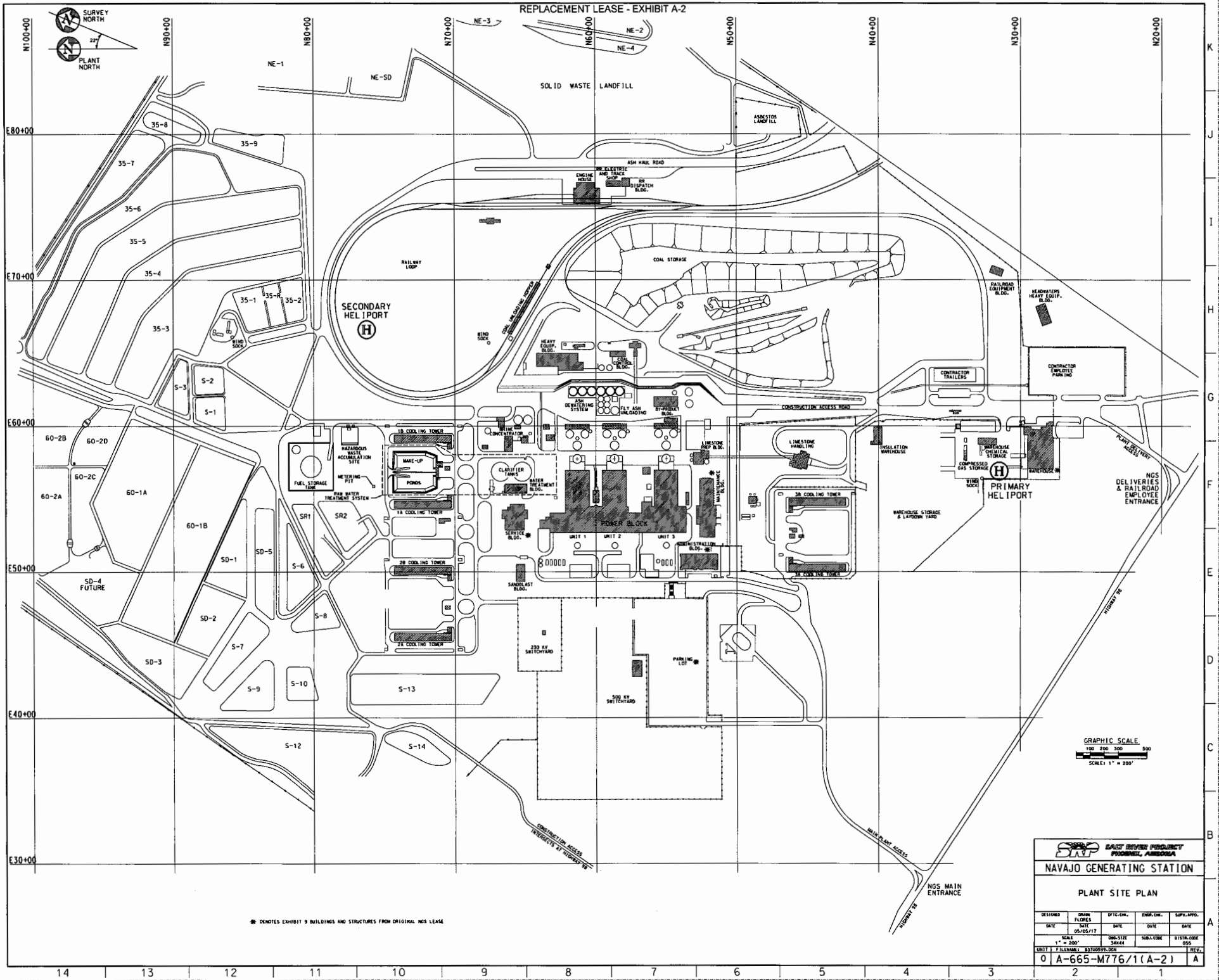
# EXHIBIT 12

## NAVAJO PROJECT TRANSMISSION SYSTEM LANDS
## JACK'S PEAK COMMUNICATIONS SITE

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: 7421388 | SCALE: AS NOTED | DRAWING SIZE: 24x36 |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LOAD GEN. | CHKD BY: D.S.D. | SHEET: 1 OF 2 |
| CREW CHIEF: J.M. / S.M. | FIELD DATE: JAN. 2015 | FILE: P421388_APTS_323_EXHIBIT-12_4-12-2017.DWG | |
| SYTEC: C.V.F. | COMP. DATE: 04/12/2017 | FINAL INSPECTION / ISSUE DATE: N/A | |

**Exhibit A-2**
**(Diagram/Site Plan)**

**The NGS Power Facility Located on a Portion of the NGS Site**
**(not to scale)**


REPLACEMENT LEASE - EXHIBIT A-2
SURVEY NORTH
PLANT NORTH
22°
N100+00
N90+00
N80+00
N70+00
N60+00
N50+00
N40+00
N30+00
N20+00
E80+00
E70+00
E60+00
E50+00
E40+00
E30+00
NE-1
NE-2
NE-3
NE-4
NE-SD
SOLID WASTE LANDFILL
ASBESTOS LANDFILL
ASH HAUL ROAD
ENGINE HOUSE
DR ELECTRIC AND TRACK SHOP
DR DISPATCH BLDG.
RAILWAY LOOP
COAL STORAGE
SECONDARY HELIPORT
COAL UNLOADING HOPPER
WIND SOCK
HEAVY EQUIP. BLDG.
TRAIN CONTROL BLDG.
ASH DEWATERING SYSTEM
FLY ASH UNLOADING
BY-PRODUCT BLDG.
CONSTRUCTION ACCESS ROAD
CONTRACTOR TRAILERS
CONTRACTOR EMPLOYEE PARKING
RAILROAD EQUIPMENT BLDG.
HEADWATERS HEAVY EQUIP. BLDG.
35-1
35-2
35-3
35-4
35-5
35-6
35-7
35-8
35-9
35-R
S-1
S-2
S-3
S-6
S-7
S-8
S-9
S-10
S-12
S-13
S-14
SR1
SR2
SD-1
SD-2
SD-3
SD-4 FUTURE
SD-5
60-1A
60-1B
60-2A
60-2B
60-2C
60-2D
FUEL STORAGE TANK
HAZARDOUS WASTE ACCUMULATION SITE
METERING PIT
RAW WATER TREATMENT SYSTEM
1B COOLING TOWER
MAKE-UP PONDS
1A COOLING TOWER
2B COOLING TOWER
2A COOLING TOWER
3B COOLING TOWER
3A COOLING TOWER
ORE CONCENTRATOR
CLARIFIER TANKS
WATER TREATMENT BLDG.
SERVICE BLDG.
POWER BLOCK
UNIT 1
UNIT 2
UNIT 3
MAINTENANCE
ADMINISTRATION BLDG.
SANDBLAST BLDG.
LIMESTONE PREP BLDG.
LIMESTONE HANDLING
INSULATION WAREHOUSE
WAREHOUSE CHEMICAL STORAGE
COMPRESSED GAS STORAGE
WAREHOUSE
PRIMARY HELIPORT
WAREHOUSE STORAGE & LAYDOWN YARD
PLANT SECONDARY ACCESS
NGS DELIVERIES & RAILROAD EMPLOYEE ENTRANCE
HIGHWAY 98
230 KV SWITCHYARD
500 KV SWITCHYARD
PARKING LOT
CONSTRUCTION ACCESS INTERSECTS AT HIGHWAY 98
MAIN PLANT ACCESS
NGS MAIN ENTRANCE
GRAPHIC SCALE
100 200 300 500
SCALE: 1" = 200'
* DENOTES EXHIBIT 9 BUILDINGS AND STRUCTURES FROM ORIGINAL NGS LEASE
EAST RIVER PROJECT
PHOENIX, ARIZONA
NAVAJO GENERATING STATION
PLANT SITE PLAN
DESIGNED
DRAWN FLORES
DATE 05/05/17
DFTG.CHK.
ENGR.CHK.
SUPV.APPD.
SCALE 1" = 200'
DWG-SIZE 34X44
SUBJ.CODE
DISTR.CODE 055
UNIT
FILENAME: S3TU0599.DGN
REV.
0
A-665-M776/1(A-2)
A

# Exhibit B

## List of Navajo Nation Retained Assets and the Table of Savings and Costs

REPLACEMENT LEASE - EXHIBIT B

List of Navajo Nation Retained Assets and the Table of Savings and Cost

| Navajo Nation Retained Assets (Note 2&3) | Change (Note 1) | Navajo Nation portion of savings or cost | Resultant total |
|---|---|---|---|
| **Unselected Savings** (Navajo Nation Retained Assets to be selected by 12/22/2018) | | | |
| *Administration Bldg. | ($234,000) | 90% | ($210,600) |
| *Service Bldg. | ($161,000) | 90% | ($144,900) |
| *Warehouse | ($367,500) | 90% | ($330,750) |
| Warehouse Chemical Storage | ($16,200) | 90% | ($14,580) |
| *Water Treatment Bldg. | ($128,000) | 80% | ($102,400) |
| *Maintenance Bldg. | ($310,000) | 90% | ($279,000) |
| Engine House | ($169,700) | 80% | ($135,760) |
| RR Elec & Track Shop | ($21,400) | 80% | ($17,120) |
| RR Dispatch Bldg. | ($26,500) | 80% | ($21,200) |
| Zilnez Comm Site | ($90,000) | 90% | ($81,000) |
| Preston Comm Site | ($80,000) | 90% | ($72,000) |
| *Roads & Parking Lots (including helipad) | ($60,000) | 90% | ($54,000) |
| Sandblast Bldg. | ($25,000) | 90% | ($22,500) |
| Raw Water Treatment System | ($190,000) | 90% | ($171,000) |
| Total Savings | | | ($1,656,810) |
| **Unselected Costs** (To be selected by 12/22/2018) | | | |
| 24 inch cover instead of 12 inch cover | $336,000 | 50% | $168,000 |
| Construction of a new Landfill | $4,828,000 | 25% | $1,207,000 |
| Total Cost | | | $1,375,000 |
| NET TOTAL | | | ($281,810) |
| **Selected Savings included in the Lease** | | | |
| The Lake Pump Facility to the Metering Pit (including the two underground water lines that run from the Lake Pump Facility to the Metering Pit). The power lines that run from the 230 kV switchyard to the Lake Pump Facility will remain. Infrastructure needed to power the Lake Pump Facility at the Lake Pump Facility Area and the 230 kV switchyard will remain. | | | $296,800 |
| Railroad (see *Exhibit C - Navajo Project Retirement Guidelines* for details) | | | $17,651,700 |
| *Fences | | | $100,000 |
| 230 kV switchyard | | | $74,000 |
| Air monitoring site | | | $10,000 |
| Total Selected Savings included in the Lease | | | $18,132,500 |

* Items originally listed in Exhibit 9 of the Existing Lease (Indenture of Lease, NGS Units 1, 2 and 3)

NOTE 1: Negative number is a reduction in the total cost of decommissioning and a positive number is an increase in the cost of decommissioning.

NOTE 2: Does not necessarily include equipment located in the facility

NOTE 3: Unless stated otherwise in the Replacement Lease, all items listed above that are to be transferred to the Navajo Nation shall be done so in an "as is" condition. No remediation other than agreed to in the Replacement Lease or in the Navajo Project Retirement Guidelines (Exhibit C) will be performed prior to transfer and the Lessees accept no continued liabilities for any disclosed or undisclosed issues.

# Exhibit C

## Navajo Project Retirement Guidelines

## PREFACE

The information found in this document is intended to be used by the Navajo Project Lessees to develop the specification of key activities and procedures that are necessary for the retirement of the Navajo Project. The criteria, standards, and requirements set forth in this document are not intended to and shall not establish any precedent with respect to other projects or matters. All work shall be performed by qualified contractors experienced with the tasks they are responsible with executing. If conditions change that create a need to amend any of the items mentioned in this document, both the Navajo Nation and Navajo Project Lessees must mutually agree to these amendments. Anytime that an issue is identified during the Retirement Period that requires activities beyond the Retirement Period, the Navajo Project Lessees and the Navajo Nation will work together to come up with a Post-Retirement schedule. Terms used in this document have the meaning as defined in the Replacement Lease to which this document is attached as Exhibit C.

## 1. RETIREMENT ASSUMPTIONS

1.1 The term "Retirement" in this document refers to all removal and restoration activities as required by (in order of priority):

(1) Applicable federal law (with respect to cleanup, for non-residential uses only)
(2) The Replacement Lease
(3) Best industry practices

Appendices 1 and 2 are release forms that include checklists reflecting that the Navajo Project Retirement Guidelines activities applicable to the Navajo Project Lessees have been completed.

1.2 The Navajo Project Lessees agree to the establishment of a Joint Lessees/Navajo Nation Consultation Group tasked with ensuring open communication and information sharing during the period of Retirement Plan implementation. The Navajo Project Lessees will reimburse the Navajo Nation for reasonable expenses for site visits for monitoring on-site implementation of the Retirement Plan. The Retirement Guidelines will be used to develop the Retirement Plan. Reasonable expenses shall include the reasonable travel expenses and hours on-site equivalent to a maximum of 4 individuals one day per month.

1.3 Crushed residual coal and limestone may be blended with engineered backfill material and used as backfill. Crushed concrete, asphalt, railroad ballast, and other inert building materials (typically crushed to 6 inches or less in size) from retirement activities may be used as backfill material also. Vehicles and equipment used during the retirement process will be utilized to ensure appropriate compaction of backfill and suitable topsoil (which will also allow for native vegetation to grow).

1.4 Closure of Ponds

a. The process for closing and capping the following ponds (as they are shown in Appendix 3) in place will be consistent with best management practices, and will consist of placing at least 6 inches of backfill material over any solids in the pond, installing an HDPE cover liner (which is fused to the existing liner) to cover this backfill material, and providing an additional 24 inch cover of fill material over this cover liner (18 inches of which is a protective cover soil layer above the cover liner, and at least 6 inches of which is a vegetative soil layer over to top the surface): NE-1, NE-3, NE-4, NE-5, NE-SD, 35-3, 35-4, 35-6, 35-7, 35-8, 35-9, SD-1, SD-2, SD-3, and SD-5. Final surface restoration will be completed in accordance with Section 2.4.1.

b. The process for removing the following ponds (as they are shown in Appendix 3) will consist of dewatering and removing solids and the liners: SD-4, SR-1, SR-2, S-1, S-2, S-3, S-6, S-7, S-8, S-9, S-10, S-12, S-14, 35-1, 35-2, 35-R, 60-1A, 60-1B, 60-2A, 60-2B, 60-2C,and 60-2D. Solids (excluding salts) and the liners in these ponds may be disposed of in the existing solid waste landfill (located on the plant site) or a new landfill (located at the Ash Disposal Area) or off-site. The removed salts will be placed into any of the following ponds: NE-1, NE-3, NE-4, NE-5, NE-SD, 35-3, 35-4, 35-6, 35-7, 35-8, 35-9, SD-1, SD-2, SD-3, and SD-5. Final surface restoration will be completed in accordance with Section 2.4.1.
c. Some ponds will need to remain open for remediation as required. These ponds will be removed and restored when remediation is completed and monitoring and other post-closure activities will be conducted during the Navajo Project Remediation Period defined in the Replacement Lease.
d. A few selected ponds will remain on-site for long term storm water detention.
e. The remainder of the storm water ponds will be closed, and drainage will be redirected to prevent ponding. The storm water ponds that are required to remain open for the CCR (Coal Combustion Residuals) landfill will remain (at least 30 years).

1.5 The asbestos containing material within the asbestos landfill (as it is shown on Appendix 3) will be properly removed and disposed of off the Navajo Nation.

1.6 Appropriate surfacing to roads will be provided on the land adjacent to the buildings and structures that the Navajo Nation requests to retain (see Sections 2.1 and 2.2 for additional details pertaining to these buildings and structures) for purposes of access. Proper drainage will also be ensured for these roads.

1.7 No ash material will be used as new backfill or suitable topsoil.

1.8 As part of retirement, all existing sources of services (i.e.: power, water, sewer, communications, etc.) to the buildings and structures that the Navajo Nation requests to retain (see Sections 2.1 and 2.2 for additional details pertaining to these buildings and structures) will be terminated at a logical location within the vicinity of these buildings before they are surrendered to the Navajo Nation. The Navajo Nation, if it desires, will be responsible for bringing utilities to these buildings. All existing utility infrastructure will remain in these requested buildings and structures (such as HVAC, electrical, sewer, water, etc.).

## 2. SCOPE

The following scope of retiring the Navajo Project reflects the existing condition of the site as of May 2017 without regard to future modifications or operating plans.

2.1 Structures and buildings that the Navajo Nation may request to retain are identified in Exhibit B of the Replacement Lease. In accordance with the Replacement Lease, the Navajo Nation has until December 22, 2018 to notify Lessees of which structures and buildings listed in Exhibit B that the Navajo Nation wishes to retain.

2.2 Structures and buildings that the Navajo Nation have identified to retain include:

a. The Lake Pump Facility to the Metering Pit (including the two underground water lines that run from the Lake Pump Facility to the Metering Pit). The power lines that run from the 230 kV switchyard to the Lake Pump Facility will remain. Infrastructure needed to power the Lake Pump Facility at the Lake Pump Facility Area and the 230 kV switchyard will remain.
b. Fences
c. 230 kV switchyard

d. Air monitoring site
e. Railroad (See Section 2.3.5 for additional details)

2.3 Demolition of the following work:

2.3.1 All foundations and concrete structures will be removed to no less than 12 inches below final grade.

2.3.2 Oil containing subgrade structures (e.g. pits, sumps and collection trenches) will be removed where practical.

2.3.3 Underground Piping/Electrical

a. All large diameter utilities (24 inches and larger) in areas without anticipated traffic will be cut at 12 inches below final grade, capped, and abandoned in place.
b. Underground large diameter utilities (24 inches and larger) in areas with anticipated traffic will be abandoned by cutting at 12 inches below final grade and filling with flowable fill.
c. Underground duct banks and electrical conduits will be abandoned in place by removing cabling, where possible, cutting at 12 inches below final grade and capping.

2.3.4 All facilities and equipment placed upon the surface of the leased land by the Navajo Project Lessees will be removed except those items retained by the Navajo Nation.

2.3.5 Railroad and Electric Supply

a. The Navajo Nation will retain all installed components of the on-site railroad and approximately 80 miles of off-site railroad from the plant to the coal mine, which includes the rail track, ties, ballast, turnouts/switches, fasteners, right-of-way fences, Midway Station and crossing signals, but not the overhead catenary system (as described in 2.3.5 (b)).
b. The overhead catenary system which includes electrical distribution lines, supporting superstructure, and transformers for the railroad between the 230 kV switchyard and its terminus will be demolished and removed. Concrete foundations will be removed according to the criteria in Section 2.3.1.
c. Any coal spilled along the right-of-way will be removed.

2.3.6 Mine Coal Conveyors and Associated Equipment

a. The Lessees' understand that the Kayenta Mine operator is responsible for removal and restoration of the following: All structures and equipment associated with the coal loading conveyor at the mine including but not limited to the conveyor, supporting steel structures, transfer towers, mechanical equipment and piping, coal silos, electrical equipment and wiring (including transformers, lighting, etc.), surface modifications (including culverts, sheet piling, etc.), power lines and supports, and concrete foundations.

2.3.7 Ponds and Solid Waste Landfill

a. For all ponds not left in service, perimeter berms shall be demolished or modified and graded to match the surrounding landscape and to the extent necessary to promote surface drainage after closure.
b. The solid waste landfill will be closed and capped in place using a minimum of 12 inches of cover soil with vegetation to reduce erosion of the cover.

2.3.8 New Landfill

a. A new landfill may be constructed by the Lessees within the Ash Disposal Area. This landfill may be increased in size pursuant to Exhibit B of the Replacement Lease.

2.3.9 Generated wastes may go into the on-site solid waste landfill (as it is shown on Appendix 3), the CCR landfill or in a newly constructed landfill (as mentioned in Section 2.3.8) located within the Ash Disposal Area.

2.3.10 CCR Landfill

a. The CCR landfill (located within the Ash Disposal Area) will be closed in place.

2.4 Surface Restoration

2.4.1 Restoration measures documented herein shall include removal of non-permanent facilities (structures, equipment, material, etc.) above the surface, restoring native vegetation (including the development of a seed mix in consultation with the Navajo Nation Division of Natural Resources) and modifying the existing topography only as required to sustain native vegetation and maintain proper drainage.

2.4.2 The on-site, solid waste landfill (as it is shown in Appendix 3) shall be utilized for all debris up to its design capacity (including inert materials) resulting from retirement of the plant and void space within the debris that is disposed of in the solid waste landfill area shall be filled with suitable material.

2.4.3 Land adjacent to permanent structures shall be maintained or re-graded to the condition present at the start of retirement activities, if modified or damaged during these activities, to maintain storm water runoff patterns.

The contactor will submit a final drainage plan for review. The Navajo Nation will provide comments within 45 days of receipt. The final grade plan will include the areas of the site that will have a layer of topsoil placed on them versus left appropriately graded for possible future development. By mutual agreement, the drainage plan may be modified prior to July 1, 2019.

2.4.4 Affected areas will be graded and compacted to promote natural drainage and restored to a condition that will allow native vegetation to return and regrow over time.

2.4.5 Roads damaged during the retirement that service the permanent structures will be reconstructed (and may be modified) to provide access. Access roads will remain and will be maintained as sufficient for access.

2.4.6 Fences around the perimeter of the plant will remain in their current location.

Navajo Generation Station Retirement Project

Site Release Form

This document is for information sharing purposes only. The document does not create any obligation of any party. Each line will be acknowledged by the responsible person before the area is released to the Navajo Nation. This form **does not** guarantee that **ALL** regulated materials have been removed and if removed, disposed of off the Navajo Nation or that **ALL** contractual obligations, SRP policies, and environmental regulations have been met.

**Inspection Date**: _____

**Unit**: **1 / 2 / 3 / COMMON** **Area:**_____

1. Have identified PCB containing materials and products been removed?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

2. Have asbestos containing materials been identified? If yes, describe in Comments section.

   **Y / N / None Identified**

   Reference Document(s): [Asbestos Survey]

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

3. Have asbestos containing materials been removed and disposed of properly?

   **Y / N / None Identified**

   Reference Document(s): [Asbestos Survey]

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

4. Have identified hazardous and universal wastes, and regulated substances been removed?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

5. Have identified contaminated soils been removed?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

6. Have lead containing materials been identified? If yes, describe in Comments section.

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

7. Have lead containing materials been removed and disposed of properly?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

8. Have all ponds and landfills been addressed according to the *NGS Retirement Guidelines*?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

9. Has site surface grading been performed according to the *NGS Retirement Guidelines*?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

10. Have roads damaged during the retirement process that service the permanent buildings and structures been reconstructed to provide access?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

11. Have appropriate barriers around the area being released been left in a secure, intact and acceptable condition?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

12. Has the site been cleared of equipment and debris?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

**Inspector's Name:** _____ **Inspector's Signature:** _____

SRP Representative authorizing the above reference matters of the above mentioned area/equipment.

**Date**: _____

**SRP Rep. Name:** _____ **SRP Rep. Signature:** _____

Navajo Generation Station Retirement Project

Asset Release Form

This document is for information sharing purposes only. The document does not create any obligation of any party. Each line will be acknowledged by the responsible person before the asset is surrendered to the Navajo Nation. This form **does not** guarantee that **ALL** regulated materials have been removed and if removed, disposed of off the Navajo Nation or that **ALL** contractual obligations, SRP policies, and environmental regulations have been met.

**Inspection Date**: _____

**Asset / Building / Structure Name:**_____

1. List the electrical and mechanical services that have been disconnected:

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

2. Have identified fluids been removed?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

3. Have identified PCB containing materials and products been removed?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

4. Have asbestos containing materials been identified? If yes, describe in Comments section.

   **Y / N / None Identified**

   Reference Document(s): [Asbestos Survey]

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

5. Have asbestos containing materials been removed and disposed of properly?

   **Y / N / None Identified**

   Reference Document(s): [Asbestos Survey]

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

6. Have identified hazardous and universal wastes, and regulated substances been removed?
   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

7. Have identified electronic wastes been removed?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

8. Have identified contaminated soils been removed?

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

9. Have lead containing materials been identified? If yes, describe in Comments section.

   **Y / N / None Identified**

   Reference Document(s): _____

   Comments:

   Assigned Contractor/Person: _____

   Completion Date: _____

   Contractor Rep. Name: _____ Contractor Signature: _____

10. Have lead containing materials been removed and disposed of properly?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

11. Have radioactive materials (e.g., smoke alarms, bin level indicators, tritium exit sign) been identified? If yes, describe in Comments section.

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

12. Have radioactive materials (e.g., smoke alarms, bin level indicators, tritium exit sign) been removed and disposed of properly?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

13. Has the building electricity been terminated at a logical location within the vicinity of the building?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

14. Has the building water supply been terminated at a logical location within the vicinity of the building?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

15. Has the building sewage line been terminated at a logical location within the vicinity of the building?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

16. Has the building communications line been terminated at a logical location within the vicinity of the building?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

17. Has the building gas supply been terminated at a logical location within the vicinity of the building?

    **Y / N / None Identified**

    Reference Document(s): _____

    Comments:

    Assigned Contractor/Person: _____

    Completion Date: _____

    Contractor Rep. Name: _____ Contractor Signature: _____

**Inspector's Name:** _____ **Inspector's Signature:** _____

SRP Representative authorizing the above reference matters of the above mentioned area/equipment.

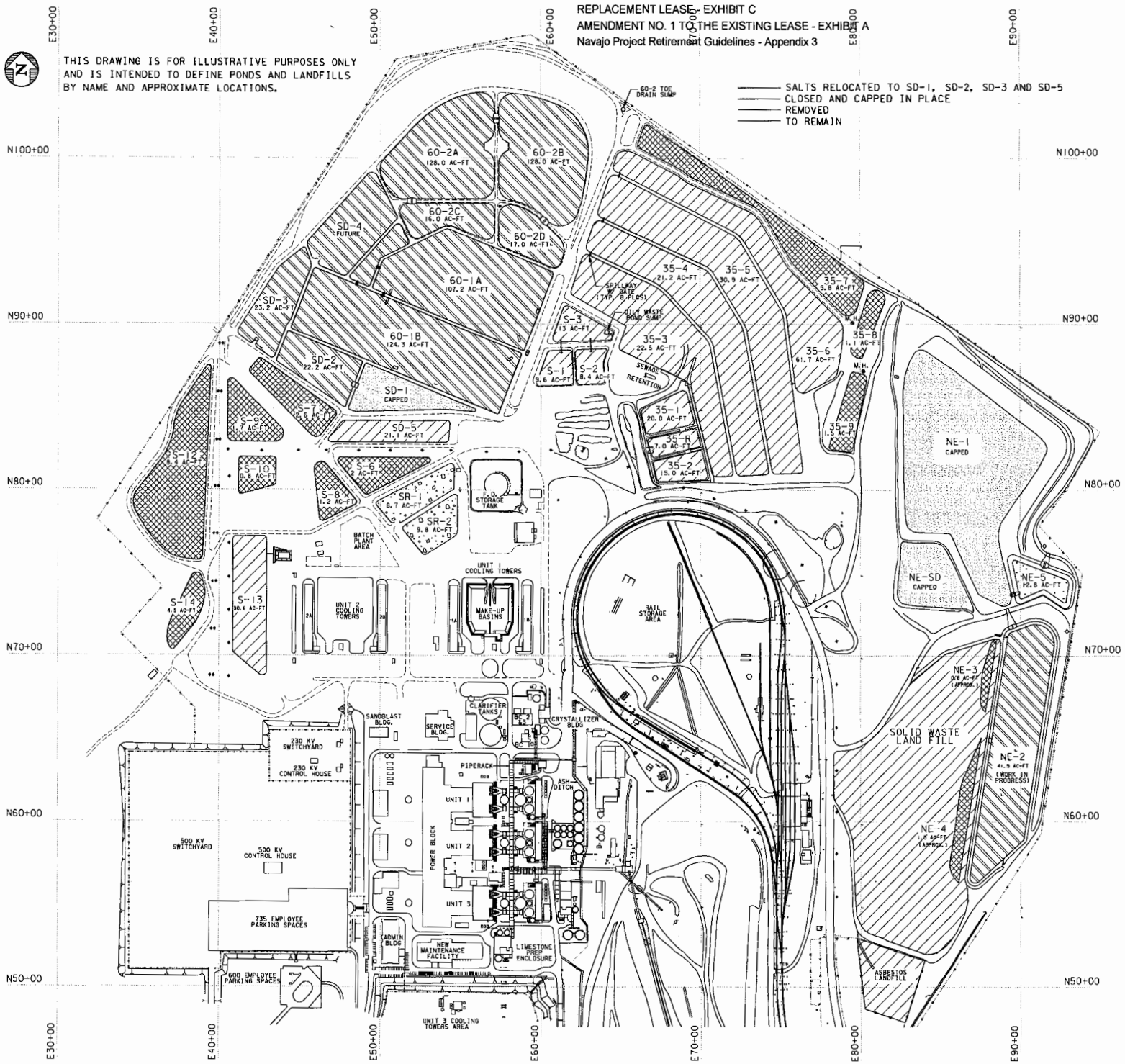
**Date**: _____

**SRP Rep. Name:** _____ **SRP Rep. Signature:** _____

REPLACEMENT LEASE - EXHIBIT C
AMENDMENT NO. 1 TO THE EXISTING LEASE - EXHIBIT A
Navajo Project Retirement Guidelines - Appendix 3

THIS DRAWING IS FOR ILLUSTRATIVE PURPOSES ONLY AND IS INTENDED TO DEFINE PONDS AND LANDFILLS BY NAME AND APPROXIMATE LOCATIONS.

SALTS RELOCATED TO SD-1, SD-2, SD-3 AND SD-5
CLOSED AND CAPPED IN PLACE
REMOVED
TO REMAIN




| POND MODIFICATION DATES | | |
|---|---|---|
| POND | DESCRIPTION | YEAR |
| NE-SD | HDPE LINED & CAPPED | 2002 |
| NE-1 | HDPE LINED & CAPPED | 2012 |
| NE-2 | HDPE DOUBLE-LINED | 2012 |
| NE-3 | CPE LINED & COVERED | 1994 |
| NE-4 | CPE LINED & COVERED | 1994 |
| NE-5 | NATIVE SOIL LINED | 2012 |
| 60-1A | HDPE DOUBLE-LINED | 2011 |
| 60-1B | HDPE DOUBLE-LINED | 2012 |
| 60-2A | HDPE DOUBLE-LINED | 2010 |
| 60-2B | HDPE DOUBLE-LINED | 2010 |
| 60-2C | HDPE DOUBLE-LINED | 2010 |
| 60-2D | HDPE DOUBLE-LINED | 2010 |
| SD-1 | HDPE LINED & CAPPED | 2010 |
| SD-2 | HDPE DOUBLE-LINED | 1991 |
| SD-3 | HDPE DOUBLE-LINED | 2010 |
| SD-4 | (FUTURE) | |
| S-1 | HDPE LINED | 1988 |
| S-2 | HDPE LINED | 1988 |
| S-3 | HDPE LINED | 1988 |
| S-5 | HDPE LINED | 1985 |
| S-6 | CPE LINED & COVERED | 1994 |
| S-7 | CPE LINED & COVERED | 1994 |
| S-8 | CPE LINED & COVERED | 1994 |
| S-9 | CPE LINED & COVERED | 1994 |
| S-10 | CPE LINED & COVERED | 1994 |
| S-12 | CPE LINED & COVERED | 1994 |
| S-13 | HDPE LINED | 1989 |
| S-14 | CPE LINED & COVERED | 1983 |
| SR-1 | SOIL CEMENT LINED | 1988 |
| SR-2 | SOIL CEMENT LINED | 1988 |
| 35-R | HDPE LINED | 2008 |
| 35-1 | HDPE LINED | 2008 |
| 35-2 | HDPE LINED | 2008 |
| 35-3 | | 1983 |
| 35-4 | | 1983 |
| 35-5 | | 1983 |
| 35-6 | HDPE LINED | 2009 |
| 35-7 | CPE LINED & COVERED | 1994 |
| 35-8 | CPE LINED & COVERED | 1994 |
| 35-9 | CPE LINED & COVERED | 1994 |

| REV. | LOG NO. | DATE | REVISIONS | BY | CHK | ENGR | SUPV |
|---|---|---|---|---|---|---|---|
| 3 | CN5054 | 07/12 | RECORD UPDATED | BIA | KLC | KLC | GHL |
| 2 | 52327 | 12/08 | POND 35 MODIFICATIONS | AKD | | KLY | |
| 1 | WN0058 | 05/94 | INSTALLATION RECORD | BIA | | | |

SRP SALT RIVER PROJECT PHOENIX, ARIZONA

NAVAJO GENERATING STATION

EVAPORATION PONDS SITE PLAN

| DESIGNED | DRAWN | DFTG. CHK. | ENGR. CHK. | SUPV. APPD. |
|---|---|---|---|---|
| — | JLR | | | |
| DATE — | DATE 10/88 | DATE | DATE | DATE |
| SCALE 1"=500' | | DWG. SIZE 34X44 | SUBJ. CODE C01 | DISTR. CODE G05 |

FILENAME: A-665-C471/3 REV. 3

# Exhibit D

## Amendment No. 1 to Indenture of Lease

# AMENDMENT NO. 1

# TO INDENTURE OF LEASE

# NAVAJO UNITS 1, 2, 3

# BETWEEN

# THE NAVAJO NATION

# AND

# ARIZONA PUBLIC SERVICE COMPANY

# DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES

# NEVADA POWER COMPANY d/b/a NV Energy

# SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

# TUCSON ELECTRIC POWER COMPANY

## AMENDMENT NO. 1 TO INDENTURE OF LEASE

This Amendment No. 1 (the "Amendment") to the Indenture of Lease dated September 29, 1969 and continuing through December 22, 2019 (the "Lease"), is by and between the Navajo Nation (formerly known as the Navajo Tribe of Indians), acting through the Navajo Nation Council and its President, for and on behalf of the Navajo Nation (the Navajo Nation is referred to as "Lessor" or "Nation"), and Arizona Public Service Company ("Arizona"), Department of Water and Power of the City of Los Angeles ("Los Angeles"), Nevada Power Company d/b/a NV Energy ("Nevada"), Salt River Project Agricultural Improvement and Power District ("Salt River Project"), and Tucson Electric Power Company (formerly known as Tucson Gas & Electric Company) ("Tucson") (collectively, together with their successors and assigns, referred to as "Lessees," and each individually referred to a "Lessee"), and is approved by the Secretary of the U.S. Department of the Interior ("Secretary") on this ____ day of _____, 2017 ("Effective Date"). The Navajo Nation and the Lessees are hereinafter collectively referred to as the "Parties".

## RECITALS

A. **WHEREAS**, pursuant to the Lease, the Lessees are operating an electrical generation facility commonly known as the Navajo Generating Station, sometimes referred to also as the "Navajo Generation Station" (or "NGS"), pursuant to the Lease;

B. **WHEREAS**, contemporaneously with their entry into this Amendment, the Parties are entering into a new lease relating to NGS and its related facilities (the "Replacement Lease"),

effective simultaneously with the Effective Date hereof, to set forth, among other things, the rights and obligations of Lessees with respect to their removal and remediation duties with respect to NGS and related facilities following its closure (which may occur in parts) as an operating electric generation facility, in replacement of related provisions of the Lease; and

C. **WHEREAS**, the Parties consider this Amendment and the Replacement Lease to be a collective package concerning the Parties' relationship related to continued operation, removal and remediation of NGS and associated transmission lines.

**NOW, THEREFORE,** for valuable consideration, the receipt and adequacy of which are acknowledged, including without limitation the matters noted in the foregoing Recitals, the Parties agree as follows:

**1. DEFINITIONS.** Capitalized terms used but not defined herein (or otherwise referencing another instrument) have the meanings given those terms in the Lease, except as otherwise provided below. For purposes of this Amendment, "Navajo Nation" or "Nation" has the same meaning as "Navajo Tribe of Indians" or "Tribe" in the Lease.

**2. TERM.** This Amendment shall be effective, binding and enforceable as among all of the Parties upon the date that the Secretary has approved this Amendment (herein referred to as the "Effective Date"). This Amendment shall be submitted to the Secretary for approval immediately after it has been fully executed by the Parties. The Effective Date shall be set forth on page one (1) hereof upon the Secretary's attached approval. This Amendment shall not affect the right of the Lessees to extend the Lease as provided in Section 6 of the Lease.

**3. RETIREMENT GUIDELINES.** Section 12(b) of the Lease is deleted and replaced with the following:

> "Removal and restoration of the Navajo Generating Station and all related facilities and equipment of the Lessees located on Reservation Lands shall be governed exclusively by the Navajo Project Retirement Guidelines attached as Exhibit A (the "Retirement Guidelines"). Any other provision of the Lease that directly or indirectly addresses removal or restoration matters shall be similarly superseded in its entirety by the Retirement Guidelines."

**4. NATION'S AGREEMENT NOT TO REGULATE LESSEES.** Section 16 of the Lease is replaced in its entirety with the following:

> "(A) The Nation covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees in the construction, maintenance, operation, removal, restoration, remediation, or monitoring of the Navajo Generating Station, any related facilities and equipment, and the transmission systems of the Lessees, or the construction, maintenance, operation, removal, restoration, remediation, or monitoring of the fuel transportation system of the Lessees or the Fuel Transporter.
>
> (B) For purposes of this Lease, "Regulate" is defined as any act or process by the Nation, including any current or future law or regulation imposed by the Nation, that would seek to control by requirement, restriction, limitation, condition or prohibition the actions or inactions of Lessees in relation to this Lease or that would impose different or additional

requirements, restrictions, limitations, conditions or prohibitions beyond the terms of this Lease.

(C) For the purposes of this Section 16, "Lessees" includes the Lessees, their affiliates, subtenants, licensees, officers, employees, agents, contractors, subcontractors, successors and assigns.

(D) This agreement not to regulate is not a waiver of whatever rights the Nation may have to Regulate retail distribution of electricity on Reservation Lands. Nothing in this Agreement conveys to the Lessees, or any of them, any rights to engage in retail distribution of electricity on Reservation Lands.

(E) The provisions of this Section 16 shall survive any termination of this Lease or the expiration of the Lease's term in perpetuity."

**5. MINIMUM FUEL PURCHASE REVENUE.** A new section, Section 41, is hereby added to the Lease, which Section shall provide as follows:

"(A) Operations. The Nation acknowledges and agrees that Lessees, excluding Los Angeles ("Generation Lessees")[1], currently intend to operate the Navajo Generating Station through the remainder of the existing term of the Lease. The Nation further understands that the operation of the Navajo Generating Station will be based on operational considerations that the Generation Lessees, as operators of the Navajo Generating Station, consider appropriate under the circumstances. The Nation additionally acknowledges and agrees that the operation of the Navajo Generating Station may be subject to events of repair, casualty and other matters beyond the control of the Generation Lessees. While the operation of the plant through **December 22, 2019**, will be subject to certain discretionary matters arising out of and related to the retirement, demolition and removal of the Navajo Generating Station and related facilities and equipment of the Lessees located on Reservation Lands and restoration of the Reservation Lands that may impact coal fuel usage, the Generation Lessees agree to provide certain coal royalty revenues assurances.

(B) Royalty Assurance. The Generation Lessees, to induce the Nation to enter into this Amendment and the Replacement Lease, have agreed to provide assurances of a minimum coal royalty payment due to the Nation. For the time period commencing on **January 1, 2018** and continuing through **December 22, 2019** (the "Royalty Assurance Period"), the Generation Lessees and the Nation have agreed that the estimated coal purchases from the Kayenta Mine for Navajo Generating Station operations will result in royalty payments due to the Nation under "Coal Mining Lease" 14-20-0603-8580 and "Coal Mining Lease" 14-20-0603-9910 (collectively, the "Coal Mining Leases") of $39,012,562.

(i) Total Royalty Payments. Total royalty payments shall include only those royalties, payments, and considerations that are paid, accrued, or owed by Peabody Western Coal Company or any successor to the Coal Mining Leases

[1] Effective July 1, 2016, Los Angeles no longer has any generation entitlement related to NGS pursuant to a separate Asset Purchase and Sale Agreement with Salt River Project.

("Peabody") to the Nation under the "Coal Mining Leases," but shall exclude contributions and payments for scholarships, coal bonus payments, and any royalties owed resulting from Lessees (including Los Angeles) contributions to the Settlement and Mutual Release Agreement by and between Lessees and Peabody (collectively, the "Total Royalty Payments"). Any calendar year reference to Total Royalty Payments shall be the Total Royalty Payments attributed to the specific calendar year.

(ii) 2018 Assurance. In the event the calendar year 2018 Total Royalty Payments are less than $20,801,171, the Nation may submit a request for the Generation Lessees to make a payment for 2018. Such payment shall be equal to $20,801,171 minus the calendar year 2018 Total Royalty Payments.

(iii) 2019 Assurance. In the event the calendar year 2019 Total Royalty Payments are less than $18,211,391, the Nation may submit a request for the Generation Lessees to make a payment for 2019. Such payment shall be equal to $18,211,391 minus the calendar year 2019 Total Royalty Payments.

(iv) No Guaranty of Payment. Nothing herein shall constitute or be deemed a guaranty of payment by the Generation Lessees of Total Royalty Payments by Peabody to the Nation.

(C) Requests for payment under this Section shall be submitted in writing to the following:

If by mail:

FUELS MANAGER, SALT RIVER PROJECT
Mail Station ISB661
P.O. Box 52025
Phoenix, AZ 85072-2025

If by electronic mail:

FUELS@srpnet.com

(D) Any requests for payment under this Section must be submitted by the Nation no later than sixty (60) days after December 31st of the preceding year. Generation Lessees will pay the amount due, if any, within thirty (30) business days after receipt of the Nation's request, or as otherwise mutually agreed to in writing by the Nation and the Generation Lessees. The Generation Lessees shall pay the amount due within thirty (30) days of any such request for payment under this Section.

(E) Any payments made by the Generation Lessees pursuant to this Section, including any contributions or considerations to others for reasonably similar purposes, shall not be deemed to be royalties, royalty bearing, or subject to any additional taxes, fees, or interest that may otherwise be imposed or considered under the Coal Mining Leases."

**6. NOTICES.**

A. Any notices, demands, requests or other communications to or upon any of the Parties, as provided for in this Amendment, or given or made in connection with this Amendment (hereinafter referred to as "Notices"), shall be in writing and shall be addressed to the Nation and Lessees as listed in Schedule 6 as attached.

B. All Notices shall be given by personal delivery, by registered or certified mail, postage prepaid, or by facsimile transmission or e-mail, followed by surface mail. Notices shall be effective and shall be deemed delivered: if by personal delivery, on the date of delivery if during normal business hours; or if not, during normal business hours on the next business day following delivery; if by registered or certified mail, or by facsimile transmission or e-mail, followed by surface mail, on the next business day following actual delivery and receipt.

**7. EXECUTION IN COUNTERPARTS.** The Amendment may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. A signature page of any counterpart may be detached therefrom without impairing the legal effect of the other signature(s), if that signature page is attached to any other counterpart that is identical to the first except for having additional attached signature pages executed by other parties to this Amendment.

**8. ENTIRE AGREEMENT.**

A. This Amendment, the schedules, and the other documents referenced herein or attached hereto constitute the entire Amendment among the Parties, and replace and supersede any prior or contemporaneous agreements, drafts, amendments, correspondence, discussions or course of dealing, whether written or oral, in their entirety with respect to this subject matter.

B. The Parties acknowledge that they have not relied upon, and have no remedies with respect to, any representations or warranties, including pre-contractual representations or warranties, whether made innocently or negligently, other than those set forth in this Amendment.

C. No party shall have any claim for innocent or negligent misrepresentation based upon any statement in this Amendment.

D. The Parties have participated jointly in negotiating this Amendment and have been represented by counsel. If a question of interpretation arises, this Amendment shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of this Amendment.

E. This Section 8 is not intended to exclude any Party's liability for fraud.

**9. NO OTHER MODIFICATIONS.** Except as expressly modified by this Amendment, all of the terms and conditions of the Lease remain unmodified and in full force and effect. To the extent of any conflict or inconsistency between the terms of the Lease and this Amendment, the terms of this Amendment shall govern and control.

**10. NAVAJO NATION AUTHORIZATIONS; CONSENT TO WAIVER OF REGULATIONS OF THE SECRETARY OF INTERIOR.**

As authorized by Resolution #_____ of the Navajo Nation Council dated ____, ___:

(i) The Nation has approved this Amendment and is authorized to enter into this Amendment, in its entirety.

(ii) The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees, as provided in Section 4 of this Amendment.

(iii) The Nation gives its consent to the waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following regulations in Title 25, Code of Federal Regulations, Part 162: 162.014 (a)(2); and 162.014(b).

**11. RECITALS.** The Recitals are incorporated into this Amendment.

**12. EFFECTIVE DATE; VALIDITY.**

A. None of the Parties are bound or benefitted by this Amendment until all of the Parties have executed and delivered this Amendment and the Effective Date has occurred. Notwithstanding anything in this Amendment to the contrary, each Party that executes and delivers its signature on this Amendment prior to the Effective Date to one or more of the Parties will be deemed to have delivered this instrument in escrow.

B. This Amendment is void if it or the Replacement Lease:

(i) is not executed by the Nation on or before **July 1, 2017**, or

(ii) is not executed by Nevada, Salt River Project, Tucson, and Arizona on or before **July 1, 2017**, or

(iii) is not executed by Los Angeles on or before **December 1, 2017**, or

(iv) the United States, in its capacity as a Navajo Project participant, has not consented to the execution of this Amendment and the Replacement Lease by Salt River Project on its behalf on or before **December 1, 2017**, or

(v) if the Secretary approval attached hereto and the consent of the United States as evidenced by _____ are not both executed and delivered by the Secretary and the United States to the Parties on or before **December 1, 2017**.

C. No modification of or amendment to this Amendment is valid or binding on the Parties until it is executed and delivered by all the Parties.

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as of the date first above written

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires: _____

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____ By: _____

Secretary

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____

Notary Public

My commission expires:_____

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as of the date first above written.

**DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS**

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California

County of _____)

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____**(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

_____
Secretary or Assistant Secretary

By: _____
Paul Caudill
Its: President
Date: _____

STATE OF NEVADA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:_____

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by David Rousseau, the President of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:_____

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by David Rousseau the President of the Salt River Project Agricultural Improvement and Power District, for the use and benefit of the United States.

_____
Notary Public

My commission expires:_____

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____
Secretary

By:_____

Its: Vice President
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____
Notary Public

**AMENDMENT NO. 1 TO INDENTURE OF LEASE BETWEEN THE NAVAJO NATION AS LESSOR AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES AS LESSEES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN Amendment No. 1 to Indenture of Lease between THE NAVAJO NATION as Lessor and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES as Lessees, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

By and through his or her approval of this Lease Amendment No. 1, pursuant to 25 C.F.R. §1.2, and upon request of the Navajo Nation Council, the Secretary waives the application of the following regulations in Title 25, Code of Federal Regulations, Part 162: 162.014 (a)(2); and 162.014(b).

_____ _____
**_____ Director** **Date of Approval**
**Bureau of Indian Affairs**
**Department of the Interior**

STATE OF _____ )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

_____

**Exhibit A**

**Retirement Guidelines**

**Schedule 6**

**Navajo Nation Addresses**

Navajo Nation President
Office of the President and Vice President
P.O. Box 7440
Window Rock, Navajo Nation (AZ) 86515

Navajo Nation Attorney General
Navajo Nation Department of Justice
P.O. Box 2010
Window Rock, Navajo Nation (AZ) 86515

Division Director
Division of Natural Resources
P.O. Box 9000
Window Rock, Navajo Nation (AZ) 86515

Department Manager
Navajo Land Department
P.O. Box 2249
Window Rock, Navajo Nation (AZ) 86515

Department Manager
Minerals Department
P.O. Box 1910
Window Rock, Navajo Nation (AZ) 86515

Division Director
Division of Economic Development
P.O. Box 663
Window Rock, Navajo Nation (AZ) 86515

Executive Director
Navajo Nation Environmental Protection Agency
P.O. Box 339
Window Rock, Navajo Nation (AZ) 86515

**Lessee Addresses**

Arizona Public Service Company

David Hansen
Vice President, Fossil Generation
400 North 5thStreet
Phoenix, AZ 85004
Ph. (602)250-4402
David.A.Hansen@aps.com

Los Angeles Department of Water and Power

Director of External Generation
Bradford Packer
Los Angeles Dept. of Water and Power (LADWP)
111 N. Hope St., Room 921
Los Angeles, CA 90012
Ph. (213) 367-2227
Email: Brad.Packer@ladwp.com

With a copy to:

Engineer of External Generation
Sam Mannan
Los Angeles Dept. of Water and Power (LADWP)
111 N. Hope St., Room 1263
Los Angeles, CA 90012
Ph. (213) 367-4984
Email: Sam.Mannan@ladwp.com

Nevada Power Company dba NV Energy

NV Energy
Attn: General Counsel
6226 W. Sahara Drive
Las Vegas, NV 89416
Email: dcannon@nvenergy

Salt River Project Agricultural Improvement and Power District

Salt River Project Agricultural Improvement and Power District
c/o Secretary
1500 North Mill Avenue
Tempe, AZ 85281
Email: $secoff@srpnet.com

With a copy to:

Salt River Project Agricultural Improvement and Power District
c/o Associate General Manager and Chief Legal Executive
1500 North Mill Avenue
Tempe, AZ 85281

Tucson Electric Power Company

Tucson Electric Power Company
Attn: Mark Mansfield, Vice President
88 E. Broadway Blvd., Mailstop HQE901
Tucson, AZ 85701
Ph. (520) 745-3232
Email: mmansfield@tep.com

With a copy to:

Tucson Electric Power Company
Attn: Todd Hixon, General Counsel and Vice President
88 E. Broadway Blvd., Mailstop HQE901
Tucson, AZ 85701
Ph. (520) 884-3667
Email: thixon@tep.com

# Exhibit E

## Ash Disposal Area
## (Diagram/Site Plan)
## (not to scale)

# NAVAJO GENERATING STATION LANDS
# ASH DISPOSAL SITE

## A PORTION OF
## SECTIONS 5 & 6, T40N, R10E,
## UNSURVEYED SECTIONS 29, 30, 31 & 32, T41N, R10E,
## GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA

ABBREVIATIONS LEGEND (TYPICAL)

| | |
|---|---|
| (#) | SECTION |
| T.# R.# | TOWNSHIP # RANGE # |
| G.& S.R.M. | GILA & SALT RIVER MERIDIAN |
| C.L. | CENTERLINE |
| R/W | RIGHT OF WAY |
| W.C. | WITNESS CORNER |
| (R) | RECORD DATA |
| (C) | CALCULATED DATA |
| BLM | BUREAU OF LAND MANAGEMENT |
| NGS | NATIONAL GEODETIC SURVEY |
| FND | FOUND |
| LS | LAND SURVEYOR |
| RLS | REGISTERED LAND SURVEYOR |

SYMBOL / LINE LEGEND

- FND BLM BRASS CAP AS NOTED
- FND BRASS CAP AS NOTED
- SET BRASS STAMPED "LS 32224" (SEE NOTE 6)
- POSITIONAL SECTION CORNER (COORDINATE ESTABLISHED FROM BLM WITNESS CORNERS PER FILED PLAT)
- DIGITIZED SECTION CORNER (COORDINATE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS)
- FENCE BARB WIRE
- FENCE CHAIN LINK
- TIE TO SECTION CORNER I CONTROLING MONUMENTS
- RIGHT OF WAY BOUNDARY LINE
- ASH LANDFILL LIMITS
- SECTION LINE
- PROTRACTED I UNSURVEYED SECTION LINE DIGITIZED FROM U.S.C. & G.S 1:100000 MAPS
- T11013 NAVAJO TRIBAL TRACT

SURVEYORS NOTES:

1) BASIS OF BEARINGS IS THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202) WITH GEODETIC RECKONING PERFORMED UTILIZING REAL TIME KINEMATIC (RTK) GLOBAL POSITIONING SYSTEM (GPS) METHODS ORIGINATING FROM NGS CONTROL STATION "WEATHER" (PID GP0073).

2) DISTANCES (UNLESS OTHERWISE NOTED) ARE GRID DISTANCES DERIVED FROM RTK GPS MEASUREMENTS. NGS CONTROL STATION "WEATHER" HAS A PUBLISHED COMBINED FACTOR (GROUND TO GRID) OF 0.9997796O.

3) THIS SURVEY WAS CONDUCTED ON THE ARIZONA STATE PLANE COORDINATE SYSTEM. TO OPTIMIZE THE RELATIVE POSITIONING OF THE LOCATED FACILITIES AND FOUND CORNERS, CARE HAS BEEN TAKEN TO PRODUCE GROUND (SURFACE) AREAS. A GRID TO GROUND SCALE FACTOR OF 1.0002661M WAS USED TO DERIVE THE GROUND (SURFACE) ACREAGES FOR NEW EASEMENTS IN THIS THIS AREA. GRID ACREAGES WERE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.0005329M) TO PRODUCE GROUND (SURFACE) ACREAGES.

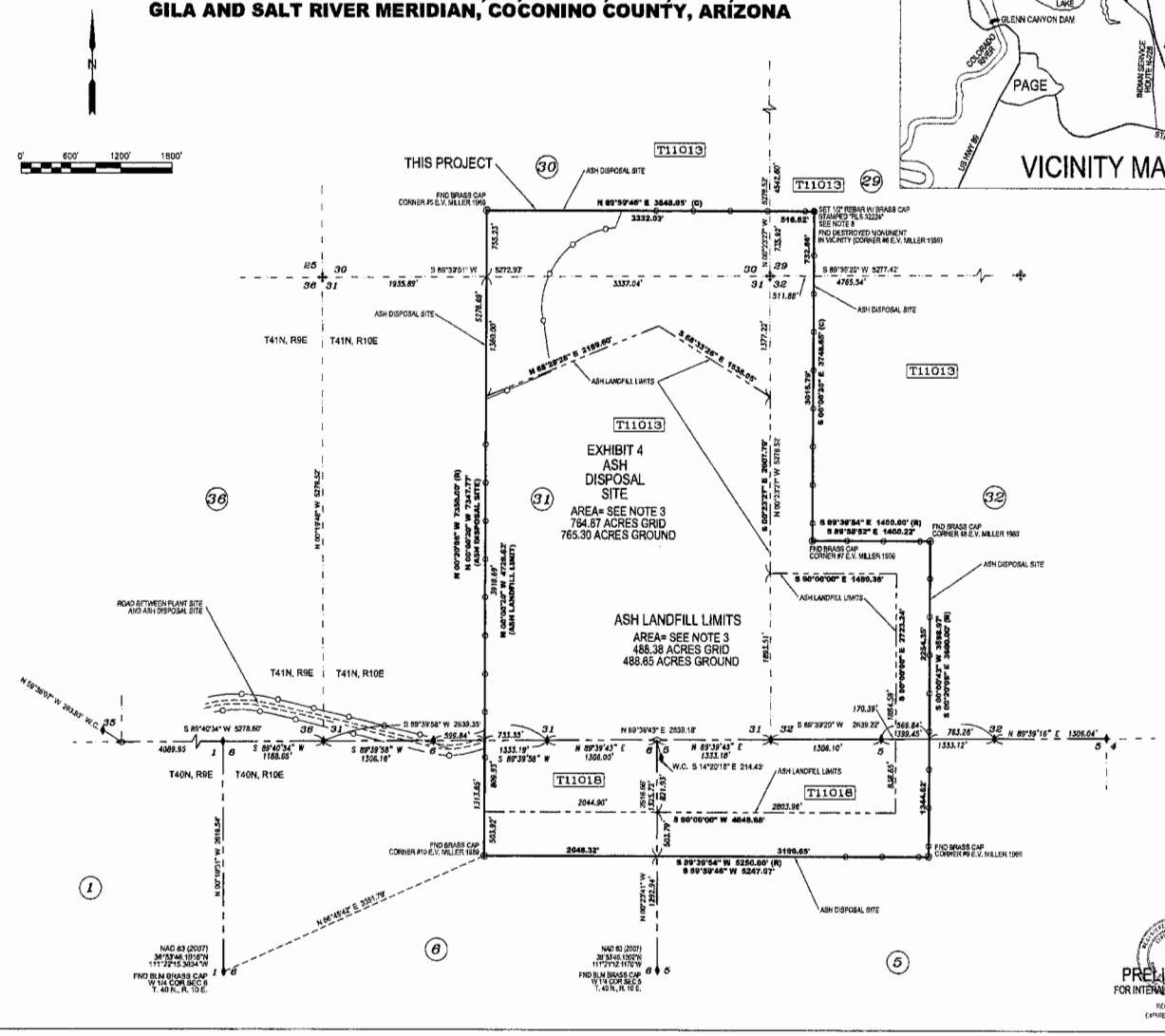
4) FIELD SURVEY FOR THIS PROJECT WAS PERFORMED JUNE OF 2011, AND MAY OF 2015.

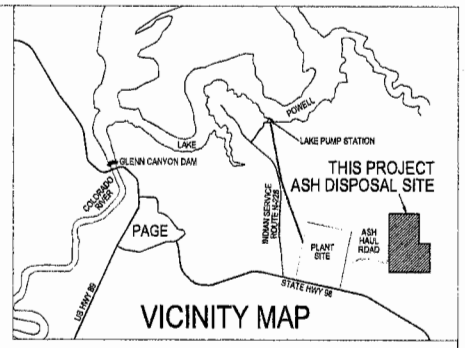
5) DISTANCES NOTED AS (R) ARE GROUND DISTANCES. DISTANCES AND BEARINGS NOTED AS AS (R) ARE TAKEN FROM THE NAVAJO GENERATING STATION PROJECT 323 GRANT RECORDED FEBRUARY 24, 1970 IN DOCKET 352, PAGES 228-313, OF THE COCONINO COUNTY RECORDERS OFFICE, COCONINO COUNTY, ARIZONA, SAID 323 GRANT IS ALSO RECORDED FEBRUARY 18, 1970 IN DOCKET 317, PAGES 315-396, OF THE NAVAJO COUNTY RECORDERS OFFICE, NAVAJO COUNTY, ARIZONA.

6) MONUMENTS FOUND DURING THIS FIELD SURVEY ARE ACCEPTED UNLESS OTHERWISE NOTED HEREIN. FOUND MONUMENTAL CHARACTERISTICS AND THE THEIR REASONABLE LOCATION WERE IN AGREEMENT WITH AN UNRECORDED BOUNDARY SURVEY AND COORDINATE MAP (DRAWING # A-465-9) BY EARLE V. MILLER PERFORMED FOR SALT RIVER PROJECT IN OCTOBER OF 1969 AND BLM PLATS 1344-AA FILED 7/7/2005, 1335-E FILED 7/14/2006.

7) THE PURPOSE OF THIS DRAWING IS TO OUTLINE CURRENT LIMITS / CONDITIONS OF THE NAVAJO GENERATION STATION AND APURTENANT FACILITIES, AND TO DELINEATE NEW EASEMENTS (UPON PROPER APPLICATION AND APPROVAL) FOR THE AREA AND FACILITIES UTILIZED IN THE OPERATION AND MAINTENACE OF THE NAVAJO GENERATION STATION.

8) MONUMENTS NOTED AS SET WILL BE SET UPON APPROVAL OF A NEW 323 GRANT WITH EXHIBITS BASED UPON THIS SURVEY.

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FOR INTERNAL USE ONLY
REGISTRATION EXPIRES: 03-31-19

| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P401588 | SCALE: 1" = 600' | DRAWING SIZE: 24x36 |
| CUSTOMER: B. UPDIKE | DEPARTMENT: BASE LAND GEN | DWG BY: G.S.G. | SHEET: 1 OF 2 |
| CHECK CHIEF: J.M. E.E. | FIELD DATE: JUNE 2011 | FILE: P401588_NGS_323 EXHIBIT-4.R1 | 05-15-2017 12:04:0 |
| SYT TECH: C.U.P. | COMP. DATE: 05/15/2017 | FINAL INSPECTION/ISSUE DATE: | N/A |

SURVEY DIVISION LAND DEPARTMENT

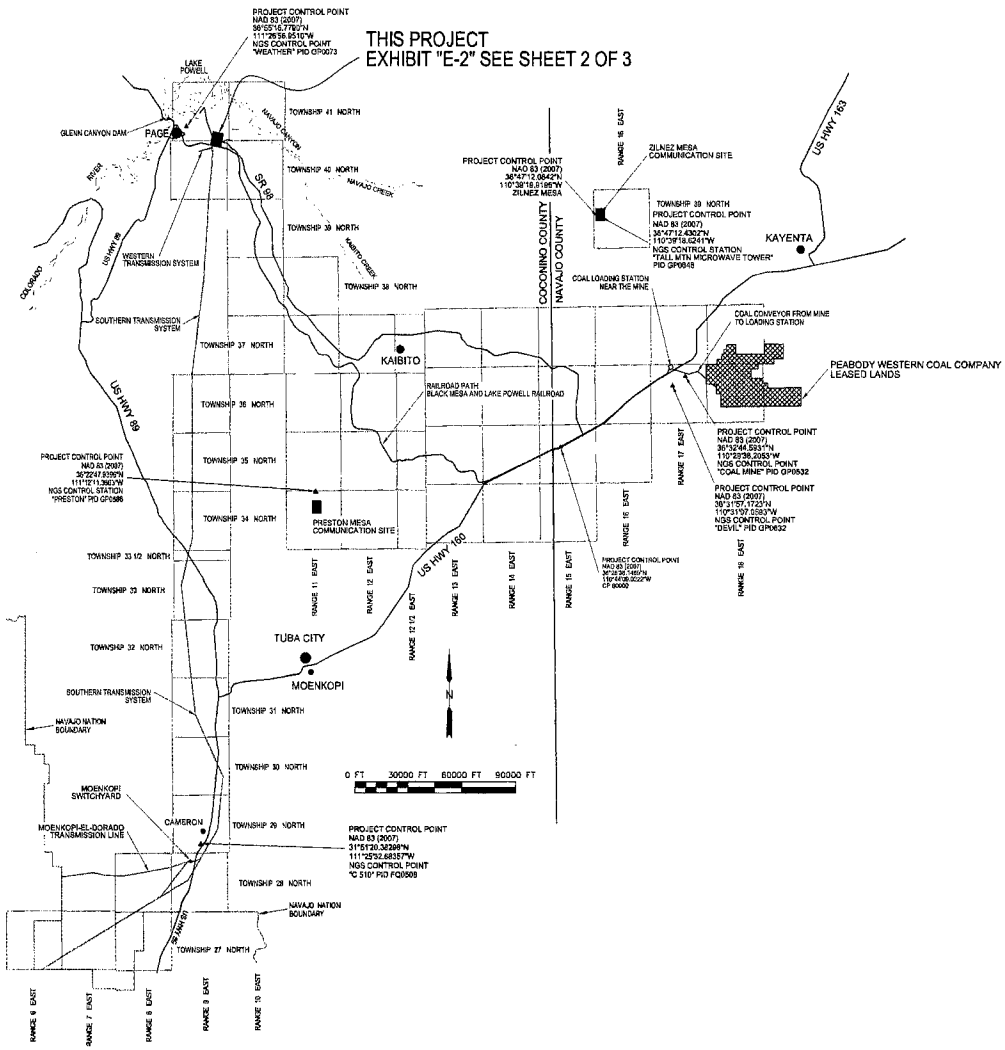
# EXHIBIT 4

## NAVAJO GENERATING STATION LANDS
## ASH DISPOSAL SITE

# Exhibit E-2

## Solid Waste Landfill and Pond Solids Area
## (Diagram/Site Plan)
## (not to scale)

# NAVAJO GENERATING STATION LANDS
# EXHIBIT "E-2" SOLID WASTE AND POND SOLIDS AREA




## ENGINEER'S AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

STAN DICKEY, BEING DULY SWORN, STATES THAT HE IS A REGISTERED LAND SURVEYOR; THAT HE MADE THE SURVEY OF A PROPOSED RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP TO BE GRANTED TO _____ HEREIN AFTER DESIGNATED THE "APPLICANT"; THAT SURVEY OF SUCH RIGHT-OF-WAY WAS MADE UNDER HIS SUPERVISION AND UNDER APPLICANT'S AUTHORITY, COMMENCING JUNE, 2011 AND ENDING OCTOBER, 2011; AND THAT SUCH SURVEY IS ACCURATELY REPRESENTED ON THIS MAP.

## ARIZONA SURVEYORS CERTIFICATE

I, STAN DICKEY ARIZONA REGISTERED SURVEYOR No. 32224, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND AND FIELD NOTES UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION DURING THE MONTHS OF JUNE 2011 TO OCTOBER 2011 AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

_____
STAN DICKEY RLS#32224
EXPIRES 3/31/15

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20___

_____
NOTARY PUBLIC

## APPLICANTS AFFIDAVIT

STATE OF ARIZONA )
) SS.
COUNTY OF MARICOPA )

I, _____, HEREBY CERTIFY THAT I AM THE PRESIDENT OF _____ HEREIN AFTER CALLED THE "APPLICANT"; THAT STAN DICKEY SUBSCRIBED THE FOREGOING AFFIDAVIT WHO ARE EMPLOYED AS THE ENGINEERS BY THE APPLICANT; THAT THE SURVEY OF THE RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THE ACCOMPANYING MAP AND WAS ADOPTED BY THE APPLICANT ON THE DAY OF _____ AS THE DEFINITE LOCATION OF THE LINE AND THAT THE MAP HAS BEEN PREPARED TO BE FILED FOR THE APPROVAL OF THE BUREAU OF INDIAN AFFAIRS.

_____

_____
_____ _____ _____

SUBSCRIBED AND SWORN BEFORE ME THIS ____ DAY OF _____, 20____.

_____
NOTARY PUBLIC

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REGISTRATION
EXPIRES: 03-31-13

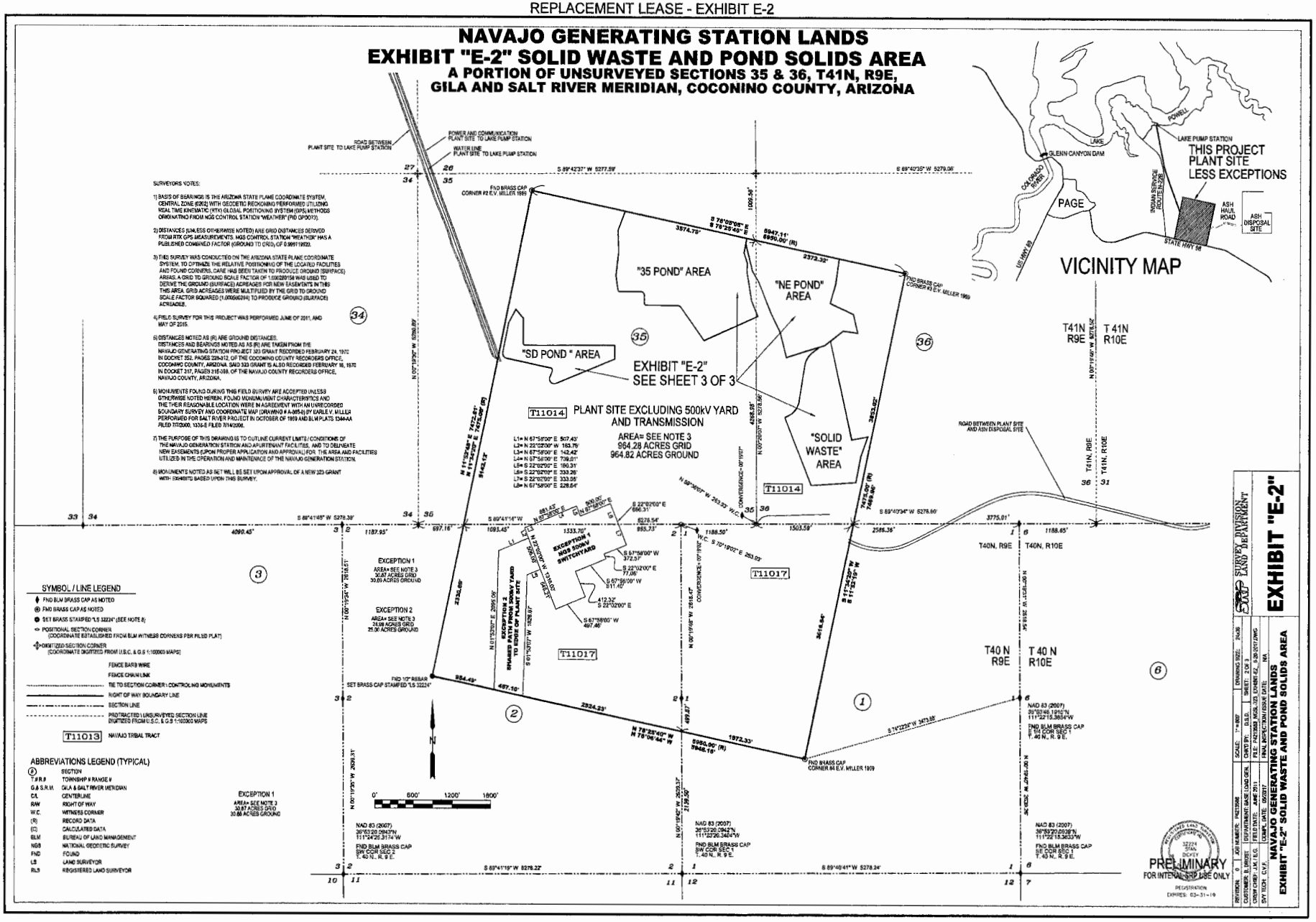
| | | | |
|---|---|---|---|
| REVISION: 0 | JOB NUMBER: PEC5598 | SCALE: 1"=50000' | DRAWING SIZE: 24x36 |
| CUSTOMER: B.IRGST | DEPARTMENT:BASELAND GEN. | CHK'D BY: D.S.D. | SHEET: 1 OF 3 |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: PNO1598 NGS-LOD_EXHIBIT-E2_A-D-OST.DWG | |
| SIV TECH: C.V.F. | COMPL DATE: 05/20/2017 | FINAL INSPECTION / ISSUE DATE: NA | |

SURVEY DIVISION
LAND DEPARTMENT

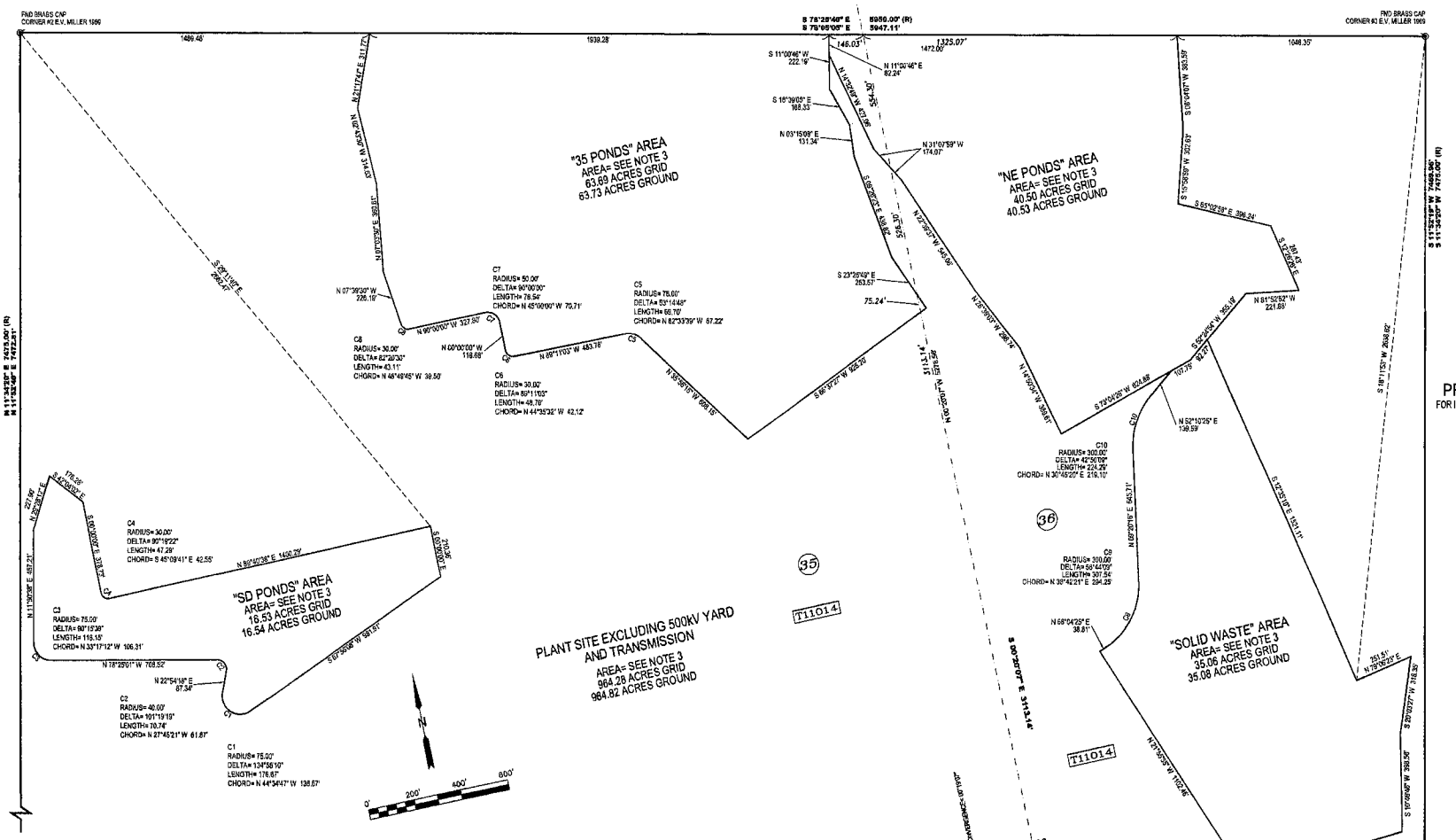
**EXHIBIT "E-2"**

**NAVAJO GENERATING STATION LANDS**
**EXHIBIT "E-2" SOLID WASTE AND POND SOLIDS AREA**

# NAVAJO GENERATING STATION LANDS
## EXHIBIT "E-2" SOLID WASTE AND POND SOLIDS AREA
### A PORTION OF UNSURVEYED SECTIONS 35 & 36, T41N, R9E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA



# NAVAJO GENERATING STATION LANDS
## EXHIBIT "E-2" SOLID WASTE AND POND SOLIDS AREA
### A PORTION OF UNSURVEYED SECTIONS 35 & 36, T41N, R9E, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA

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REGISTRATION
EXPIRES: 03-31-19

SURVEY DIVISION
LAND DEPARTMENT

# EXHIBIT "E-2"

| | | | | | |
|---|---|---|---|---|---|
| REVISION: 0 | JOB NUMBER: P4215598 | SCALE: 1"=600' | DRAWING SIZE: 24x36 | | |
| CUSTOMER: B. DROST | DEPARTMENT: BASE LAND DEPT. | CHKD BY: D.A.D. | SHEET: 2 OF 2 | | |
| CREW CHIEF: J.M. / E.G. | FIELD DATE: JUNE 2011 | FILE: P4215598_NRGS_103_EXHIBIT-E2_5-30-2017.DWG | | | |
| SVY TECH: C.V.F. | COMPL DATE: 05/2017 | FINAL INSPECTION/ISSUE DATE: | N/A | | |

**NAVAJO GENERATING STATION LANDS**
**EXHIBIT "E-2" SOLID WASTE AND POND SOLIDS AREA**

# REPLACEMENT LEASE - EXHIBIT E-2

## EXHIBIT "E3"

PLANT SITE

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTIONS 1 AND 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, AND SECTIONS 35 AND 36 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE EAST QUARTER CORNER OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 1, BEARS SOUTH 00 DEGREES 19 MINUTES 40 SECONDS EAST, A DISTANCE OF 2639.26 FEET;

THENCE SOUTH 74 DEGREES 22 MINUTES 24 SECONDS WEST, A DISTANCE OF 3473.68 FEET, TO THE **POINT OF BEGINNING,** BEING A BRASS CAP MARKED "CORNER No. 4"

THENCE NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST, A DISTANCE OF 1972.33 FEET TO A POINT ON THE EAST LINE OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE EAST QUARTER CORNER OF SAID SECTION 2, BEARS NORTH 00 DEGREES 19 MINUTES 42 SECONDS WEST, AT A DISTANCE OF 499.87 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 42 SECONDS EAST, AT A DISTANCE OF 2139.50 FEET;

THENCE CONTINUING NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST, A DISTANCE OF 3975.82 FEET;

THENCE NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 2330.69 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 697.16 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 3392.88 FEET;

THENCE CONTINUING NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 5142.12 FEET, TO A BRASS CAP MARKED "CORNER No. 2";

THENCE SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, A DISTANCE OF 3574.79 FEET TO A POINT ON THE WEST LINE OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHWEST CORNER OF SAID SECTION 36, BEARS NORTH 00 DEGREES 20 MINUTES 07 SECONDS WEST, AT A DISTANCE OF 1009.58 FEET, ALSO FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 36, BEARS SOUTH 00 DEGREES 20 MINUTES 07 SECONDS EAST, AT A DISTANCE OF 4268.98 FEET;

THENCE CONTINUING SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, A DISTANCE OF 2372.32 FEET, TO A BRASS CAP MARKED "CORNER No. 3";

THENCE SOUTH 11 DEGREES 52 MINUTES 19 SECONDS WEST, A DISTANCE OF 3853.02 FEET TO A POINT ON THE NORTH LINE OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 9 EAST, FROM WHICH POINT THE NORTHEAST CORNER OF SAID SECTION 1, BEARS NORTH 89 DEGREES 40 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 2586.36 FEET, ALSO FROM WHICH POINT THE SOUTHEAST CORNER OF SECTION 36, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 40 MINUTES 34 SECONDS EAST, AT A DISTANCE OF 3775.01 FEET;

THENCE SOUTH 11 DEGREES 52 MINUTES 19 SECONDS WEST, A DISTANCE OF 3616.94 FEET, TO THE **POINT OF BEGINNING**.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 1020.13 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 1020.71 GROUND (SURFACE) ACRES.

**EXCEPT** THE FOLLOWING DESCRIBDED PARCELS;

**EXCEPTION 1**

NGS 500kV SWITCHYARD

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, AND SECTION 35 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

# REPLACEMENT LEASE - EXHIBIT E-2

**COMMENCING** AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 34 SECONDS EAST, A DISTANCE OF 2618.51 FEET;

THENCE SOUTH 31 DEGREES 45 MINUTES 13 SECONDS EAST, A DISTANCE OF 2670.28 FEET TO THE SOUTHWEST CORNER OF NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, FROM WHICH THE NORTHWEST CORNER OF SAID PLANT SITE RIGHT OF WAY BEARS, NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 7472.81

THENCE SOUTH 78 DEGREES 06 MINUTES 44 SECONDS EAST ALONG THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, A DISTANCE OF 984.49 FEET;

THENCE NORTH 01 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 2095.06 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 507.43 FEET TO THE **POINT OF BEGINNING;**

THENCE NORTH 22 DEGREES 02 MINUTES 00 SECONDS WEST, A DISTANCE OF 163.79 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 142.42 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 1790.61 FEET, ALSO FROM WHICH POINT THE NORTHEAST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 2299.43 FEET; THENCE CONTINUING NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 739.01 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 160.31 FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 500.00 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 333.26 FEET TO A POINT ON THE SOUTH LINE OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, FROM WHICH POINT THE SOUTHWEST CORNER OF SAID SECTION 35, BEARS SOUTH 89 DEGREES 41 MINUTES 14 SECONDS WEST, AT A DISTANCE OF 3124.31 FEET, ALSO FROM WHICH POINT THE SOUTHEAST

CORNER OF SAID SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST, BEARS NORTH 89 DEGREES 41 MINUTES 14 SECONDS EAST, AT A DISTANCE OF 2154.23 FEET;

THENCE CONTINUING SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 333.05 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 372.57 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 77.06 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 511.40 FEET;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST, A DISTANCE OF 412.32 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 497.46 FEET,

THENCE NORTH 22 DEGREES 02 MINUTES 00 SECONDS WEST, A DISTANCE OF 1152.21 FEET TO THE **POINT OF BEGINNING**.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 30.87 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 30.89 GROUND (SURFACE) ACR

**EXCEPTION 2**

SHARED PATH FROM 500kV YARD TO EDGE OF PLANT

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

# REPLACEMENT LEASE - EXHIBIT E-2

**COMMENCING** AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 9 EAST, BEING A BUREAU OF LAND MANAGEMENT BRASS CAP, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 2, BEARS SOUTH 00 DEGREES 19 MINUTES 34 SECONDS EAST, A DISTANCE OF 2618.57 FEET;

THENCE SOUTH 31 DEGREES 45 MINUTES 13 SECONDS EAST, A DISTANCE OF 2670.28 FEET TO THE SOUTHWEST CORNER OF NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, FROM WHICH THE NORTHWEST CORNER OF SAID PLANT SITE RIGHT OF WAY BEARS, NORTH 11 DEGREES 52 MINUTES 48 SECONDS EAST, A DISTANCE OF 7472.81

THENCE SOUTH 78 DEGREES 06 MINUTES 44 SECONDS EAST ALONG THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY, A DISTANCE OF 984.49 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 01 DEGREES 53 MINUTES 07 SECONDS EAST, A DISTANCE OF 2095.06' FEET;

THENCE NORTH 67 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 507.43' FEET TO A POINT ON THE WEST LINE OF THE NGS 500kV SWITCHYARD;

THENCE SOUTH 22 DEGREES 02 MINUTES 00 SECONDS EAST ALONG SAID WEST LINE, A DISTANCE OF 506.00 FEET;

THENCE SOUTH 67 DEGREES 58 MINUTES 00 SECONDS WEST, A DISTANCE OF 228.64' FEET;

THENCE SOUTH 01 DEGREES 53 MINUTES 07 SECONDS WEST, A DISTANCE OF 1826.67' FEET TO THE SOUTH LINE OF THE NAVAJO GENERATING STATION PLANT SITE RIGHT OF WAY;

THENCE NORTH 78 DEGREES 06 MINUTES 44 SECONDS WEST ALONG SAID SOUTH LINE, A DISTANCE OF 467.10 FEET TO THE **POINT OF BEGINNING**;

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 24.98 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 25.00 GROUND (SURFACE) ACRES.

AREA FOR PLANT SITE EXCLUDING EXCEPTIONS IS 964.28 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 964.82 GROUND (SURFACE) ACRES.

## EXHIBIT "E-3" AREAS

"SOLID WASTE" AREA

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION AND 36 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 3", FROM WHICH THE NORTHWEST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 2", BEARS NORTH 78 DEGREES 05 MINUTES 05 SECONDS WEST, A DISTANCE OF 5947.11 FEET;

THENCE SOUTH 18 DEGREES 11 MINUTES 53 SECONDS WEST, A DISTANCE OF 2638.62 FEET TO THE POINT OF BEGINNING.

THENCE NORTH 79 DEGREES 06 MINUTES 23 SECONDS EAST, A DISTANCE OF 251.51 FEET;

THENCE SOUTH 20 DEGREES 03 MINUTES 27 SECONDS WEST, A DISTANCE OF 318.35 FEET;

THENCE SOUTH 10 DEGREES 46 MINUTES 46 SECONDS WEST, A DISTANCE OF 398.56 FEET;

THENCE SOUTH 86 DEGREES 19 MINUTES 15 SECONDS WEST, A DISTANCE OF 689.00 FEET;

THENCE NORTH 21 DEGREES 55 MINUTES 35 SECONDS WEST, A DISTANCE OF 1102.46 FEET;

THENCE NORTH 68 DEGREES 04 MINUTES 25 SECONDS EAST, A DISTANCE OF 38.81 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 300.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 38 DEGREES 42 MINUTES 21 SECONDS EAST, A DISTANCE OF 294.25 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 307.54 FEET, THROUGH A CENTRAL ANGLE OF 58 DEGREES 44 MINUTES 09 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 09 DEGREES 20 MINUTES 16 SECONDS EAST, A DISTANCE OF 545.71 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 300.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 30 DEGREES 45 MINUTES 20 SECONDS EAST, A DISTANCE OF 291.10 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 224.29 FEET, THROUGH A CENTRAL ANGLE OF 42 DEGREES 50 MINUTES 09 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 52 DEGREES 10 MINUTES 25 SECONDS EAST, A DISTANCE OF 139.59 FEET;

THENCE NORTH 73 DEGREES 04 MINUTES 26 SECONDS EAST, A DISTANCE OF 107.79 FEET;

THENCE NORTH 52 DEGREES 24 MINUTES 54 SECONDS EAST, A DISTANCE OF 92.27 FEET;

THENCE SOUTH 12 DEGREES 35 MINUTES 10 SECONDS EAST, A DISTANCE OF 1521.11 FEET, TO THE POINT OF BEGINNING.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 35.06 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 35.08 GROUND (SURFACE) ACRES.

"NE PONDS" AREA

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTIONS 35 AND 36 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

# REPLACEMENT LEASE - EXHIBIT E-2

COMMENCING AT THE NORTHEAST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 3", FROM WHICH THE NORTHWEST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 2", BEARS NORTH 78 DEGREES 05 MINUTES 05 SECONDS WEST, A DISTANCE OF 5947.11 FEET;

NORTH 78 DEGREES 05 MINUTES 05 SECONDS WEST, A DISTANCE OF 1046.35 FEET TO THE POINT OF BEGINNING.

THENCE SOUTH 08 DEGREES 04 MINUTES 07 SECONDS WEST, A DISTANCE OF 383.59 FEET;

THENCE SOUTH 15 DEGREES 58 MINUTES 59 SECONDS WEST, A DISTANCE OF 302.63 FEET;

THENCE SOUTH 65 DEGREES 02 MINUTES 58 SECONDS EAST, A DISTANCE OF 396.24 FEET;

THENCE SOUTH 12 DEGREES 26 MINUTES 26 SECONDS EAST, A DISTANCE OF 287.43 FEET;

THENCE NORTH 81 DEGREES 52 MINUTES 52 SECONDS WEST, A DISTANCE OF 221.88 FEET;

THENCE SOUTH 52 DEGREES 24 MINUTES 54 SECONDS WEST, A DISTANCE OF 355.19 FEET;

THENCE SOUTH 73 DEGREES 04 MINUTES 26 SECONDS WEST, A DISTANCE OF 624.88 FEET;

THENCE NORTH 14 DEGREES 50 MINUTES 34 SECONDS WEST, A DISTANCE OF 389.61 FEET;

THENCE NORTH 26 DEGREES 39 MINUTES 03 SECONDS WEST, A DISTANCE OF 298.74 FEET;

THENCE NORTH 22 DEGREES 39 MINUTES 37 SECONDS WEST, A DISTANCE OF 545.08 FEET;

THENCE NORTH 31 DEGREES 07 MINUTES 59 SECONDS WEST, A DISTANCE OF 174.07 FEET;

THENCE NORTH 14 DEGREES 32 MINUTES 49 SECONDS WEST, A DISTANCE OF 427.06 FEET;

THENCE NORTH 11 DEGREES 00 MINUTES 46 SECONDS EAST, A DISTANCE OF 82.24 FEET, TO THE NORTH LINE OF THE PLANT SITE;

THENCE SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST ALONG THE NORTH LINE OF THE PLANT SITE, A DISTANCE OF 1472.00 FEET, TO THE POINT OF BEGINNING;

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 40.50 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 40.53 GROUND (SURFACE) ACRES.

"SD PONDS" AREA

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTIONS 35 AND 36 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 2", FROM WHICH THE NORTHWEST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 3", BEARS SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, A DISTANCE OF 5947.11 FEET;

THENCE SOUTH 29 DEGREES 11 MINUTES 40 SECONDS EAST, A DISTANCE OF 2662.47 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 210.36 FEET;

THENCE SOUTH 67 DEGREES 56 MINUTES 08 SECONDS WEST, A DISTANCE OF 981.91 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 44 DEGREES 34 MINUTES 47 SECONDS WEST, A DISTANCE OF 138.57 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 176.67 FEET, THROUGH A CENTRAL ANGLE OF 134 DEGREES 58 MINUTES 10 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 22 DEGREES 54 MINUTES 18 SECONDS EAST, A DISTANCE OF 87.34 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 27 DEGREES 45 MINUTES 21 SECONDS WEST, A DISTANCE OF 61.87 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 70.74 FEET, THROUGH A CENTRAL ANGLE OF 101 DEGREES 19 MINUTES 19 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 78 DEGREES 25 MINUTES 01 SECONDS WEST, A DISTANCE OF 708.52 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 75.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 33 DEGREES 17 MINUTES 12 SECONDS WEST, A DISTANCE OF 106.31 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 118.15 FEET, THROUGH A CENTRAL ANGLE OF 90 DEGREES 15 MINUTES 39 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 11 DEGREES 50 MINUTES 38 SECONDS EAST, A DISTANCE OF 457.21 FEET;

THENCE NORTH 29 DEGREES 28 MINUTES 12 SECONDS EAST, A DISTANCE OF 227.90 FEET;

THENCE SOUTH 42 DEGREES 04 MINUTES 02 SECONDS EAST, A DISTANCE OF 176.28 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 378.73 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 30.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS SOUTH 45 DEGREES 09 MINUTES 41 SECONDS EAST, A DISTANCE OF 42.55 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 47.29 FEET, THROUGH A CENTRAL ANGLE OF 90 DEGREES 19 MINUTES 22 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 89 DEGREES 40 MINUTES 38 SECONDS EAST, A DISTANCE OF 1400.29 FEET, TO THE POINT OF BEGINNING;

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 16.53 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 16.54 GROUND (SURFACE) ACRES.

"35 PONDS" AREA

THE FOLLOWING PARCEL BEING DESCRIBED WITH GRID DISTANCES AND BEARINGS IN THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007.

A PARCEL OF LAND LOCATED IN SECTION 35 (UNSURVEYED), TOWNSHIP 41 NORTH, RANGE 9 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 2", FROM WHICH THE NORTHWEST CORNER OF THE PLANT SITE BEING A BRASS CAP MARKED "CORNER No. 3", BEARS SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, A DISTANCE OF 5947.11 FEET;

THENCE SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, ALONG THE NORTH LINE OF THE PLANT SITE A DISTANCE OF 1489.48 FEET, TO THE POINT OF BEGINNING;

THENCE SOUTH 78 DEGREES 05 MINUTES 05 SECONDS EAST, A DISTANCE OF 1939.28 FEET;

THENCE SOUTH 11 DEGREES 00 MINUTES 46 SECONDS WEST, A DISTANCE OF 222.19 FEET;

THENCE SOUTH 18 DEGREES 39 MINUTES 05 SECONDS EAST, A DISTANCE OF 168.33 FEET;

THENCE SOUTH 03 DEGREES 15 MINUTES 08 SECONDS WEST, A DISTANCE OF 131.34 FEET;

THENCE SOUTH 09 DEGREES 26 MINUTES 23 SECONDS EAST, A DISTANCE OF 438.82 FEET;

THENCE SOUTH 23 DEGREES 25 MINUTES 49 SECONDS EAST, A DISTANCE OF 253.57 FEET;

THENCE SOUTH 66 DEGREES 37 MINUTES 27 SECONDS WEST, A DISTANCE OF 925.20 FEET;

THENCE NORTH 35 DEGREES 56 MINUTES 15 SECONDS WEST, A DISTANCE OF 608.15 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 62 DEGREES 33 MINUTES 39 SECONDS WEST, A DISTANCE OF 67.22 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 69.70 FEET, THROUGH A CENTRAL ANGLE OF 53 DEGREES 14 MINUTES 48 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 89 DEGREES 11 MINUTES 03 SECONDS WEST, A DISTANCE OF 483.78 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 44 DEGREES 35 MINUTES 32 SECONDS WEST, A DISTANCE OF 42.12 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 46.70 FEET, THROUGH A CENTRAL ANGLE OF 89 DEGREES 11 MINUTES 03 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 118.68 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 70.71 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 78.54 FEET, THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 327.80 FEET, TO THE POINT OF CURVATURE (P.C.) OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET, FROM WHICH THE POINT OF TANGENCY (P.T.) OF SAID TANGENT CURVE BEARS NORTH 48 DEGREES 49 MINUTES 45 SECONDS WEST, A DISTANCE OF 39.50 FEET.

THENCE ALONG SAID CURVE AN ARC DISTANCE OF 43.11 FEET, THROUGH A CENTRAL ANGLE OF 82 DEGREES 20 MINUTES 30 SECONDS TO THE END OF THE TANGENT CURVE, AND A POINT OF TANGENCY;

# REPLACEMENT LEASE - EXHIBIT E-2

THENCE NORTH 07 DEGREES 39 MINUTES 30 SECONDS WEST, A DISTANCE OF 226.19 FEET;

THENCE NORTH 07 DEGREES 03 MINUTES 30 SECONDS EAST, A DISTANCE OF 360.61 FEET;

THENCE NORTH 02 DEGREES 43 MINUTES 30 SECONDS WEST, A DISTANCE OF 314.63 FEET;

THENCE NORTH 21 DEGREES 17 MINUTES 47 SECONDS EAST, A DISTANCE OF 311.77 FEET, TO THE POINT OF BEGINNING.

A GRID TO GROUND SCALE FACTOR OF 1.000280158 WAS USED TO CALCULATE THE GROUND (SURFACE) ACREAGES. GRID ACREAGES ARE MULTIPLIED BY THE GRID TO GROUND SCALE FACTOR SQUARED (1.000560394) TO PRODUCE GROUND (SURFACE) ACREAGES.

SAID PARCEL CONTAINING 63.69 ACRES ON THE ARIZONA STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (0202), NORTH AMERICAN DATUM OF 1983, EPOCH 2007 AND BEING 63.73 GROUND (SURFACE) ACRES.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
32224
PRELIMINARY
Date Signed .....
ARIZONA, U.S.A.

REGISTRATION
EXPIRES 03-31-2019

# Exhibit F

## Ash Landfill Restriction

When recorded, return to:
Salt River Project
Attention: Legal Services
Mail Station PAB4TA
P.O. Box 52025
Phoenix, Arizona 85072-2025

**RESTRICTIVE COVENANT**

**(ASH LANDFILL RESTRICTION)**

**BETWEEN**

**THE NAVAJO NATION**

**AND THE**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**THIS RESTRICTIVE COVENANT (ASH LANDFILL RESTRICTION)** ("Restriction") is made and entered into by and between THE NAVAJO NATION (or the "Nation") and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY d/b/a NV Energy AND THE DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES (hereinafter collectively, together with their successors and assigns, referred to as "Lessees", and singly referred to as "Lessee") and is approved by the Secretary of the Interior on this __ day of _____, 2017. The Nation and Lessees are hereinafter collectively referred to as the "Parties" or individually as "Party."

RECITALS

**WHEREAS**, the Nation and the Lessees are parties to that certain Replacement Lease of contemporaneous date herewith (the "Lease"), for which a Memorandum of Lease is recorded with the United States Department of the Interior Land Titles & Records Office at document no. _____. The Lease is for an electrical generation facility commonly known as the Navajo Generating Station located in portions of the Navajo Nation and Coconino County, Arizona (the "Leased Premises").

**WHEREAS**, pursuant to the Lease, the Lessees will close in place material on, in and under an Ash Disposal Area located within a portion of the Leased Premises.

**WHEREAS**, the Nation has evidenced by Resolution #_____ dated _____, 2017, approved this Restriction, which Restriction is an exhibit to or is referenced in the foregoing Lease upon the terms and conditions set forth in the Resolution, and in consideration for the Lease, as the Nation deems to be in the best interests of the Nation.

**WHEREAS**, the Lessees have applied or will apply for the grant of rights-of-way and easements for the Leased Premises, including the Ash Disposal Area defined hereinbelow, from the Secretary by one or more §323 Grants. The Nation has consented to said §323 Grants pursuant to Resolution #_____, subject to the approval of the terms and conditions of each §323 Grant by the Nation. Those rights-of-way and easements granted to the Lessees by the Secretary under each §323 Grant, including for the Ash Disposal Area, are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease, including as to this Restriction.

**WHEREAS**, this Restriction, when recorded with respect to the Leased Premises, is intended to comply with the United States environmental regulations 40 C.F.R. §257.102(i), relating to a notation in the real property records regarding these Restrictions with respect to the closure of coal combustion residual units ("CCR"), which is how the Ash Landfill has been and is being used, and 40 C.F.R. §257.104(d)(iii), with respect to the existence of these post-closure restrictions on the Ash Landfill and other portions of the Leased Premises as noted herein.

**WHEREAS**, the United States Department of the Interior, Bureau of Indian Affairs is approving this Restriction pursuant to its authority granted in 25 U.S.C. §84.

**NOW THEREFORE,** the Nation and Lessees desire to enter into this Restriction.

**1. DEFINITIONS.**

(A) "**Ash Disposal Area**" means that portion of the Leased Premises legally described on Exhibit A hereto.

(B) "**Ash Landfill**" means that portion of land on the Ash Disposal Area that contains the coal combustion residuals from operation of the Navajo Generating Station described on Exhibit A hereto.

(C) "**Ash Landfill Restriction**" means the restrictions, servitudes and prohibitions created by this Restriction.

(D) "**Effective Date**" means the date that the Secretary has approved this Restriction, which shall be inserted on page one of this Restriction.

(E) "**Lease Term**" means the 35-year term of the Lease as to the Ash Disposal Area, which shall expire on December 22, 2054.

(F) "**Secretary**" means the Secretary of the Interior or his or her authorized representative or such person or agency as he or she may expressly designate to perform the functions specified in this Restriction to be performed by the Secretary or such Federal agency as may succeed to the duties of the Secretary under the Lease and this Restriction.

(G) "**§323 Grants**" means, singularly or collectively, one or more grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §§323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such current regulations promulgated thereunder as are applicable, including 25 C.F.R. §1.2 and Part 169, to Lessees.

Ash, coal ash, coal combustion residuals and CCR when used in this Restriction are synonymous terms.

## 2. ASH DISPOSAL AREA RESTRICTION.

(A) There is hereby imposed upon the Ash Landfill in perpetuity a restriction, servitude, prohibition, burden and covenant running with the land as follows: The Ash Landfill is restricted by any and all use, occupancy, development and other similar and related restrictions and limits imposed by 40 C.F.R. Title 40, Part 257; §§257.102(d), (i) and (j) and all successor federal regulations thereto.

(B) In accordance with the Lease, but without limitation as to the Lease Term, Lessees shall have the right to place fencing, signage and other barriers and notices they deem necessary to comply with the restrictions and requirements in Section 2(A) until Lessees have notified the Nation in writing that Lessees are relinquishing the authority to place fencing, signage and barriers on the Ash Landfill. Signage and notices shall be posted in both English and Navajo.

(C) Use of the Ash Disposal Area shall not disturb the integrity of the final cover, liner(s), or any other component of the containment system, or the function of the monitoring systems.

(D) No other disturbance to the Ash Landfill shall be allowed unless it is first demonstrated to the satisfaction of the Lessees that disturbance of the final cover, liner, or other component of the containment system, including any removal of CCR, will not increase the potential threat to human health or the environment. The

demonstration must be certified by a qualified professional engineer, and Lessees shall provide notification to the Executive Director of The Navajo Nation Environmental Protection Agency that the demonstration has been placed in the operating record and on the owners or operator's publicly accessible Internet site, which after Surrender of the Ash Disposal Area shall be the Nation. Upon written request by the Nation, the Representative (defined below) however, shall maintain that website for the Nation after Surrender.

(E) No portion of the surface of the Ash Landfill other than designated and engineered storm water containment ponds approved by a registered professional engineer may be used for surface water or other liquid storage/retention, or any activity or structure that may affect the landfill or material/soil located under the surface, including without limitation, any building or other structure for which the landfill as closed is not designed to support or which may puncture or impair any environmental protection system such as a lining or barrier.

**3. PERPETUAL TERM.**

The term and effectiveness of the Ash Landfill Restriction and the other provisions of this Restriction shall be perpetual. Without limitation, this Restriction shall remain in effect longer than the Lease Term and shall survive the termination or extinguishment of the Lease or any §323 Grant.

**4. INDEMNITY OF LESSEES.**

(A) All or portions of the Ash Disposal Area may be surrendered to the Nation prior to the end of the Lease Term.

(B) The Nation agrees to indemnify Lessees, hold them harmless and defend them from and against any and all claims by unaffiliated third parties of damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, as a result of the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents arising out of or related to the Ash Disposal Area after Surrender in accordance with the Lease and any future improvements placed thereon commencing on the earlier of the Surrender of any portion of the Ash Disposal Area or the date the Lease Term ends.

(C) The Nation agrees to indemnify Lessees, hold them harmless and defend them from and against any and all claims by third parties for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected arising out of or related in any manner to use of the Ash Disposal Area by the Navajo Nation or, after Surrender of the Ash Disposal Area third parties for any purpose prohibited by Section 2. Expenses shall include, without limitation, any additional remediation costs imposed upon any Lessee by any government entity or administrative or judicial action or decision.

(D) This indemnity shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

(E) Nothing in this Restriction shall limit any indemnity rights among the Parties set forth in the Lease.

**5. ENFORCEMENT.**

(A) Prior to Surrender of the Ash Disposal Area, and subject to the provisions of Section 5(B) below, the Lessees may enforce this Restriction in any manner provided for herein or by law or in equity, including, but not limited to:

(i) To seek legal action to prevent any person's right to occupy or use the Ash Landfill or any portion thereof in violation of this Restriction;

(ii) To take action (including pursuant to any legal means) to abate any violation of this Restriction;

(iii) requiring any person, at the person's expense, to remove any structure or improvement on the Ash Landfill in violation of this Restriction and to restore that affected portion of the Ash Landfill to its previous condition and, upon failure of that person to do so, the Lessee(s) or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass, so long as the Lessee(s) secure written permission from the Division Director of the Nation's Division of Natural Resources (or any successor division) prior to taking that action, which approval shall not be unreasonably withheld, conditioned or delayed;

(iv) prohibiting through any lawful means any person who fails to comply with the terms and provisions of this Restriction from continuing or performing any further activities in violation of Section 2 of this Restriction;

(v) filing a suit at law or in equity to enjoin a violation of this Restriction, to compel compliance with this Restriction, to recover money damages or to obtain other relief as to which the Lessees may be entitled.

(B) All rights and remedies of Lessees under this Restriction or at law or in equity are cumulative, and the exercise of one right or remedy by Lessees shall not waive Lessees' right to exercise another right or remedy. For purposes of this Restrictive Covenant, Lessees shall act as a group through a representative or committee of representatives (the "Representative"). Decisions and actions of the Representative shall be binding on the Lessees. Notwithstanding the provisions of Sections 5(A) or this 5(B), the Lessees shall provide the Nation with at least ninety (90) days' advance notice of the commencement of an action pursuant to Section 5(A) (except in the case of an action pursuant to Section 5(D), in which case no advance notice need be given) and shall provide the Nation with an opportunity to cure the default or breach, whether by the Nation or any other person or entity.

(C) Following Surrender of the Ash Disposal Area to the Nation in accordance with the Lease, the Nation shall use diligent efforts at the Nation's expense to assure compliance by it and any users or occupants of the Leased Premises (whether invited or uninvited, temporary or permanent) with the provisions of these Restrictions, including to exercise any of the remedies noted in this Section 5 against any users or occupants. After Surrender of the Ash Disposal Area, except as noted in Section 5(D) below, before the Lessees (acting through the Representative) may exercise any rights or remedies noted in Section 5(A) above, they must first provide the Nation with a written notice of the breach by the Nation or any other person or entity with these Restrictions, which notice shall specify with particularity the nature of the alleged breach or failure. The Nation shall have ninety (90) days to cure the breach or failure or to commence cure. If the Nation commences the cure within that ninety (90) day period, the Nation shall have as long as is reasonably necessary to diligently complete that cure. If the Nation does not cure the breach or failure in compliance with those obligations, Lessees may pursue all rights and remedies independently from the Nation, in accordance with the Section 18 of the Lease (Other Breaches and Defaults), which is herein incorporated into this Restriction via Section 11 (Incorporated Provisions), and any efforts of the Nation shall not limit or preclude the rights of any Lessee hereunder or restrict its right of indemnification by the Nation or others.

(D) The foregoing restrictions shall not limit the right of Lessees to seek or undertake immediate legal action to resolve any condition or situation that poses an imminent threat to health, safety or the environment.

(E) After expiration of the Lease Term, the Nation shall have exclusive right to enforce the provisions of this Restriction except to the extent that applicable United States federal law requires continued enforcement by the Lessees.

## 6. APPLICABLE LAW.

(A) Notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent, any activities of the Lessees under this Restriction shall be governed exclusively by federal law or, if federal law does not apply, the laws of the State of Arizona.

(B) Any and all matters or claims in dispute between the Parties to this Restriction, whether arising from or relating to this Restriction, or arising from alleged extra-contractual facts prior to, during, or after the Effective Date, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the contract, shall be governed by, construed, determined and enforced exclusively in accordance with federal law or, if federal law does not apply, the laws of the State of Arizona, regardless of the legal theory upon which the matter is asserted and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent. Where federal law incorporates or applies the substantive law of the state in which the dispute or activities at issue occurred or in which the federal court is located, this

Lease should be construed and enforced to require incorporation of the laws of the State of Arizona.

(C) This Section 6 shall survive any termination of the Lease or the expiration of the Lease Term in perpetuity.

**7. NAVAJO NATION AUTHORIZATIONS.**

(A) As authorized by Resolution #_____ of the Navajo Nation Council dated ____, ___, the Navajo Nation has approved this Restriction and is authorized to enter into this Restriction, in its entirety.

(B) As authorized by Resolution # ___ of the Navajo Nation Council dated _____, ____, and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent:

(i) The Nation affirmatively waives the application of the laws of the Navajo Nation, and agrees to the application of federal law and, where federal law does not apply, the laws of the State Arizona, as provided in Section 6.

(ii) The Nation affirmatively waives the jurisdiction of the Navajo Nation courts and agrees that: (1) the remedies set forth in Section 18 of Lease (and incorporated by reference herein in Section 9) are the exclusive remedies to address Disputes among the Parties and claimed breaches of this Restriction; and (2) the federal courts, and, where federal law does not apply, the Arizona state courts, and no other courts, shall have exclusive jurisdiction to consider and decide disputes or claimed breaches of this Restriction, as provided in Section 18 of the Lease.

(iii) The Nation affirmatively waives and consents to the waiver of sovereign immunity from suit by the Lessees, as provided in Section 8.

(iv) The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees, as provided in Section 26 of the Lease (Nation's Agreement not to Regulate Lessees), as incorporated by reference into this Restriction.

(C) This Section 7 shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

**8. WAIVER OF SOVEREIGN IMMUNITY.**

If any Party brings an action as permitted in this Restriction and names the Nation as a party in that action: (1) the Nation may be joined in the action; and (2) the Nation waives any claim to sovereign immunity from that action. As used in this Section, the term "action" includes the assertion of any claim, counterclaim or cross-claim in any court permitted by this Restriction. This Section shall survive in perpetuity and be effective notwithstanding the termination of the Lease

or any §323 Grant. Provided, however, this waiver by the Nation does not extend to (1) any party other than the Lessees or (2) third parties bringing claims against the Nation.

## 9. SUCCESSORS AND ASSIGNS.

This Ash Landfill Restriction is a covenant running with the land pursuant to 40 C.F.R §257.102(i) and as an equitable servitude for the several benefit of each Lessee and their successors and assigns. Each person or party that presently has or in the future acquires any right, title or interest, whether legal, equitable or beneficial, in the Ash Disposal Area, or any part thereof, agrees to abide by all of the provisions of this Restriction. This Restriction shall not merge into the Lease, any §323 Grant or other instrument or estate in the Ash Disposal Area. The terms and conditions contained herein, including without limitation, the Nation's waiver of sovereign immunity in Section 8, shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, sublessees (at any level), employees and agents of any Party.

## 10. RECORDATION.

This Restriction shall be recorded in the applicable public records set forth in Schedule 1 to this Restriction.

## 11. INCORPORATED PROVISIONS.

The provisions of Sections 18 (Other Breaches and Defaults), except as noted in Section 5(D) above, 26 (Nation's Agreement Not To Regulate Lessees), 40 (Estoppel Certificates), and 45 (Waiver of Jury Trial) of the Lease are incorporated into this Restriction by this reference as if stated herein in full, and references in that incorporated language to the "Lease" shall mean this Restriction, and references to a Lessee or a Party to the Lease shall mean the Lessees or Parties to this Restriction, with other conforming changes as are appropriate, mutatis mutandis.

## 12. EXECUTION IN COUNTERPARTS.

This Restriction may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. Any signature page of this Restriction may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon, and may be attached to other counterparts of this Restriction identical in form hereto but having attached to it one or more additional signature pages.

## 13. ESTOPPEL CERTIFICATES.

During the original Lease Term on request of a Party hereto each of the Parties shall deliver appropriate estoppel certificates to one or more other Parties within forty-five (45) days of a written request.

## 14. RECITALS.

The Recitals are incorporated into this Restriction.

## Schedule 1

## RECORDING OFFICES

A duplicate original of this instrument shall be recorded or filed in the following records and each Party shall execute and deliver, in recordable form, such further documents, supplements, certifications and resolutions to cause the same to be recorded or renewed:

| | |
|---|---|
| US Department of the Interior, Land Titles and Records Office | Albuquerque, New Mexico |
| Navajo Nation Land Department Administration, GIS Section | Window Rock, Navajo Nation (Arizona) |
| Navajo Nation Environmental Protection Agency | Window Rock, Navajo Nation (Arizona) |
| Coconino County Recorder, Arizona | Flagstaff, Arizona |
| LeChee Chapter | LeChee, Arizona |

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____
Secretary

By: _____

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California )

County of _____ )

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

_____
Secretary or Assistant Secretary

By: _____
Paul Caudill
Its: President

Date: _____

STATE OF_____ )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____ By:_____

Secretary

Its: Vice President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____

Notary Public

My commission expires:

_____

**RESTRICTIVE COVENANT BETWEEN THE NAVAJO NATION AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN RESTRICTIVE COVENANT between THE NAVAJO NATION and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

_____ _____
**_____ Director** **Date of Approval**
**Bureau of Indian Affairs**
**Department of the Interior**

STATE OF ARIZONA )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

_____

5655536v4(42000.74)

# Exhibit A

## Legal Description of the Ash Disposal Area and Ash Landfill (Coconino County, Arizona)

# Exhibit F-2

## Solid Waste Landfill and Pond Solids Restriction

When recorded, return to:
Salt River Project
Attention: Legal Services
Mail Station PAB4TA
P.O. Box 52025
Phoenix, Arizona 85072-2025

**RESTRICTIVE COVENANT**

**(SOLID WASTE LANDFILL AND POND SOLIDS RESTRICTION)**

**BETWEEN**

**THE NAVAJO NATION**

**AND THE**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**THIS RESTRICTIVE COVENANT (SOLID WASTE LANDFILL AND POND SOLIDS RESTRICTION)** ("Restriction") is made and entered into by and between THE NAVAJO NATION ("Nation") and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY d/b/a NV Energy AND THE DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES (hereinafter collectively, together with their successors and assigns, referred to as "Lessees", and singly referred to as "Lessee") and is approved by the Secretary of the Interior on this __ day of _____, 2017. The Nation and Lessees are hereinafter collectively referred to as the "Parties" or individually as "Party."

RECITALS

**WHEREAS**, the Nation and the Lessees are parties to that certain Replacement Lease of contemporaneous date herewith (the "Lease"), for which a Memorandum of Lease is recorded with the United States Department of the Interior Land Titles & Records Office at document no. _____. The Lease is for an electrical generation facility commonly known as Navajo Generating Station located in portions of the Navajo Nation and Coconino County, Arizona (the "Leased Premises").

**WHEREAS**, pursuant to the Lease the Lessees will close in place material on, in and under the solid waste landfill and closed-in-place ponds located within a portion of the Leased Premises and referred to as the Solid Waste Landfill and Pond Solids Area.

**WHEREAS**, the Nation has evidenced by Resolution #_____ dated _____, 2017, approved this Restriction, which Restriction is an exhibit to or referenced in the foregoing Lease, upon the terms and conditions set forth in the Resolution and in consideration for the terms contained in the Lease as the Nation deems to be in the best interests of the Nation.

**WHEREAS**, the Lessees have applied or will apply for the grant of rights-of-way and easements for the Leased Premises, including the Solid Waste Landfill and Pond Solids Areas defined hereinbelow, from the Secretary by one or more §323 Grants. The Nation has consented to said §323 Grants pursuant to Resolution #_____, subject to the approval of the terms and conditions of each §323 Grant by the Nation. Those rights-of-way and easements granted to the Lessees by the Secretary under each §323 Grant, including for the Solid Waste Landfill and Pond Solids Areas, are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease, including as to this Restriction.

**WHEREAS**, the United States Department of the Interior, Bureau of Indian Affairs is approving this Restriction pursuant to its authority granted in 25 U.S.C. §84.

**NOW THEREFORE,** the Nation and Lessees desire to enter into this Restriction.

**1. DEFINITIONS.**

(A) "**Solid Waste Landfill and Pond Solids Area**" means those portions of the Leased Premises legally described on Exhibit A hereto.

(B) "**Solid Waste Landfill and Pond Solids Restriction**" means the restrictions, servitudes and prohibitions created by this Restriction.

(C) "**Effective Date**" means the date that the Secretary has approved this Restriction, which shall be inserted on page one of this Restriction.

(D) "**Lease Term**" means the 35-year term of the Lease as to the Solid Waste Landfill and Pond Solids Areas, which shall expire on December 22, 2054.

(E) "**Secretary**" means the Secretary of the Interior or his or her authorized representative or such person or agency as he or she may expressly designate to

perform the functions specified in this Restriction to be performed by the Secretary or such Federal agency as may succeed to the duties of the Secretary under the Lease and this Restriction.

(F) "**§323 Grants**" means, singularly or collectively, one or more grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §§323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such current regulations promulgated thereunder as are applicable, including 25 C.F.R. §1.2 and Part 169, to Lessees.

## 2. SOLID WASTE LANDFILL AND POND SOLIDS RESTRICTION.

(A) Use of the Solid Waste Landfill and Pond Solids Areas shall not disturb the integrity of the final cover, liner(s), or any other component of the containment system, or the function of any monitoring systems. In accordance with the Lease, Lessees shall have the right to place fencing, signage and other barriers and notices they deem necessary to comply with the restrictions and requirements in this Section 2(A). Signage and notices shall be posted in both English and Navajo.

(B) No other disturbance shall be allowed unless it is first demonstrated to the satisfaction of the Lessees that disturbance of the final cover, liner, or other component of the containment system will not increase the potential threat to human health or the environment. The demonstration must be certified by a qualified professional engineer.

(C) No portion of the surface of the Solid Waste Landfill and Pond Solids Areas other than designated and engineered storm water containment ponds approved by a registered professional engineer may be used for surface water or other liquid storage/retention, or any activity or structure that may affect the landfill or material/soil located under the surface, including without limitation, any building or other structure for which the landfill as closed is not designed to support or which may puncture or impair any environmental protection system such as a lining or barrier.

## 3. PERPETUAL TERM.

The term and effectiveness of the Solid Waste Landfill and Pond Solids Areas Restriction and the other provisions of this Restriction shall be perpetual. Without limitation, this Restriction shall remain in effect longer than the Lease Term and shall survive the termination or extinguishment of the Lease or any §323 Grant.

## 4. INDEMNITY OF LESSEES.

(A) All or portions of the Solid Waste Landfill and Pond Solids Areas may be surrendered to the Nation prior to the end of the Lease Term.

(B) The Nation agrees to indemnify Lessees, hold them harmless and defend them from and against any and all claims by unaffiliated third parties of damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, as a result of the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents, arising out of or related to the Solid Waste Landfill and Pond Solids Areas after Surrender in accordance with the Lease and any future improvements placed thereon commencing on the earlier of the Surrender of any portion of the Solid Waste Landfill and Pond Solids Areas or the date the Lease Term ends.

(C) The Nation agrees to indemnify Lessees, hold them harmless and defend them from and against any and all claims by third parties for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected arising out of or related in any manner to use of the Solid Waste Landfill and Pond Solids Areas by the Navajo Nation or, after Surrender of the Solid Waste Landfill and Pond Solids Areas, third parties for any purpose prohibited by Section 2. Expenses shall include, without limitation, any additional remediation costs imposed upon any Lessee by any government entity or administrative or judicial action or decision.

(D) This indemnity shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

(E) Nothing in this Restriction shall limit any indemnity rights among the Parties set forth in the Lease.

**5. ENFORCEMENT.**

(A) Prior to Surrender of the Solid Waste Landfill and Pond Solids Areas, and subject to the provisions of Section 5(B) below, the Lessees may enforce this Restriction in any manner provided for herein or by law or in equity, including, but not limited to:

(i) To seek legal action to prevent any person's right to occupy or use the Solid Waste Landfill and Pond Solids Areas or any portion thereof in violation of this Restriction;

(ii) To take action (including pursuant to any legal means) to abate any violation of this Restriction;

(iii) requiring any person, at the person's expense, to remove any structure or improvement on the Solid Waste Landfill and Pond Solids Areas in violation of this Restriction and to restore that affected portion of the Solid Waste Landfill and Pond Solids Areas to its previous condition and, upon failure of that person to do so, the Lessees or their designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass, so long as the Lessees secure written

permission from the Division Director of the Nation's Division of Natural Resources (or any successor division) prior to taking that action, which approval shall not be unreasonably withheld, conditioned or delayed;

(iv) prohibiting through any lawful means any person who fails to comply with the terms and provisions of this Restriction from continuing or performing any further activities in violation of Section 2 of this Restriction;

(v) filing a suit at law or in equity to enjoin a violation of this Restriction, to compel compliance with this Restriction, to recover money damages or to obtain such other relief as to which the Lessees may be entitled.

(B) All rights and remedies of Lessees under this Restriction or at law or in equity are cumulative, and the exercise of one right or remedy by Lessees shall not waive Lessees' or another Lessee's right to exercise another right or remedy. For purposes of this Restriction, Lessees shall act as a group through a representative or committee of representatives (the "Representative"). Decisions and actions of the Representative shall be binding on the Lessees. Notwithstanding the provisions of Sections 5(A) or this 5(B), the Lessees shall provide the Nation with at least ninety (90) days' advance notice of the commencement of an action pursuant to Section 5(A) (except in the case of an action pursuant to Section 5(D), in which case no advance notice need be given) and shall provide the Nation with an opportunity to cure the default or breach, whether by the Nation or any other person or entity.

(C) Following Surrender of the Solid Waste Landfill and Pond Solids Areas to the Nation in accordance with the Lease, the Nation shall use diligent efforts at the Nation's expense to assure compliance by it and any users or occupants of the Leased Premises (whether invited or uninvited, temporary or permanent) with the provisions of these Restrictions, including to exercise any of the remedies noted in this Section 5 against any users or occupants. After Surrender of the Solid Waste Landfill and Pond Solids Areas, except as noted in Section 5(D) below, before the Lessees (acting through the Representative) may exercise any rights or remedies note in Section 5(A) above, they must first provide the Nation with a written notice of the breach by the Nation or any other person or entity with these Restrictions, which notice shall specify with particularity the nature of the alleged breach or failure. The Nation shall have ninety (90) days to cure the breach or failure or to commence cure. If it commences the cure within that ninety (90) day period, it shall have as long as is reasonably necessary to diligently complete that cure. If the Nation does not cure the breach or failure in compliance with those obligations, Lessees may pursue all rights and remedies independently from the Nation in accordance with the Section 18 of the Lease (Other Breaches and Defaults), which is herein incorporated into this Restriction via Section 11 (Incorporated Provisions), and any efforts of the Nation shall not limit or preclude the rights of any Lessee hereunder or restrict its right of indemnification by the Nation or others.

(D) The foregoing restrictions shall not limit the right of Lessees to seek or undertake immediate legal action to resolve any condition or situation that poses an imminent threat to health, safety or the environment.

(E) After expiration of the Lease Term, the obligation to enforce the provisions of this Restriction shall transfer to the Nation except to the extent that applicable United States federal law requires continued enforcement by the Lessees.

**6. APPLICABLE LAW.**

(A) Notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent, any activities of the Lessees under this Restriction shall be governed exclusively by federal law or, if federal law does not apply, the laws of the State of Arizona.

(B) Any and all matters or claims in dispute between the Parties to this Restriction, whether arising from or relating to this Restriction, or arising from alleged extra-contractual facts prior to, during, or after the Effective Date, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the contract, shall be governed by, construed, determined and enforced exclusively in accordance with federal law or, if federal law does not apply, the laws of the State of Arizona, regardless of the legal theory upon which the matter is asserted and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent. Where federal law incorporates or applies the substantive law of the state in which the dispute or activities at issue occurred or in which the federal court is located, this Lease should be construed and enforced to require incorporation of the laws of the State of Arizona.

(C) This Section 6 shall survive any termination of the Lease or the expiration of the Lease Term in perpetuity.

**7. NAVAJO NATION AUTHORIZATIONS.**

(A) As authorized by Resolution #_____ of the Navajo Nation Council dated ____, ___, the Navajo Nation has approved this Restriction and is authorized to enter into this Restriction, in its entirety.

(B) As authorized by Resolution # ___ of the Navajo Nation Council dated _____, ____, and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent:

(i) The Nation affirmatively waives the application of the laws of the Navajo Nation, and agrees to the application of federal law and, where federal law does not apply, the laws of the State of Arizona, as provided in Section 6.

(ii) The Nation affirmatively waives the jurisdiction of the Navajo Nation courts and agrees that: (1) the remedies set forth in Section 18 of Lease (and incorporated by reference herein in Section 9) are the exclusive remedies to address Disputes among the Parties and claimed breaches of this Restriction; and (2) the federal courts, and, where federal law does not apply, the Arizona state courts, and no other courts, shall have exclusive jurisdiction to consider and decide disputes or claimed breaches of this Restriction, as provided in Section 18 of the Lease.

(iii) The Nation affirmatively waives and consents to the waiver of sovereign immunity from suit by the Lessees, as provided in Section 8.

(iv) The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees, as provided in Section 26 of the Lease (Nation's Agreement not to Regulate Lessees), as incorporated by reference into this Restriction.

(C) This Section 7 shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

## 8. WAIVER OF SOVEREIGN IMMUNITY.

If any Party brings an action as permitted in this Restriction and names the Nation as a party in that action: (1) the Nation may be joined in the action; and (2) the Nation waives any claim to sovereign immunity from that action. As used in this Section, the term "action" includes the assertion of any claim, counterclaim or cross-claim in any court permitted by this Restriction. This Section shall survive in perpetuity and be effective notwithstanding the termination of the Lease or any §323 Grant; provided, however, this waiver by the Nation does not extend to (1) any party other than the Lessees or (2) third parties bringing claims against the Nation.

## 9. SUCCESSORS AND ASSIGNS.

This Solid Waste Landfill and Pond Solids Restriction is a covenant running with the land and as an equitable servitude for the several benefit of each Lessee and their successors and assigns. Each person or party that presently has or in the future acquires any right, title or interest, whether legal, equitable or beneficial, in the Solid Waste Landfill and Pond Solids Areas, or any part thereof, agrees to abide by all of the provisions of this Restriction. This Restriction shall not merge into the Lease, any §323 Grant or other instrument or estate in the Solid Waste Landfill and Pond Solids Areas. The terms and conditions contained herein, including, without limitation, the Nation's waiver of sovereign immunity in Section 8, shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, sublessees (at any level), employees and agents of any Party.

## 10. RECORDATION.

This Restriction shall be recorded in the applicable public records set forth in Schedule 1 to this Restriction.

## 11. INCORPORATED PROVISIONS.

The provisions of Sections 18 (Other Breaches and Defaults), except as noted in Section 5(E) above, 26 (Nation's Agreement Not To Regulate Lessees), 40 (Estoppel Certificates), and 45 (Waiver of Jury Trial) of the Lease are incorporated into this Restriction by this reference as if stated herein in full, and references in that incorporated language to the "Lease" shall mean this Restriction, and references to a Lessee or a Party to the Lease shall mean the Lessees or Parties to this Restriction, with other conforming changes as are appropriate, mutatis mutandis.

## 12. EXECUTION IN COUNTERPARTS.

This Restriction may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. Any signature page of this Restriction may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon, and may be attached to other counterparts of this Restriction identical in form hereto but having attached to it one or more additional signature pages.

## 13. ESTOPPEL CERTIFICATES.

During the original Lease Term on request of a Party hereto each of the Parties shall deliver appropriate estoppel certificates to one or more other Parties within forty-five (45) days of a written request.

## 14. RECITALS.

The Recitals are incorporated into this Restriction.

## RECORDING OFFICES

A duplicate original of this instrument shall be recorded or filed in the following records and each Party shall execute and deliver, in recordable form, such further documents, supplements, certifications and resolutions to cause the same to be recorded or renewed:

| | |
|---|---|
| US Department of the Interior, Land Titles and Records Office | Albuquerque, New Mexico |
| Navajo Nation Land Department Administration, GIS Section | Window Rock, Navajo Nation (Arizona) |
| Navajo Nation Environmental Protection Agency | Window Rock, Navajo Nation (Arizona) |
| Coconino County Recorder, Arizona | Flagstaff, Arizona |
| LeChee Chapter | LeChee, Arizona |

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____
Secretary

By: _____

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California )

County of _____ )

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

_____
Secretary or Assistant Secretary

By: _____
Paul Caudill
Its: President

Date: _____

STATE OF_____ )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____
Secretary

By:_____

Its: Vice President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**RESTRICTIVE COVENANT BETWEEN THE NAVAJO NATION AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN RESTRICTIVE COVENANT between THE NAVAJO NATION and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

_____ **Director**
**Bureau of Indian Affairs**
**Department of the Interior**

_____
**Date of Approval**

STATE OF ARIZONA )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

_____

5656430v2(42000.74)

**Exhibit A**

**Legal Description of the Solid Waste and Pond Solids Areas**
**(Coconino County, Arizona)**

# Exhibit G

## Memorandum of Replacement Lease

When recorded, return to:
Salt River Project
Attention: Legal Services
Mail Station PAB4TA
P.O. Box 52025
Phoenix, Arizona 85072-2025

**MEMORANDUM OF REPLACEMENT LEASE**

**BETWEEN**

**THE NAVAJO NATION, as Lessor**

**AND THE**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, as Lessees**

**THIS MEMORANDUM OF REPLACEMENT LEASE** ("Memorandum") is made and entered into by and between THE NAVAJO NATION ("Nation"), as lessor, and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT ("Salt River Project") , ARIZONA PUBLIC SERVICE COMPANY ("APS"), TUCSON ELECTRIC POWER COMPANY ("Tucson"), NEVADA POWER COMPANY d/b/a NV Energy ("Nevada") AND THE DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES ("Los Angeles" and collectively with Salt River Project, APS, Tucson and Nevada, together with their successors and assigns, "Lessees", and each a "Lessee"), as lessees, and is approved by the Secretary of the Interior on this __ day of _____, 2017 (the "Effective Date"). The Nation and Lessees are hereinafter collectively referred to as the "Parties" or individually as "Party."

RECITALS

**WHEREAS**, the Nation and the Lessees are parties to that certain Replacement Lease of contemporaneous date herewith (the "Lease"). The Lease is for an electrical generation facility and transmission systems commonly known as the Navajo Project located in portions of the Navajo Nation and Navajo County and Coconino County, Arizona (the "Leased Premises").

**WHEREAS**, the Nation has, as evidenced by Resolution #_____ dated _____, 2017, authorized the Navajo Nation President to execute all necessary documents related to the Lease, including this Memorandum, which is an exhibit to the Lease, upon the terms and conditions set forth in the Resolution and the Lease, which the Nation has deemed to be in the best interests of the Nation.

**WHEREAS**, the Lessees have applied or will apply for the grant from the Secretary of one or more §323 Grants and the Nation has consented pursuant to Resolution #_____, to the issuance by the Secretary of such §323 Grants on terms and conditions substantially the same as the terms and conditions of the Lease and the rights-of-way and easements granted to the Lessees by the Secretary under each §323 Grant are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease, including as to the Lease evidenced by this Memorandum.

**NOW THEREFORE** the Nation and Lessees desire to enter into and record this Memorandum effective as of the Effective Date.

**PURSUANT TO THE LEASE** the Nation has leased to Lessees as co-tenants, and Lessees as co-tenants have leased from the Nation, the Leased Premises. The Nation and Lessees desire to confirm the Lease of record and by this Memorandum intend to provide record notice of the Lease and certain of its terms. In connection with the Lease, the Nation and Lessees acknowledge, agree and confirm as follows:

**1. LEASE.** The Nation has leased and demised (and hereby confirms the lease and demise) of the Leased Premises to Lessees, as co-tenants, upon and subject to the terms, covenants and conditions of the Lease. The Leased Premises are divided into Tract A and Tract B, as legally described on Exhibit A hereto.

**2. LEASE TERM.** The term of the Lease commences on **December 23, 2019**. The rent commencement date under the Lease is **December 23, 2019**.

Tract A. The Lease Term for Tract A is for thirty-five (35) years and expires on **December 22, 2054**, without extension of the Lease term.

Tract B. The Lease Term for Tract B is for thirty-five (35) years and expires on **December 22, 2054**, with one (1) extension of the Lease Term for Tract B, as referenced below.

**3. EXTENSION OF LEASE TERM FOR TRACT B.** The Lease Term for Tract B shall be extended once for either a 2-Year Extension Period or a 35-Year Extension Period, all as provided for in Section 8 (Further Compensation and Terms and Conditions Related to Tract

B) of the Lease. The Lease Term, as it relates solely to the Tract B and the related §323 Grants will be extended for the applicable time period provided for in Section 8 of the Lease, commencing on the day immediately following the expiration date of the Lease Term for Tract B, being an expiration date of **December 23, 2054** (as applicable, the "Extension Period"), on the same terms and conditions provided in the Lease, with the exception that the aggregate Lease rental and §323 Grant payments from the Lessees for the entire Extension Period shall be $10.00 per annum, which may be prepaid or paid in a lump sum at any time by the Lessees. No Extension Period shall apply to Tract A.

**4. OFFSITE ACCESS.** The parcels comprising the Leased Premises are not all contiguous or always abutting public rights-of-way.

(A) Road Access. Lessees and their authorized representatives are permitted use for the Lease term, as it may be extended, of all access roads located outside the Leased Premises on Reservation Lands and recognized as a portion of Navajo Nation road system by the Navajo Department of Transportation, or other roads in consultation with the U.S. Bureau of Indian Affairs ("BIA"), for purposes of the operation, maintenance, repair, retirement and remediation of the Transmission Facilities and NGS; provided, however, that the Lessees are not obligated to maintain those roads, except for maintenance made necessary by Lessees' use of the roads.

(B) Other Access. During certain periods of the Lease Term the Lessees are permitted, in consultation with the Navajo Department of Transportation and to the extent use of access roads is not practicable, a right to reasonable access across Reservation Lands to or from the Leased Premises for heavy haulage. The Lease provides for certain restoration and damage reimbursement obligations of Lessees, as provided in the Lease.

**5. RIGHT OF ACCESS FOR ACTIVITIES AFTER END OF LEASE TERM.** Applicable Law currently requires groundwater monitoring and other post-closure care of the Ash Landfill located on a portion of the Leased Premises (the Ash Disposal Area) for thirty (30) years and possibly longer from the date of closure of the Ash Landfill, as provided in the Lease. Other remediation or monitoring activities may continue past the end of the Lease Term. In the event that any such activities, at the Ash Disposal Area or elsewhere on the Leased Premises, are required to take place after the end of the Lease Term for Tract A or Tract B, the Nation shall provide reasonable access to Lessees and their authorized representatives, at all reasonable times and upon Lessees' compliance with the Nation's safety and security rules, to the Ash Disposal Area or any other areas necessary for these post-closure activities. The right of access shall be solely for the purpose of conducting the required activities, and shall terminate when those activities are complete or no longer required under Applicable Law.

**6. SURRENDER.** Portions of Tract A will be Surrendered by Lessees to the Nation during the Lease term. No portion of Tract B shall be Surrendered to the Nation during the Lease Term. "Surrender" means the surrender to and the Nation's corresponding acceptance of portions of Tract A as "Surrendered Lands" under Section 6 (Surrender) of the Lease. Upon Surrender: (1) the leasehold interest of the Lessees in the Surrendered Lands is extinguished; and (2) possession thereof by Lessees is relinquished, subject to and reserving rights of reasonable access by both the Nation and Lessees, all as provided in the Lease.

**7. TENANTS IN COMMON STATUS; BENEFICIAL INTEREST.**

(A) Co-Tenants. It is intended under the Lease that the Nation shall lease to the Lessees undivided interests as tenants in common in the Leased Premises with their respective undivided interests in the said real property being as follows:

| | NGS Site/Tract A | Transmission Sites/Tract B | |
|---|---|---|---|
| Lessee | NGS and Related Property | Western Transmission System | Southern Transmission System (see Note 1) |
| APS | 14.0% | 0.0% | 20.5% |
| Los Angeles | 19.7% | 48.9% | 7.8% |
| NV Energy | 11.3% | 26.1% | 4.5% |
| Salt River Project | 47.5% | 25.0% | 56.2% |
| Tucson | 7.5% | 0.00% | 11.0% |
| Note 1: Ownership values are based on acres equivalent and not on transmission capacity. | | | |

Notwithstanding the foregoing, Lessees reserve the right to readjust and reallocate undivided interests in the Lease from time to time. The readjustment shall be effective when made and no modification of this Memorandum shall be required for that readjustment and reallocation to be effective.

(B) Beneficial Interest. Pursuant to other agreements related to the Navajo Project, Salt River Project presently owns 23.2 percent (23.2%) of the NGS Site for its own use and benefit and owns 24.3 percent (24.3%) of the NGS Site for the use and benefit of the United States of America. Pursuant to other agreements related to the Navajo Project, Salt River Project presently owns 32.3 percent (32.3%) of the STS Site portion of the Transmission Site for its own use and benefit and presently owns 23.9 percent (23.9%) of said STS Site portion of the Transmission Site for the use and benefit of the United States of America, and Salt River Project owns 25 percent (25%) of the WTS Site portion of the Transmission Site for the use and benefit of the United States of America. That beneficial ownership may be changed from time to time and no modification of this Memorandum shall be required for that change to be effective.

**8. SEVERAL RIGHTS OF CO-TENANTS.** As between the Lessees and Nation, each Lessee hereunder shall have the several and individual right to exercise all rights of whatever kind leased to Lessees under the Lease, including all rights in and to the Leased Premises and including the rights to occupy and use the Leased Premises, including without limitation, for NGS Retirement and NGS Site Remediation and for the operation, maintenance, Transmission Removal and Remediation of the Transmission Facilities located on portions of the Leased Premises, and for occupancy and use of the other portions of the Leased Premises in accordance with the Lease.

**9. SUCCESSORS AND ASSIGNS.** This Memorandum is a covenant running with the land as an equitable servitude for the benefit of the Nation and each Lessee. The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, employees and agents, of each Party.

**10. RECORDATION.** This Memorandum shall be recorded in the applicable public records and in accordance with Schedule 1.

**11. EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. Any signature page of this Memorandum may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon, and may be attached to other counterparts of this Memorandum identical in form hereto but having attached to it one or more additional signature pages.

**12. ESTOPPEL CERTIFICATES.** During the Lease Term on request of another Party, each of the Parties shall provide appropriate estoppel certificates to the requesting Party within forty-five (45) days of delivery of a written request. During any extended Lease Term, the Parties having an interest in Tract B shall provide on the request of another Party an appropriate estoppel certificate to one or more other Parties within forty-five (45) days of deliver of a written request. No estoppel certificate shall be recorded.

**13. RECITALS.** The Recitals are incorporated into this Memorandum. This Memorandum shall not amend any provision of the Lease. The Lease shall control over this Memorandum.

**14. REFERENCED TERMS.** Capitalized terms in this Memorandum shall have the meaning set forth in the Lease, as amended from time to time, except as otherwise provided below.

(A) "**Effective Date**" means the date that the Secretary has approved this Memorandum, which shall be inserted on page one of this Memorandum.

(B) "**Secretary**" means the Secretary of the Interior or his or her authorized representative or the person or agency as he or she may expressly designate to perform the functions specified in this Memorandum to be performed by the Secretary or any Federal agency as may succeed to the duties of the Secretary under the Lease and this Memorandum.

(C) "**§323 Grants**" means, singularly or collectively, one or more grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §§323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such current regulations promulgated thereunder as are applicable, including 25 C.F.R. §1.2 and Part 169, to Lessees.

## SCHEDULE 1

## RECORDING OFFICES

A duplicate original of this instrument shall be recorded or filed in the following records and each Party shall execute and deliver, in recordable form, such further documents, supplements, certifications and resolutions to cause the same to be recorded or the recording thereof renewed:

| | |
|---|---|
| US Department of the Interior, Land Titles and Records Office | Albuquerque, New Mexico |
| Navajo Nation Land Department Administration, GIS Section | Window Rock, Navajo Nation (Arizona) |
| Navajo Nation Environmental Protection Agency | Window Rock, Navajo Nation (Arizona) |
| Navajo County Recorder, Arizona | Holbrook, Arizona |
| Coconino County Recorder, Arizona | Flagstaff, Arizona |
| LeChee Chapter | LeChee, Arizona |

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Memorandum to be executed as of the date first above written.

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Memorandum to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____ By: _____

Secretary

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____

Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Memorandum to be executed as of the date first above written.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California )

County of _____ )

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Memorandum to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

By: _____
Paul Caudill
Its: President

_____
Secretary or Assistant Secretary

Date: _____

STATE OF_____ )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Memorandum to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____

Secretary

Its: _____

Date: _____

STATE OF ARIZONA )
) ss.
County of _Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by David Rousseau, the President of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____

Notary Public

My commission expires:

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____

Secretary

Its: _____

Date: _____

STATE OF ARIZONA )
) ss.
County of Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by David Rousseau, the President of the Salt River Project Agricultural Improvement and Power District, for the use and benefit of the United States.

_____

Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Memorandum to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____
Secretary

By: _____

Its: Vice President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

**MEMORANDUM OF REPLACEMENT LEASE BETWEEN THE NAVAJO NATION AS LESSOR AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES AS LESSEES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN MEMORANDUM OF REPLACEMENT LEASE between THE NAVAJO NATION as Lessor and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES as Lessees, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

_____ _____
**_____ Director** **Date of Approval**
**Bureau of Indian Affairs**
**Department of the Interior**

STATE OF _____ )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

_____

5653612v1(42000.74)

**Exhibit A to Memorandum of Replacement Lease**

**THE NGS SITE**
**(Tract A)**

**Legal Description of the NGS Site, a portion of the Leased Premises**

**Exhibit A (Continued) to Memorandum of Replacement Lease**

**THE TRANSMISSION SITE**
**(Tract B)**

**Legal Description of the Transmission Site, a portion of the Leased Premises**

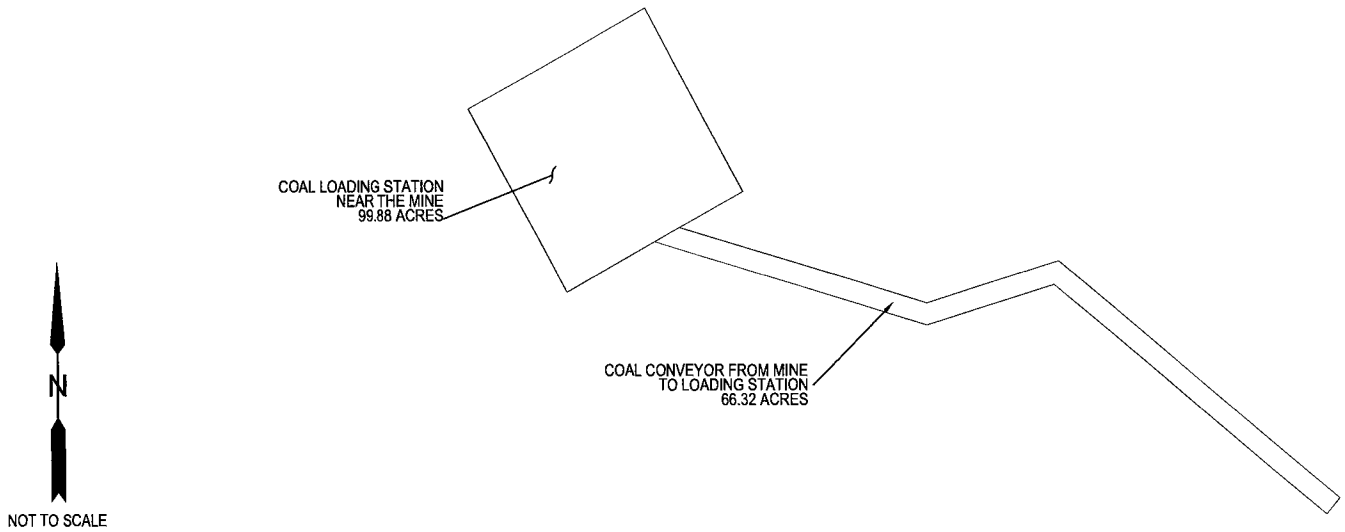
# Exhibit H

## Conveyor and Coal Loading Silo Areas

**Legal Description and Survey Map of the conveyor and coal loading silo areas, a portion of the NGS Site**

# CONVEYOR AND COAL LOADING SILO AREAS
# EXHIBIT H

| CONVEYOR AND COAL LOADING SILO LANDS | ACRES |
|---|---|
| COAL CONVEYOR FROM MINE TO LOADING STATION | 66.32 |
| COAL LOADING STATION NEAR THE MINE | 99.88 |
| TOTAL ACREAGE | 166.20 |




NOTES:
1) THIS DRAWING AND GEOMETRY SHOWN HERE ON IS NOT TO SCALE. THE SIZE OF THE FIGURES SHOWN HAVE BEEN EXAGGERATED TO ALLOW FOR THEIR GEOMETRY TO BE SHOWN.
2) THE PURPOSE OF THIS DRAWING IS TO SHOW THE GEOMETRIC FIGURES OF THE AREAS SHOWN AND THEIR BASIC POSITIONAL RELATIONSHIP TO EACH OTHER.
3) THE GEOMETRY AND AREAS OF THE FIGURES SHOW ON THIS DRAWING HAVE BEEN TAKEN FROM LEGAL DESCRIPTIONS AND SURVEY MAPS TITLED "EXHIBITS 1 THROUGH EXHIBIT 18" AND "NAVAJO GENERATING STATION LANDS"

# Schedule 7

## Rental Payment Schedule

# SCHEDULE 7

| Rental Payment Agreement | | | |
|---|---|---|---|
| Years | Rental Payment is due on December 23 each year | Retirement Savings Payment is due on January 1 of listed years | Total due in a year |
| 2019 | 1,820,000.00 | | 1,820,000.00 |
| 2020 | 1,874,600.00 | 6,044,166.67 | 7,918,766.67 |
| 2021 | 1,930,838.00 | 6,044,166.67 | 7,975,004.67 |
| 2022 | 1,988,763.14 | 6,044,166.67 | 8,032,929.81 |
| 2023 | 2,048,426.03 | | 2,048,426.03 |
| 2024 | 2,109,878.82 | | 2,109,878.82 |
| 2025 | 2,173,175.18 | | 2,173,175.18 |
| 2026 | 2,238,370.44 | | 2,238,370.44 |
| 2027 | 2,305,521.55 | | 2,305,521.55 |
| 2028 | 2,374,687.19 | | 2,374,687.19 |
| 2029 | 2,445,927.81 | | 2,445,927.81 |
| 2030 | 2,519,305.64 | | 2,519,305.64 |
| 2031 | 2,594,884.81 | | 2,594,884.81 |
| 2032 | 2,672,731.36 | | 2,672,731.36 |
| 2033 | 2,752,913.30 | | 2,752,913.30 |
| 2034 | 2,835,500.70 | | 2,835,500.70 |
| 2035 | 2,920,565.72 | | 2,920,565.72 |
| 2036 | 3,008,182.69 | | 3,008,182.69 |
| 2037 | 3,098,428.17 | | 3,098,428.17 |
| 2038 | 3,191,381.02 | | 3,191,381.02 |
| 2039 | 3,287,122.45 | | 3,287,122.45 |
| 2040 | 3,385,736.12 | | 3,385,736.12 |
| 2041 | 3,487,308.20 | | 3,487,308.20 |
| 2042 | 3,591,927.45 | | 3,591,927.45 |
| 2043 | 3,699,685.27 | | 3,699,685.27 |
| 2044 | 3,810,675.83 | | 3,810,675.83 |
| 2045 | 3,924,996.11 | | 3,924,996.11 |
| 2046 | 4,042,745.99 | | 4,042,745.99 |
| 2047 | 4,164,028.37 | | 4,164,028.37 |
| 2048 | 4,288,949.22 | | 4,288,949.22 |
| 2049 | 4,417,617.70 | | 4,417,617.70 |
| 2050 | 4,550,146.23 | | 4,550,146.23 |
| 2051 | 4,686,650.62 | | 4,686,650.62 |
| 2052 | 4,827,250.13 | | 4,827,250.13 |
| 2053 | 4,972,067.64 | | 4,972,067.64 |

Annual Rental for any extension period is due on December 23 and is $10.00 per year

## Schedule 29

## Navajo Nation Addresses

Navajo Nation President
Office of the President and Vice President
P.O. Box 7440
Window Rock, Navajo Nation (AZ) 86515

Navajo Nation Attorney General
Navajo Nation Department of Justice
P.O. Box 2010
Window Rock, Navajo Nation (AZ) 86515

Division Director
Division of Natural Resources
P.O. Box 9000
Window Rock, Navajo Nation (AZ) 86515

Department Manager
Navajo Land Department
P.O. Box 2249
Window Rock, Navajo Nation (AZ) 86515

Department Manager
Minerals Department
P.O. Box 1910
Window Rock, Navajo Nation (AZ) 86515

Division Director
Division of Economic Development
P.O. Box 663
Window Rock, Navajo Nation (AZ) 86515

Executive Director
Navajo Nation Environmental Protection Agency
P.O. Box 339
Window Rock, Navajo Nation (AZ) 86515

**Lessee Addresses**

Arizona Public Service Company

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Vice President, Fossil Generation
400 North 5th Street
Phoenix, AZ 85004
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David.A.Hansen@aps.com

Los Angeles Department of Water and Power

Director of External Generation
Bradford Packer
Los Angeles Dept. of Water and Power (LADWP)
111 N. Hope St., Room 921
Los Angeles, CA 90012
Ph. (213) 367-2227
Email: Brad.Packer@ladwp.com

With a copy to:

Engineer of External Generation
Sam Mannan
Los Angeles Dept. of Water and Power (LADWP)
111 N. Hope St., Room 1263
Los Angeles, CA 90012
Ph. (213) 367-4984
Email: Sam.Mannan@ladwp.com

Nevada Power Company dba NV Energy

NV Energy
Attn: General Counsel
6226 W. Sahara Drive
Las Vegas, NV 89416
Email: dcannon@nvenergy

Salt River Project Agricultural Improvement and Power District

Salt River Project Agricultural Improvement and Power District
c/o Secretary
1500 North Mill Avenue
Tempe, AZ 85281
Email: $secoff@srpnet.com

With a copy to:

Salt River Project Agricultural Improvement and Power District
c/o Associate General Manager and Chief Legal Executive
1500 North Mill Avenue
Tempe, AZ 85281

Tucson Electric Power Company

Tucson Electric Power Company
Attn: Mark Mansfield, Vice President
88 E. Broadway Blvd., Mailstop HQE901
Tucson, AZ 85701
Ph. (520) 745-3232
Email: mmansfield@tep.com

With a copy to:

Tucson Electric Power Company
Attn: Todd Hixon, General Counsel and Vice President
88 E. Broadway Blvd., Mailstop HQE901
Tucson, AZ 85701
Ph. (520) 884-3667
Email: thixon@tep.com

EXHIBIT

B

INDENTURE OF LEASE

NAVAJO UNITS 1, 2 and 3

BETWEEN

THE NAVAJO TRIBE OF INDIANS

AND

ARIZONA PUBLIC SERVICE COMPANY

DEPARTMENT OF WATER AND POWER OF
CITY OF LOS ANGELES

NEVADA POWER COMPANY

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

TUCSON GAS AND ELECTRIC COMPANY

DWP NO. [illegible]

# INDENTURE OF LEASE

## INDEX


| Section | | Page |
|---|---|---|
| Definitions | | 1 |
| 1 | Leased Lands and Option to Acquire Four Corners Project Leased Lands | 7 |
| 2 | Lease of Related Rights | 10 |
| 3 | Consent to Grant of Rights-of-Way by Secretary | 13 |
| 4 | Lease of Additional Rights to Lessees, Pertaining to Peabody | 15 |
| 5 | Transmission, Communication and Coal Delivery Facilities | 16 |
| 6 | Term | 19 |
| 7 | Lease Rentals and Additional Option Considerations | 20 |
| 8 | Right-of-Way and Permit Charges and Terms | 27 |
| 9 | Damages to Permittees; Protection of Livestock | 29 |
| 10 | Control of Stack Emissions | 29 |
| 11 | Exercise of Rights Under the Lease | 32 |
| 12 | Removal of Improvements; Restoration | 32 |
| 13 | Mortgage and Transfer of Leasehold Interest | 37 |
| 14 | No Encumbrances | 39 |
| 15 | Water Rights | 39 |

| Section | | Page |
|---|---|---|
| 16 | Operation of Navajo Generation Station | 40 |
| 17 | No Unlawful Use | 41 |
| 18 | Employment of Navajos | 41 |
| 19 | Insurance | 42 |
| 20 | Payment of Taxes and Liens | 42 |
| 21 | Destruction of Units | 44 |
| 22 | Quiet Enjoyment | 44 |
| 23 | Avoidance of Subsidence | 45 |
| 24 | Force Majeure Clause | 45 |
| 25 | Defaults and Determination of Disputes | 46 |
| 26 | Consent of Tribe to Sale of Output of Units | 55 |
| 27 | Independent Covenants | 55 |
| 28 | Control of Water Pollution | 55 |
| 29 | Notices | 57 |
| 30 | Lease Unaffected by Termination of Federal Responsibility | 58 |
| 31 | Waiver of Right to Partition | 58 |
| 32 | Rights of Lessees in Event of Peabody Default | 59 |
| 33 | Successors in Interest | 63 |
| 34 | Effective Date | 63 |

| Section | | Page |
|---|---|---|
| 35 | Several Rights Leased | 64 |
| 36 | Arbitration | 64 |
| 37 | Governing Law | 65 |
| 38 | Indemnity of Tribe | 65 |
| 39 | Application of Regulations of Department of Interior | 65 |
| 40 | Execution in Counterparts | 66 |

| Exhibit | Subject Matter |
|---|---|
| 1 | Description of Navajo Generating Station |
| 2 | Plant Site and Pumping Plant Site |
| 3 | Rail Loading Site |
| 4 | Ash Disposal Area |
| 5 | Resolution GMY 45-69, dated May 27, 1969 |
| 6 | Resolution _____, dated September 4, 1969 |
| 7 | Four Corners Project Leased Lands |
| 8 | Resolution GMY 46-69, dated May 28, 1969 |
| 9 | List of Permanent Buildings |

# INDENTURE OF LEASE

This Indenture of Lease made and entered into as of this 29th day of September, 1969, by and between THE NAVAJO TRIBE OF INDIANS, acting through the Navajo Tribal Council and its chairman for and on behalf of The Navajo Tribe of Indians (hereinafter referred to as the "Tribe"), as Lessor, and ARIZONA PUBLIC SERVICE COMPANY, DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, NEVADA POWER COMPANY, SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, and TUCSON GAS & ELECTRIC COMPANY (hereinafter collectively, together with their successors and assigns, referred to as "Lessees", and singly referred to as "Lessee"), as Lessees,

W I T N E S S E T H:

WHEREAS, the following definitions will for convenience be used in this Indenture of Lease:

"Tribal Council" - the governing body of the Navajo Tribe.

"Advisory Committee" - the executive body of the Tribal Council.

"Arizona" - Arizona Public Service Company, an Arizona corporation;

"Los Angeles" - Department of Water and Power of the City of Los Angeles, a Department organized and existing

under the Charter of the City of Los Angeles, a municipal corporation of the State of California;

"Nevada" - Nevada Power Company, a Nevada corporatio:

"Salt River Project" - Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized under the laws of the State of Arizona:

"Tucson" - Tucson Gas & Electric Company, an Arizona corporation;

"Lease" - this Indenture of Lease - Navajo Units 1, 2 and 3;

"Peabody" - Peabody Coal Company of Delaware, a Delaware corporation;

"Coal Lease" - Either or both of the following leases:

1. Mining Lease Contract No. 14-20-0603-8580 between Sentry Royalty Company as "lessee" and the Tribe as "lessor" dated February 1, 1964, amended by amendatory agreement dated April 1, 1964, the lessee's interest having been assigned to Peabody.

2. Mining Lease Contract No. 14-20-0603-9910 between Sentry Royalty Company as "lessee" and the Tribe as "lessor" dated June 6, 1966, the lessee's interest having been assigned to Peabody.

"Peabody Leased Lands" - the lands leased to Peabody under the terms of the Coal Lease;

"Fuel Agreement" - the Navajo Station Coal Supply Agreement between Peabody and Lessees relating to a fuel supply for the Navajo Generating Station.

"Dedicated Area" - an area within the Peabody Leased Lands in which coal fuel in the amount of 5,943,000 x $10^9$ M/btu has been reserved and dedicated to Lessees by Peabody under the terms of the Fuel Agreement.

"Fuel Transporter" - Peabody, or an entity owned or controlled by Peabody and/or the Lessees.

"Navajo Generation Station" - Proposed steam electric generating station to be constructed by the Lessees on the Navajo Reservation near Page, Arizona, on lands leased by Lessees under the Lease, consisting of Units 1, 2 and 3, each 750 MW (nameplate rating), the switchyard facilities, and all facilities and structures used or related thereto, all as described in Exhibit 1 hereof.

"Plant Site" - the plant site for the Navajo Generation Station and the switchyard facilities therefor, the area and location of which are shown and described on Exhibit 2 hereof.

"Rail Loading Site" - the site for the conveyor

termination and rail loading facilities, related facilities and equipment and coal storage consisting of not more than 100 acres, the approximate location being shown on Exhibit 3 hereof;

"Pumping Plant Site" - the site for facilities to divert and pump water from Lake Powell, including water intake works, pumping station, water lines and related facilities, the area and location of which are shown and described on Exhibit 2 hereof;

"Ash Disposal Area" - the area for the disposal of ash resulting from the operation of the Navajo Generation Station which area is shown and described on Exhibit 4 hereof;

"Reservation Lands" - the lands of the Tribe located within the Navajo Reservation;

"Leased Lands" - the Plant Site, the Rail Loading Site and Ash Disposal Area;

"§323 Grant" - Grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such present regulations promulgated thereunder as are applicable,

including 25 CFR §1.2 and Part 161, to Lessees and the Fuel Transporter pursuant to which they will construct, reconstruct, use, operate, maintain, relocate and remove the Navajo Generation Station and all facilities and equipment located on Leased Lands;

"Secretary" - the Secretary of the Interior or his authorized representative or such person or agency as he may expressly designate to perform the functions provided in the Lease to be performed by him or such Federal agency as may succeed to the duties of the Secretary of the Interior under the Lease;

"Area Director" - Area Director of the Navajo Area Office of the Bureau of Indian Affairs at Window Rock, Arizona or other official in charge of the Indian Agency having jurisdiction over the Reservation Lands;

(Other terms of specialized meaning for purposes of this Lease are defined when they first are used herein); and

WHEREAS, it is contemplated that three generating units will be constructed near Page, Arizona on the Navajo Reservation, together with transmission facilities interconnecting the electric systems of Lessees and furnishing a mean: of transmitting power and energy for the United States Centra Arizona Project pumping power requirements (the above genera-

ting units and transmission facilities being for convenience referred to as the "Navajo Project"); and

WHEREAS, it is intended that under this Lease, the Tribe shall lease to the Lessees undivided interests as tenants in common in the Plant Site, Rail Loading Site, Ash Disposal Area, Auxiliary and Related Rights with their respective undivided interests in the said real property being as follows:

| | |
|---|---|
| Arizona | 14.0% |
| Los Angeles | 21.2% |
| Nevada | 11.3% |
| Salt River Project | 46.0% |
| Tucson | 7.5% |

WHEREAS, pursuant to other agreements related to the Navajo Project, Salt River shall own 21.7 percent of the Navajo Generation Station for its own use and benefit and shall own 24.3 percent of the Navajo Generation Station for the use and benefit of the United States of America; and

WHEREAS, pursuant to Resolution CMY 45-69, dated May 27, 1969, copy attached as Exhibit 5 hereof, the Tribal Council authorized its Advisory Committee to approve this Lease including the grant of auxiliary and related rights upon the terms and conditions set forth in the Resolution and such other terms as the Advisory Committee deemed to be in the best



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interests of the Tribe; and

WHEREAS, the Lessees have applied for the grant from the Secretary of the §323 Grant and the Tribe has consented pursuant to Resolution CMY 45-69 subject to the approval of the terms and conditions of the §323 Grant by the Advisory Committee, and the rights-of-way and easements granted to the Lessees by the Secretary under the §323 Grant are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under this Lease, and

WHEREAS, the Advisory Committee by Resolution [illegible] dated September 4, 1969, copy attached as Exhibit 6 hereof, has approved this Lease and the §323 Grant.

NOW, THEREFORE, IT IS HEREBY AGREED:

1. <u>Leased Lands and Option to Acquire Four Corners Project Leased Lands</u>. The Tribe, subject to the terms and conditions of this Lease, for and in consideration of the payment by the Lessees of the rentals specified in Section 7 hereof, the performance by the Lessees of the covenants recited, does hereby for the term set out, lease unto the Lessees the Plant Site, Rail Loading Site and Ash Disposal Area, as tenants in common. Arizona shall have an undivided 14.0% interest, Los Angeles shall have an undivided 21.2% interest, Nevada shall

have an undivided 11.3% interest, Salt River Project shall have an undivided 46.0% interest, and Tucson shall have an undivided 7.5% interest respectively, in the leasehold rights leased to Lessees under this Lease.

If additional area is required for ash disposal subject to procuring the approval of the Tribe and the Secretary at that time the additional area shall be leased hereunder and Exhibit 4 shall be amended to show the additional area. Payment to the Tribe for such additional Ash Disposal Area shall be at the rate of $90.00 per acre per year in addition to the lease rental payments provided in Section 7 hereof.

The precise size and location of the Rail Loading Site shall be determined by Lessee's engineering studies and shall be subject to final approval of the Advisory Committee. Upon such approval Exhibit 3 hereof shall be revised to show the location and size of the Rail Loading Site.

Upon final survey of the Plant Site and Ash Disposal Area, plats showing the Plant Site and Ash Disposal Area shall be substituted for Exhibits 2 and 4 hereof.

The Tribe for and in consideration of the covenants recited and the obligations of Lessees pursuant to Section 7 hereof, hereby grants to the Lessees as tenants in common having the undivided interests as set forth in this Section 1 the right



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and option to acquire a lease from the Tribe for the Four Corners Project leased lands and related rights for up to 2500 MW of new generation in addition to Four Corners Units 1 - 5 on the following terms and conditions:

(i) Such right and option shall be exercised by written notice from Lessees to the Tribe given no later than ten (10) years from the effective date of this Lease. If such right and option is not exercise within said ten (10) year period, such right and opti shall terminate and Resolution CMY 46-69 shall be voi

(ii) The Four Corners Project leased lands shal be within the area depicted on Exhibit 7 hereof.

(iii) The provisions of Resolution CMY 46-69 of the Tribal Council dated May 28, 1969, copy attached as Exhibit 8 hereof, shall to the extent applicable establish the rights and obligations of the parties with respect to the leased lands and related rights, and the consideration set forth in said Resolution ar in this Lease shall constitute the full and complete consideration to be paid to the Tribe for the lease and for all arrangements and consents required from the Tribe to effectuate the lease and to effectuate the fuel supply and security therefor including

dedications of fuel.

(iv) The charges set forth in Section 8 hereof shall be applicable to the rights-of-way and easements for transmission and communications facilities, permits for microwave stations, switching stations and substations required in connection with the new generation, provided that such charges shall be adjusted in the manner provided in Section 7(c) as of the date the option is exercised.

(v) Each of the Lessees may transfer and assign any part or all of its interest in the right and option to acquire the Four Corners Project leased lands and related rights to any entity owning an interest in said new generation without the further consent of the Tribe and without payment of further consideration to the Tribe, provided that one or more Lessees shall be a party to the lease for new generation.

2. Lease of Related Rights. The Tribe hereby leases to Lessees the following described auxiliary and related rights hereinafter set out (herein sometimes referred to as "Related Rights") as tenants in common in the same respective undivided interests as set forth above in Section 1.

(a) The right to occupy and use Reservation Lands in order to construct, reconstruct, install, operate and maintain (i) electric power and communication lines and facilities and access roads between the Pumping Plant Site and Plant Site as shown on Exhibit 2 hereof; (ii) pipelines, conduits and other structures and facilities which will conduct water from the Pumping Plant Site to the Plant Site as shown on Exhibit 2 hereof; (iii) pipelines, conduits and other structures and facilities to conduct water from the Plant Site to Lake Powell; and (iv) temporary electric power and communication lines, pipelines, conduits, other structures and facilities, and access roads required during construction, provided that such facilities shall be removed and the property restored to substantially its original condition upon completion of construction.

(b) The right to construct, reconstruct, install, operate and maintain roads, underground pipelines, and other facilities for transporting of ashes, between the Plant Site and the Ash Disposal Area. In addition to the Related Rights leased under this Section 2(b), the lease of the Ash Disposal Area to the Lessees shall include the right for the following uses, among others: The right to

dispose of and dump thereon ashes from the Navajo Generation Station; and the right to construct, reconstruct, install, operate, maintain, replace and remove roads, underground pipelines, sluice works, dikes, dams, canals, and other works and facilities for the storage and disposal of ashes. Lessees shall install such dikes, dams, settling basins, or other facilities to retain the ashes in the Ash Disposal Area.

(c) All access roads outside the Leased Lands will be subject to being used by members of the Tribe or its permittees in a normal manner not preventing the Lessees from making normal use of the roads; provided, however, that the Lessees are not obligated hereby to maintain such roads, except for maintenance made necessary by the use by the Lessees of such roads.

(d) The right to construct, reconstruct, install, improve, operate, maintain, relocate and remove for purposes of replacement conveyors, rail loading and unloading facilities at the Plant Site, at the Rail Loading Site, and between the Rail Loading Site and the Peabody Leased Lands. Such right may be transferred and assigned without further consent of the Tribe to the Fuel Transporter.

(e) In the event an access road shall be incorporated

into the improved road system for the State of Arizona after approval of the Advisory Committee or incorporated into the reservation road system of the Bureau of Indian Affairs, so as to become open for public use, the Lessees will surrender their right-of-way and easement for such road.

For heavy haulage during periods of construction, reconstruction, maintenance, relocation and removal of the Navajo Plant, in cases where use of the access roads is not practicable, the Lessees shall have the right to reasonable access across the Reservation Lands to the Leased Lands, provided that the property shall be restored to substantially its original condition upon completion of periods of heavy haulage.

3. Consent to Grant of Rights-of-Way by Secretary.

(a) The Lessees shall have the right to obtain by grant from the Secretary, and by resolution of the Advisory Committee dated September 4, 1969, the Tribe gives its consent to, the grant by the Secretary, of rights-of-way and easements pursuant to 25 U.S.C. 323 (such rights-of-way and easements being herein called "rights-of-way") for the Leased Lands and for some or all of the Related Rights described in Section 2 hereof.

Subject to procuring the prior approval by the Tribe, other similar rights of way or additions to or changes in rights-of-way theretofore procured, which may hereafter be found necessary for construction, reconstruction, use, operation, maintenance, relocation and removal of the Navajo Generation Station may be procured from the Secretary, including, but not limited to, rights-of-way for access roads to the boundary of the Reservation Lands or main roads and highways.

(b) The Lessees shall have the right to obtain by grant from the Secretary, and the Tribe by resolution of the Advisory Committee dated September 4, 1969, giving its consent to the grant by the Secretary, of the §323 Grant, provided that the terms and conditions of the §323 Grant, except for the next following paragraph of this Section 3 (b), shall be consistent with the terms and conditions of the Lease. Under no conditions shall the leasehold rights leased under the Lease merge with the §323 Grant.

The §323 Grant shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease; and a termination of the Lease for any reason shall not terminate the §323 Grant, and a termina-

tion of the §323 Grant for any reason shall not terminate the Lease.

4. Lease of Additional Rights to Lessees, Pertaining to Peabody.

(a) The Tribe consents that the Lessees, when under emergency conditions as described in the Fuel Agreement, may go upon the Peabody Leased Lands and conduct mining operations thereon and remove coal or fuel therefrom, subject to the terms, provisions and limitations of the Fuel Agreement. The Tribe further consents that Lessees under emergency conditions as described in the Fuel Agreement may enter the right-of-way described in Section 5(b) hereof if transferred and assigned to the Fuel Transporter and conduct fuel transportation operations thereon.

(b) The Lessees shall have the right to permit Peabody and the Fuel Transporter to use a portion of the Plant Site for the installation and operation of any or all of the following facilities:

(i) Coal transportation terminus, unloading and crushing facilities;

(ii) Facilities for handling and delivery of crushed coal, including space for a coal delivery

pile or piles and for a coal blending pile or piles;

(iii) Coal weighing, sampling and analysis facilities;

(iv) Service road, fencing, and auxiliary facilities required in connection with the facilities specifically noted above.

5. <u>Transmission, Communication and Coal Delivery Facilities</u>.

(a) The proposed transmission and communication facilities planned in connection with the Navajo Project include the following:

(i) Extra high-voltage transmission systems, extending from the Navajo Generation Station in a general Southerly direction across the Reservation Lands to a substation located near Cameron, Arizona, (hereinafter referred to as "Moenkopi Substation").

(ii) Extra high-voltage transmission systems, extending from Moenkopi Substation in a general Westerly direction across Reservation Lands to the boundary of the Reservation, which will interconnect with the systems of Los Angeles, Nevada and United States, Bureau of Reclamation.

(iii) Extra high-voltage transmission systems

extending from Moenkopi Substation in a generally Southerly direction across Reservation Lands to the boundary of the Reservation, which will interconnect with the systems of Arizona, Salt River Project, Tucson, and the United States, Bureau of Reclamation.

(iv) Extra high-voltage transmission systems extending from the Navajo Generation Station across Reservation Lands to Glen Canyon switchyard of the United States, Bureau of Reclamation.

(v) Extra high-voltage transmission systems extending in a general Westerly direction from the Navajo Generation Station across Reservation Lands to the boundary of the Reservation which will interconnect with the systems of Los Angeles, Nevada, and the United States, Bureau of Reclamation.

(vi) Extra high-voltage transmission systems from Units 1 - 5 of the generating station near Shiprock, New Mexico, extending in a generally Southwesterly direction across Reservation Lands to the boundary of the Reservation which will interconnect with the systems of Arizona, Tucson and Salt River Project.

(vii) Transmission lines from the vicinity of

Page, Arizona, across Reservation Lands to the Navajo Generation Station.

(viii) Microwave communication stations and other communication stations for the operation and control of the transmission circuits, the generating plant, and fuel transportation system.

(ix) Electric railroad catenary and communication lines from the Plant Site across Reservation Lands to the Rail Loading Site.

(b) The proposed coal delivery facilities planned in connection with the Navajo Generation Station are a conveyor and communication lines from the Peabody Leased Lands to the Rail Loading Site and a railroad from the Rail Loading Site to the Plant Site.

(c) The Tribe by resolution of the Advisory Committee dated September 4, 1969, agrees to the grant by the Secretary of rights-of-way and easements to the Lessees for the facilities described in Sections 5(a) and 5(b) hereof, subject to approval of surveys submitted for approval by the Advisory Committee as to exact route or location and payment of right-of-way charges and damages as provided in Sections 8 and 9 hereof, provided, however, that the facilities described in Section 5(a)(viii) hereof

shall be on lands for which the Tribe shall give permits to Lessees. The Tribe further agrees and consents that the rights-of-way and easements for the facilities described in Section 5(b) hereof may be acquired by the Fuel Transporter directly from the Secretary or by assignment from the Lessees.

(d) The Lessees shall indemnify the landowners and authorized users and occupants against any liability for loss of life, personal injury and property damage arising from the construction, maintenance, occupancy or use of the lands by the Lessees, his employees, contractors and their employees, or subcontractors and their employees.

The Lessees shall not interfere with the use of the lands by or under the authority of the landowners for any purpose not inconsistent with the primary purpose for which the right-of-way is granted.

6. <u>Term</u>.

(a) The term of the Lease shall extend from the effective date thereof for a period of fifty (50) years, with the right and option in the Lessees to extend it for a period of up to an additional 25-year term by notice to the Tribe given not less than one year prior to the end of the initial 50-year term, which notice shall specify the term of the exten-

sion; provided, however, that the lease rentals for the second twenty-five years of the initial 50-year term and for the period after the initial 50 years of the term of the Lease shall be subject to adjustment on the basis provided in Section 7 hereof.

7. Lease Rentals and Additional Option Considerations.

(a) Each Lessee agrees individually to pay to the Treasurer of the Tribe under the Lease, subject to the provisions of Section 7(d) hereof, its respective pro rata portion (in the ratio of its respective interest in the Leased Land under Section 1 hereof) of an aggregate rental for the initial 25 years of $4,000,000.00, plus an additional amount equal to the product of $90.00 multiplied by the acres of land contained within the Rail Loading Site as finally determined multiplied by 25, payable in annual installments of $160,000.00 each, plus an additional amount equal to the product of $90.00 multiplied by said acres of land within the Rail Loading Site, the installments (other than for the period ending December 31, 1969) to be payable in advance on or before January 1 of each year, with the first and last payments to be prorated. The installment for the initial period from the date the Lease becomes effectiv through December 31, 1969, shall be paid when this Lease become

effective.

(b) As further consideration for the right and option granted by the Tribe for the Lessees to acquire a lease for the Four Corners Project leased lands and related rights pursuant to Section 1 hereof, the Lessees agree that if such option has not been exercised within five (5) years from the effective date of this Lease, then commencing with the 6th year of this Lease and until such option is exercised or the tenth year of this Lease has expired, whichever occurs first, Lessees shall pay to the Tribe the additional amount of $140,000.00 annually. Such payment shall be made at the time and on the basis set forth in Section 7(a) hereof and shall be subject to the provisions of Section 7(d) hereof.

(c) The aggregate rental for the second 25-year period of the term of this Lease and the aggregate rental for any renewal period following the first 50 years shall be adjusted upward but not downward in direct proportion to the average decreases in the Consumer Price Index in monthly series of the Consumer Price Index of the Bureau of Labor Statistics for the 36 months following the effective date of this Lease, and the 36 months preceding every 26th year this Lease is in effect. Such adjustments shall be made in yearly rental installments due beginning with the 26th year following the effective date

of this Lease, and at 25-year intervals thereafter. In computing the average decreases in the Consumer Price Index, the base period shall be the 36 months following the effective date of this Lease.

In the event that publication of the Consumer Price Index is discontinued, the Tribe and the Lessees agree that a mutually satisfactory substitute index of a similar character shall be adopted, or if no agreement can be reached the matter shall be determined as provided in Section 25 hereof.

(d) Each Lessee shall be individually responsible and liable to the Tribe for the payment of a part of the total rental under this Lease in percentages as follows:

| | |
|---|---|
| Arizona | 14.0% |
| Los Angeles | 21.2% |
| Nevada | 11.3% |
| Salt River Project | 46.0% |
| Tucson | 7.5% |

No Lessee shall be responsible or liable to the Tribe for the payment of any portion of the rental of any other Lessee.

(e) Except as provided in Section 7(f) hereof, the lease rentals and payments for rights-of-way for this Lease are to be in lieu of all taxes, assessments, levies, imposts, exactions or charges of any kind made or imposed by the Tribe

and the Tribe covenants that it will not tax or assess, in any manner whatever, directly or indirectly, any rights, property or activity associated with the generation of electricity at Navajo Generation Station, and its transmission to the electric systems of Lessees, including, but not limited to the Leased Lands, the Rights-of-Way, the § 323 Grant, this Lease, the Related Rights, the leasehold interests of the Lessees in the Lease, or the property of the Lessees located on the Leased Lands or located on Reservation Lands pursuant to the Related Rights, or the transmission or communications facilities referred to in Section 5 hereof, or Lessee's activities under the Lease, or their ownership, construction, operation or removal of the Navajo Generation Station by Lessees, pursuant to the Lease, or the power generated thereon or the transmission, sale, or disposal of such power, their income, or otherwise, or the sale or delivery of fuel to the Lessees by the suppliers of their fuel or the Fuel Transporter, or the severance or extraction of fuel by such suppliers (other than royalties provided in their leases from the Tribe), or the Coal Lease as it relates to the Dedicated Area, the leasehold interests of the suppliers of fuel in the Coal Lease as it relates to the Dedicated Area, the property of the suppliers of fuel located on Leased Lands and on Peabody Leased Lands to the extent used to

supply fuel to Lessees, or the railroad right-of-way referred in Section 5(b) hereof, or any improvements or property locate thereon, or any railroad and related facilities and equipment used in the transportation of fuel, or the transportation of fuel, or the diversion or use of water, provided, however, tha after thirty-five (35) years from the commencement of commerci operation of Unit 3 of the Navajo Generation Station, the foregoing covenants shall lapse as to taxation of the property of Lessees located on the Leased Lands, or located on Reservation Lands pursuant to the Related Rights, or located pursuant to th rights-of-way and easements referred to in Sections 5(a) and 5(b) hereof; provided that during the remainder of the term of the Lease, no property taxes shall be levied by the Tribe on such property at a rate or in an amount, in relation to value, in excess of one-half (1/2) of the equivalent rate, in relatio to value, of the aggregate property taxes levied or imposed by the State of Arizona or any political subdivision thereof, as the case may be, applicable to such property at that time.

(f)

(i) Notwithstanding the provisions of Section 7(e) hereof, if at any time during the term of this Lease no property taxes should at any time during th term of this Lease be levied or imposed by the State

of Arizona and its political subdivisions, or it is determined by "final decision" that the State of Arizona and its political subdivisions do not have the legal power and right to tax property located on Reservation Lands, and such termination of property taxation or "final decision" has the effect of reducing property taxes paid by Arizona, Los Angeles, Nevada, Tucson, the fuel supplier or Fuel Transporter to the State of Arizona and its political subdivisions, then for the purposes of this Lease, Arizona, Los Angeles, Nevada, Tucson, the fuel supplier or Fuel Transporter shall be subject to property taxes made or imposed by the Tribe to the extent of the amount of taxes which would have otherwise been paid to the State of Arizona and its political subdivisions but for such termination of property taxation or "final decision".

(ii) Notwithstanding the provisions of Section 7(e) hereof, if at any time during the term of this Lease no property taxes should be levied or imposed by the State of Arizona and its political subdivisions, or it is determined by "final decision" that the State of Arizona and its political subdivisions

do not have the legal power and right to tax property located on Reservation Lands, and such termination of property taxation or "final decision" has the effect of reducing the voluntary contributions paid by Salt River Project to the State of Arizona and its political subdivisions pursuant to A.R.S. §45-2201, et seq, then for purposes of this Lease, Salt River Project shall be subject to contributions in lieu of taxes made or imposed by the Tribe to the extent of the amount of contributions in lieu of taxes which would have otherwise been paid to the State of Arizona but for such termination of property taxation or "final decision".

(iii) The parties agree that the basic purpose and intent of this Section 7(f) is that the Lessees, the fuel supplier and Fuel Transporter in their operations to supply fuel to Lessees shall not be subject to double taxation and/or contributions in lieu of taxation in whatever form. The property of Lessees, the fuel supplier and the Fuel Transporter in their operations to supply fuel to Lessees located on Reservation Lands shall be subject to taxes and/or contributions in lieu of taxes in the case of Salt River

Project only to the extent and in an amount pro tanto with any reductions actually resulting from a termination of property taxation or "final decision" which causes an actual reduction year by year in the taxes paid to the State of Arizona and its political subdivisions by Lessees.

(iv) For purposes of this Section 7(f), the term "final decision" shall mean a decision of a court having jurisdiction over the parties to the decision from which no appeal can be taken as a matter of law, or if an appeal can be taken the time for such appeal has expired as a matter of law.

8. Right-of-Way and Permit Charges and Terms.

(a) For the rights-of-way and permits for the transmission and communication facilities referred to in Section 5(a) hereof, the Lessees agree to pay a standard twenty-five (25) year charge of $250 per mile for a right-of-way 135 feet wide, $430 per mile for a right-of-way 165 feet wide, $755 per mile for a right-of-way 200 feet wide, and $1,250 per mile for a right-of-way 330 feet wide, (all subject to adjustment for variance in width in accord with Section 8(b) hereof). For microwave stations, substations and switching stations and

similar structures, Lessees shall pay a standard twenty-five year charge of $100 per acre for such right-of-way and permits. Initial charges shall be payable on the granting of such right-of-way and permits.

(b) The charge for variances in width of transmission and communication facilities right-of-way shall be determined by application of the following formula:

$$\$ \text{ Charge Per Mile} = \$7.55 \times 10^{-3} \times LV \times W$$

Where: LV is the line voltage of the facility expressed in kilovolts, and

W is the actual width of right-of-way to be obtained.

(c) For the rights-of-way and easements for the coal delivery facilities referred to in Section 5(b) hereof, the Lessees agree to pay or cause to be paid, and the Tribe hereby approves, a standard twenty-five year charge of $100 per acre.

(d) All of the said rights-of-way and permits shall be for a term of fifty (50) years, with payment of the charges above stated to be made as of the time of the initial grant of such right-of-way and permit and as of the commencement of the second twenty-five years of the fifty-year term.

(e) The grantee(s) of such right-of-way shall have the right to procure an extension after the initial fifty-year term, for up to an additional twenty-five year term, in which event it will make like payment for such twenty-five year extension or part thereof.

9. Damages to Permittees; Protection of Livestock.

(a) The Lessees shall pay to the Tribe damages for impairment of individual Indian land use rights, the removal of buildings, hogans or structures of individual Indians caused by construction on the rights-of-way, withdrawal of areas for leases, or damages to crops and livestock arising as a consequence of the construction and operation of the Navajo Generation Station, the railroad and transmission and communication facilities.

(b) The Lessees shall install such fencing, dikes, settling basins and other facilities required to prevent damage or injury to livestock caused by access to hazardous areas within the Ash Disposal Area.

10. Control of Stack Emissions.

(a) The Lessees shall install and diligently operate in the Navajo Generation Station equipment offering the most effective commercially proven electrostatic concept or other equally effective and acceptable equipment avail-

able under the technology known at the time of design having a design efficiency for removal of particulate matter of 99.5% to minimize smoke, flyash, and dust in stack emissions as herein provided. Stack designs and the design of such equipment and of other plant features that may affect air pollution, and plans and facilities for control and disposal of waste materials, or residue from burned fuel, shall be such as will enable compliance with the obligations herein set out, and shall be subject to approval by the Secretary in advance of construction, installation, removal, or modification thereof. The Lessees shall operate the air pollution control equipment installe so as to remove not less than 97 percent of the particulat matter in the stack emissions in each month and not less than 96 percent in any 24-hour period, unless the Lessees shall be prevented from so operating such air pollution control equipment as provided in Section 24 hereof. From time to time, but at least every ten (10) years, representatives of the Lessees and the Department of the Interior agencies as determined by the Secretary, will meet to review technological advances in air pollution control equipment and mutually weigh and decide upon the feasibility of installing additional equipment or modifying exist-

ing equipment, taking into account costs as well as the benefits of improved air pollution control. In the event agreement cannot be reached on the aforesaid designs, plans, equipment or features, or the modification for supplementation thereof, or the feasibility of installing additional equipment or modifying existing equipment, the matter shall be subject to arbitration as provided in Section 36 hereof.

(b) In the operation of the Navajo Generation Station the Lessees will make such tests and measurements and keep such records as will enable them to make reports to the Secretary and the Tribe relating to the operation and efficiency of the air pollution control equipment at such intervals as may be mutually agreed upon, but not less than once annually. The tests and measurements will be made in conformance with the latest American Society of Mechanical Engineers (ASME) test procedures for determining dust concentration in a gas stream or in conformance with some other accepted procedures agreed upon by the Secretary and the Lessees.

(c) The Lessees during normal working hours will permit access to, and inspection and copying of, all records relating to air pollution, by representatives

of the Secretary and will permit such representatives to enter upon and inspect such facilities, together with all appurtenances thereto.

(d) The Lessees shall comply with all air pollution laws and regulations under federal or state laws now or hereafter in force.

11. Exercise of Rights under The Lease. All of the rights leased to Lessees under this Lease, subject to the respective terms and conditions of the Lease, shall extend and be available to the Lessees, respectively and to their respective officers, employees, agents, licensees, representatives, contractors, successors and assigns.

12. Removal of Improvements; Restoration.

(a) During the term of this Lease and during any renewal period Lessees shall have the right to relocate and remove for purposes of replacement or maintenance any and all improvements of whatever nature constructed or placed by Lessees on the Leased Lands, on lands leased pursuant to Related Rights, and on rights-of-way and permits granted to Lessees.

(b) At termination or expiration of this Lease, or within six (6) months from the date thereof, Lessees shal

upon request of the Tribe, remove any improvements of whatever nature constructed or placed upon Reservation Lands pursuant to this Lease or the §323 Grant. Lessees shall, upon request of the Tribe, restore as closely as possible to original condition the surface of any Reservation Lands modified or improved by Lessees by the construction of access roads, dams, rail transportation facilities, surface pipelines, or other facilities constructed pursuant to this Lease or the §323 Grant. The Tribe shall submit any requests provided in this Section in writing to Lessees at least 12 months prior to the expiration date of this Lease or renewal thereof, or at least six (6) months prior to any termination of this Lease. Upon termination or expiration of this Lease, Lessees shall have an additional time period of twelve (12) months within which removal operations and all land surface restorations shall be completed. Any property of Lessees remaining upon Reservation Lands at the last day of the twelve (12) month removal period shall, if accepted by the Tribe, become the property of the Tribe. In the event the Tribe refuses to accept any property left on Reservation Lands on the last day of the removal period, the Tribe shall notify Lessees in writing of such

refusal, Lessees shall pay to the Tribe upon receipt of itemized statements the Tribe's actual cost of removing and disposing of such property.

(c) Upon request of the Tribe, Lessees shall leave upon Reservation lands any permanent buildings or permanent structures constructed or installed by Lessees and listed on Exhibit 9 hereof. Any permanent buildings or permanent structures remaining on Reservation Lands pursuant to the Tribe's request shall become the property of the Tribe upon the last day of the twelve (12) month removal period.

(d) Lessees may utilize any access roads leased to Lessees or for which Lessees hold rights-of-way pursuant to the §323 Grant for removal of any of Lessees' property to be removed under this Section, and for restoration of the land surface of any Reservation Lands to be restored pursuant to this Section. Lessees shall have the right to reasonable access across Reservation Lands for heavy haulage during the removal period in those cases where use of these access roads is physically impracticable, or where such access is required for restoration of the land surface.

(e) Lessees shall, before the last day of the twelve

(12) month removal period take all precautions necessary to prevent unsafe conditions from existing in or about any of Lessees improvements or permanent structures or other property remaining on Reservation Lands. Such precautions shall include, as minimum precautions, fencing of the Ash Disposal Area, and of any exposed, unenclosed structures. Lessees agree to build such dikes and ditches to maintain the ash within the Ash Disposal Area and Lessees shall cover to a thickness of six (6) inches of earth any areas containing ash and seed such earth cover in order to prevent wind or water erosion.

(f) Until termination or expiration of this Lease and expiration of the removal period the permanent buildings and structures listed on Exhibit 9 hereof (hereinafter referred to as "nonremovable buildings"), (i) shall remain the property of Lessees; (ii) the Lessees may make replacements thereof, in whole or in part, and either in separate structures or in combination with other such nonremovable buildings in one structure; (iii) the Lessees may make relocations within the Leased Lands of any of said nonremovable buildings, as they may deem advisable from time to time; and (iv) may remove the components thereof so replaced.

(g) All facilities, structures, improvements, equipment and property (other than nonremovable buildings) of whatever kind and nature constructed, placed or affixed by the Lessees on the Leased Lands pursuant to rights acquired hereby, or constructed, placed or affixed elsewhere on Reservation Lands pursuant to the Related Rights acquired under the Lease (or on the §323 Grant, or other rights-of-way and easements referred to in the Lease), expressly including but not being limited to the Navajo Generation Station, all facilities and structures used therewith and related thereto, all rail transportation facilities, and the related switchyards therefor (hereinafter called "removable property"), as against Lessor and all other parties and persons whomsoever (including without limitation any party acquiring any interest in the Leased Lands or any interest in or lien, claim or emcumbrance against any of such facilities, structures, improvements, equipment and property of whatever kind and nature), shall be deemed to be and remain personal property of Lessees, not affixed to the realty, and removable by Lessees at any time prior to or within twelve (12) months after expiration or earlier termination for any reason of the Lease. The Lessees may remove, at or prior

to twelve (12) months following the expiration or earlier termination of this Lease, all removable property whether or not the Tribe requests removal pursuant to Section 12(b) hereof.

13. Mortgage and Transfer of Leasehold Interest.

The Lessees, and each of them, shall have the right at any time and from time to time to mortgage all their respective rights leased to them hereunder, including but not limited to interests in the Leased Lands and in all property of Lessees located on the Leased Lands and elsewhere on the Reservation Lands pursuant to the Related Rights, and on any rights-of-way and easements referred to in the Lease, and to transfer, convey or assign the Lease to a trustee or trustees under deeds of trust, mortgages or indentures, regardless of whether or not said deeds of trust, mortgages or indentures have been, are or will be for the purpose of borrowing capital for the development and improvement of the Leased Lands, and to any successors or assigns thereof, or any receiver, referee or trustee in bankruptcy or receivership or reorganization of any of the Lessees or any successor by action of law or otherwise, or any purchaser, transferee or assignee of any thereof, without need for consent by

the Tribe or the Secretary; and any mortgagee or trustee of any of the Lessees, and any successor or assignee thereof, or any receiver, referee or trustee in bankruptcy or receivership or reorganization of any of the Lessees or any successor by action of law or otherwise or any purchaser, transferee or assignee or any thereof, may without need for consent of the Tribe or the Secretary, succeed to and acquire all the rights of any of the Lessees hereunder, and in any of said property of Lessees located on the Leased Lands and elsewhere on Reservation Lands pursuant to the Related Rights, or on such rights-of-way and easements, and may take over possession of said property, rights and interests of any Lessee or Lessees, subject to all such Lessee's or Lessees' obligations under the Lease. Pursuant to 25 CFR §131.12, the Secretary hereby approves all such encumbrances upon all interests of each Lessee under the Lease, and hereby for the purposes of said regulation consents to each indenture, mortgage and deed of trust and other such instrument of each Lessee.

In addition, each Lessee shall have the right to transfer or assign its rights and interests in the Lease without need for consent of the Tribe or Secretary

at any time (i) to any corporation or other entity acquiring all or substantially all of the property of such Lessee or (ii) to any corporation or entity into which or with which such Lessee may be merged or consolidated, or (iii) to any other Lessee or Lessees hereunder, or (iv) in the case of a transfer by Salt River Project, to the Salt River Valley Water Users' Association, an Arizona corporation; provided that any such successor shall become subject to all such Lessee's obligations hereunder, and provided that such successor shall notify the Tribe and the Secretary of such transfer, assignment or merger and shall furnish to the Tribe and the Secretary evidence of such transfer, assignment or merger.

14. No Encumbrances. Nothing in the Lease shall authorize the Lessees in any way to encumber the title of the Tribe to the real property subject hereto.

15. Water Rights.

(a) In consideration of the execution of this Lease and the benefits to the Tribe which shall accrue hereunder, the benefits to the Tribe from the construction and operation of Navajo Units #1, #2 and #3 and the benefits to the Tribe from Peabody's mining opera-

tions to provide coal fuel for said units, the Tribe agrees that during the term of this Lease or the operating life of the Navajo Generation Station, whichever is the shorter, of the 50,000 acre-feet of water allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31), 34,100 acre-feet of water per year shall at all times be available for consumptive use by Lessees in the operation of the Navajo Generation Station and all other purposes related to such operation including coal transportation and ash disposal. The Tribe agrees the use of water on Reservation Lands within the Upper Basin of Arizona (as said Upper Basin is defined in the Upper Colorado River Basin Compact) shall not reduce or diminish the availability of said 34,100 acre-feet to the Lessees. This agreement shall not be construed in any manner as a waiver by the Tribe of any present or prospective water rights of the Tribe, other than as set forth above.

16. Operation of Navajo Generation Station. The Tribe covenants that, other than as expressly set out in this Lease, it will not directly or indirectly regulate or attempt to regulate the Lessees in the construction, maintenance or operation of the Navajo Generation Station

and the transmission systems of the Lessees, or the construction, maintenance or operation of the fuel transportation system of the Lessees or the Fuel Transporter. This covenant shall not be deemed a waiver of whatever rights the Tribe may have to regulate retail distribution of electricity on the Reservation Lands. Nothing herein shall convey to the Lessees, or any of them, any rights to engage in retail distribution of electricity on Reservation Lands.

17. No Unlawful Use. The Lessees shall not use or cause to be used any part of the Leased Lands for any unlawful conduct or purpose under the laws governing this Lease pursuant to Section 37 hereof.

18. Employment of Navajos. Lessees agree to give preference in employment to qualified local Navajos, it being understood that "local Navajos" means members of the Navajo Tribe living on land within the jurisdiction of the Navajo Tribe. All unskilled labor shall be employed from "local Navajos," if available, providing that applicants for employment as unskilled laborers meet the general employment qualifications established by Lessees. Qualified semi-skilled and skilled labor shall be recruited and employed from among "local Navajos." In



02-7985

the event sufficient qualified unskilled, semi-skilled and skilled local Navajo labor is not available, or the quality of work of available skilled or semi-skilled workmen is not acceptable to Lessees, Lessees may then employ, in order of preference, first qualified non-local Navajos, and second, non-Navajos.

19. Insurance. The Lessees will maintain bodily injury liability insurance and property damage liability insurance covering their operations on Reservation Lands, such coverage to be in an amount of not less than a combined single limit of One Million Dollars ($1,000,000) each occurrence; provided, however, that the said coverage may exclude the first Two Hundred Thousand Dollars ($200,000) on any one claim.

20. Payment of Taxes and Liens. The Lessees agree that they will pay, prior to delinquency, all lawful taxes, charges, assessments and governmental impositions and all other lawful assesments, charges and impositions, general and special, ordinary and extraordinary, of every kind and nature whatsoever, including taxes levied by the Tribe pursuant to Section 7 hereof (hereinafter called "taxes and impositions") levied or assessed upon their interest in the Leased Lands or upon any improvements,

structures, equipment, facilities or property of any kind of the Lessees located on the Leased Lands, or on the Reservation Lands outside of the Leased Lands pursuant to the Related Rights leased. If any of such taxes and impositions are assessed in installments, the Lessees are obligated only to pay the installments assessed during their tenancy and the removal period, prior to the time the installments become delinquent. The Lessees will not suffer any liens to remain in effect unsatisfied against the leasehold property, other than the lien of a mortgage or mortgages, deed or deeds of trust or indenture or indentures or pledges or similar encumbrances placed thereon by Lessees, and other than liens for taxes and impositions not yet delinquent, or liens for workmen's compensation awards or for labor and material, not yet delinquent, and undetermined charges or liens incidental to construction; provided, however, that the Lessees are not required to pay or discharge any taxes and impositions or fees or to remove any lien, charge or encumbrance upon said leasehold property as long as the Lessees, in good faith and at their own cost and expense, shall be contesting the same or the lawfulness or validity thereof by appropriate legal proceeding which shall

operate during the pendency thereof to prevent the collection or enforcement of the taxes and impositions, fees, liens or encumbrances so contested.

21. Destruction of Units. In the event that during the term of the Lease the Navajo Generation Station should be so completely or substantially destroyed by reason of any cause or event, referred to in Section 24 hereof that under the circumstances then present, rebuilding the Navajo Generation Station is determined by the Lessees to be impractical or uneconomical, the Lessees shall be entitled to terminate this Lease on notice to the Tribe, with payment of rentals continuing for twelve (12) months thereafter.

22. Quiet Enjoyment.

Excepting only for and to the extent of the prior rights, if any, of holders of existing leases and easements heretofore granted affecting the Leased Lands (and to the knowledge of the Tribe there are no leases or easements or other encumbrances affecting the Leased Lands), the Tribe agrees that Lessees shall have quiet enjoyment and peaceful and exclusive possession of the Leased Lands. The Tribe agrees that Lessees shall have quiet enjoyment and peaceful possession of the lands subject to the Related

Rights for the purposes for which the lands are being used during the term of this Lease.

23. Avoidance of Subsidence. Except pursuant to rights existing on the date hereof, if any, the Tribe shall not conduct or permit mining operations involving removal of coal, ores, or other solid material under the Plant Site or within an outward angle of 45° of their surface down to 5,000 feet below the surface, and the Tribe will not conduct or permit seismic explosions or explosions for subsurface fracturing within 1,000 feet of the boundaries of the Plant Site, or permit the drilling for oil or gas in and under the lands within the exterior boundaries of Plant Site.

24. Force Majeure Clause. Neither the Tribe nor the Lessees, nor any thereof, shall be deemed to be in default in respect to any obligation hereunder, if prevented from fulfilling such obligation by reason of uncontrollable forces, the term "uncontrollable forces" being deemed, for the purposes of the Lease, to mean any cause beyond the control of the party affected, including but not limited to inadequacy of water, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance,

sabotage, and restraint by court or public authority, which by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid. Any party rendered unable to fulfill any obligation by reason of "uncontrollable forces" shall exercise due diligence to remove such inability with all reasonable dispatch.

25. Defaults and Determination of Disputes.

(a) For the purpose of this Lease any Lessee hereto shall be deemed in default if the Lessee shall fail to pay rental payments or other sum certain monies owed the Tribe within 30 days after receipt of written notification that such payment is [illegible] due. The failure of any Lessee to make such payment if not cured by any other Lessee shall entitle the Tribe to rescind this Lease as to all Lessees upon written notice to all Lessees. Notice of failure to make any payment to the Tribe shall be given to all Lessees and any Lessee shall have the right within thirty days of such notice to make such payment for and on behalf of the Lessee failing to pay the same.

(b) All disagreements or disputes between Lessees, or any of them, and the Tribe, except as provided in Section 25(a) hereof, arising under or in connection with

the Lease or concerning the validity or binding effect of the Lease, including any disputes arising as to the provisions of the Lease or the rights, duties and obligations of the parties under this Lease or as to any questions of fact affecting the application of the provisions of this Lease, which assertedly comprises or involves any default or event which could ripen into a default by the passage of time or otherwise under the Lease are to be referred to the Secretary for determination, if not theretofore resolved by agreement between the parties. Any action taken by the Secretary upon such referral will be deemed to have been taken by him in his official capacity.

In the event of any such dispute or matter between the Tribe and Lessees, or any of them arising under or in connection with the Lease, either the Tribe, or any Lessee may, by written notice to the other, call for a meeting of representatives of the parties to consider, and if possible, resolve such dispute. Such notice shall indicate what the issues and facts involved in the dispute are with sufficient clarity and detail to apprise the other party of the matters involved.

(c) In the event the parties fail to promptly

resolve a dispute arising under Section 25(b) hereof either party may at any time submit the dispute to the Secretary for decision. Such submission shall be in writing, setting forth the issues and facts involved with sufficient clarity and detail to apprise the Secretary and the other party or parties of the nature of the dispute, and a copy thereof shall be delivered to the other party, concurrently with the delivery to the Secretary. It is understood that the Secretary will give notice to the other party of the matter submitted for his decision and will afford the parties the opportunity to submit written or oral support for their respective views. The procedures followed by and the actions of the Secretary in reaching his decision shall be subject to the applicable provisions, if any, of the Administrative Procedures Act (5 U.S.C. 1001-1011), or any successor statutory provisions thereto, including those provisions related to judicial review.

After the Secretary has reached his decision on a matter submitted to him for decision as herein provided, written notice of the decision shall be sent to the parties.

(d) If the Secretary determines that a material

default exists under the Lease, he shall determine whether (i) it is of a nature which should and can be cured by some feasible act or omission to be taken by the defaulting party to prevent recurrence, or (ii) in the case of any Lessee's default whether the cure should be by payment of money damages to compensate the Tribe for the damages caused by the default, or (iii) in the case of any Lessee's default whether the cure of the default should be in part by some feasible act or omission to prevent further default from occurring, and in part by payment of money damages to the Tribe. If he determines that a Lessee default should be cured in whole or in part by the payment of money damages, he shall determine the amount of such money damages. If he determines that the default by a Lessee or the Tribe should be cured in whole or in part by some feasible act or omission, he shall specify the action to be taken or omitted, and give written notice thereof to all parties. The defaulting party in the case of a Lessee shall pay or tender payment, or in case of a Lessee or the Tribe shall commence such act or omission within thirty (30) days after its receipt of notice of the final determination by the Secretary.

(e) Except as provided in Section 25(a) hereof it is the intent of the Tribe and the Lessees that the Lease shall remain in effect in accordance with its terms and that no default shall constitute a ground of termination of the rights of any party until the existence of a default has first been determined as herein provided and the party in default has been given an opportunity to cure the default as herein provided and has failed to commence to cure the default in the time provided herein.

(f) Except as provided in Section 25(a) hereof no termination of the rights under the Lease of any such party thereto shall be effected unless the party in default has not within thirty (30) days after notice of the final decision of the Secretary commenced to cure the default as specified in the decision, or following commencement thereof has not continued in good faith to fully cure the default within a reasonable time for effecting such cure.

(g) In the event that a default by one or more of the Lessees shall be determined to exist, the cure for such default has not commenced or continued as provided in Section 25(f), the Tribe may declare the rights of

such defaulting Lessee or Lessees under the Lease terminated, by giving not less than sixty (60) days' written notice to any Lessee or Lessees, not in such default, of the Tribe's intent to declare the rights of the party in default cancelled. Such notice shall contain the date on which the Tribe intends to terminate the rights under the Lease of the party in default. No termination of the rights and interests under the Lease of the party in default shall be effected if any of the other Lessees, not in default shall cure the default. On failure of any Lessees not in default to cure the default in the manner specified herein, the Tribe may exercise any of the following remedies:

(i) Terminate the interest of the defaulting Lessee after the date of termination specified in such notice.

(ii) Collect by suit or otherwise all monies as they become due hereunder, or enforce by suit or otherwise, Lessees compliance with any provisions of this Lease.

(h) Notwithstanding any other provision of this Section 25, in the event of the termination of the interest of all Lessees, such termination shall not include

termination of the right to removal of removable property located on the Leased Lands, or elsewhere upon Reservation Lands pursuant to Related Rights. All such removal rights of the Lessees shall nevertheless continue for the full period or periods provided for in Section 12 hereof.

(i) On failure of the Tribe to cure a default in the manner specified herein, the Lessee shall have the right to terminate this Lease and/or Lessees shall have the right to exercise such other remedies as may be provided by law.

(j) No termination shall be effected hereunder as to any party if the failure of such party to commence or cure the default was due to force majeure (as defined in Section 24 hereof).

(k) In the event of termination of federal responsibilities to the Tribe, and if the Secretary is no longer authorized by law to perform the duties and functions provided herein, and if the Secretary's power, duties and functions are lawfully transferred to some other official or agency of the federal government, then such official or agency shall perform the functions herein provided to be performed by the Secretary, and if not, the parties agree that a board of arbitration will be

created to make the decisions and perform the functions herein provided to be done by the Secretary, such board to be created and to act in accordance with the procedures hereinafter provided.

Except as provided in Section 25(a) hereof either party may call for submission of a dispute to arbitration in the manner herein set forth. The party calling for arbitration shall give notice to the other party affected and in such notice shall (i) set forth the issues to be arbitrated, and (ii) appoint a person to serve as one arbitrator, who shall be skilled in the matter or matters to be arbitrated. Within ten (10) days from such notice, such other party shall give notice appointing a person, who shall be skilled in the matter or matters to be arbitrated, to serve as a second arbitrator and setting forth additional related issues, if any, to be arbitrated.

The two persons so appointed shall then agree upon and secure a third arbitrator, who shall be skilled in the matter or matters to be arbitrated. If the third arbitrator should not be secured within ten (10) days from the appointment of the second arbitrator, or if the second arbitrator should not be appointed within ten (10) days from the appointment of the first, then the

party calling for the arbitration, with notice to the other party, may call upon the American Arbitration Association to appoint the third arbitrator, or the second and third arbitrators, as the case may be, any and all of whom shall be skilled in the matter or matters to be arbitrated. The arbitration hearing shall be conducted in accordance with the rules of arbitration of the American Arbitration Association.

The arbitrators so appointed shall hear the evidence submitted by the respective parties and may call for additional information. A determination of the majority of the arbitrators shall be conclusive with respect to the issues submitted and shall be binding upon both parties. All parties to the arbitration agree to abide by and to carry out the terms of such determination.

Each party shall bear the fee and personal expenses of the arbitrator appointed by it, or for it, the fees and expenses of its counsel and the expenses of its own witnesses. All other costs and expenses of the arbitration shall be borne in equal parts by the parties concerned, unless the decision of the arbitrators shall specify a different apportionment of any or all of such costs and expenses.

26. Consent of Tribe to Sale of Output of Units.

Each Lessee shall have the right to assign, sell or otherwise dispose of its right to the output of the Navajo Generation Station to any other Lessee, person, company, corporation or governmental agency without need for consent of the Tribe or the Secretary.

27. Independent Covenants. The covenants of the Lease are to be deemed to be independent covenants, not dependent covenants, and the obligation of any party to perform all the covenants to be performed by it is not conditioned on the performance by the other party of all the covenants to be performed by it.

In the event that any provision of the Lease, or the application of such provision to any party or circumstance, shall be held invalid by any court having jurisdiction in the premises, the remainder of the Lease and the application of such provision to the party or circumstances other than those as to which it is held invalid shall not be affected thereby.

28. Control of Water Pollution.

(a) The Lessees propose to divert water from Lake Powell under Contract for Water Service between United States Department of Interior, Bureau of Reclamation and

Salt River Project (Contract No. 14-06-400-5033). The Lessees shall cause to be installed and diligently operated as part of the facilities of the Navajo Generation Station, waste water, waste material, and sewage control and disposal facilities, the design for which has been first approved by the Secretary. Plans for waste water, waste material, sewage disposal and ash disposal shall be subject to written approval by the Secretary in advance of construction, installation or major modification of facilities, and no such facilities shall be constructed or installed in the first instance, or thereafter modified or removed, without the prior written approval of the Secretary. In the event agreement cannot be reached on such plans or facilities, the matter shall be submitted to arbitration in accordance with the provisions of Section 36 hereof.

(b) The Lessees shall have the right to return water from the Navajo Generation Station to Lake Powell at locations and under measurement procedures approved by the Secretary, so long as the temperature of such water shall not average more than 90°F for any 24-hour period.

(c) The Lessees shall comply with all water pollution control laws and regulations under federal, state or county jurisdiction, now or hereafter in force.

29. Notices. Any notice, demand or request provided for in the Lease, or given or made in connection with it shall be deemed properly given if delivered in person in writing or sent by registered or certified mail, postage prepaid, or by telegram, to the persons specified below:

To or upon the Tribe:

Chairman of the Navajo Tribal Council, and
Director of Resources Division
The Navajo Tribe
Window Rock, Navajo Nation (Arizona)

To or upon the Lessees:

Arizona Public Service Company
c/o Secretary
Post Office Box 21666
Phoenix, Arizona 85036

Department of Water and Power of
the City of Los Angeles
c/o General Manager and Chief Engineer
Post Office Box 111, Terminal Annex
Los Angeles, California 90054

Nevada Power Company
c/o Secretary
Post Office Box 230
Las Vegas, Nevada 89101

Salt River Project Agricultural
Improvement and Power District
c/o Secretary
P. O. Box 1980
Phoenix, Arizona 85001

Tucson Gas & Electric Company
c/o Secretary
Post Office Box 711
Tucson, Arizona 85702

Any party may at any time by written notice to the others change the designation or address of the person so specified as the one to receive notices hereunder.

30. Lease Unaffected by Termination of Federal Responsibility. Nothing contained in the Lease shall operate to delay or prevent a termination of federal trust responsibilities with respect to the Leased Lands and the lands affected by the Related Rights during the term of the Lease; however, such termination shall not affect the rights, duties and obligations of the Lessees and the Tribe under the Lease (except to the extent expressly set out in Section 25 hereof).

31. Waiver of Right to Partition.

The Lessees, and each of them, accept their leasehold interests under the Lease as tenants in common, as described in Section 1 hereof, and agree that their leasehold interests in the Leased Lands, and in the Reservation Lands affected by the Related Rights, shall be held in such tenancy in common for the duration of the term of the Lease, including any extension thereof. For the term of this Lease, (i) each Lessee hereby waives the right to have partition of the Navajo Generation Station and of the leasehold rights leased to Lessees

under the Lease, including any interest in the Reservation Lands affected by the Related Rights (whether by partition in kind or by sale and division of the proceeds thereof), and (ii) agrees that it will not resort to any action at law or in equity to partition (in either such manner) the Navajo Generation Station or the leasehold interests in the Leased Lands of Lessees or any interest in the Reservation Lands affected by the Related Rights, and waives the benefits of all laws that may now or hereafter authorize such partition.

32. Rights of Lessees in Event of Peabody Default.

(a) The Lessees represent and the Tribe consents that the Fuel Agreement provides (or if the Fuel Agreement has not been executed as of the date hereof, that it will provide) among other things, in summary approximately as follows:

(i) That Peabody will dedicate to and reserve for delivery to Lessees pursuant to the Fuel Agreement in order to furnish a sufficient fuel supply for the Navajo Generation Station for the contract term of the Fuel Agreement, coal having certain specified heat energy contents contained in the

Dedicated Area and that the Dedicated Area may be changed from time to time upon agreement of Lessees and Peabody;

(ii) That upon any extension of the Fuel Agreement term, if Lessees exercise their option as buyers under the Fuel Agreement to purchase additional coal not then dedicated and reserved to Lessees, the Dedicated Area will be revised to dedicate and reserve for delivery additional coal available to Peabody within certain areas of the Peabody Leased Lands or any additions thereto;

(iii) That Peabody will execute and acknowledge and deliver to each of the Lessees as buyers under the Fuel Agreement, and there will be recorded with the County Recorder of Navajo County, Arizona, with the Director of Resources Division, (if there be no such office, the term shall be deemed to mean the employee of the Tribe having superintendence over the records of the Tribe relating to land), and with the Area Director an instrument executed by Peabody and accepted by Lessees as buyers under the Fuel Agreement, together with copies of plats of the Dedicated Area, which instrument shall provide that

should buyers terminate or rescind the Fuel Agreement because Peabody is in default under the Fuel Agreement, or if the Tribe should terminate or rescind the Coal Lease as it relates to the Dedicated Area, a Conditional Coal Mining Lease or Leases to be entered into by Lessees and the Tribe shall become effective in accordance with its or their terms.

(iv) That Peabody shall be deemed in default under the Fuel Agreement, and the said instrument shall provide that Peabody shall be deemed in default under the Fuel Agreement at such times as the existence of a default under the Fuel Agreement has been determined either (1) by agreement between Peabody and Lessees that it is in default, or (2) by final decision of a court having jurisdiction over the matter, and such default has not been cured in accordance with the provisions of the Fuel Agreement. Said instrument shall provide that Peabody shall surrender and release to the Tribe all of Peabody's right, title and interest in and to the Coal Lease insofar as they relate to the Dedicated Area upon termination of the Fuel Agreement by Lessees as buyers because of Peabody's default.

(v) That the instrument by its term shall become void insofar as it benefits the Lessees as buyers under the Fuel Agreement and insofar as it effects a dedication of fuel for the Navajo Generation Station, if and when the § 323 Grant and the Lease shall terminate, or Lessees shall become in default under the Fuel Agreement, or the obligations of Peabody to deliver fuel under the Fuel Agreement have been fulfilled, or there is a permanent shutdown of Navajo Generation Station, or the Fuel Agreement is terminated by consent of all parties thereto.

(b) By Resolution dated _____ the Advisory Committee approves and consents to the grant of a Conditional Coal Mining Lease or Leases to the Lessees covering the Dedicated Area, on the same terms and conditions as the Coal Lease, such Conditional Coal Mining Lease or Leases to become effective upon termination of the Coal Lease or Fuel Agreement due to Peabody's default. The Tribe agrees to accept the surrender and release of the Coal Lease from Peabody as it relates to the Dedicated Area when tendered to the Tribe pursuant to the provisions of the Fuel Agreement.

(c) Within thirty days from the effective date

of this Lease, the Lessees shall pay the sum of $100,000 as and for a transfer fee with regard to the arrangements set forth in this Section 32 and any other transfers, assignments or other arrangements relating to fuel supply including transportation. The Tribe hereby determines that such payment shall satisfy the provisions of Title 15 Navajo Tribal Code, Section 223 regarding payment of a transfer fee with respect to any such arrangement.

33. Successors in Interest. Every obligation hereunder shall extend to and be binding upon and every benefit hereof shall inure to the successors and assigns of the respective parties, and shall be construed as covenants running with the land.

34. Effective Date.

(a) This Lease shall become effective when the last of the following shall occur:

(i) It has been duly executed on behalf of the parties hereto and has been approved by the Secretary;

(ii) The §323 Grant has become effective.

(b) In the event that this Lease shall not become effective within one year after the date when all of the parties have executed it, the obligations shall be

terminated.

(c) As soon as possible after this Lease shall become effective, the parties agree to execute a memorandum agreement in recordable form specifying the effective date of this Lease.

35. Several Rights Leased. As between the Lessees and the Tribe, each Lessee hereunder shall have the several and individual right to exercise all rights of whatever kind leased to Lessees under the Lease, including all rights in and to the Leased Lands, and the Related Rights in and to other Reservation Lands, and including the rights to construct, reconstruct, use, operate, maintain, relocate and remove the Navajo Generation Station.

36. Arbitration. Whenever a controversy subject to arbitration arising out of the provisions of Section 10 or Section 28 is to be submitted to arbitration, the Lessee shall name one arbitrator and the Secretary and the Tribe shall each name one arbitrator and the three arbitrators thus chosen shall select a fourth arbitrator, but in the event of the failure of the three arbitrators to select the fourth arbitrator within thirty (30) days after their first meeting, or of any party to name an arbitrator, either the Tribe, the Secretary or the Lessees may make applica-

tion to the Chief Judge of the United States District Court for the District of Arizona for the appointment of the remaining arbitrator or arbitrators. The decision of the arbitrators shall be a valid arbitration award and binding upon all the signatories hereto. In all matters pertaining to arbitration, including selection of the fourth arbitrator, the arbitrators named by the Secretary and the Tribe shall each have one-half vote and the other arbitrators shall each have one vote.

37. Governing Law. The parties agree that the Lease is made under and shall be governed by the laws applicable to the site of the Navajo Generation Station.

38. Indemnity of Tribe. The Lessees agree to indemnify the Tribe and hold it harmless from and against any and all damages, claims, liabilities or expenses which the Tribe may incur, or to which the Tribe may be put or subjected, resulting from the exercise by Lessees of the leasehold rights leased to them under the Lease, or from the exercise by Lessees of rights granted under the §323 Grant.

39. Application of Regulations of Department of the Interior.

(a) The lease is made and entered into subject to existing applicable regulations (not waived by the

Secretary) of the Department of the Interior, Bureau of Indian Affairs, contained in Title 25, Code of Federal Regulations. Any amendments to or changes in such regulations after the effective date of the Lease shall not affect the rights and obligations of the parties as set forth in this Lease.

(b) The Tribe hereby gives its consent to the waiver by the Secretary and to the making of exceptions by the Secretary to the application of any of the existing regulations of the Department of the Interior with regard to any provisions of the Lease and the Coal Lease insofar as they relate to the Dedicated Area which are inconsistent with any of such regulations.

40. Execution in Counterparts. The Lease may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument. Any signature page of the Lease may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon, and may be attached to other counterparts of the Lease identical in form hereto but having attached to it one or more additional signature pages.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be signed in their behalf by their duly authorized officers as of the date first above set out.

THE NAVAJO TRIBE OF INDIANS

By _____
Raymond Nakai, Chairman
Navajo Tribal Council

ARIZONA PUBLIC SERVICE COMPANY

By _____
President

ATTEST:

_____
Secretary

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES
By the Board of Water and Power
Commissioners

By _____
President

ATTEST:

_____
Secretary

NEVADA POWER COMPANY

By _____
President

ATTEST:

_____
Secretary

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

By _____
President

ATTEST AND COUNTERSIGNED:

_____
Secretary

NOV 20 1963

NOV 20 1963

TUCSON GAS AND ELECTRIC COMPANY

By N M Lovell
Vice President

ATTEST:
M J Schwar
Asst. Secretary

STATE OF ARIZONA )
) ss
County of Navajo )

The foregoing instrument was acknowledged before me this 29 day of Sept, 1969, by RAYMOND NAKAI, Chairman of the Navajo Tribal Council of The Navajo Tribe of Indians, on behalf of The Navajo Tribe of Indians.

W. T. Washburn
Notary Public

My Commission expires:
My Commission Expires Feb. 1, 1972

STATE OF Arizona )
) ss
County of Maricopa )

The foregoing instrument was acknowledged before me this 29th day of September, 1969, by W. P. Reilly, President of ARIZONA PUBLIC SERVICE COMPANY, a corporation, on behalf of said corporation.

Joanne Claridge
Notary Public

My Commission expires:
My Commission Expires July 11, 1972

STATE OF CALIFORNIA )
) ss
County of Los Angeles )

The foregoing instrument was acknowledged before me this 20th day of November, 1969, by FRANK R. PALMIERI President Board of Water & Power Commissioners of DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, on behalf of said corporation.

Linda L. Newman
Notary Public

OFFICIAL SEAL
LINDA L. NEWMAN
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires May 27, 1973

My Commission expires:

STATE OF Nevada )
) ss
County of Clark )

The foregoing instrument was acknowledged before me this 12th day of December, 1969, by Harry Allen President of NEVADA POWER COMPANY, a Nevada corporation, on behalf of said corporation.

Dorothy L. Carroll
Notary Public

My Commission expires:

Dorothy L. Carroll
Notary Public - State of Nevada
CLARK COUNTY
My Commission Expires Oct. 27, 1971

STATE OF Arizona )
) ss
County of Maricopa )

The foregoing instrument was acknowledged before me this 29th day of September, 1969, by V. J. Corbell President of SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an Arizona agricultural improvement district, on behalf of said District.

Joanne Claridge
Notary Public

My Commission expires:
My Commission Expires July 11, 1972

STATE OF Arizona )
) ss
County of Maricopa )

The foregoing instrument was acknowledged before me this 29th day of September, 1969, by N. M. Lovell, Vice-President of TUCSON GAS AND ELECTRIC COMPANY, an Arizona corporation, on behalf of said corporation.

Joanne Claridge
Notary Public

My Commission expires:
My Commission Expires July 11, 1972

APPROVED
Walter J. Hickel
SECRETARY OF THE INTERIOR

EXHIBIT

C

CJY-40-13

RESOLUTION OF THE
NAVAJO NATION COUNCIL

22nd NAVAJO NATION COUNCIL -- Third Year, 2013

AN ACTION

**RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI'; RESCINDING CAP-21-13 AND RECOMMENDING AND APPROVING AMENDMENT NO. 1 TO THE INDENTURE OF LEASE EFFECTIVE DECEMBER 23, 1969 BETWEEN THE NAVAJO NATION AND ARIZONA PUBLIC SERVICE COMPANY, DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, NEVADA POWER COMPANY, SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**BE IT ENACTED:**

1. The Navajo Nation hereby finds the following with respect to this resolution:

   A. The Secretary of the U.S. Department of Interior (Secretary) approved an Indenture of Lease, titled "Navajo Project-Indenture of Lease, Navajo Units 1, 2, and 3" and attached hereto as Exhibit E, effective December 23, 1969, between the Navajo Nation and Arizona Public Service Company (APS), Department Water and Power of City of Los Angeles (LADWP), Nevada Power (NP), the Salt River Project Agricultural Improvement and Power District (SRP), and Tucson Electric Power Company (TEP), hereinafter, collectively referred to as the Lessees, for the construction, operation, and maintenance of Units 1, 2, and 3 of the Navajo Generating Station (NGS) and associated facilities; and

   B. The Indenture of Lease between the Navajo Nation and the Lessees provides an Option and/or Right to the Lessees to extend the Lease for an additional 25 year period to December 22, 2044; and

   C. LADWP has informed the participants of the NGS that LADWP will terminate its 21.2% ownership interest in the NGS before the expiration date of December 22, 2019 or earlier; and

3. Nothing in Amendment No. 1 or the Indenture of Lease hereto precludes the Navajo Nation from asserting a claim(s) for water rights to the Upper Colorado River Basin or settlement of such claim(s) or hinders the Navajo Nation from asserting (i) through December 22, 2019, a claim to the state of Arizona's 50,000 acre foot allocation of Upper Colorado River Basin water or (ii) from and after December 23, 2019, a claim to any quantity of water from the Upper Colorado River Basin for its lands in Arizona; and

4. Amendment No. 1 is conditioned on SRP requesting a meeting with the Resources and Development Committee (RDC) of the Navajo Nation Council on an annual basis to discuss potential opportunities that may increase the utilization of Navajo-owned business and suppliers by the Navajo Generating Station. The annual meeting request shall be submitted to the Chairperson and Vice-Chairperson of the RDC. The meetings shall include representatives from the Navajo Nation Division of Economic Development; and

5. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to effectuate the intent of this resolution.

CJY-40-13

**RESOLUTION OF THE**
**NAVAJO NATION COUNCIL**

**22nd NAVAJO NATION COUNCIL -- Third Year, 2013**

**AN ACTION**

**RELATING TO RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'ÍYÁTI'; RESCINDING CAP-21-13 AND RECOMMENDING AND APPROVING AMENDMENT NO. 1 TO THE INDENTURE OF LEASE EFFECTIVE DECEMBER 23, 1969 BETWEEN THE NAVAJO NATION AND ARIZONA PUBLIC SERVICE COMPANY, DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, NEVADA POWER COMPANY, SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**BE IT ENACTED:**

1. The Navajo Nation hereby finds the following with respect to this resolution:

   A. The Secretary of the U.S. Department of Interior (Secretary) approved an Indenture of Lease, titled "Navajo Project-Indenture of Lease, Navajo Units 1, 2, and 3" and attached hereto as Exhibit E, effective December 23, 1969, between the Navajo Nation and Arizona Public Service Company (APS), Department Water and Power of City of Los Angeles (LADWP), Nevada Power (NP), the Salt River Project Agricultural Improvement and Power District (SRP),and Tucson Electric Power Company (TEP), hereinafter, collectively referred to as the Lessees, for the construction, operation, and maintenance of Units 1, 2, and 3 of the Navajo Generating Station (NGS) and associated facilities; and

   B. The Indenture of Lease between the Navajo Nation and the Lessees provides an Option and/or Right to the Lessees to extend the Lease for an additional 25 year period to December 22,2044; and

   C. LADWP has informed the participants of the NGS that LADWP will terminate its 21.2% ownership interest in the NGS before the expiration date of December 22, 2019 or earlier; and

D. SRP is negotiating a sale agreement with LADWP, which is subject to the approval of their respective governing bodies, to potentially acquire LADWP's interest in the NGS; and

E. The Navajo Nation and SRP have negotiated Amendment No. 1 to the Indenture of Lease, (Amendment No. 1), attached hereto as Exhibit A, that, among other things, extends the term of the Lease and provides the Navajo Nation's consent to the issuance, renewal and/or extension of the 323 Grants of Rights-of-Way and Easement listed in Exhibits 1 and 2 of Amendment No. 1 through December 22, 2044; and

F. The continued operation of the NGS will allow for employment at the Peabody Kayenta Mine and the NGS to be continued and retained. The Navajo Nation will also continue to receive current revenues that are generated from the Peabody Kayenta Coal Mine and additional revenues as provided for in Amendment No. 1; and

G. Amendment No. 1 will provide the Navajo Nation up to approximately forty-three million dollars ($43,000,000.00) per year (annually adjusted) through 2044, as set forth in Exhibits A and B; and

H. The Navajo Generating Station and Kayenta Mine: An Economic Impact Study, is attached as Exhibit C; and

I. It is in the best interest of the Navajo Nation to approve Amendment No. 1.

2. The Navajo Nation hereby rescinds CAP-21-13 with its attachments, attached hereto as Exhibit 1.

3. The Navajo Nation hereby recommends and approves Amendment No. 1 to the Indenture of the Lease, as set forth in Exhibit A, between the Navajo Nation, APS, LADWP, NP, SRP and TEP; and

4. Nothing in Amendment No. 1 or the Indenture of Lease hereto precludes the Navajo Nation from asserting a claim(s) for water rights to the Upper Colorado River Basin or settlement of such claim(s) or hinders the Navajo Nation from asserting

(i) through December 22, 2019, a claim to the State of Arizona's 50,000 acre foot allocation of Upper Colorado River Basin water or (ii) from and after December 23, 2019, a claim to any quantity of water from the Upper Colorado River Basin for its lands in Arizona, and

5. Amendment No. 1 is conditioned on SRP requesting a meeting with the Resources and Development Committee (RDC) of the Navajo Nation Council on an annual basis to discuss potential opportunities that may increase the utilization of Navajo-owned business and suppliers by the Navajo Generating Station. The annual meeting request shall be submitted to the Chairperson and Vice-Chairperson of the RDC. The meetings shall include representatives from the Navajo Nation Division of Economic Development; and

6. The Council must approve these documents on or before July 31, 2013 and the President of the Navajo Nation must execute the necessary documents on or before July 31, 2013. And on subsection B. Appropriate officials and employees within the Navajo Nation Division of Natural Resources and the Navajo Nation Department of Justice must approve these agreements on or before July 31, 2013. The Navajo Nation Office of the Attorney General must execute these agreements on or before July 31, 2013.

7. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to effectuate the intent of this resolution.

**CERTIFICATION**

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 16 in favor and 6 opposed, this 17th day of July 2013.

Mel R. Begay, Pro Tem Speaker
Navajo Nation Council

7/26/13
Date

Motion: Honorable Duane Tsinigine
Second: Honorable David L. Tom

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C)(10), on this _____ day of _____ 2013.

Ben Shelly, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2013 for the reason(s) expressed in the attached letter to the Speaker.

Ben Shelly, President
Navajo Nation

AMENDMENT NO. 1 TO

INDENTURE OF LEASE

NAVAJO UNITS 1, 2 AND 3

BETWEEN

THE NAVAJO NATION

AND

ARIZONA PUBLIC SERVICE COMPANY

DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES

NEVADA POWER COMPANY dba NV ENERGY

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

TUCSON ELECTRIC POWER COMPANY

DATED_____, 20__

## TABLE OF CONTENT


I. RECITIALS ..... 3
II. DEFINITIONS ..... 4
III. TERM; EFFECTIVENESS; PAYMENTS ..... 10
IV. SIGNING BONUS ..... 12
V. LEASE PAYMENST ..... 13
VI. ADDITIONAL PAYMENTS ..... 16
VII. UNITED STATES SIGNING PAYMENT ..... 20
VIII. PAYMENT ESCALATION ..... 20
IX. TERMINATION; TERMINATION OF PAYMENTS ..... 24
X. REVOCATION OF AMENDMENT ..... 26
XI. NAVAJO NATION OWNERSHIP OF THE NAVAJO PROJECT ..... 27
XII. COMPLIANCE WITH AND ADDITIONAL AMENDMENTS TO THE LEASE; FUTURE COOPERATION TO RESOLVE ISSUES ..... 29
XIII. ASSIGNMENTS ..... 31
XIV. REMOVAL OF IMPROVEMENTS; RESTORATION ..... 32
XV. CONSENT TO GRANTS OF RIGHT-OF-WAY AND EASEMENT ..... 34
XVI. LOCAL COMMUNITY INVOLVEMENT ..... 38
XVII. SCHOLARSHIP ..... 39
XVIII. NO THIRD PARTY BENEFICIARIES ..... 40
XIX. APPROVAL UNDER 25 USC §415(a) ..... 41
XX. COUNTERPARTS ..... 41
XXI. EFFECT OF AMENDMENT ..... 41
XXII. INCORPORATION OF PRIOR AGREEMENTS ..... 41
XXIII. MODIFICATION OF AMENDMENT ..... 41
XXIV. SEVERABILITY OF PROVISIONS ..... 41
XXV. AUTHORITY ..... 42
EXHIBIT 1 ..... 50
EXHIBIT 2 ..... 51
EXHIBIT 3 ..... 52
EXHIBIT 4 ..... 55

## AMENDMENT NO. 1 TO INDENTURE OF LEASE

This Amendment No. 1 (the "Amendment") to the Indenture of Lease dated September 29, 1969 (the "Lease") is by and between the Navajo Nation, acting through the Navajo Nation Council and its President, for and on behalf of the Navajo Nation (the Navajo Nation is referred to as "Lessor"), and Arizona Public Service Company, Department of Water and Power of the City of Los Angeles, Nevada Power Company dba NV Energy, Salt River Project Agricultural Improvement and Power District, and Tucson Electric Power Company (formerly known as Tucson Gas & Electric Company) (collectively, together with their successors and assigns, referred to as "Lessees", and each individually referred to as "Lessee"). The Navajo Nation and the Lessees are hereinafter collectively referred to as the "Parties".

The Parties agree as follows:

### I. RECITALS

A. Lessor and Lessees entered into the Lease for the lease of the Leased Lands.

B. Lessees wish to exercise their right and option to extend the Lease Term as provided in Section 6 of the Lease from and after December 23, 2019, as further amended by the terms and provisions of this Amendment. Except as modified by this Amendment, all of the terms and conditions of the Lease shall remain in full force and effect.

C. In addition, the Lessees wish to have the Navajo Nation provide its consent to the issuance or extension by the Secretary of the 323 Grants, as more particularly provided in this Amendment.

D. Under federal law this Amendment requires the approval of the Secretary of the Interior or his delegee to become effective.

E. The Secretary will not make a decision with respect to the approval of this Amendment prior to compliance with applicable laws.

F. The Parties desire to engage in financial transactions related to this Amendment in advance of the Secretary's decision.

G. The Parties recognize that pursuant to other agreements related to the Navajo Project and as recognized in the Lease, SRP owns 24.3% of the Navajo Generating Station for the use and benefit of the United States of America (the "United States' Share").

H. The Parties recognize that pursuant to the other agreements related to the Navajo Project SRP is precluded from agreeing to terms in this Amendment that affect the United States' Share without the prior written consent of the United States.

I. Pursuant to other agreements related to the Navajo Project, the United States and the Lessees are required to provide to SRP advance payment for their separate portions of costs and expenses to be paid by SRP as Operating Agent of NGS, including payments to be paid to the Navajo Nation under the Lease and this Amendment.

J. Upon receipt by SRP of advance payments from the United States and the Lessees, SRP, as the Operating Agent, shall then make any payment required by the terms of this Amendment to the Navajo Nation.

K. The Parties recognize that in the event the Secretary were to decide to approve this Amendment and the United States were to provide written notice to SRP providing consent to SRP's execution of this Amendment for the use and benefit of the United States, insofar as this affects the United States' Share, time is required for the United States to secure necessary funds as, for example, through the issuance of a bond by the operating agent for the Central Arizona Project.

## II. DEFINITIONS

"323 Grant" has the meaning set forth in the Lease for those new right-of way and easement grants or extension of existing rights-of-way and easements described in Exhibit 1 and Exhibit 2

attached hereto.

"Additional Payment Accrual Period" has the meaning set forth in Section VI(B) (Additional Payments).

"Additional Payments" has the meaning set forth in Section VI(A) (Additional Payments).

"Affiliate" means, when used in reference to the Participants in the Navajo Project, any other Person that directly, or indirectly, controls, is controlled by, or is under common control with a Participant. For purposes of this definition, "control, "controlled by" and "under common control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, participant interests, other ownership interests or contract.

"Amendment" has the meaning set forth in the opening paragraph of this Amendment.

"Beginning Index" has the meaning set forth in Section VIII(A) (Payment Escalation).

"CAWCD" means the Central Arizona Water Conservation District.

"Chapter Fund" has the meaning set forth in Section XVI(A) (Local Community Involvement).

"Consumer Price Index" means the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index – U.S. City Average, All Urban Consumers.

"Continued Transmission System Participants" has the meaning set forth in Section IX(C)(Termination; Termination of Payments).

"Effective Date" has the meaning set forth in Section III(B) (Term; Effectiveness; Payments).

"Escalation Factor" has the meaning set forth in Section VIII(A) (Payment Escalation).

"Existing Lease Payments" has the meaning set forth in Section V(B)(2) (Lease Payments).

"Extension Index" has the meaning set forth in Section VIII(A) (Payment Escalation).

"Force Majeure Event" means that neither the Navajo Nation nor any or all of Lessees, shall be

deemed to be in default in respect to any obligation under the Lease, as amended, if prevented from fulfilling such obligation by reason of "uncontrollable forces", as such term is defined in Section 24 of the Lease, but excluding action or inaction by the Navajo Nation tribal courts, Council and its President, for and on behalf of the Navajo Nation.

"Four Corners Lease Amendment" has the meaning set forth in Section XV(E)(1) (Consent to Grants of Right-of-Way and Easement).

"Four Corners Participants" has the meaning set forth in Section XV(E) (Consent to Grants of Right-of-Way and Easement).

"Initial Signing Payment" has the meaning set forth in Section VII (United States Signing Payment).

"LADWP" means Department of Water and Power of the City of Los Angeles.

"Lease" means the Indenture of Lease—Navajo Units 1, 2 and 3 between the Navajo Tribe of Indians and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural and Improvement and Power District and Tucson Gas and Electric Company effective as of December 23, 1969.

"Lease Payment Accrual Period" has the meaning set forth in Section V(B)(1) (Lease Payments).

"Lease Payments" has the meaning set forth in Section V(A)(3) (Lease Payments).

"Leased Lands" has the meaning set forth in the Lease.

"Lease Year" Lease Year 1 means the date this Amendment is signed by the Navajo Nation through the following December 22. Each subsequent Lease Year is the twelve (12) full months beginning December 23 of the preceding Lease Year through December 22 of the subsequent Lease Year.

"Lessee(s)" has the meaning set forth in the opening paragraph of this Amendment.

"Lessor" has the meaning set forth in the opening paragraph of this Amendment.

"Moenkopi-Eldorado Transmission Line" has the meaning set forth in Section XV(E)(1) (Consent to Grants of Right-of-Way and Easement).

"MW" means megawatt.

"Navajo Generating Station Scholarships" has the meaning set forth in Section XVII(A) (Scholarship).

"Navajo Nation" means the Navajo Nation (formerly known as The Navajo Tribe of Indians as stated in the Lease), and includes any political subdivision, including but not limited to any Chapter, Township, Township Commission, enterprise or taxing authority of the Navajo Nation.

"Navajo Nation Interest" has the meaning set forth in Section XI(A) (Navajo Nation Ownership of the Navajo Project).

"Navajo Nation Purchase Option" has the meaning set forth in Section XI(A) (Navajo Nation Ownership of the Navajo Project).

"Navajo Nation Right of First Refusal Option" has the meaning set forth in Section XI(C) (Navajo Nation Ownership of the Navajo Project).

"Navajo Project" means the Navajo Generating Station, associated facilities, railroad and transmission system.

"Net Capacity" means the sum of the unit values reported to the U.S. Energy Information Administration on Form EIA-860 Schedule 3, Part B, Line 2 for summer capability. This data can also be found on the EIA website at http://www.eia.gov/electricity/data/eia860/index.html. If the U.S. Energy Information Administration Form EIA-860 Schedule 3, Part B, becomes unavailable to the public, then there shall be substituted a comparable reference, reasonably acceptable to all Parties.

"NGS" means the Navajo Generating Station as defined in the Lease.

"NGS Community Chapters" means the Navajo Nation Bodaway/Gap, Cameron, Chilchinbeto, Coal Mine Canyon, Coppermine, Dennehotso, Kaibeto, Kayenta, LeChee, Navajo Mountain, Oljato, Shonto, Tonalea, Ts'ah Bii Kin and Tuba City chapters, in which the Navajo Project, associated facilities and 323 Grants are located.

"Non-U.S. Participant" or "Non-U.S. Participants" means respectively, an individual entity of the following list of entities or all of the following entities collectively: Arizona Public Service Company, LADWP, NV Energy, Tucson Electric Power Company and SRP, where SRP's obligation is limited only to that portion of the Navajo Project owned for its own use and benefit. "Non-U.S. Participant" or "Non-U.S. Participants" shall expressly exclude any SRP ownership in the Navajo Project for the use and benefit of the United States. "Non-U.S. Participant" or "Non-U.S. Participants" shall also include any entity other than the U.S. purchasing a future interest in the Navajo Project.

"Notice of Cessation" has the meaning set forth in Section IX(B) (Termination; Termination of Payments).

"Notice of Decision" has the meaning set forth in Section IX(A) (Termination; Termination of Payments).

"Notice of Lease Termination" has the meaning set forth in Section IX(B) (Termination; Termination of Payments).

"Notice of Planned Cessation" has the meaning set forth in Section IX(A) (Termination; Termination of Payments).

"Operating Agent" means SRP as the operating agent of NGS, and its successors.

"Participant" or "Participants" means respectively, an individual entity of the following list of

entities or all of the following entities collectively: Arizona Public Service Company, LADWP, NV Energy, Tucson Electric Power Company, SRP and the United States of America, acting through the Bureau of Reclamation pursuant to a delegation of authority by the Secretary of Interior. "Participant" or Participants" shall also include any entity other than the U.S. purchasing a future interest in the Navajo Project as provided for in other Navajo Project agreements.

"Parties" has the meaning set forth in the opening paragraph of this Amendment

"Payments" means collectively, the payments under this Amendment, including the Signing Bonus, Lease Payments, Additional Payments, payments to the Chapter Fund, payments to the Scholarship Fund, and the Signing Payment.

"Person" means an individual, corporation, unincorporated organization, partnership, limited liability company, joint venture, trust, governmental agency, Tribal government or tribally owned enterprise or other entity.

"Phase I ESA" has the meaning set forth in Section XIV(E)(1) (Removal of Improvements; Restoration).

"Remainder Signing Payment" has the meaning set forth in Section VIII(E) (Payment Escalation).

"Reservation Lands" has the meaning set forth in the Lease.

"Revocation Notice" has the meaning set forth in Section X (Revocation of Amendment).

"Scholarship Fund" has the meaning set forth in Section XVII(A) (Scholarship).

"Secretary" means the Secretary of the United States Department of the Interior or his/her authorized representative or such person or agency as he/she may expressly designate to perform the functions provided in the Lease and this Amendment to be performed by him/her or such federal agency as may succeed to the duties of the Secretary of the Interior under the Lease and this

Amendment.

"Secretary Approval" means the Secretary's approval of this Amendment in accordance with title 25, United States Code Section 415(a), written authorization to SRP to execute the amendment for the use and benefit of the United States and issuance of new or renewal of existing 323 Grants for use by the Navajo Project.

"Signing Bonus" has the meaning set forth in Section IV (Signing Bonus).

"Signing Bonus Deadline" has the meaning set forth in Section IV (Signing Bonus).

"SRP" means the Salt River Project Agricultural Improvement and Power District.

"Term" has the meaning set forth in Section III(C) (Term; Effectiveness; Payments).

"Transmission Facility Removal Notice" has the meaning set forth in Section XIV(E) (Removal of Improvements; Restoration).

"United States' Share" has the meaning set forth in Section I(G) (Recitals).

## III. TERM; EFFECTIVENESS; PAYMENTS

A. The recitals set forth in Section I of this Amendment are incorporated into and made part of this Amendment.

B. This Amendment shall be binding and effective upon all Parties when executed by the Navajo Nation and all of the Lessees, and after the expiration of thirty (30) days following Secretary Approval provided the Operating Agent on behalf of Lessees has not objected to any material deviations in the terms of Secretary Approval from the Parties' submission for Secretary Approval within such thirty (30) day period, with such date referred to herein as the "Effective Date". If the Operating Agent on behalf of the Lessees objects to the terms of Secretary Approval within the thirty (30) day period and the objection is not resolved to the satisfaction of all Parties prior to the earlier of (i) one

hundred eighty (180) days after the date of Secretary Approval, or (ii) the expiration of the Lease in accordance with its original term, then this Amendment shall terminate. Notwithstanding the foregoing, the Non-U.S. Participants commit to make all Payments due to the Navajo Nation prior to the Effective Date as provided for in this Amendment following execution by all Non-U.S. Participants.

C. Subject to the modifications provided for in this Amendment, including without limitation the provisions of Sections IX (Termination; Termination of Payments) and XIV (Removal of Improvements; Restoration), Lessees hereby exercise their right and option as provided in Section 6 of the Lease to extend the term (the "Term") of the Lease from December 23, 2019 through December 22, 2044.

D. If any transmission line located on 323 Grant premises has not been used for more than two (2) years after the effective date of the renewed or new 323 Grants, then the 323 Grant associated with that line will be deemed to expire pursuant to 25 CFR §169.20.

E. Subject to the provisions of Section XIV (Removal of Improvements; Restoration), the 323 Grants for the Navajo Project shall be issued by the Secretary and extended through December 22, 2044.

F. Notwithstanding anything in this Amendment to the contrary, Payments made under this Amendment by SRP, in its capacity as the Operating Agent, are conditioned upon the prior receipt of the funds from the Participants, as applicable, in accordance with the terms of the other Navajo Project agreements. All Payments to be made by the Lessees under this Amendment shall be paid to the Navajo Nation by SRP, as Operating Agent, except for tax payments required in the Lease. Such tax payments shall cease as provided in accordance with Section VI(B)(2) (Additional Payments). Upon receipt by SRP of Payments, SRP, as the Operating Agent, shall then make any payment required by the

terms of this Amendment to the Navajo Nation.

## IV. SIGNING BONUS

If the Navajo Nation provides its final approval and execution of this Amendment and the Past Use Agreements as provided in subparagraphs A and B below, the Navajo Nation shall receive a signing bonus of one million dollars ($1,000,000) (the "Signing Bonus"). The Past Use Agreements are the "230 kV Tie Line Settlement and Release Agreement" and the "Navajo Project Western Transmission System Settlement and Release Agreement" previously negotiated by the Parties. Final approval of the Amendment and the Past Use Agreements shall be deemed to have occurred when the following events and actions have been completed:

A. Final approval for the Amendment means approval of documents that are mutually acceptable to the Parties, specifically including the Navajo Nation Council authorizing resolution, Amendment, and other attendant documents that require or imply a legal obligation for either Party. The Council must approve these documents on or before July 31, 2013 and the President of the Navajo Nation must execute the necessary documents on or before July 31, 2013.

B. Final approval of the Past Use Agreements means approval of the "230 kV Tie Line Settlement and Release Agreement" and the "Navajo Project Western Transmission System Settlement and Release Agreement" that are mutually acceptable to the Parties. Appropriate officials and employees within the Navajo Nation Division of Natural Resources and the Navajo Nation Department of Justice must approve these agreements on or before July 31, 2013. The Navajo Nation Office of the Attorney General must execute these agreements on or before July 31, 2013.

If the conditions to the Signing Bonus set forth above are met, the Navajo Nation shall receive a signing bonus of one million dollars ($1,000,000.00) (the "Signing Bonus"). If the conditions

to the Signing Bonus are met, SRP as the Operating Agent shall pay the Non-U.S. Participants' share or portion of the Signing Bonus in the amount of seven hundred fifty-seven thousand dollars ($757,000.00) to the Navajo Nation within thirty (30) days of the Navajo Nation's execution of this Amendment. Upon Secretary Approval, SRP shall pay the portion of the Signing Bonus attributable to the United States' Share in the amount of two hundred forty-three thousand dollars ($243,000.00) on the Effective Date. If the Navajo Nation is delayed or hindered in or prevented from the performance approval and execution of this Amendment by reasons of a Force Majeure Event, the Signing Bonus Deadline shall be extended for the period of the delay.

## V. LEASE PAYMENTS

A. Consideration for Lease Payments

1. In consideration for the lease to Lessees of the Leased Lands and the 323 Grants listed in Exhibit 1 and Navajo Nation consent to the Secretary's issuance of the new or renewed 323 Grants, Lessees shall pay the Lease Payments, when the Parties have completed the necessary approvals, as set forth in this Amendment. The Parties recognize that the necessary approvals for the pre-2020 Non-U.S. Participants' Lease Payments do not include Secretary Approval.

2. The Parties acknowledge and agree that all Lease Payments in excess of Existing Lease Payments made on or before December 23, 2018 are in consideration for this Amendment and for the Navajo Nation's consent to the issuance or renewal of the 323 Grants by the Secretary.

3. Lessees will pay lease payments to the Navajo Nation annually in advance on or before December 23, the first day of the Lease Year to which the payment is

applicable (the "Lease Payment") as further provided below. Lease Payment will be paid to the Navajo Nation in a single payment.

B. Lease Payments Prior to Secretary Approval

1. For the Lease Year 2013, if the Navajo Nation provides final approval and executes this Amendment before December 23, 2013, the Non-U.S. Participants' 2013 Lease Year Lease Payment shall accrue in the amounts as provided below, which amounts depend on the date of execution of this Amendment by the Navajo Nation:

| Date of Navajo Nation Execution of this Amendment | Lease Payment for Lease Year 2013 |
|---|---|
| December 1, 2012 - April 30, 2013 | $6,369,090.00 |
| May 1, 2013 – July 31, 2013 | $4,776,817.00 |
| August 1, 2013 – October 31, 2013 | $3,184,545.00 |
| November 1, 2013 – December 22, 2013 | $1,592,273.00 |
| On or after December 23, 2013 | $0 |

If the Navajo Nation executes this Amendment on or after December 23, 2013, but prior to Secretary Approval, the Lease Payment by the Non-U.S. Participants in the amount of six million three hundred sixty-nine thousand ninety dollars ($6,369,090.00) per Lease Year shall accrue beginning with the first December 23 following execution of this Amendment by the Navajo Nation and will continue until the earlier of: (a) December 23, 2018; or (b) the date when all of the Non-U.S. Participants have executed this Amendment (the "Lease Payment Accrual Period"). The Lease Payment accrued during the Lease Payment Accrual Period shall be paid by the Non-U.S. Participants to the Navajo Nation within thirty (30) days of the execution of this Amendment by all Non-U.S. Participants. Notwithstanding anything contained herein to the contrary, if this Amendment is not approved and executed by all of the Non-

U.S. Participants on or before December 22, 2018, then no accrued Lease Payments shall be due by the Non-U.S. Participants to the Navajo Nation.

2. During the Lease Payment Accrual Period, Lessees shall continue to pay to the Navajo Nation the annual lease rental of six hundred eight thousand four hundred dollars ($608,400.00) as provided in Section 7 of the Lease (the "Existing Lease Payments"). SRP shall continue to pay to the Navajo Nation the portion of the Existing Lease Payment attributable to the United States' Share in the amount of one hundred forty-seven thousand eight hundred forty-one dollars and 20/100 ($147,841.20) annually until the earlier of: (a) December 23, 2018; or (b) the Effective Date.

3. Beginning on the first December 23 following execution of this Amendment by the Navajo Nation and all Non-U.S. Participants, the Non-U.S. Participants shall make Lease Payments to the Navajo Nation in the amount of six million eight hundred twenty-nine thousand six hundred forty-eight and 84/100 dollars ($6,829,648.84) per Lease Year and their obligation to pay their portion of the Existing Lease Payments and any other payments made for use of transmission corridors associated with the Navajo Project will end. The Lease Payment in the amount of six million eight hundred twenty-nine thousand six hundred forty-eight and 84/100 dollars ($6,829,648.84) will continue until the earlier of: (a) December 23, 2018; or (b) the Effective Date.

C. Lease Payments After the Effective Date

1. Upon the Effective Date, Lessees will commence making Lease Payments to the Navajo Nation in the amount of nine million dollars ($9,000,000.00) for the following Lease Year until terminated in accordance with Section IX

(Termination; Termination of Payments); provided, however, that such payments will not commence until the first December 23 following the Effective Date.

2. The Lease Payment payable after the Effective Date is based upon the total of 7,472 acres for the Navajo Project. If additional acreage for the Navajo Project is required, the Operating Agent shall commission a survey of the portion of land to be added to the Navajo Project to determine the exact acreage. For such additional acreage, if any, the Lease Payment shall be adjusted upward based on $1,204 per additional acre escalated according to Section VIII (Payment Escalation), except as provided in Section XV.E.1 (Consent to Rights-of-Way and Easement).

D. Escalation of Lease Payments

All Lease Payments, other than Existing Lease Payments, to be made by any Lessee, whether prior to or after the Effective Date or during the Lease Payment Accrual Period, shall be escalated according to Section VIII (Payment Escalation).

## VI. ADDITIONAL PAYMENTS

A. In consideration of the additional payments by Lessees (the "Additional Payments"), the amounts of which are described below, the entirety of Section 7(f) of the Lease and the following language from Section 7(e) of the Lease are deleted effective upon the Effective Date:

"*provided, however, that after thirty-five (35) years from the commencement of commercial operation of Unit 3 of the Navajo Generation Station, the foregoing covenants shall lapse as to taxation of the property of Lessees located on the Leased Lands, or located on Reservation Lands pursuant to the Related Rights, or located pursuant to the rights-of-way and easements referred to in Sections 5(a) and 5(b) hereof; provided that during the remainder of the term of the Lease, no property taxes*

*shall be levied by the Tribe on such property at a rate or in any amount, in relation to value, in excess of one-half (1/2) of the equivalent rate, in relation to value, of the aggregate property taxes levied or imposed by the State of Arizona or any political subdivision thereof, as the case may be, applicable to such property at that time.*"

The remainder of the language in Section 7(e) of the Lease shall remain in full force and effect.

B. Additional Payments—Non-U.S. Participants—Prior to Lease Year 2020

1. Subject to Section VI(B)(2) below, upon execution of this Amendment by the Navajo Nation, the amount of one million eight hundred ninety-nine thousand six hundred seventy-two dollars ($1,899,672.00) shall commence accruing per quarter payable to the Navajo Nation by the Non-U.S. Participants as the Additional Payment (the "Pre-2020 Additional Payment") as further provided below. If the Navajo Nation executes this Amendment on or before April 30, 2013, then the accrued amount of Pre- 2020 Additional Payment owed by the Non-U.S. Participants will be calculated quarterly beginning with the January 31, 2013 quarterly payment. If the Navajo Nation executes this Amendment on or after May 1, 2013, then the accrued amount of the Pre-2020 Additional Payment owed by the Non-U.S. Participants will be calculated beginning with the first quarterly due date following execution of this Amendment by the Navajo Nation. Quarterly payments will be accrued on January 31, April 30, July 31 and October 31 of each year until the earlier of: (a) the date that all of the Non-U.S. Participants execute this Amendment; or (b) October 31, 2019 (the "Additional Payment Accrual Period"). At the end of the Additional Payment Accrual Period, the Pre-2020 Additional Payment then accrued will be paid to the Navajo Nation

by the Non-U.S. Participants within thirty (30) days of the execution of this Amendment by all of the Non-U.S. Participants. Notwithstanding anything contained herein to the contrary, if this Amendment is not approved and executed by all of the Non-U.S. Participants on or before October 31, 2019, then no accrued Additional Payment shall be due by the Non-U.S. Participants to the Navajo Nation.

2. Until the Effective Date, the Lessees shall continue paying to the Navajo Nation their respective tax payments owed pursuant to the Lease and the Additional Payment amounts through October 31, 2019 shall be reduced by the amount of the tax payments made to the Navajo Nation by the Lessees. Upon the Effective Date, the obligation of Lessees to pay taxes pursuant to the Lease shall be prorated through the Effective Date and will thereafter cease.

3. Upon execution of this Amendment by the Navajo Nation and all Non-U.S. Participants, the Non-U.S. Participants will begin paying the Pre- 2020 Additional Payment in the amount of one million eight hundred ninety-nine thousand six hundred seventy-two dollars ($1,899,672.00), minus any taxes paid after the previous quarterly payment, per quarter until the earlier of: (1) October 31, 2019, or (2) the date the Operating Agent gives a Notice of Cessation under Section IX (Termination; Termination of Payments) that NGS has ceased operation.

C. Prior to Lease Year 2020 Additional Payment—United States

If Secretary Approval is provided prior to October 2019, upon the Effective Date, SRP will begin making Additional Payments to the Navajo Nation attributable to the United States' Share in the amount of six hundred nine thousand eight hundred two dollars ($609,802.00) per quarter until October 31, 2019.

D. Commencing Lease Year 2020 Additional Payments—Lessees

1. If the Effective Date occurs prior to December 23, 2019, and if the Operating Agent has not given a Notice of Cessation to the Navajo Nation pursuant to Section IX (Termination; Termination of Payments), Lessees shall pay the Additional Payment of thirty-four million dollars ($34,000,000.00) per Lease Year in quarterly installments of eight million five hundred thousand dollars ($8,500,000.00) to the Navajo Nation beginning on January 31, 2020. The quarterly payments will be due on January 31, April 30, July 31 and October 31 of each Lease Year and will continue through October 31, 2044, subject to the adjustment provision in Section VI(D)(2) below (relating to Net Capacity) and the termination provisions in Section IX (Termination; Termination of Payments).

2. If the Net Capacity is reduced from the existing Net Capacity of 2,250 MW by a cumulative amount of ten percent (10%) or more at any time prior to the expiration of the Term, the Additional Payments will be reduced by the total percentage of such reduction. If the Net Capacity of NGS is increased over the existing Net Capacity of 2,250 MW by a cumulative amount of by ten percent (10%) or more at any time prior to the expiration of the Term, the Additional Payments shall be increased by the total percentage of such increase. Thereafter, any future Net Capacity reduction or increase percentages will result in a proportionate decrease or increase in the Additional Payment.

E. Escalation of Additional Payments

All Additional Payments, to be made by any Lessee, whether or not prior to or after Lease Year 2020 or during the Additional Payment Accrual Period, shall be escalated according to Section VIII (Payment Escalation).

## VII. UNITED STATES SIGNING PAYMENT

Upon the Effective Date, SRP shall make an Initial Signing Payment to the Navajo Nation attributable to the United States' Share in the amount of one million dollars ($1,000,000.00) (the "Initial Signing Payment"), which includes the United States' portion of any Signing Bonus and a portion of the Additional Payments. In addition, as set forth in the following sentence, SRP shall pay the Remainder Signing Payment to the Navajo Nation attributable to the United States' Share, the amount of which is dependent on the date the Navajo Nation executes this Amendment and the date of Secretary Approval, as set forth in Exhibit 3 attached hereto. In order to provide CAWCD, the operating agent for the Central Arizona Project, sufficient time to obtain financing, the Remainder Signing Payment shall be paid as soon as practicable, but no later than eighteen (18) months after the Effective Date. The Navajo Nation and SRP shall collaborate with CAWCD and the United States on efforts to minimize the time needed to pay the Remainder Signing Payment. The Initial Signing Payment and the Remainder Signing Payment are subject to escalation as provided in Section VIII (Payment Escalation) below.

## VIII. PAYMENT ESCALATION

A. The "Beginning Index" (BI) for all adjustment dates is the Consumer Price Index that is published for October, 2011. The "Extension Index" (EI) is the Consumer Price Index published for the October immediately preceding the then current adjustment date. The "Escalation Factor" (EF) for all adjustment dates is the increase in the Consumer Price Index as determined by dividing the Extension Index by the Beginning Index as shown in the following equation:

$$EF = EI/BI.$$

If the EF for any adjustment date is less than the EF of the previous year adjustment date, the EF of the previous year adjustment date is to be used for calculating the

adjusted payment. If the manner in which the Bureau of Labor Statistics determines the Consumer Price Index is materially revised, the Parties shall make an adjustment in the revised index which will produce a result equivalent, as nearly as possible, to that which would have been obtained if the Consumer Price Index had not been so revised. If the Consumer Price Index becomes unavailable to the public or if the equivalent data is not readily available to enable the Parties to make the calculations referred to herein, then there shall be substituted therefore a comparable index, reasonably acceptable to all Parties, based on the changes in the cost of living or purchasing power of the consumer dollar, published by an agency of the federal government, or in the absence thereof, by a nationally recognized financial reporting service.

B. At the end of any accrual period, the accrued amount is escalated using the immediately prior October CPI value for the Extension Index.

1. That portion of the accrued amount resulting from lease, community, or scholarship payments will be escalated according to the following equation:

   Escalated Payment = (accrued amount)(EF).

2. That portion of the accrued amount resulting from Additional Payments will be escalated according to the following equation:

   Escalated Payment = (accrued amount)(1 + 25%(EF-1))

C. The escalated Lease Payment shall be calculated each Lease Year prior to the Lease Payment due date (each an "adjustment date") commencing with the first Lease Payment paid to the Navajo Nation, after the accrued Lease Payment amount has been paid, to an amount equal to $9,000,000 multiplied by the Escalation Factor as shown in the following equation:

Escalated Lease Payment = $9,000,000 X Escalation Factor.

D. The Additional Payment shall be escalated:

1. For the Additional Payments that were accrued during the Accrual Period, add all the Additional Payments accrued but not paid and multiply this value by one (1) plus twenty-five percent (25%) of the Escalation Factor minus one (1), as shown in the following equation:

Escalated Additional Payment = Accrued Additional Payment X (1 + 25%(EF-1))

Where the Extension Index is equal to the latest available October CPI value at the time the accrued payment is due.

2. For the Additional Payments that occur after the Accrual Period, but prior to the Effective Date, multiply the amount of one million eight hundred ninety-nine thousand six hundred seventy-two dollars ($1,899,672.00) per quarter by one (1) plus twenty-five percent (25%) of the Escalation Factor minus one (1), as shown in the following equation:

Escalated Additional Payment = $1,899,672 X (1 + 25%(EF-1))

Where the Extension Index is equal to the latest available October CPI value at the time the quarterly Additional Payment is due.

3. For the Additional Payments that occur after the Effective Date but prior to December 23, 2019, add the Additional Payments due by the Non-U.S. Lessees ($1,899,672.00) to the amount attributable to the United States' Share ($609,802.00) and then multiply that value ($2,509,474) by one (1) plus twenty-five percent (25%) of the Escalation Factor minus one (1), as shown in the following equation:

Escalated Additional Payment = $2,509,474 X (1 + 25%(EF-1))

Where the Extension Index is equal to the latest available October CPI value at the

time the quarterly Additional Payment is due.

4. For the Additional Payments that occur after December 22, 2019, multiply the amount of eight million five hundred thousand dollars ($8,500,000.00) per quarter by one (1) plus twenty-five percent (25%) of the Escalation Factor minus one (1), as shown in the following equation:

   Escalated Additional Payment = $8,500,000 X (1 + 25%(EF-1))

   Where the Extension Index is equal to the latest available October CPI value at the time the quarterly Additional Payment is due.

E. The Initial Signing Payment shall be escalated at the time of payment (the "adjustment date") to an amount equal to:

Initial Signing Payment = ($243,000)(EF)+(757,000(1+.25(EF-1)))

The Remainder Signing Payment shall be escalated at the time of payment (the "adjustment date") to an amount equal to:

1. The portion of the Remainder Signing Payment that is determined pursuant to Exhibit 3 and annotated as "Lse Pmts (100%)," is multiplied by the Escalation Factor as shown in the following equation:

   Escalated Payment (attributable to Lease Payments) = "Lse Pmts (100%)" Amount X EF.

2. The portion of the Remainder Signing Payment that is determined pursuant to Exhibit 3 and annotated as "Addl Pmts (25%)," is multiplied by one (1) plus twenty-five percent (25%) of the Escalation Factor minus one (1), as shown in the following equation:

   Escalated Payment (attributable to Additional Payment) = "Addl Pmts (25%)" Amount X (1 + 25%(EF-1)).

The two values calculated in subparagraph 1 and 2 above are added together and result in the "Remainder Signing Payment", which shall be paid according to Section VII (United States Signing Payment).

## IX. TERMINATION; TERMINATION OF PAYMENTS

A. Except in the case of a Force Majeure Event, if Lessees determine that they will cease operation of one or more units at NGS prior to the expiration of the Term, the Operating Agent shall provide preliminary written notice ("Notice of Planned Cessation") to the Navajo Nation at least two (2) years prior to the permanent cessation of commercial operation of such unit(s) or NGS. For ninety (90) days after providing the Navajo Nation a Notice of Planned Cessation, Lessees shall consider proposals by the Navajo Nation for modified terms and conditions of the Lease to provide for continued commercial operations at NGS. If the Navajo Nation is not a Participant at the time of the Notice of Planned Cessation, Lessees shall provide the Navajo Nation data and other information that Lessees collectively are utilizing to make the determination to cease commercial operation of NGS, so long as the Navajo Nation enters into a mutually acceptable non- disclosure agreement to govern the disclosure of such data and information. Individual Participants and the United States are not required to provide proprietary data and other information to the Navajo Nation that they would otherwise not share with the other Participants. Any time following the end of the ninety (90) day period, the Operating Agent shall provide written notice to the Navajo Nation of Lessees' final decision regarding cessation or continuation of commercial operation at NGS (the "Notice of Decision"). Nothing contained in this Section or in this Amendment shall be deemed to create any obligation by Lessees to accept any proposals by the Navajo Nation or any obligation by the Navajo Nation to provide a

proposal for the continued operation of the Navajo Project.

B. The Operating Agent shall provide written notice to the Navajo Nation upon cessation of commercial operations at NGS (the "Notice of Cessation"). Upon compliance with provision of all applicable notices, Lessees may terminate the Lease at any time prior to the expiration of the Term by providing written notice of Lease termination to the Navajo Nation (the "Notice of Lease Termination"). The Notice of Lease Termination shall state the planned date for termination of the Lease, upon which date the terms of Section XIV (Removal of Improvements; Restoration) are applicable.

C. If some or all of the Participants owning interests in the Navajo Western or Navajo Southern transmission systems of the Navajo Project wish to continue the operation and use of either or both transmission systems ("Continued Transmission System Participants") after a Notice of Decision to cease commercial operation of NGS has been sent, the Continued Transmission System Participants shall provide written notice of such intent to the Navajo Nation. The Continued Transmission System Participants and the Navajo Nation shall negotiate in good faith for new terms and conditions to support the continued operation of the transmission systems or portion thereof.

D. Lessee's are obligated to continue making Payments, once started, until that obligation is terminated as follows: (1) Lessee's obligation to pay Additional Payments to the Navajo Nation shall immediately terminate upon the provision of the Notice of Cessation; (2) Lessee's obligation to pay the Lease Payments, payments to the Chapter Fund and payments to the Scholarship Fund shall terminate on the earlier of (a) the date of completion of removal of improvements and restoration of the Leased Lands and 323

Grants premises in accordance with Section XIV (Removal of Improvements; Restoration), or (b) December 23, 2044.

E. This Section shall survive the termination or expiration of the Lease.

## X. REVOCATION OF AMENDMENT

A. On and after the date that the Navajo Nation approves and executes this Amendment, the Navajo Nation agrees not to revoke its approval and execution of this Amendment or its consent to any of the 323 Grants listed in Exhibits 1 and 2; provided, however, that the following provisions shall apply if the Navajo Nation breaches this provision:

1. If the Navajo Nation revokes its approval and execution of this Amendment or its consent to any of the listed 323 Grants before all of the Non-U.S. Participants have executed this Amendment, the Non-U.S. Participants shall not be required to pay any Payments, accrued or otherwise, provided for in this Amendment.

2. If the Navajo Nation revokes its approval and execution of this Amendment or its consent to any of the listed 323 Grants after execution of this Amendment by all Non-U.S. Participants but prior to the Effective Date, the Navajo Nation shall, within thirty (30) days of such revocation, refund to the Non-U.S. Participants all Payments that the Non-U.S. Participants have paid pursuant to this Amendment prior to such revocation, less the amount that would have been paid under the Lease. This refund obligation shall survive the revocation of approval of this Amendment by the Navajo Nation.

B. Prior to the Effective Date, the Non-U.S. Participants may revoke their approval of this Amendment by written notice to the Navajo Nation (a "Revocation Notice"), whereupon this Amendment shall become null and void. If the Non-U.S. Participants revoke their execution of this Amendment prior to the Effective Date, the Navajo Nation shall be permitted to retain all Payments made prior to the Revocation Notice by the Non-U.S. Participants pursuant to this Amendment.

C. On and after the Effective Date, this Amendment and the Lease may be terminated only as provided in Section IX of this Amendment.

## XI. NAVAJO NATION OWNERSHIP OF THE NAVAJO PROJECT

A. If, with the consent of the Participants, SRP or any other current Lessee and LADWP agree to and complete the purchase and sale of all or a portion of LADWP's ownership interest in the Navajo Project prior to December 23, 2019, the Navajo Nation, acting on its own behalf or through an enterprise or authority designated by the Navajo Nation, shall have the option (the "Navajo Nation Purchase Option") to acquire an ownership interest of up to 170 MWs in the Navajo Project of the share of LAWDP acquired by SRP or any other current Lessee (the "Navajo Nation Interest"). The Navajo Nation Interest shall include a share of the transmission rights purchased by SRP or any other current Lessee, where such share is determined by dividing the MWs of the Navajo Nation Interest by the MWs SRP or any other current Lessee acquires from LADWP. The Navajo Nation Purchase Option may be exercised by the Navajo Nation following the date that LADWP's ownership interest is transferred to SRP or any other current Lessee in accordance with the same terms, conditions and procedures in effect for ownership interest transfers between the Lessees at the time of the transfer of any portion of the LAWDP ownership to other Lessees. Future agreements, including but not limited to the Navajo Project Co-Tenancy Agreement modifications, for Navajo Nation direct ownership in the Navajo Project are required to be mutually acceptable by the parties to the agreement, including existing Participant release of liability for the seller.

B. If the Navajo Nation elects to exercise the Navajo Nation Purchase Option, the transfer of ownership shall occur in two phases. Separate phases are necessary to address requirements and options pre- and post-Effective Date. Future agreements for either the

"virtual ownership" or the "direct ownership" phases described below must be mutually acceptable to the applicable parties thereto.

1. The first phase shall be a "virtual ownership" agreement that provides an ownership-like cost/benefit structure. In this phase, the Navajo Nation shall pay its share of the total Navajo Project costs that serve as the basis for charges to the other Participants and would receive the applicable MWs of capacity it will be purchasing or its respective percentage of output during unit curtailments or outages. Delivered energy would be subject to the same operational risks as any other Participant.

2. Upon the receipt of all regulatory, board and other approvals of the transfer of the acquired interest required by any Participant or the Navajo Nation, including any required Secretary Approval, the Navajo Nation may convert the "virtual ownership" into "direct ownership" of the Navajo Nation Interest. If the Navajo Nation elects to convert its "virtual ownership" interest into "direct ownership", the purchased interest shall be subject to the same Navajo Project agreements' requirements as any other Participant, including existing Participant release of liability for the seller. Each existing Participant must approve the release of the seller(s) and obtaining the release would be a condition of closing the Navajo Nation Interest. Upon the transfer of the ownership interest in the Navajo Project to the Navajo Nation, the Navajo Nation shall assume all the rights and responsibilities of Navajo Project ownership as provided in the various Navajo Project agreements then in effect.

C. If the Navajo Nation elects not to exercise the Navajo Nation Purchase Option, then the Lessees shall provide the Navajo Nation, acting on its own behalf or through an

enterprise or authority designated by the Navajo Nation, a right of first refusal option (the "Navajo Nation Right of First Refusal Option") to purchase any proposed Navajo Project ownership interest for sale by any Lessee on substantially the same terms and conditions as a proposed sale that occurs on or after the Effective Date of this Amendment. If a Lessee proposes to sell all or a portion of its ownership interest in the Navajo Project, other than the portion SRP owns for the use and benefit of the United States, such Lessee shall provide written notice to the Navajo Nation thereof stating the terms and conditions on which it intends to sell such ownership interest. The exercise of the Navajo Nation Right of First Refusal Option and subsequent transfer of the proposed Navajo Project ownership interest shall be in accordance with the same terms, conditions and procedures then in effect for ownership interest transfers between the Lessees. For purposes of exercising the Navajo Nation Right of First Refusal Option, the Navajo Nation shall be given an ownership proxy of NGS of 7.5%. Future agreements that will be made for direct ownership are required to be mutually acceptable by the parties to the agreement, including existing Participant release of liability for the seller.

D. The Participants shall provide the Navajo Nation, pursuant to an executed non-disclosure agreement, data and other information regarding NGS costs and operations necessary to help the Navajo Nation decide whether to exercise the Navajo Nation Purchase Option or Navajo Nation Right of First Refusal Option. Individual Participants and the United States are not required to provide proprietary data and other information to the Navajo Nation that they would otherwise not share with the other Participants.

## XII. COMPLIANCE WITH AND ADDITIONAL AMENDMENTS TO THE LEASE; FUTURE COOPERATION TO RESOLVE ISSUES

A. Except as specifically modified by this Amendment, all of the terms and conditions of the Lease shall remain in full force and effect. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall govern and control. The provisions of this Section XII shall survive the expiration or termination of the Lease and 323 Grants.

B. Without limiting the foregoing, the provisions in Section 16 of the Lease addressing "Operation of Navajo Generating Station" shall remain effective through the date the removal of the improvements and restoration of the Reservation Lands as set forth in Section XIV (Removal of Improvements; Restoration) is completed.

C. Section 10 of the Lease is amended to delete subsections (a), (b) and (c) such that Section 10 of the Lease shall now read as follows:

*The Lessees shall comply with all air pollution laws and regulations under federal or state laws now or hereafter in force.*

D. Section 18 of the Lease is deleted in its entirety and replaced with the following language:

*Employment at the Navajo Generating Station will be based on qualifications without regard to race, color, creed, religion, national origin, disability, sex, or age, except that to the extent allowed by law preference will be given to qualified Navajos. Navajo Generating Station also will give preference to qualified Navajos in selection for apprenticeship program openings to the extent allowed by law. The Parties recognize that in certain circumstances the need for critical or specialized skills at the Navajo Generating Station will require selecting the most qualified person whether or not they are Navajo. In the event that federal law prohibits Lessees from providing employment preference based on tribal affiliation, Lessees will follow Indian*

*preference, as described in this agreement.*

E. Section 28 of the Lease is amended to delete subsections (a) and (b) such that Section 28 of the Lease shall now read as follows:

*The Lessees shall comply with all water pollution control laws and regulations under federal, state or county jurisdiction, now or hereafter in force.*

F. Section 36 of the Lease is deleted in its entirety.

G. The Parties agree to use commercially reasonable efforts to resolve issues that arise during the Term, including, but not limited to, the use of Voluntary Compliance Agreements.

H. The last sentence of Section 12(e) of the Lease is amended to read as follows:

*Lessees agree to build such dikes and ditches to maintain the ash within the Ash Disposal Area and Lessees shall cover to a thickness of twelve (12) inches, unless federal requirements mandate a greater degree of thickness, of earth any areas containing ash and seed such earth cover in order to prevent wind and water erosion.*

I. Exhibit 9, List of Permanent Structures, to the Indenture of Lease is amended to add the following at the ending of the existing list of structures:

*Lake Pump Station and two 30-inch water delivery pipes between the Lake Pump Station and the Metering Pit located at the Plant Site.*

## XIII. ASSIGNMENTS

A. The Parties hereby amend the provisions of Section 13 of the Lease to add the following to the existing circumstances in which each Lessee may transfer or assign its rights and interests in the Lease without need for consent of the Navajo Nation or the Secretary at any time:

1. to the Navajo Nation, its enterprises and authorities; or

2. to an Affiliate.

B. Except as provided in Section 13 of the Lease, as amended by this Amendment, all other assignments shall be subject to the prior written consent of the Navajo Nation, which consent shall not be unreasonably withheld or delayed, prior to approval by the Secretary. The Navajo Nation shall not charge any fee for reviewing a requested assignment except for routine administrative processing fees.

C. Within thirty (30) days of any assignment permitted without Navajo Nation consent in the Lease, as amended by this Amendment, the assignor Lessee will provide the Navajo Nation with written notice indicating the parties to the assignment, date of assignment and relationship between the assignor and assignee.

## XIV. REMOVAL OF IMPROVEMENTS; RESTORATION

A. Upon the provision of a Notice of Lease Termination by the Lessees, or other termination or expiration of the Lease, the removal and restoration of the Leased Lands shall be in accordance with the provisions of Section 12 of the Lease, provided that removal and restoration shall be limited to those actions required by Section 12 of the Lease and the applicable laws and regulations of the United States in force at the time of decommissioning of the Navajo Project.

B. The Navajo Nation acknowledges and agrees that the removal of improvements and restoration of the 323 Grants premises shall be completed in accordance with and limited to those actions required by the 323 Grants and the applicable laws and regulations of the United States, provided such removal and restoration activities shall be completed no later than December 23, 2045, subject to Sections XIV(D) and (E) below.

C. If the removal of improvements and restoration of Leased Lands and the 323 Grants premises extends beyond the expiration of the Term of the Lease, Lessees shall have

until December 23, 2045 to complete removal of improvements and restoration of the Leased Lands and 323 Grants premises. In consideration of the foregoing, Lessees shall continue to pay the Lease Payments, Local Community Involvement Payments and Scholarship Payments until the earlier of (1) the date of completion of removal of improvements and restoration of the Leased Lands and 323 Grants premises, or (2) December 23, 2044.

D. If Lessees determine that they cannot complete removal and restoration on the Leased Lands and 323 Grants by December 23, 2045, Lessees and the Navajo Nation shall commence good faith negotiations for compensation, to be paid to the Navajo Nation for prospective periods of occupation, use or burden of the Leased Lands and 323 Grants.

E. Lessees shall provide written notice to the Navajo Nation at least eighteen (18) months prior to the planned start of removal of any transmission facilities (the "Transmission Facility Removal Notice").

1. Within thirty (30) days of receipt of a Transmission Facility Removal Notice, the Navajo Nation may request in writing that Lessees provide the Navajo Nation, at Lessees' sole cost and expense, a Phase I Environmental Site Assessment (the "Phase I ESA") of the affected 323 Grant(s) consistent with ASTM E1527 and U.S. Environmental Protection Agency's All Appropriate Inquiry rule.

2. Lessees shall provide the Phase I ESA to the Navajo Nation within six (6) months of the Navajo Nation's request to provide a Phase I ESA.

3. Within six (6) months of the delivery of the Phase I ESA to the Navajo Nation, the Navajo Nation shall provide written notice to Lessees that

Lessees (a) should proceed with removal and restoration of the transmission facilities associated with the 323 Grant(s), or (b) should instead transfer ownership to the Navajo Nation of all or any specifically identified improvements then existing on the right of way associated with the 323 Grants. In the event no notice is given, the Navajo Nation shall be deemed to have notified Lessees to proceed with removal of the transmission facilities and restoration of the property with the 323 Grant(s).

4. If the Navajo Nation provides, or is deemed to have provided, notice to Lessees that removal of the transmission improvements and restoration of the associated 323 Grants is required, Lessees shall complete removal and restoration as set forth in this Section XIV (Removal of Improvements; Restoration).

F. If Lessees are required to conduct post-closure monitoring or similar activities on the Reservation Lands, the Navajo Nation shall provide access to Lessees and their contractors for such activities at no cost to Lessees and their contractors except for nominal administrative processing fees.

G. The provisions of this Section shall survive the expiration or termination of the Lease and 323 Grants.

## XV. CONSENT TO GRANTS OF RIGHT-OF-WAY AND EASEMENT

A. The Navajo Nation hereby provides its consent to the issuance or extension by the Secretary of all 323 Grants required by the Navajo Project and associated facilities, including the transmission system, listed on Exhibits 1 and 2 attached hereto, through December 22, 2044 and as provided in Section XIV (Removal of Improvements; Restoration). The Navajo Nation hereby consents to the inclusion of the following language in all 323 Grants required by the Navajo Project and associated facilities,

including the transmission system in substantially the form stated below:

*"All facilities, structures, improvements, equipment and property (other than nonremovable buildings) of whatever kind and nature constructed, placed or affixed by the grantees of the 323 Grants on the granted lands pursuant to rights acquired by the grant of rights-of-way, expressly including but not being limited to the Navajo Generating Station, all facilities and structures used therewith and related thereto, all rail transportation facilities, transmission facilities and the related switchyards therefor (hereinafter called "removable property"), as against the United States, the Secretary, the Navajo Nation and all other parties and persons whomsoever (including without limitation any party acquiring any interest in the granted lands or any interest in or lien, claim or encumbrance against any of such facilities, structures, improvements, equipment and property of whatever kind and nature), shall be deemed to be and remain personal property of the grantees of the 323 Grants, not affixed to the realty, and, subject to Section XIV(E) of the Lease Amendment No. 1, removable by the grantees of the 323 Grant at any time prior to or within twenty-four (24) months after expiration or earlier termination for any reason of the §323 grant. Subject to Section XIV(B) of the Lease Amendment No. 1, the grantees of the 323 Grants may remove, at or prior to twenty-four (24) months following the expiration or earlier termination of the §323 grant, all removable property except as set forth in the Lease and any amendments to the Lease."*

B. The Navajo Nation agrees to cooperate with Lessees to complete all necessary federal and state environmental reviews and obtain all necessary regulatory approvals, and shall support Lessees and the Navajo Project in any National Environmental Policy Act or other similar impact analysis with the Department of Interior, other federal or state

agencies or the Navajo Nation. In no event shall the Navajo Nation take a position with the Department of Interior or other agency that is adverse to Lessees with respect to the approval of this Amendment or the issuance of the listed 323 Grants. The foregoing is not intended to preclude the Navajo Nation or any person from participating in or commenting on any necessary environmental reviews.

C. It is the Parties' intention that the Navajo Project and the Four Corners Project have all 323 Grants necessary to operate in the event one of the plants ceases operation. The Parties acknowledge and consent to the required transfers of then- existing transmission 323 Grants.

D. The Navajo Nation acknowledges and agrees that the users of the Moenkopi Switchyard shall continue to own and operate those assets for the benefit of either or both the Navajo Southern Transmission System and the Moenkopi – Eldorado Transmission Line even if there is a partial decommissioning of either transmission system or if there is a need to transfer the facilities between such users.

E. The Navajo Nation hereby consents to the inclusion of terms in the new or renewed 323 Grants required by either the Four Corners Project or the Navajo Project that will provide a right to transfer 323 Grants or facilities listed in Section XV(E)(1) and XV(E)(2) below between the Participants and the participants in the Four Corners Project ("Four Corners Participants") without further approval by either the Secretary or the Navajo Nation in the following instances:

1. In the event the Four Corners Project permanently ceases to operate and the Navajo Project continues to operate, the Navajo Nation agrees that the Four Corners Participants may transfer to the Participants all of the facilities in the Moenkopi Switchyard and the portion of the 500 kV Eldorado transmission line

west from the Moenkopi Switchyard to the western boundary of the Navajo Nation (the "Moenkopi-Eldorado Transmission Line"), notwithstanding any provision otherwise in Amendment and Supplement No. 2 and Amendment and Supplement No. 3 to Supplemental and Additional Indenture of Lease between the Navajo Nation and the Four Corners Participants (the "Four Corners Lease Amendment"). Upon transfer of the Moenkopi Switchyard and Moenkopi-Eldorado Transmission Line facilities, as provided in this Section, the Lease Payment will be adjusted upward by an amount equal to $1,600.00 per acre escalated according to Section VIII(C) (Payment Escalation) multiplied by the number of acres included in the 323 Grants for the Moenkopi Switchyard and the Moenkopi-Eldorado Transmission Line set forth in Exhibit 2 attached hereto.

2. In the event the Navajo Project permanently ceases to operate and the Four Corners Project continues to operate, the Participants in the Navajo Project, upon agreement by the Four Corners Participants to grant access to the Navajo Nation to such 323 Grants and facilities on the 323 Grant according to applicable FERC rules then in effect, may transfer the 323 Grant and facilities for the Navajo Southern Transmission System from one mile east of the Moenkopi Switchyard to the southern border of the Navajo Nation to the Four Corners Participants. The 323 Grant shall expire on July 6, 2041 or upon the Four Corners Project permanently ceasing operations, whichever occurs earlier. The 323 Grant for this portion of the line will include a condition that any transfer of the 323 Grant to the Four Corners Participants will include an annual payment of $1600 per acre escalated according to Section VIII (Payment Escalation) multiplied by the number of acres included in the 323 Grants for

the Navajo Southern Transmission System from one mile east of the Moenkopi Switchyard to the southern border of the Navajo Nation.

3. Upon expiration of the 323 Grants transferred between the Four Corners Participants and the Participants pursuant to Sections XV(E)(1) and XV(E)(2) above, the removal of improvements or transfer of facilities located within the 323 Grants shall occur in conformity with the applicable lease, as amended, for the last operating plant (either NGS or Four Corners Project) and the then-applicable 323 Grant.

4. In consideration for the Navajo Nation's consent to the terms and conditions of this Section XV, the Navajo Nation shall have the right, subject to applicable FERC rules then in effect, to access the lines and switchyard(s) located on any 323 Grant that is transferred as a result of this Section, and which are associated with the Navajo Project for the purpose of transmitting electricity generated from projects sited on Navajo Nation lands or projects in which the Navajo Nation has an ownership interest.

## XVI. LOCAL COMMUNITY INVOLVEMENT

A. Upon the execution of this Amendment by the Non-U.S. Participants, a fund (the "Chapter Fund") shall be created and administered by Lessees for the benefit of the NGS Community Chapters. Upon execution of this Amendment by the Navajo Nation, 75.7% of two percent (2%) of nine million dollars ($9,000,000.00) (which is $136,260.00) shall begin to accrue during the Lease Payment Accrual Period. The accrued proceeds shall be escalated according to Section VIII(B) (Payment Escalation) and paid into the Chapter Fund within thirty (30) days after the date that the Navajo Nation and all Non-U.S. Participants execute this Amendment.

Notwithstanding anything contained herein to the contrary, if this Amendment is not approved and executed by all of the Non-U.S. Participants on or before December 23, 2018, then no accrued Non-U.S. Participant portion of the Lease Payments intended for the Chapter Fund shall be due and owing by the Non-U.S. Participants to the Navajo Nation.

B. After the Navajo Nation and all Non-U.S. Participants have executed this Amendment, SRP shall pay an amount equal to 75.7% of two percent (2%) of the then current Lease Payment into the Chapter Fund each Lease Year at the time of payment of the Lease Payment until the earlier of: (1) December 23, 2018; or (2) the Effective Date.

C. If and when SRP pays the Remaining Signing Payment amount described in Section VII (United States Signing Payment) that portion of the payment that is attributable to the Chapter Fund for periods prior to the Effective Date shall be paid into the Chapter Fund. If and when the Effective Date occurs, SRP shall pay an amount equal to two percent (2%) of the then current Lease Payment into the Chapter Fund each Lease Year at the time of payment of the Lease Payment until termination of the Lease and compliance with Section XIV (Removal of Improvements; Restoration) by the Lessees.

## XVII. SCHOLARSHIP

A. Upon the execution of this Amendment by the Non-U.S. Participants, a fund (the "Scholarship Fund") shall be created and administered in cooperation with Lessees by the Office of Navajo Nation Scholarship and Financial Assistance for the use of awarding scholarships and financial assistance to eligible applicants ("Navajo Generating Station Scholarships"). Upon execution of this Amendment by the Navajo Nation, 75.7% of 2.78% of nine million dollars ($9,000,000.00) (which is

$189,401.40) shall begin to accrue during the Lease Payment Accrual Period. The accrued proceeds shall be escalated according to Section VIII(B) (Payment Escalation) and paid into the Scholarship Fund within thirty (30) days after the date that the Navajo Nation and all Non-U.S. Participants execute this Amendment. Notwithstanding anything contained herein to the contrary, if this Amendment is not approved and executed by all of the Non-U.S. Participants on or before December 23, 2018, then no accrued Non-U.S. Participant portion of the Lease Payments intended for the Scholarship Fund shall be due and owing by the Non-U.S. Participants to the Navajo Nation.

B. After the Navajo Nation and all Non-U.S. Participants have executed this Amendment, SRP shall pay an amount equal to 75.7% of 2.78% of the then current Lease Payment into the Scholarship Fund each Lease Year at the time of payment of the Lease Payment until the earlier of: (1) December 23, 2018; or (2) the Effective Date.

C. If and when SRP pays the Remaining Signing Payment amount described in Section VII (United States Signing Payment), that portion of the payment that is attributable to the Scholarship Fund for periods prior to the Effective Date shall be paid into the Scholarship Fund.

D. If and when the Effective Date occurs, SRP shall pay an amount equal to 2.78% of the then current Lease Payment into the Chapter Fund each Lease Year at the time of payment of the Lease Payment until the termination of the Lease and compliance with Section XIV (Removal of Improvements; Restoration) by the Lessees.

E. The amounts paid into the Scholarship Fund pursuant to this Section are in addition to the scholarship amounts paid by NGS through Peabody Western Coal Company.

## XVIII. NO THIRD PARTY BENEFICIARIES

No Persons other than the Parties and the successors and assigns of such Parties, shall have any rights, privileges, waivers, obligations or remedies whatsoever under the Lease or this Amendment.

## XIX. APPROVAL UNDER 25 USC §415(a)

The Parties acknowledge and agree that this Amendment shall not be effective until approved by the Secretary in accordance with Title 25, United States Code Section 415(a).

## XX. COUNTERPARTS

This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

## XXI. EFFECT OF AMENDMENT

Except as specifically modified by this Amendment, all of the terms and conditions of the Lease remain in full force and effect. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall govern and control.

## XXII. INCORPORATION OF PRIOR AGREEMENTS

This Amendment and the Lease contain the entire understanding of the parties hereto with respect to the subject matter hereof, and no prior or other written or oral agreement or undertaking pertaining to any such matter shall be effective for any purpose.

## XXIII. MODIFICATION OF AMENDMENT

This Amendment may not be modified, nor may any right or obligation hereunder be waived orally, and no such amendment or modification shall be effective for any purpose unless it is in writing and signed by all Parties and approved as required by the United States.

## XXIV. SEVERABILITY OF PROVISIONS

If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of such law, though not

expressly prohibited, or against public policy, or shall for any reason whatsoever be invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

## XXV. AUTHORITY

All Non-U.S. Participants (excluding SRP on behalf of the U.S. prior to receipt of Secretary Approval) have the legal authority to, and are not prohibited by law, from executing this Amendment; provided, however, that the effectiveness of this Amendment shall be subject to Secretary Approval and the provisions of Section X (Revocation of Amendment).

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be signed in their behalf by their duly authorized officers as of the date first above set out.

THE NAVAJO NATION

By: _____

Name: Ben Shelly

Title: President

ARIZONA PUBLIC SERVICE COMPANY

By: _____

Attest: _____

Name: _____

Title: _____

Title: _____

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

By: The Board of Water and Power Commissioners

By: _____

Name: _____

Attest: _____

Title: _____

Title: _____

NV ENERGY

By:_____

Attest: _____

Name: _____

Title: _____

Title: _____

SALT RIVER PROJECT
AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT,
FOR THE USE AND BENEFIT OF SRP

By: _____

Name: _____

Attest: _____

Title: _____

Title: _____

TUCSON ELECTRIC POWER COMPANY

By: _____

Name: _____

Attest: _____

Title: _____

Title: _____

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, FOR THE USE AND BENEFIT OF THE UNITED STATES

By: _____

Name: _____

Attest: _____

Title: _____

Title: _____

Approval of this Amendment is hereby given pursuant to Title 25, United States Code Section 415(a) and consent is hereby given to SRP to execute the Amendment for the use and benefit of the United States:

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENTS

STATE OF ARIZONA )
) ss.
County of APACHE )

The foregoing instrument was acknowledged before me this 30 day of JULY, ____, by BEN SHELLY, the PRESIDENT of the Navajo Tribal Council of The Navajo Nation, on behalf of The Navajo Nation.

SHIRLEY MCCABE
NOTARY PUBLIC - ARIZONA
APACHE COUNTY
My Comm. Exp.: October 18, 2016

Notary Public

My commission expires:

10-18-16

STATE OF ARIZONA )
) ss.
County of_____)

The foregoing instrument was acknowledged before me this ____ day of_____, ____, by_____, the _____ of the ARIZONA PUBLIC SERVICE COMPANY, a corporation, on behalf of said corporation.

Notary Public

My commission expires:

_____

STATE OF CALIFORNIA )
) ss.
County of_____)

The foregoing instrument was acknowledged before me this ____ day of_____, _____, by_____, the _____ of THE BOARD OF WATER & POWER COMMISSION OF THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, on behalf of said corporation.

_____
Notary Public

My commission expires:

_____

STATE OF NEVADA )
) ss.
County of_____)

The foregoing instrument was acknowledged before me this ____ day of_____, _____, by_____, the _____ of NV ENERGY, a Nevada corporation, on behalf of said corporation.

_____
Notary Public

My commission expires:

_____

STATE OF ARIZONA )
) ss.
County of_____)

The foregoing instrument was acknowledged before me this ____ day of_____, _____, by_____, the _____ of the SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an Arizona agricultural improvement district, on behalf of said district.

_____
Notary Public

My commission expires:

_____

STATE OF ARIZONA )
) ss.
County of_____)

The foregoing instrument was acknowledged before me this ____ day of_____, _____, by_____, the _____ of the TUCSON ELECTRIC POWER COMPANY, an Arizona corporation, on behalf of said corporation.

_____
Notary Public

My commission expires:

_____

STATE OF ARIZONA )
) ss.
County of_____)

The foregoing instrument was acknowledged before me this ____ day of_____, _____, by_____, the _____ of the SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an Arizona agricultural improvement district, on for the use and benefit of the United States.

_____
Notary Public

My commission expires:

_____

# EXHIBIT 1

323 GRANTS

| 323 Grant Description | Acres |
|---|---|
| Plant Site | 1,020.13 |
| Ash Disposal Site | 764.87 |
| Road between Plant site and Ash Disposal | 30.19 |
| Lake Pump Station | 4.47 |
| Road between Pump Station and N228 | 3.13 |
| Piping and Road between Plant and Lake Pump | 40.06 |
| Power Line to Lake Pump | 9.06 |
| Coal conveyor from mine to Loading station | 66.32 |
| Coal Loading station near the Mine | 99.88 |
| Railroad Path | 1,520.47 |
| Western Transmission System | 41.22 |
| Southern Transmission System | 3,862.579 |
| 230KV Tie Line | 1.0239 |
| Preston Mesa Communications Site | 0.22 |
| Zilnez Mesa Communication Site | 2.37 |
| Total | 7,466 |

Note: The Lease Payment of $8,000,000.00 per Lease Year is for the entire Navajo Project, and includes 323 Grants for up to and including 7,466 acres.

CAP-21-13

**RESOLUTION OF THE**

**22ND NAVAJO NATION COUNCIL**

**22ND NAVAJO NATION COUNCIL - THIRD YEAR, 2013**

**AN ACTION**

**RELATING TO RESOURCES AND DEVELOPMENT AND NAABIK'ÍYÁTI' RECOMMENDING AND APPROVING AMENDMENT NO. 1 TO THE INDENTURE OF LEASE EFFECTIVE DECEMBER 23, 1969 BETWEEN THE NAVAJO NATION AND ARIZONA PUBLIC SERVICE COMPANY, DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, NEVADA POWER COMPANY, SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AND TUCSON ELECTRIC POWER COMPANY**

**BE IT ENACTED:**

1. The Navajo Nation hereby finds the following with respect to this resolution:

A. The Secretary of the U.S. Department of Interior (Secretary) approved an Indenture of Lease, titled "Navajo Project- Indenture of Lease, Navajo Units 1, 2, and 3" and attached hereto as Exhibit E, effective December 23, 1969, between the Navajo Nation and Arizona Public Service Company (APS), Department of Water and Power of City of Los Angeles (LADWP), Nevada Power (NP), the Salt River Project Agricultural Improvement and Power District (SRP), and Tucson Electric Power Company (TEP), hereinafter, collectively referred to as the Lessees for the construction, operation, and maintenance of Units 1, 2, and 3 of the Navajo Generating Station (NGS) and associated facilities; and

B. The Indenture of Lease between the Navajo Nation and the Lessees provides an Option and/or Right to the Lessees to extend the Lease for an additional 25 year period to December 22, 2044; and

C. LADWP has informed the participants of the NGS that LADWP will terminate its 21.2% ownership

interest in the NGS before the expiration date of December 22, 2019 or earlier; and

D. SRP is negotiating a sale agreement with LADWP, which is subject to the approval of their respective governing bodies to potentially acquire LADWP's interest in the NGS; and

E. The Navajo Nation and SRP have negotiated Amendment No. 1 to the Indenture of Lease, (Amendment No. 1), attached hereto as Exhibit A, that, among other things, extends the term of the Lease and provides the Navajo Nation's consent to the issuance, renewal and/or extension of the 323 Grants of Rights-of-Way and Easement listed in Exhibits 1 and 2 of Amendment No. 1 through December 22, 2044; and

F. The continued operation of the NGS will allow for employment at the Peabody Kayenta Mine and the NGS to be continued and retained. The Navajo Nation will also continue to receive current revenues that are generated from the Peabody Kayenta Coal Mine and additional revenues as provided for in Amendment No. 1; and

G. Amendment No. 1 will provide the Navajo Nation up to approximately forty-three million dollars ($43,000,000.00) per year (annually adjusted) through 2044, as set forth in Exhibits A and B; and

H. The Navajo Generating Station and Kayenta Mine: An Economic Impact Study, is attached as Exhibit C; and

I. It is in the best interest of the Navajo Nation to approve ~~the~~ Amendment No. 1.

2. The Navajo Nation hereby recommends and approves ~~the~~ Amendment No. 1 to the Indenture of Lease, as set forth in Exhibit A, between the Navajo Nation, APS, LADWP, NP, SRP and TEP; and

3. Nothing in Amendment No. 1 or the Indenture of Lease hereto precludes the Navajo Nation from asserting a claim(s) for water rights to the Upper Colorado River Basin or settlement of such claim(s) or hinders the Navajo Nation from asserting (i) through December 22, 2019, a claim to the state of Arizona's 50,000 acre foot allocation of Upper Colorado River Basin water or (ii) from and after December 23, 2019, a claim to any quantity of water from the Upper Colorado River Basin for its lands in Arizona; and

4. Amendment No. 1 is conditioned on SRP requesting a meeting with the Resources and Development Committee (RDC) of the Navajo Nation Council on an annual basis to discuss potential opportunities that may increase the utilization of Navajo-owned business and suppliers by the Navajo Generating Station. The annual meeting request shall be submitted to the Chairperson and Vice-Chairperson of the RDC. The meetings shall include representatives from the Navajo Nation Division of Economic Development; and

5. The Navajo Nation hereby authorizes the President of the Navajo Nation to execute any and all documents necessary to effectuate the intent of this resolution.

*Office of Legislative Counsel*
*Telephone: (928) 871-7166*
*Fax # (928) 871-7576*

*Honorable LoRenzo Bates*
*Speaker*
*23rd Navajo Nation Council*

# MEMORANDUM

**TO:** Hon. LoRenzo C. Bates
23rd Navajo Nation Council

**FROM:** Levon B. Henry, Chief Legislative Counsel
Office of Legislative Counsel

**DATE:** May 24, 2017

**SUBJECT:** AN ACTION RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'ÍYÁTI' COMMITTEES AND THE NAVAJO NATION COUNCIL; APPROVING THE REPLACEMENT LEASE BETWEEN THE NAVAJO NATION AND SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY D/B/A NV ENERGY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES; LEASE AMENDMENT NO.1 TO EXISTING LEASE; APPROVAL OF RESTRICTIVE COVENANTS RELATED TO ASH DISPOSAL AREA AND SOLID WASTE LANDFILL AND POND SOLIDS; WAIVER OF SOVEREIGN IMMUNITY

Pursuant to your request, attached is the above-referenced proposed resolution and associated legislative summary sheet. Based on existing law, the resolution as drafted is legally sufficient. However, as with all legislation, it is subject to review by the courts in the event of a challenge.

The Office of Legislative Council confirms the appropriate standing committee(s) reviews based on the standing committees powers outlined in 2 N.N.C. §§ 300, 400, 500 and 164. Nevertheless, "the Speaker of the Navajo Nation Council shall introduce [the proposed resolution] into the legislative process by assigning it to the respective oversight committee(s) of the Navajo Nation Council having authority over the matters for proper consideration." 2 N.N.C. § 164(A)(5).

**NOTE**: the waiver of Sovereign Immunity will require a 2/3rd vote of the full membership of Council to pass the legislation.

Please review the proposed resolution to ensure it is drafted to your satisfaction. If this proposed resolution is acceptable to you, please sign it where it indicates "Prime Sponsor", and submit it to the Office of Legislative Services for the assignment of a tracking number and referral to the Speaker.

If the proposed resolution is unacceptable to you, or if you have further questions, please contact me at the Office of Legislative Counsel and advise me of changes you would like made to the proposed resolution. You may contact me at (928) 871-7166. Thank you.

**THE NAVAJO NATION**
**LEGISLATIVE BRANCH**
**INTERNET PUBLIC REVIEW PUBLICATION**

**LEGISLATION NO: _0194-17__** **SPONSOR: LoRenzo C. Bates**

**TITLE: An Action Relating To Health, Education And Human Services, Resources And Development, Budget And Finance, NAABIK'IYATI' Committees And The Navajo Nation Council; Approving The Replacement Lease Between The Navajo Nation And Salt River Project Agricultural Improvement And Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company D/B/A NV Energy, And Department Of Water And Power Of City Of Los Angeles; Lease Amendments No.1 To Existing Lease; Approval Of Restrictive Covenants Related To Ash Disposal Area And Solid Waste Landfill And Pond Solids; Waiver Of Sovereign Immunity**

***Date posted*: May 24, 2017 at 6:05 PM**

**Digital comments may be e-mailed to comments@navajo-nsn.gov**

**Written comments may be mailed to:**

**Executive Director**
**Office of Legislative Services**
**P.O. Box 3390**
**Window Rock, AZ 86515**
**(928) 871-7586**

**Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.**

**Please note**: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. *§374 et. seq.*

# THE NAVAJO NATION
# LEGISLATIVE BRANCH
# INTERNET PUBLIC REVIEW SUMMARY

**LEGISLATION NO.: 0194-17**

**SPONSOR: Honorable LoRenzo C. Bates**

**TITLE: An Action Relating To Health, Education And Human Services, Resources And Development, Budget And Finance, NAABIK'IYATI' Committees And The Navajo Nation Council; Approving The Replacement Lease Between The Navajo Nation And Salt River Project Agricultural Improvement And Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company D/B/A NV Energy, And Department Of Water And Power Of City Of Los Angeles; Lease Amendments No.1 To Existing Lease; Approval Of Restrictive Covenants Related To Ash Disposal Area And Solid Waste Landfill And Pond Solids; Waiver Of Sovereign Immunity**

**Posted: May 24, 2017 at 6:05 pm**

**5 DAY Comment Period Ended: May 29, 2017**

**Digital Comments received:**

| | |
|---|---|
| **Comments Supporting (3)** | 1. *Thomas Haycock*<br>2. *Coconino County Arizona Board of Supervisors*<br>3. *Page Arizona the Center of Canyon Country* |
| **Comments Opposing (11)** | 1. *Moppi JayJay*<br>2. *Robyn Jackson*<br>3. *Adella Begaye*<br>4. *Dine Citizen Against Ruining our Environment*<br>5. *Percy Deal*<br>6. *Michelley Jackson*<br>7. *Janene Yazzie*<br>8. *Nadine Narindrankura*<br>9. *Vincent Yazzie*<br>10. *Levon Thomas*<br>11. *Ed Becenti* |
| **Inclusive Comments (1)** | 1. *Gloria Johns* |

**Policy Analyst**
**Office of Legislative Services**

5/30/17 8:40am
**Date/Time**

# Legislation 0194-17

Moppi JayJay <moppijmj@hotmail.com>

Wed 5/24/2017 11:21 PM

To: comments <comments@navajo-nsn.gov>;

Good evening,

Coal mining is out dated. We need to focus on sun energy. Our land is polluted, our people are sick, and there are other health risks involved with mining. It's going to cost more to keep the station going and waste money to try and generate what's considered old.

Here's a professional input of coal mining:
https://www.yahoo.com/news/bloomberg-dismisses-trumps-disingenuous-promise-revive-coal-industry-162223876.html

Thank you for allowing me to submit my comment regarding the legislation.

Jacqueline Jones
Rock Point, AZ

Life is good!

# Legislation 0194-17 TITLE: An Action Relating To Health, Education And Human Services, Resources And Development, Budget And Finance, NAABIK'IYATI' Committees And The Navajo Nation Council; Approving The Replacement Lease Between The Navajo Nation An...

Thomas Haycock <lamont.haycock@icloud.com>

Thu 5/25/2017 10:11 AM

To:comments <comments@navajo-nsn.gov>;

Ladies & Gentlemen:

My name is Thomas L Haycock. My email address is <lamont.haycock@icloud.com>. I am a retiree (2014) and worked for Salt River Project over 30 years, at Navajo Generating Station.

My heart goes out to the employees and their families. This is your chance to do the right thing for the people you represent. I recommend approval of the NGS lease replacement to allow NGS continued operation until the end of 2019. This is in the best interest of the Navajo Nation and, most importantly, the people whose lives are directly impacted.

Thank you,

*Thomas L Haycock*

# Legislation Number 0194-17 (NGS)

Madeksza, Todd <tmadeksza@coconino.az.gov>

Fri 5/26/2017 4:32 PM

To:comments <comments@navajo-nsn.gov>;

Cc:BOS+5 <bos+5@coconino.az.gov>; BOS Assistants <bosassistants@coconino.az.gov>;

2 attachments

NGS Supporting Legislation Letter.pdf; NGS Resolution.pdf;

Dear Office of Legislative Services,

Please accept the attached letter and Resolution as Coconino County's comments on Legislation 0194-17, Legislation Approving the Replacement Lease Between the Navajo Nation and Salt River Project Agricultural Improvement and Power District, [and others]; Lease Amendment No. 1 to Existing Lease; Approval of Restrictive Covenants Related to Ash Disposal Area and Solid Waste Landfill and Pond Solids; Waiver of Sovereign Immunity.

Respectfully yours,

Todd Madeksza

**Todd Madeksza**
Director of Public Affairs &
Community Relations
Coconino County
(o) 928-679-7134
(c) 602-320-3186
Follow Coconino County on:

COCONINO
COUNTY ARIZONA
BOARD OF SUPERVISORS

**Art Babbott**
District 1

**Elizabeth C. Archuleta**
District 2

**Matt Ryan**
District 3

**Jim Parks**
District 4

**Lena Fowler**
District 5

May 26, 2017

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515

To whom it may concern,

On behalf of the Coconino County Board of Supervisors, I am writing to express our support for Legislation number: 0194-17, Legislation Approving the Replacement Lease Between the Navajo Nation and Salt River Project Agricultural Improvement and Power District, [and others]; Lease Amendment No. 1 to Existing Lease; Approval of Restrictive Covenants Related to Ash Disposal Area and Solid Waste Landfill and Pond Solids; Waiver of Sovereign Immunity.

We have watched with great interest as the Navajo Nation has worked with the Navajo Generating Station (NGS) owners to come to a fair and reasonable process for changing the ownership structure or decommissioning the plant. We believe this legislation is a positive step.

We are aware that the NGS and the associated Kayenta Coal Mine directly supports over a thousand families in northern Arizona with wages significantly above the median in the community. Most of those employees are Native American, in communities with already high unemployment rates. The sudden closure would have a profound negative impact on our communities and those we represent in Coconino County.

In Coconino County alone, the station generates over $6 million dollars annually to various special taxing districts in the area to fund governments, schools, hospitals and libraries. Therefore, we believe a measured two-year approach to closure will allow the County and our partners to better absorb the economic impacts associated with the eventual closure of NGS.

Attached to this letter of support is *REOLUTION NO. (2017-24) A RESOLUTION OF THE COCONINO COUNTY, ARIZONA BOARD OF SUPERVISORS TO SUPPORT A MEASURED APPROACH TO PHASING OUT THE NAVAJO GENERATING STATION (NGS)*. The Resolution was adopted earlier this year supporting the very efforts of the subject legislation.

The final two years of operation under the current ownership and the subsequent decommissioning of the plant provides time for a measured transition of the area's economy. We believe it is important for the NGS owners and operator to recognize a corporate responsibility to assist the region with that transition into a new economy.

COCONINO
COUNTY ARIZONA
BOARD OF SUPERVISORS

We are grateful for the partnership shared by the Navajo Nation and Coconino County and hope that a more gradual closer will allow all parties to work together to mitigate the impacts. We look forward to continuing to work with you in addressing the needs of our community.

Sincerely,

Elizabeth C. Archuleta, Chairwoman
Coconino County Board of Supervisors

219 East Cherry Avenue, Flagstaff, AZ 86001-4695 | Phone: 928.679.7144 | 800.790.1990 | Fax 928.679.7171 | coconino.az.gov

**RESOLUTION NO. 2017-24**

**A RESOLUTION OF THE COCONINO COUNTY, ARIZONA BOARD OF SUPERVISORS TO SUPPORT A MEASURED APPROACH TO PHASING OUT THE NAVAJO GENERATING STATION (NGS).**

**WHEREAS**, the NGS is a 2250 mega-watt coal-fired power plant in Coconino County and located on the Navajo Nation; and

**WHEREAS**, natural gas is less expensive than coal, making the cost of electricity from NGS more expensive than other electricity available in the marketplace; and

**WHEREAS,** NGS and the associated Peabody Coal Mine directly supports over a thousand families in Coconino County and in northern Arizona with wages significantly above the median in the community; and,

**WHEREAS**, a majority of the affected employees are Native American and the Navajo Nation experiences an unemployment rate of over 40 percent and 40 percent of the Nation live below the poverty rate; and,

**WHEREAS,** the continued operation of NGS supports the operation of Central Arizona Water Conservation District and the Central Arizona Project; and,

**WHEREAS**, an abrupt closure will lead to significant unemployment and have a negative economic impact across all of northern Arizona,

**WHEREAS**, NGS generates over $6 million dollars to various special taxing districts in the area funding governments, schools, hospitals and libraries; and,

**WHEREAS**, a measured two-year approach to closure will allow the County and our partners to better absorb the economic impacts associated with the eventual closure of NGS; and,

**WHEREAS**, the Navajo Nation and the owners and operators of NGS must sign a lease before July 1, 2017 to continue operations for two years;

**NOW, THEREFORE, BE IT RESOLVED,** by the Coconino County Board of Supervisors that the Navajo Nation and the NGS owners and operator should come to terms to extend the lease of NGS and ensure the final two years of operation under the current ownership and the subsequent decommissioning of the plant and to allow for a measured transition of the area's economy. And for the NGS owners and operator to recognize a corporate responsibility to assist the region with that transition into a new economy.

**PASSED and ADOPTED** this 4th day of April, 2017.

COCONINO COUNTY BOARD OF SUPERVISORS

Matt Ryan, Vice-Chair

ATTEST:

Clerk of the Board

APPROVED AS TO FORM

By:

Deputy County Attorney

# Commenting on NGS lease replacement legislation 0194-17

Robyn Jackson <chooshgai.bitsi@gmail.com>

Sun 5/28/2017 10:36 PM

To: comments <comments@navajo-nsn.gov>;

To Whom It May Concern:

Please allow for an extension of the comment period on legislation 0194-17. Given that this is a large and complex document, and the comment period happened over a three day weekend, the comment period for this legislation should be extended.

It appears in this lease that the Navajo Nation is giving up too much. This replacement lease is heavily in favor of the NGS owners. There are several waivers on the Navajo Nation's part. The Navajo Nation loses on water, clean-up and sovereign immunity, all for a dying industry.

These waivers are too big and important to give up. This lease needs to have terms that do not require these waivers, which is currently does.

- Navajo Nation waives our right to determine how the plant will be closed down and how well it will be cleaned up in 2019.
- Navajo Nation waives the right to regulate according to the best standards of cleanup of the NGS site.
- Navajo Nation waives sovereign immunity, which means NGS can sue NN in either federal or state court.
- Navajo Nation waives its right to sue NGS, for anything other than a Superfund violation.
- Navajo Nation has allowed NGS to use 34,100 af out of the 50,000 af that NN claims, but only until September 2019 when the original lease expires. In this proposed lease extension, NGS owners promise to return only 950 afy of that water to the NN.
- The remaining 49,050 afy can only be assigned to NN by settlement or adjudication. However, this lease extension does not claim these water rights for our people. If we sign this agreement, we are saying that the water rights are not already ours, but are up for grabs.

Sincerely,
Robyn Jackson
Wheatfields, AZ

# legislation NGS replacement legislation 0194-17

Adella Begaye <alleda.kay@gmail.com>

Mon 5/29/2017 2:05 PM

To:comments <comments@navajo-nsn.gov>;

To Whom It May Concern:

Commenting on NGS replacement legislation 0194-17

This NGS replacement agreement needs a thorough review by all constituents and the Council Delegates. The current process of pushing this without full understanding of the long-term consequences is wrong. This legislation favors SRP and pushed on the Navajo Nation for approval is racist. The Navajo Nation council delegates please consider the following troubling clauses:

1. This is a binding agreement that will hold the Navajo Nation to the terms far beyond the 2-year request for job and revenues. It is unjust for not considering a just transition, it is unjust for not considering the sickness and illness for the people living in the vicinity of NGS, it is unjust for not addressing the health compensations, it is unjust for not considering the tons of hazardous chemicals in the coal ash ponds left on Navajo land, it is unjust for not addressing the mine site/contaminates, it is unjust to settle for a measly 950 AF of water, when the original lease states upon NGS retirement, 35K AF water will revert to NN and it also leave open the claim to 50K AF water to Navajo.

2. The contract favors SRP and why is the Navajo Nation being rushed to sign this agreement.

3. Yes, Navajo will have some monetary payments; but on further review these gains are actually losses, for ex. the royalty will be reduced from 50 million to 39 million.

4. The payments of 1.65 billion over the life of the lease is vague and no assurance of how it will be provided. (Does this include the values of warehouse, the lake facility, the railroad)?

5. The 110 million in lease payment should be reversed to pay 3 million to begin the schedules as oppose to 2 million to start the schedule of payments.

6. The railroad, valued at 120 million is around 50 years old and will need much maintenance and repairs. What use could the Navajo Nation have for this railroad, Coal is no longer profitable and Navajo Nation has no buyers to keep the mine operational. This will be only another structure the Nation will be saddled with to demolish in the future.

7. 18 million is not enough to demolish the buildings and railroad in the future. So the Navajo Nation will be liable for decommissioning the site.

8. The waivers that is in this agreement such as allowing the company to do as they please in cleaning. By agreeing to substandard clean-up exposes risk to all kinds of hazardous material to all living beings and water to the communities.

9. Navajo Nation waiving its' sovereign immunity will leave the Nation open for NGS to sue and recoup all the monies they paid to the Nation.

10. Waiving the Nation's sovereign immunity leaves the Nation with no recourse for health ailments from the contaminates, from coal ash contamination, leaks from contaminates into the water sources in the future.

11. It cost billions of dollars for coal ash accidents and the Nation will be responsible for this if the agreement is signed.

12. Lastly, It is very dangerous for the Navajo Nation to accept the water rights language in this extension. It could seriously harm our ability to claim those rights.

Adella Begaye,

Wheatfields, AZ 86556

# Dine Citizen Against Ruining our Environment (D.CARE) Legislation 0194-17

Adella Begaye <alleda.kay@gmail.com>

Mon 5/29/2017 4:32 PM

To:comments <comments@navajo-nsn.gov>;

Cc:Eric Frankowski <eric@resource-media.org>;

1 attachment

ReplacementLeaseCommentLetter (1).docx;

Please see attach Dine'CARE comment on Legislation 0194-17, NGS Replacement.

Dine' CARE and To' Nizhoni Ani

May 29, 2017

By email: comments@navajo-nsn.gov
Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, Arizona 86515

Re: Comments on Navajo Generating Station Proposed Resolution, Replacement Lease, Lease Amendment 1 to existing lease, restrictive covenants, and waiver of sovereign immunity, Legislative Summary Sheet Tracking No. 0194-17.

Dear Executive Director:

Dine' CARE and To' Nizhoni Ani submit the following comments on the proposed Resolution, Replacement Lease for the Navajo Generating Station, Amendment 1 to the existing lease, and related material found in Legislative Summary Sheet, Tracking No. 0194-17.

## I. General Comments

First, the matter before the Navajo Nation is far broader than a 2-year extension of the lease for Navajo Generating Station. Instead, the documents under review will have broad implications for the future of the Navajo Nation as a whole, including clean up of the NGS site, water rights, the sovereign immunity of the Navajo Nation, waiver of rights to sue the current owners, and the economic well being of the Nation. As such, the overall impact of the proposed Replacement Lease, Lease Amendment 1 and related documents must be carefully considered by the Navajo Nation before entering agreements that will have widespread implications for the Nation in the coming decades.

Second, the Nation did not provide an adequate opportunity for the people to comment on the Replacement Lease and related documents. The documents first became publicly available at 6:00 pm on Wednesday May 24, 2017. The Nation only provided a 5 day comment period, which occurred over a national holiday weekend. The due date for comments is May 29, 2017, which is Memorial Day, a national holiday. Thus, the Nation only allowed 2 business days for comment on the Replacement Lease and related documents. This comment period is inadequate, especially given the importance of these documents for the future of the Navajo Nation. Therefore, we request an additional three days of public comment with comments being accepted through Thursday June 1, 2017--thus allowing 5 business days for public comment. Please inform us in writing if this request is granted. Further, the publicly available Replacement Lease is missing page 10. Thus, the Nation has failed to provide a complete copy of the relevant documents to the public. We request that the Nation immediately provide a copy

of page 10 to the Replacement Lease and allow the public a full 5 days to submit comments beginning on the date a complete copy of the Replacement Lease is provided.

Third, we are concerned that the Replacement Lease and related documents may adversely impact the Navajo Nation's right to 50,000 acre feet of water in the Upper Colorado River Basin. The Replacement Lease could be construed that the Nation has no right to that water and instead the water is wholly owned by the State of Arizona. We believe the language of the previous NGS agreements was stronger in that it favored the Nation's right to at least 34,000 acre feet of water and left open the possibility to rights to the 50,000 acre feet. The previous agreements also prevented any interpretation that would limit our rights to water in the Upper Colorado River basin. The Replacement Lease must not diminish our rights to that water. The Resolution and Replacement Lease state that SRP's water certificates shall be terminated upon cessation of coal burning activities at NGS. Instead of terminating these certificates, all water certificates in the possession of SRP/NGS should be conveyed to the Navajo Nation free of charge.

Fourth, the Replacement Lease must do more to address the public health impacts caused by 50+ years of operation of the NGS/Kayenta Mine complex. The operation of the complex has resulted in widespread adverse health effects for those living on the reservation. The NGS owners must do more to address these health effects, including community health studies, medical monitoring, establishment of local medical clinic in affected areas, and provision of medical equipment and medicines.

Fifth, the NGS owners must provide significant financial assistance to the Nation for redevelopment and transitioning our economy. For the past ten years, the NGS owners promised that Nation that NGS would continue operating until 2044. Then, at the 11th hour, the owners abruptly changed course in February 2017 and gave the Nation an ultimatum that they must extend the lease until 2019 or the plant would close immediately. The NGS owner's have grossly misled the Nation about the future of operations at the power plant. These misrepresentations have prevented the Nation for properly planning its economic future. As such, the NGS owners have a legal and moral obligation to ensure that all revenue losses resulting from its misrepresentations are reimbursed to the Nation to allow for an economic transitioning away from the coal complex. The Nation should obtain significant ongoing economic resources from the NGS owners and reserve their right to bring legal claims against the NGS owners for their fraud and misrepresentations. Are there any negotiations with the NGS Partners to support re-development of new and closed businesses? The last four decades NGS and Peabody did not support any multiplier businesses on the reservation, as a matter of fact all businesses went to off reservation communities. The small number of local Navajo businesses all went out of businesses due to no support from both industries. Development rights and subleases should be available to Navajo owned businesses and individuals.

II. Financial/Economic Considerations

We have the following questions and concerns about the overall financial and economic aspects of the Replacement Lease, Amendment 1 to the existing lease, and related documents:

1. The public discussion of plant retirement in the absence of details on mine closure does not provide the Nation with a full picture of the benefits and liabilities that accrue from the transactions. For example, NGS partners assume some or all the obligations for coal royalty payments. Are there other concessions being provided to the Nation and/or Peabody Energy related to the mine?

What is the total package of cash payments, savings payments and future development rights for both the mine and plant? Does the Nation assume liabilities? What is the nature of the liability and potential exposure?

2. Are the NGS Partners making available additional resources to assist with the plant closure? Will the NGS Partners be a source of reemployment for people now working at the NGS plant? If so, have any individual partners made employment commitments to assist plant workers find new employment?

3. Are there any negotiations with the NGS Partners to support existing businesses that will see lost business from the closing of the plant?

4. Have the NGS Partners committed to making additional energy related or other investments on the reservation?

5. What other commitments from the federal government or State of Arizona have been secured to complement those payments being made by the partners to the Nation? What other commitments have been secured to assist with new jobs or future economic development?

6. Under Section 12 (Operation and Maintenance) the primary purpose of the lease is for the retirement of NGS and NGS Site. Section 16 of the Lease Replacement allows the NGS Partners individually and collectively to transfer or assign their lease rights. The same section restricts subleases to only those uses that are consistent with the Retirement Guidelines.

What type of business or other activities are allowed under such transfer of rights? Does this provision contemplate the continued use of the site for a coal plant based on future lease amendments? Who owns revenues derived from any new development? If development rights, or subleases are granted to Navajo businesses and individuals will they be required to pay rent?

7. Amendment One to Lease Replacement addresses coal royalty payments to the Nation. Under this provision, the Nation is guaranteed $39,012,562.00 in total payments for 2018 and 2019 from the NGS partners. The total figure of $39 million in royalty payments over two years suggests declining utilization of the plant during 2018 and 2019. It is unclear how much of this Peabody is responsible for. Are the NGS Partners assuming all of this liability and

relieving Peabody Energy of its obligation to pay royalties? If there is a formula to be used to allocate costs then an example in the lease or an addendum detailing the methodology would improve the transparency for the Nation's budget preparations for those fiscal years. [1]

8. Schedule 7 of the Lease Replacement is the payment schedule for the $110 million rent payments identified in the body of the lease (Section 7A(i). The payment schedule provides for on an annual payment of on average $2.0 million per year for the first ten years of the lease and on average $4.3 million in the last ten years of the lease. The NGS Partners receive the principal benefits from these backloaded payments. The cash needs of the Navajo and Hopi nations are more pressing now and for the next ten years. The weighting on the payment schedule should be reversed or amended to address the more immediate fiscal imbalance caused by the closure of the plant and mine.

9. Exhibit E Retirement Guidelines are not part of the submission, when will they be available? How soon after the Guidelines are promulgated will there be a plan? Will there be public participation in the formation of the Retirement Guidelines document? Will the Guidelines and the Plan contain benchmarks for operational reductions during 2018 and 2019, an employment reduction and staff relocation plan, environmental remediation plans for the site and ash management, site demolition (including the use of current employees for this function) and other critical events necessary to manage an orderly retirement of the plant?

10. What will be the independent oversight structure to insure the proper carrying out of the Retirement Guidelines? Will there be independent audit verification on: 1) rent payments; 2) royalty payments; 3) savings payments; 4) asset valuations and 5) other payments and obligations made under the agreement.

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[1] There is a contentious history between the Navajo and Peabody Energy over the issue of royalty calculations and obligations.
http://navajotimes.com/news/2011/0811/081811mine.php

III. Comments on specific provision of the Replacement Lease

**Definition (Section 1)**

We were unable to review all provisions of Section 1 of the Replacement Lease because the publicly available version of the proposed lease was missing page 10, including some definitions. Please provide a complete copy of the Replacement Lease and allow a 5 day public comment period beginning on the date the complete copy of provided.

**Leased Premises (Section 2)**

We were unable to review all provisions of Section 2 of the Replacement Lease because the publicly available version of the proposed lease was missing page 10, including some relevant language of the Leased Premised provisions. Please provide a complete copy of the Replacement Lease and allow a 5 day public comment period beginning on the date the complete copy of provided.

**Applicable Law (Section 3)**

The Navajo Nation should not waive its right to bring claims against the NGS owners in Navajo courts for fraud, misrepresentation, or other claims. Because the NGS facility is located on Navajo lands, the Navajo courts have proper jurisdiction and venue for such claims.

**NGS Retirement (Section 11)**

Section 11(F)(iii) of the Replacement Lease should be amended as follows: "As part of the NGS Retirement Plan, Lessees shall demolish and remove all improvements on the NGS Site not conveyed to the Nation as Navajo Nation Retained Assets or from the Table of Savings and Costs pursuant to Section 11(F), including but not limited to the complete demolition of all coal boilers, generators, and turbines to prevent any future use of this equipment at the NGS site or elsewhere."

Section 11 of the Replacement Lease references a forthcoming NGS Retirement Plan that will govern activities at the NGS facility. The Retirement Plan should be developed now and provided to the public for review and comment prior to the adoption of any Resolution approving the Replacement Lease and related documents.

**Water Use (Section 14)**

Provision 14(C) of the Replacement Lease needs to be reworded because it could be construed as an admission that the Navajo Nation does not have existing water rights in the Upper Colorado River. Provision 14(C) currently reads as follows: "Salt River Project will support the Nation's efforts to **acquire** the use of a portion of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31) ..."). This language could be construed as an admission by the Navajo Nation that it has no rights to any of the 50,000 acre feet of water in the upper basin. The Replacement Lease should be amended by adding the following language to section 14 of the lease: "Nothing in the lease may be interpreted by anyone as a waiver of the Nation's water rights in the Upper Colorado River Basin." Moreover, Section 14(C) of the lease should be amended to read as follows: "Upon termination of coal burning activities at NGS, SRP and/or the NGS Lessees shall convey to the Navajo Nation free of charge any and all water certificates related to operation of the NGS facility." In the alternative Section 14(C) should be amended to read that "Salt River Project will support the Nation's efforts to secure its 50,000 acre-feet of water rights."

**Waiver of Sovereign Immunity (Section 19)**

The Navajo Nation should not waive its sovereign immunity under the Replacement Lease or Amendment 1 to the current lease. In the event the Navajo Nation does not retain its sovereign immunity rights, it should also waive its sovereign immunity for any liability under any federal environmental law for future issues related to pollution and contamination. The Navajo Nation should also waive its right to argue it is an indispensable party to any future action against the current Lessees under any federal environmental law.

**Navajo Employment and Business Opportunity (Section 22)**

Section 22 of the Replacement Lease does not go far enough to ensure that current and future employment at the NGS facility will be guaranteed to Navajo residents. The Replacement Lease must contain an enforceable commitment to only hire Navajo residents for all employment and contract opportunities at the NGS facility.

**Indemnification/Liability (Section 23)**

The Navajo Nation should not agree to any indemnification provision that is broader than the indemnification provided by Lessees.

**Agreement not to regulate (Section 26)**

The Navajo Nation should not waive its right to regulate the Lessees upon the termination of the current lease. The right to regulate assures a more protective clean-up of the site, guarantees future employment of Navajo residents, and provides control over future activities at the site.

**Successors and Assigns (Section 30)**

The first sentence of Section 30 of the Replacement Lease should be amended to read as follows: "The terms and conditions contained herein shall extend to and be binding upon any and all successors and assigns of the Parties, including but not limited to Section 4(B) of this Replacement Lease."

**Waiver and Covenant Not to Sue (Section 36)**

The NGS lessees have conducted coal burning operations on Navajo lands for over 50 years. These operations have included coal ash disposal, hazardous materials spills, solid waste and asbestos disposal, and other activities that have contaminated the soil, the groundwater and surface water, vegetation, animal life, atmosphere, and health of the people. Now, the NGS lessees want a broad release of liability from the Navajo Nation to prevent any future legal action against them for their 50-year history of pollution.

Section 36 of the lease contains an unreasonably broad waiver and release of liability by the Navajo Nation to the benefit of current and future lessees of the NGS property. The waiver applies to all past, current and future claims that the Nation, whether known or unknown, with a few limited exceptions.

Moreover, the Navajo Nation and Lessees have no authority to release any claims any third party may have against the current or future Lessees, including but not limited to any citizen suit under any federal environmental law and the right to challenge any federal government action related to the NGS facility, including any appeals under the National Environmental Policy Act. Any language in the Replacement Lease that could be interpreted as waiving the rights of third parties must be removed from the Replacement Lease.

The Navajo Nation should not accept such a broad release of liability. The release should be limited to the lessees under the existing lease and not apply to future lessees or assignees. The release should not apply to future events. The release should not apply to unknown claims. We encourage the Nation to delete Section 36 from the Replacement Lease. In the alternative, we encourage the Nation to greatly limit the scope of Section 36.

**Application and Waiver of DOI Regulations (Section 37)**

The Navajo Nation should not waiver its rights guaranteed under Title 25 of the Code of Federal Regulations.

**Force Majeure (Section 42)**

The Force Majeure language in Section 42 of the Replacement Lease is overly broad. The following events are not "uncontrollable forces" and should be removed as force majeure events: "the need to comply with any applicable law, change in law, regulation, ordinance or resolution, or any governmental, regulatory, administrative or judicial proceeding"; "inadequacy of water", "facility failure" and "discovery...of historic properties, archeological resources, human remains, or other cultural items".

**Entire Agreement (Section 47)**

Section 47(E) should be amended to read "This Section 47 is not intended to exclude any Party's liability for fraud."

**Other**

Section 18 of the Replacement Lease should be amended by adding the following sentence: "Each Lessee is jointly and severally liable for all obligations under this Replacement Lease." Currently under Section 7(C) of the Replacement Lease, the each Lessee is only severally liable for its percentage share of lease payments. Thus, if one Lessee defaults on its lease payments, the Navajo Nation may not recover that payment from the other Lessees. See Section 7(F) of the Replacement Lease.

The Replacement Lease should be amended to require each Lessee to obtain a surety bond adequate to cover the costs of all remediation activities at the NGS site during the life of the lease. Under the current language, the Navajo Nation can only require a bond or other guarantee from an individual Lessee in the event the Lessee experiences a "Downgrade Event" as defined by the Replacement Lease.

Page 54 of the Replacement Lease states that the effectiveness of the lease is contingent upon the approval by the U.S. Department of Interior. Any such approval by the Department of Interior may not occur until full compliance with all provisions of the National Environmental Policy Act and the conclusion of any legal appeals.

Thank you for the opportunity to submit comment on these important issues before the Navajo Nation. Please let us know in writing if you agree to allow submission of comments through Thursday June 1, 2017 as requested. Also, we request an opportunity before the committees and the full Navajo Nation Council to present these and other related issues. We also want to present chapter resolutions on the issue on Tuesday (05-30-17) or soon thereafter.

Adella Begaye
Dine' CARE
alleda.kay@gmail.com

Jessica Keetso
To' Nizhoni Ani
jkeetso@yahoo.com

# Legislation 0194-17, NGS Lease Extension

Percy Deal <deal.percy@gmail.com>

Mon 5/29/2017 4:42 PM

To:comments <comments@navajo-nsn.gov>; LoRenzo C. Bates <lbates@navajo-nsn.gov>;

Dear Honorable Delegates May 29, 2017

Re: Legislation 0194-17, Lease Agreement to Extend NGS

I heard at several meetings about the closer of NGS/Peabody the last few months, some said we want extension to 2044, to 2029, to 2025. When all failed the issue of extending the operation to December, 2019 came alone and not letting the owner/operators have their wish which is to cease operation this year and let decommissioning begin. I was in favor of having the operation cease this year however after carefully thinking about it, I thought I can live with the December, 2019 closure.

I am still in favor, however after reading the new extension agreement I became very concern. I wish to share with you some of those issues and I urge you to seriously consider those and other issues and thoroughly understand what really is in the agreement. Before I begin, I want to say I heard some Council Delegates say Salt River Project (SRP) over the years has done so much damage to the Nation and been dishonest alone the way. I agree, in this agreement SRP wants to take over and I'll try to explain.

True there are monetary gain for the Nation; royalty payment at reduced rate, lease payment, right to certain percentage of transmission lines, certain facilities including warehouse, railroad and pump facilities and payment for NOT demolishing certain buildings.

Why do we want a railroad, NGS will be closed, that's the only place it goes. No one wants to buy coal anymore. DOI and current owners tried the last 4 or 5 months to find someone but no result. Even while it is idle it would cost hundreds of thousands of dollars a year to maintain. Please take it off the list.

Also true is what the Nation loses under this agreement; the Nation will waive its right to determine the closure of the operation, including the clean-up. It will all be up to SRP and NGS, the waiver includes following the best standard which means federal rules and regulations that requires power plants owners/operators to follow. In the agreement the Navajo Nation will waive sovereign immunity and gives full right to NGS and its owners/operators to sue the Nation but not vise verse. In the 1969 agreement NGS was dedicated up to 34,100 AFY from the Upper Colorado River basin to support the operation, that is over 1, 700,000 AF during the life of the lease. In the extension agreement the Nation will get only 950 AFY for the immediate communities surrounding LaChee, if the Nation wants additional water it would have to go through SPR and Arizona Department of Water Resources. Also, in the original 69 agreement it states "this agreement shall not be construed in any manner as a waiver by the tribe of any present or prospective water rights of the tribe ....", in the new agreement it appears we are waiving away all of our water rights to not only the 34,100 AF but the entire 50,000 AFY in the Upper basin, Navajo Nation is the only community in the upper Colorado Basin with the exception of the city of Page. Thus the Nation are entitle too and have full right to the entire 50,000 AFY.

There are several other things not included in the agreement; Peabody and Black Mesa Pipeline are not mentioned, NGS and Peabody shares the same life line. Mojave Generating Station closed in 2005 but all of Black Mesa Pipelines' infrastructures are still there, no decommissioning, no clean up everything they build to support their operation is still there, they simply up and left.

I have a number of resolutions from chapters demanding the Nation do all things proper and appropriate to reclaim our water rights I want to submit those resolutions for your consideration.

There is no mentioning of the owner/operators' responsibility to its workers. There is no mentioning of the impact on the people's health and on the environments. There is no mentioning of the thousands of families having no water, all their water been dedicated to NGS for 50 years. There is no funds included to provide water to them, all their water will be in the hands of SRP and Arizona Department of Water Resources.

There are so much other issues to be uncovered, issues affecting our children's future. What are we really leaving them, are we leaving them with no defense, no sovereign immunity against NGS owner/operators 25, 30 years from now? Are we allowing SRP to decide their future for all their water needs? We are a sovereign nation, the leases are on Navajo land we should be in the driver seat and controlling these decisions, we are setting up ourselves for a dangerous precedent for all other industries on the reservation.

Having said all of the above, I am asking you to ask questions, seek the truth, make changes. You have the power to do so.

I thank you for your time. Percy Deal, Big Mountain

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Percy Deal <deal.percy@gmail.com>

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• The agreement will give monetary payment and some 50 years old structures, but please ask yourselves, is it worth giving up our rights to demand a thorough clean-up of the contaminates and recovery of the land? We have experience and suffered the consequences of shoddy clean-up of mines and other industries that our people and homeland still suffer to this day. (ex. the nuclear mine spill, the uranium abandoned mines) There are Dine people living around the NGS sites and the coal ash sites.

• Ask yourself, what will it cost to demolish these old structures and what do contractors cost to do this type of job? The agreement as stated gives SRP and partners a contract to walk away.

• What use will the Navajo Nation have for this railroad? What will it cost for the upkeep and what will it cost to tear it down in the future? Coal is no longer profitable for energy source and it is contributing to climate change. There is no such thing as "clean coal, the very reason, there is NO potential buyer for coal.

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• Please consider these questions carefully and I believe the solution is simple, let the 2017 lease expire and go forward to 2019 with decommissioning demanding proper clean-up.

• The Navajo Nation has leverage with the EIS, the environmental standards set in place for clean-up and our Indian water rights. The original lease states the Nation did not waive the water that was allocated to NGS so all of the 50K AF of water should revert back to the Nation. The water is our economic and survival security. Thank you.

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CONFIDENTIAL - ANY DISTRIBUTION OUTSIDE THE NAVAJO TRIBAL COUNCIL MAY SERIOUSLY IMPAIR THE WATER RIGHTS OF THE NAVAJO NATION

VLASSIS & OTT

MEMORANDUM

February 10, 1982

TO: Members of the Navajo Tribal Council

FROM: George P. Vlassis, Esq.

SUBJECT: Waiver of Navajo Water Rights

The question of the possible Waiver of Navajo Water Rights arises in two contexts:

1) The San Juan River-Navajo Indian Irrigation Project.

2) The Navajo Generating Station-Water Supply.

The San Juan River - Navajo Indian Irrigation Projects

In this context the issue revolves around the assertion that the Navajo Nation waived its Winters' Doctrine Rights to the waters of San Juan River in return for securing approval of the Navajo Indian Irrigation Project and the 508,000 acre feet of water per year allocated to the project under Senate Bill 107.

1) History

In hearings on Senate Bill 107, on March 15, 1961, the late J. Maurice McCabe, Executive Secretary of the Navajo Nation, testified before the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs of the United States Senate in part that:

> "The Navajo Tribe has consented to this (provision of water for municipal and industrial use from the Navajo Dam over and above the diversion requirements of the Navajo Irrigation Project) and relinquished its rights under the Winters' Doctrine for the water necessary to irrigate the Navajo Indian Irrigation Project."

Both prior to and after the passage of Senate Bill 107 in 1962, statements were made by Tribal officials including Maurice McCabe, to the effect that the Tribe had waived its Winters' Rights. Reflecting this are identical statements in Council Resolutions CO-106-66 and CJA-5-67 that:

> "The Navajo Tribe consented to compromise its rights under the Winters' Doctrine by agreeing to share shortages of the water from the San Juan River instead of insisting on the Tribe's right of priority to such shortages as consideration for the development of the Project, the acquisition of additional land to make up the 110,630 irrigable acres and the allocation of 503,000 acre feet per year to the Tribe for irrigation use."

On March 2, 1964, the Navajo Tribal Council unanimously passed Resolution CMA-14-64, which among other things, authorized the Chairman of the Navajo Tribal Council to execute a contract with the United States for delivery of water from the Navajo Dam to NIIP. Section 10(g) of this contract authorized by the Navajo Tribal Council provided as follows:

> "g. Priority Claims - The Navajo Tribe hereby waives any claims it may have to project waters, including prior rights therein, based upon judicial construction of Navajo Tribe rights through application of the principles of the case of Winters v. United States, (207 U.S. 564) and agrees to the apportionment and distribution of available project water as provided in this contract."

A contract containing this provision was signed by Chairman Nakai on April 1, 1964, but was not approved by the United States.

On August 24, 1964, the Advisory Committee of the Navajo Tribal Council unanimously passed a resolution approving substitute provision for the water contract between the Tribe and the United States, which was proposed by the Bureau of Indian Affairs as follows:

> "10 g. Priority Claims - The Navajo Tribe hereby waives prior rights or claims to project water and agrees to the apportionment and distribution of available project water as provided in this contract."

The contract was amended accordingly.

During discussions of the BIA proposed resolution, tribal attorney Walter Wolf explained that the change merely rephrased the requirements of Navajo Indian Irrigation Project and was in the best interests of the Navajo Tribe.

> ". . . in order to get the Navajo Indian Irrigation Project it was necessary for the tribe to determine whether or not it would stand on its prior rights to water in the San Juan River. If the Tribe were to assert its prior rights to water in the San Juan Basin for purposes of irrigation it was not feasible to construct the San Juan-Chama Diversion, which will take water across to the Rio Grande Valley. Now, if the Navajo Tribe agreed to share in years of shortages ratably, or equally, with the other people who are using water in the San Juan Basin, then it is feasible to construct both the Navajo Irrigation Project and the San Juan-Chama Diversion.

> . . . Otherwise, Congress would not appropriate the money to build the irrigation project. This clause in the contract that we are talking about states that the Navajo Tribe waives its prior rights to all of this water coming down and agrees to share equally in shortages with the San Juan-Chama Diversion and Navajo Irrigation Project. When there is a year that there is not enough water for both, we share the losses equally with the San Juan-Chama Diversion."

The BIA provision although seemingly less restrictive then the original may in fact be a much broader waiver in that it is not limited to "Winters'" rights. It could, therefore, be well argued that it is also a waiver of any preexisting state rights. This would probably only be relevant in the case of a Navajo farmer who lost his right under the doctrine of "prior appropriations" to a full amount of water in times of shortage.

On April 28, 1966, the Navajo Tribal Council discussed proposed plans to reduce the size of Navajo Irrigation Project and correspondingly increase the amount of water available to municipal and industrial uses. Protesting that such proposals violated the spirit of the Act of June 13, 1962, the Council passed CPA-56-66, noting that the Navajo Tribe had "compromised" its legal rights under the doctrine of Winters v. U.S. by agreeing to share shortages of water from the San Juan in consideration of the Navajo Irrigation Project and stating that unless Navajo Irrigation Project was completed as originally authorized, the "Navajo Tribal Council hereby finds a complete failure of consideration and therefore revokes any past actions of the Navajo Tribal Council in compromising or in any way waiving the Winters' Doctrine."

On October 5, 1966, the Navajo Tribal Council considered the report of a special task force on proposed re-evaluation of the Navajo Irrigation Project and unanimously passed Resolution CO-106-66, which stated that:

> "2. The Navajo Tribe consented to comprise its rights under the Winters' Doctrine by agreeing to share shortages of the water from the San Juan River instead of insisting on the Tribe's rights of priority to such shortages as consideration for the development of the Project, the acquisition of additional land to make up the 110,630 irrigable acres and the allocation of 508,000 acre-feet per year to the Tribe for irrigation use."

It further states that all conditions contained in the original agreement:

> "must be fulfilled before [the Navajo Tribal Council] waives or compromises its paramount rights to the waters of the San Juan River."

Identical language was contained in Council Resolution CJA-5-67, which urged full and immedaite implementation of the Navajo Irrigation Project, and was passed unanimously on January 23, 1967. By this time, it might be noted, construction of Navajo Irrigation Project was approximately three years behind schedule, due to lack of Congressional appropriation.

In November of 1975, Chairman MacDonald and the Navajo Tribal Council began taking positive steps to reassert Navajo Winters' Doctrine Rights in the San Juan River. On November 6, 1975, the Council unanimously approved a Navajo version of the proposed water delivery contract with the United States, which provided, in part:

> "12 d. Return Flow - The United States reserves the rights to any of the seepage or return flow water attributable to the use of the project water supply which actually enters the San Juan River, provided however, that this subsection shall not constitute any waiver or limitation on the right of the Navajo Nation to waters of the San Juan River separate and apart from waters contained in the Act."
>
> "e. Priority Claims - The Navajo Nation hereby waives any claims it may have to project waters, including prior rights therein, based upon judicial construction of Navajo Nation rights through application of the principles of the case of Winters v. United States (207 U.S. 564), and agrees to the apportionment and distribution of available project water as provided in this contract, the operation of this project in no way satisfying, fulfilling, limiting or measuring Navajo Nation water rights in and to the waters of the San Juan River.

On April 10, 1976, Chairman MacDonald executed on behalf of the Navajo Tribe a water supply contract for the NIIP with the United States Department of the Interior which provided in part:

> "VII. No Waiver. The Navajo Nation does not waive any reserved Winters rights or consent that such rights have been or will be determined or limited by the Act of June 13, 1962 by execution of this agreement, or by delivery of water pursuant to this agreement; and the United States does not waive its right to assert a position on these issues which is neutral, in support of, or contrary to that of the Navajo Nation."

And, on August 26, 1976, the Navajo Tribal Council passed a resolution setting forth the Navajo position on its water rights in the San Juan River and elsewhere. That the Navajo Nations Resolution, CAU-52-76, reaffirmed rights to waters under the Winters Doctrine, stating that:

> "(f) The Navajo Nation reaffirms that the Navajo Indian Irrigation Project is a Federal Indian irrigation project, and that the Navajo Nation neither has nor does waive any of its Winters Doctrine rights in connection with the construction, operation or maintenance of the project. The Navajo Nation further declares that the water used by the Navajo Indian Irrigation Project is not chargeable to the Navajo Nation's Winters Doctrine reserved water rights;"

repudiating any acts of prior Tribal officials which would contradict the Tribe's present position.

The section of the 1962 Act (S.107) authorizing the NIIP pertinent to waiver issue is § 8(c) which states:

> "None of the project works, or structures authorized by the Act shall be operated by the Secretary of the Interior so as to create, implement or satisfy any preferential right in the United States or any Indian tribe to the waters impounded, diverted or used by means of such project works or structures, other than contained in those rights to the uses of water granted to the states of New Mexico or Arizona pursuant to the provisions of the Upper Colorado Basin Compact."

The purpose of this clause is unclear as the Secretary of Interior noted that if its effect was: "to limit or restrict the Indians right to water its inclusion was improper." And the BIA was against its inclusion if it limited: "the present rights of Indians in any way." Steve Reynolds testified that; "Section 8(c) of the draft was inserted to give Colorado assurance that all uses from these projects in New Mexico or Arizona will be chargeable to the allocations given New Mexico and Arizona by the Upper Colorado River Basin Compact, and that the right to use amounts in excess of those allocations will not be claimed under the "Winters Doctrine", the "reservation theory" or some other theory of water law."

2) Analysis

While in terms of a non-legal logic it may appear that the tribe waived its rights, analysis in the strict legal sense is far less conclusive.

The actions taken by Chairman MacDonald and the Navajo Tribal Council since November of 1975 can be viewed as either an attempt to clarify an ambiguous Navajo position on waiver of water rights or as a repudiation of an earlier Navajo waiver of its Winters' Rights in the San Juan. If these actions were attempts to revoke a valid waiver, they may not be legally effective. The central question, then, which will be determined in court, is whether the tribe did effectively waive its Winters' Rights.

Simply defined, waiver is "the voluntary and intentional relinquishment of a known right, claim or privilege." 28 Am. Jur. 2d at 836. Waiver, then, must be voluntary, intentional, and respect a known right. Waiver must be proved by the party asserting it. As noted, a waiver may not be subsequently revoked without the consent of the party to whose benefit the right was waived.

A Tribe can participate in the waiver of its own rights as such rights are alienable. However, due to the particular nature of the trust between Indian Tribes and the government the Federal Government must approve of such Tribal alienation. Further, the Federal Government may dispose of tribal rights or property without Tribal consent if the disposition is necessary to promote Tribal welfare. As a result, either the Tribe with Federal

approval or the Federal Government alone could have waived Navajo's water rights on the San Juan. Over these issues there is little if any controversy. Of course, if the Federal Government disposed of tribal rights without tribal consent or did not properly advise and inform then when approving the tribes alienation of a right it could be held liable for the loss. Resultantly, both tribal and federal actions in this area must be considered in attempting to ascertain if a valid waiver has occurred.

Presumably, any valid waiver must have been in connection with a legally effective action. The only two possible actions would be the passage of S. 107 and the signing of a water-delivery contract thereunder. The only water-delivery contract which was fully executed was the contract approved by Chairman MacDonald on April 10, 1976, which expressly denied any Navajo waiver of tribal rights in the San Juan. Therefore any effective waiver would have to have accompanied the passage of S. 107. As the waiver could have been either the tribe or the Federal Government; the actions of both must be considered.

Navajo Tribe

The only Navajo actions which could be construed as waiving Tribal Winter's Rights were the statement made by Maurice McCabe before the U.S. Congress in 1961 and Tribal Resolutions urging and approving the passage of S. 107.

As noted, in order to constitute a valid waiver these actions must have been Voluntary, Intentional and involve a Known Right.

A) Voluntariness

Voluntary choice is the essence of a waiver. From this it follows that if coercion is present, there can be no voluntariness and, therefore, no waiver.

The Tribe was obviously under pressure to waive its rights in return for construction of the NIIP. It put strong emphasis on the importance of the project to its economic well being. Assuming that the waiver met the other requisites and was thus valid, the issue would be whether the Tribe was coerced into a waiver by lack of choice or was simply bargaining away a right in exchange for a benefit. The latter would appear to be a reasonable conclusion, however, in light of the other aspects of waiver, it is doubtful that this will be of help to the opposition in any litigation.

B) Intentionality

It is likely considering the language of Resolutions CO-106-66, CJA-5-67, CMA-14-64, CPA-56-66, and ACAU-129-64 that the Navajo Tribal Council, at least from 1964 through early 1976, believed that they had waived their Winters' Rights in the San Juan with the passage of S. 107.

What Tribal leaders thought they had done might, however, be irrelevant. The "intent" needed for waiver must be based on full knowledge. Waiver occurs only where a party deliberately intends to forego a legal rights he is aware of and fully comprehends. An intentional act constituting waiver may not be based on a mistake or misapprehension of fact, particularly where the person purporting to waive his rights has been misled by the conduct of the party to whose benefit the rights were waived.

The transcripts of the Navajo Tribal Council meetings show that when the issue of the Tribal Winters' Rights in the San Juan River was considered the Tribe was operating in an atmosphere of factual distortion propounded by parties with interests adverse to the Tribe. These parties told the Tribe that if the Tribe did not "waive" its rights, NIIP would not be funded, while in fact Congress had committed itself to fund NIIP or a similar project in partial fulfillment of its trust responsibilities to the Tribe. Such lack of knowledge should negate tribal intent to waive its Winters' Rights as the results and ramifications of a waiver were far from clear.

C) Known Right

Altough there is no doubt that Tribal leaders were aware of the existence of Navajo reserved water rights, it is possible to make a strong case that the extent of such rights

were not known in 1962 and, in fact, are not known today. An unknown right cannot be waived. There may be some evidence that the Tribe thought it new the extent of its "Winters'" Rights, however, absent judicial or Congressional determination, the Tribe could not be held to have such knowledge in actuality.

From this, it is clear that any argument that the Tribe waived its known right would be a poor one at most. As to Maurice McCabe, his statement to Congress will no doubt be asserted as being on authority of the Council. He was not the Chairman, however, and there appears to be no express action of the Council giving him authority to speak for the Tribe. Absent any documentation of authority, his statement should be of no consequence in litigation. Further, even if it were shown that he did have Tribal authority, any waiver on his part would in all likelihood fail due to the same "known right" defects present in Tribal actions.

It could also be argued that if there was any waiver of the Navajos' rights on the San Juan it was strictly related to the division of waters in times of shortage. Under the law of prior appropriation, the Navajos', having the earliest date of appropriation, would have a right to receive all their water at the expense of later appropriators in time of shortage. As such, the agreement to share equally or ratably would have been a reasonable and equitable action on the part of the Tribe.

Even if we assume for the sake of argument that Tribal actions approving S. 107 do contain all of the requisites of waiver, at most the Tribe attempted to waive its Winters' Rights, and such an attempt was ineffective absent congressional consent either directly or by delegation.

Voluntariness cannot be a question in this context, however, intentionality well could. The concerns of the Secretary of the Interior and William Veeder evidence that the Government, at least on the part of the Department of Interior, intended that no waiver should take place. No Tribal resolutions purporting to waive any Winters' Rights were approved by the BIA. The intent of the law was in all probability to implement a fulfillment of the United States' obligations to the Navajos. This does not eliminate concern over the §8(c) language but Steve Reynolds' testimony in a committee hearing on the bill quoted earlier, clearly identifies the intent as being one of passifying Colorado by requiring that project water used in New Mexico and Arizona be deducted from their allocations under the Upper Basin Compact. This more than adequately supports the contention that the United States in no way intended to waive the Navajo Winters' Rights in the San Juan River.

The waiver issue as to Federal actions also must fail in terms of requiring that the right be known if it is to be waived. As outlined before in consideration of the Tribe's knowledge, they (the Tribe) did not and could not have known the extent of their Winters' Rights and neither could the Federal Government.

Even if we assume for purposes of discussion that despite the foregoing arguments, it is found that the Federal Government waived the Tribe's Winters' Rights to the San Juan (and Congress had the power to do so under the plenary power it exercises over Indian affairs) the Government would be liable to compensate the Tribe for loss of its Winters' Rights in the San Juan, since the Federal Government must compensate a tribe for taking a tribal property. See U.S. v. Alecea Band of Tillamooks, 329 U.S. 40, 54 (1946); U.S. v. Creek Nation, 295 U.S. 103, 110 (1935); and U.S. v. Shoshone Tribe, 304 U.S. 111 (1938) (Value of timber and mineral resources of reservation should also be compensated for.)

If the Federal Government, moreover, waived the Navajo Tribe's Winters' Rights, it clearly violated its fiduciary obligations as a trustee of Indian interests, as set forth in Siminole Nation v. U.S., 316 U.S. ¶86, 297 (1942). The Government may, therefore, be liable for damages caused by its negligence. Band of Pomo Indians, Ind. v. U.S., 363 F. Supp. 2338 (N.D. Cal 1973) (Government has been held liable for damages for mismanagement of tribal funds.)

Navajo Generating Station Water Supply

1) History

Here the issue revolves around whether or not the tribe waived its "Winters" rights in the Colorado River Basin in exchange for the placement of a Coal Fired Generating Station on the Reservation at Page.

In connection with the construction of the Navajo Generating Station, the Navajo Tribal Council on December 11, 1968, passed Resolution CD-108-68 which appears to agree not to make claims upon water for Upper Basin Arizona use in excess of the 50,000 acre-feet allocated to Arizona under the Upper Basin Compact, and allots 34,100 acre-feet for the use of the Navajo Generating Station.

The language of the "whereas" clauses of the resolution explicitly states the Tribe's reasoning and intent:

> 2. . . . the Navajo Tribe [has] requested that the Secretary of the Interior take all necessary steps, advisable and incidental, to affirm the right of the Navajo tribe to 50,000 acre-feet of water allocated to the State of Arizona under the Upper Colorado River Basin Compact; and
>
> 3. . . . a portion of the 50,000 acred-feet of water, allocated by the Upper Colorado River Basin Compact, [should] be used for a power plant located on the Navajo Reservation near Page, Arizona; and

5. . . . [the prospective operator of the power plant] needs to be assured of sufficient water to operate said power plant in the amount of 34,100 acre-feet of water per year before making such an investment; and

6. . . . Because the 34,100 acre-feet of water per year must come from the 50,000 acre-feet of water allocated to the State of Arizona by the terms of the Upper Colorado River Basin Compact, . . . . [the operator] must be assured that the Navajo tribe will not assert, for the lifetime of the proposed coal-fuel power plant or for the next 50 years, or whichever comes first, claims for water in excess of 50,000 acre-feet per year."

10. Because this proposed coal-fuel power plant on the Navajo Reservation near Page, Arizona, at the present time, appears to be the best use of the water of the Upper Colorado River Basin, it appears that approval of this resolution is in the best interest of the Navajo people."

The Therefore clause then states:

"1. In consideration of the Secretary of the Interior Executing a contract between the United States and Salt River Project Agricultural Improvement and Power District, operator of the coal-fuel power plant, committing the use of approximately 34,100 acre-feet of water per year for the power plant to be located on the Navajo Reservation near Page, Arizona, the Navajo Tribe of Indians agrees that they will not make demands upon the 50,000 acre-feet of water per year allocated to the State of Arizona, pursuant to the Upper Colorado River Basin Compact, in excess of 50,000 acre-feet of water per year, of which 34,100 acre-feet of water per year shall be used by the coal-fuel power plant to be located on the Navajo Reservation near Page, Arizona.

2. In consideration of the foregoing promise, as stated in Resolved Clause 1 of this resolution, teh Secretary of the Interior, his agents and officers and the Salt River Project Agricultural Improvement

> and Power District, and its agents, officers and assignees, make the following promises to the Navajo Tribe:
>
> A. The Salt River Project Agricultural Improvement and Power District promises to give job preference to all resident Navajos for any position within the power plant or the mine from which the coal is brought for use in the coal-fuel power plant and in any and all facilities related to the production of power by the proposed coal-fuel power plant.
>
> B. The Salt River Project Agricultural Improvement and Power District promises, except during interruptions and curtailment of delivery, that all coal used in the coal-fuel power plant located on the Navajo Reservation."

As shown, the resolution was expressly conditioned on a number of promises made by the prospective operators of the power plant; many of these promises were never kept.

Resolution CD-108-68 was followed the next year by Resolution CJN-50-69, which allocated an additional 3,000 acre-feet of water to the City of Page. This resolution arguably rescinds and amends any previous Navajo waiver of water rights, by explaining the 1968 resolution's language, in stating that:

> "2. The terms of Resolved Paragraph 1 and the terms of Resolution CD-108-68 constitute an agreement of the Navajo Tribe with regard to the 50,000 acre-feet of water per year and does not constitute a waiver or relinquishment of the present or prospective water rights of the Navajo Tribe and that resolution is hereby amended by adding this paragraph to the same as a part thereof."

Despite this language, the argument has been made by the Solicitor of the Department of the Interior that the Navajo

Nations has agreed to limit its claims for water use in Upper Basin Arizona to the 50,000 acre feet provided for in the Upper Basin Compact, and of this amount has allocated some 37,100 acre feet for use by others thus limiting Navajo water use to 12,900 acre feet per year.

2. Analysis

A. Tribal Action

Even if the clarification attempted in Tribal Resolution CJN-50-69 was held ineffective it appears that for reasons similar to those put forth in the earlier discussion regarding the San Juan, the waiver in CD-108-68 would be invalid.

Voluntariness is of course a factor but again, as in the San Juan case, although coercion is a distinct possibility, it could be as easily held (especially in a State Court) that the Tribe was simply bargaining away a right in return for a valuable benefit.

As to intent, the argument is also the same as in the San Juan Case and as inconclusive, the Tribe was given questionable advice by its advisors and entities such as the Salt River Project, and was definitely operating in an aura of factual distortions and confusion, however, whether this negates intent to waive a specific right which is expressly stated is at best questionable.

The key issue may be whether the right supposedly waived was a known right. I can be argued that the Tribe's right was limited by implication to 50,000 acre-feet per year by the Upper Basin Compact and therefore was known. Although there is no doubt that all of the Upper Basin Water allocated to Arizona will have to beused on the Navajo Reservation since all the Upper Basin land located in Arizona is for practical purposes within the Reservation. The converse, is not necessarily true, i.e., that all water in the Upper Basin to be used by the Navajo Tribe is limited by the Arizona allotment. The issue as to Tribal waiver of rights in the Upper Basin is and must be limited to whether or not the Tribe waived a right they, in fact, were aware of in precise terms.

The intent of Congress as to the waiver of the Navajo's Rights in adopting the Compacts is far from clear. On one hand, the 1922 and 1948 Compacts state that nothing herein shall effect the right of the Indian Tribes. On the other hand, both have language crediting all beneficial uses within a state to that state's apportionment. Although various entities appear to have to inform the Tribal Council what its Rights were from this, it is clear that they were only informing the Tribe of their opinion not of any fact.

No court has dealt with this question. The one Solicitor's opinion which has discussed the effect of the compacts did find that they bind the Navajo Tribe, and limit the Tribe's Water Rights.

The effect of this opinion is, however, muted strongly by the fact that the interests, building the Page Power Plant were sufficiently concerned that ligitimate Navajo claims might exceed the 50,000 acre-feet per year allocated to Arizona that they viewed it, as essential that the Tribe's Water Rights be limited to 50,000 acre-feet per year and that the needs of the power plant be charged against the Tribe's rights.

From this it is clear that neither the entities involved in the Navajo Generating negotiations nor the Tribe could have known the extent of the Tribes Winter's Rights in the Colorado River mainstream for use in Arizona and therefore no waiver would be effective.

B. Federal Action

As noted above the Congressionally approved 1922 and 1948 Compacts on the use of Colorado River Water are complex and very contradictory. Although the solicitors opinion mentioned previously held that Tribal Rights in the mainstream Colorado for use in Arizona are limited by the Upper Basin Compact to 50,000 acre-feet per year, as noted it is very doubtful that this opinion is conclusive.

Conclusion

This memorandum has been prepared for your review and consideration for two reasons. One, to show you that the issues relating to Navajo water rights are not merely issues possessed in common by all Indian tribes in the southwest. Your position is unique and the issues concerning possible waivers have been matters that we have been dealing with on a continuous basis in and outside of the Tribal Council for over ten years in an attempt to enhance your position in anticipation of the litigation that was subsequently filed. Two, to demonstrate to you that water rights issues must be handled on three fronts simultaneously, that is to say, judicial, legislative, and administrative, to say nothing of the continuing preparations that we have advised and that you have assented to undertake through Williams Brothers Engineering Company these many years. No other Tribal Government in the United States is presently as well equipped to handle its water rights issues, as is the Navajo Nation. Few tribes have been in a position to effectively project the needs for the future nor have they had the benefit of any objective assessment of the variety of economic and political interests that tend to frustrate those needs and deny you your water.

The latest example is the Western Resources Council which within recent months is circulating a draft congressional bill which would quantify your water rights on a disadvantageous basis within four years after enactment of such bill and even then, would "satisfy" your water needs by one time payments of money in the fashion of the inadequate payments which you have received for your land claims.

This is the time in which you, the Navajo Tribal Council, and your technical support must continue to work in complete harmony. There is no room for devisive conduct calculated to change the established order for personal individual gain. The order that has been established is through the prior resolutions of this Council, which in its wisdom, has continued to give strong support to those who have been entrusted to your most valuable renewable resource - water. To parcel these complex problems of long duration out to a variety of individuals and organizations who are responsible to anyone other than the Navajo Tribal Council would not be wise for it would weaken the enormous effort that must be sustained in order to achieve your rightful share of the most treasured of commodities - water.

George P. Vlassis

GPV/lp

# Legislation 0194-17

Janene Yazzie <janene.y@sixth-world.com>

Mon 5/29/2017 4:54 PM

To: comments <comments@navajo-nsn.gov>;

Honorable Delegates,

I recently have been engaged in several International Discussions around water security, food security and climate change as part of delegations of Indigenous Peoples who advocate for Human Rights and the sovereignty of Indigenous Peoples around the world. In those discussions, I'm often confronted with questions about the Navajo Nation's continued path to purchase and take over coal plants as a means to save a few jobs for employees slated for retirement, for an energy company that did not do our people the justice of training them for new jobs despite the bleak market projections that tell the world that the coal economy is dead and that there is no such thing as clean coal. I am asked how, our Nation's elected leaders, work so hard to save this dying industry after the genocide and largest forced removal in recent US history, perpetuated by those who have benefitted from NGS's operations. I am confounded by how to answer these questions.

I have tried my best to understand those of you who are making the argument that purchasing NGS is going to be good for our economy. I have tried looking at the numbers to see how saving the 800 jobs--whose loss was never a great mystery but something that has been projected for year-- is a sound economic choice for our future. I have tried to understand how you think we can convert the dilapidated buildings and the outdated grid system to run renewable energy production when the leading owners have refused to do so for years because it was not economically feasible. I have tried to see how the steadfast conviction of listening to paid lobbyist and paid NGS workers protecting what's left of their paychecks, over the outcry of the majority of our citizens concerned about our collective future is good leadership.

But there is no justification for this decision. There is no justification for making our people liable for the devastation of Indigenous Nations the world over who are on the frontline of climate change impacts. Because no matter how you try to justify it, the science and the market analyses are clear; to go through with these negotiations as is, and to position our nation to buy NGS, is not only extremely FISCALLY irresponsible to our communities, its a violation of the free, prior and informed consent of our people, our future generations, and our sister Indigenous Nations, who will all suffer the impacts of our decisions and who all deserve a more just, equitable and clean economy.

Remember, that our ancestors walk with us still. That we are a manifestation of their prayers no matter your faith. That we are the product of their fight for our lands and their future, is our present. You have the responsibility to weigh this decision with the same care, compassion, and love for our unknown future children who may find themselves in leadership positions for our nation in the future, as you do now. Take care to make the decision with full clarity of that weight and responsibility and ask yourself, if our ancestors were alive today to guide you... would they tell you to fight for the jobs of a few people, or for a better and brighter destiny for us all?

**Extend the comment period.** Do not make the mistake of the previous council who rushed into buying Navajo Mine. Learn from that mistake as we have not paid off those loans and yet, we face the closure of the Four Corners Power Plant in 2020. **Claim every last drop of the 50,000 afy of water that is rightfully ours.** The water alone is worth more than the infrastructure. **Do not tie our people's future to a dying industry.** You can do better. You must do better.
Sincerely,

Janene Yazzie

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"*Concern for man and his fate must always form the chief interest of all technical endeavors...in order that the creations of our mind shall be a blessing and not a curse to mankind. Never forget this in the midst of your diagrams and equations.*" - Albert Einstein

# legislation 0194-17

Nadine Narindrankura <nnarindrankura@icloud.com>

Mon 5/29/2017 5:05 PM

To: comments <comments@navajo-nsn.gov>;

Yá'át'ééh Shi Nant'a'á,

Please allow for an extension of the comment period on legislation 0194-17. Given that this is a large and complex document, and the comment period happened over a three- day weekend, the comment period for this legislation should be extended as long as possible.

It appears in this lease that the Navajo Nation is giving up too much. This replacement lease was negotiated on behalf of the NGS owners and not the best interest of the entire Navajo Nation. There are several waivers on the Navajo Nation's part that are very concerning. The Navajo Nation loses on water, clean-up and sovereign immunity for an industry that has made billions if not trillions of dollars at the Navajo Nation's expense.

Coal is no longer economical. Since 2011 coal has declined as a competitive means of energy production. In 2015 coal dropped so much that 3 out of 4 top American Multinational Coal Corporations declared bankruptcy-Peabody Energy was one of them. Coal simply cannot compete with the price of renewable wind and solar energy. Some may argue that natural gas is the next competitive energy producer, however the extraction process greatly jeopardizes the structural integrity of the earth, especially aquifers. There's absolutely no way coal can bounce back from this decline. All the promises from Trump to revive the struggling coal industry are proving to be all talk and no action.

These waivers are too big and important to give up. This lease needs to have terms that do not require these waivers, which it currently does.

- Navajo Nation waives the right to determine how the plant will be closed down and how well it will be cleaned up in 2019.
- Navajo Nation waives the right to regulate according to the best standards of cleanup of the NGS site.
- Navajo Nation waives sovereign immunity, which means NGS can sue NN in either federal or state court.
- Navajo Nation waives its right to sue NGS, for anything other than a Superfund violation.
- Navajo Nation has allowed NGS to use 34,100 af out of the 50,000 af that NN claims, but only until September 2019 when the original lease expires. In this proposed lease extension, NGS owners promise to return only 950 afy of that water to the NN.

The remaining 49,050 afy can only be assigned to NN by settlement or adjudication. However, this lease extension does not claim these water rights for our people. If we sign this agreement, we are saying that the water rights are not already ours, but are up for grabs. This is very dangerous language to use in an official document and on this basis alone, should not be signed.

There are far too many, critical waivers and concessions in this lease replacement. The amount of money the tribe will receive is simply not enough to cover the cost of what we are giving up as an entire nation. This proposed lease needs to be amended to take out the waivers and be rewritten to protect the Navajo Nation's right to claim water.

Ahxéhee',
Nadine Narindrankura
Hardrock, Arizona

Nadine Narindrankura
(928) 814-5117

# Comments 0194-17

Vincent Yazzie <vinceyazzie@yahoo.com>

Mon 5/29/2017 5:02 PM

To: comments <comments@navajo-nsn.gov>;

Cc: Ed Becenti <rezztone@yahoo.com>; Nicole Horseherder <nhorseherder@gmail.com>; Jessica Keetso <jkeetso@yahoo.com>; Nadine Narindrankura <nnarindrankura@gmail.com>; Vernon Masayesva <kuuyi@aol.com>; Ben Nuvamsa <ben@kivainstitute.com>; Jihan Gearon <jihan.gearon@gmail.com>;

May 29, 2017

Vincent H. Yazzie
10080 Palomino Road
Flagstaff, AZ 86004

(928) 380-3198

e-mail: vinceyazzie@yahoo.com

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515

Subject: No to 0194-17

Dear Honorable Delegates,

Legislation is 519 pages long, but legislative summary and Exhibit A minus corresponding exhibits are only applicable. The rest is boiler plate. Exhibit B is the 1969 Lease Agreement. Exhibit C is the 2013 Lease Amendment. Exhibit A's Exhibits are land surveys. All one has to read is legislative summary and 46 pages in Exhibit A.

Legislative Summary has all inducement money of $110,040,989 over 35 years. Railroad, Lake Pump and Warehouse are worth $162 million, but are we buying for $54,397,500 or $120 million. Looks like NGS Partners want to claw back the taxes since 2011 of the Navajo taxes collected on NGS. Replacement lease does not affirm 50,000 AFY of Upper Basin Colorado River water in the State of AZ to the Navajo Nation.

No regulation of NGS Partners is not acceptable. Other power plants off the reservation get regulated.

NGS partners except LADWP provide coal subsidy of $39,012,562 as coal royalty for 2018, and 2019. A tidy sum of money

Navajo becomes responsible for fly ash pile. To make soap, one mixes water with ash. Liquid removed is called lye, the exact opposite of acid. Lye is mixed with fat to produce soap. Since the ash pile is not lined, eventually lye will reach the Colorado River.

Navajo pays Economic Development cost reimbursable upto $257,500. NGS lease can be surrendered anytime with appropriate compensation demanded.

Navajo Nation law is waivered for Federal and Arizona State law. Navajo courts are cut out.

NGS Partners agree not to sue Navajo and vice versa via waivers. Via waivers in the "Best Interest of the Navajo Nation," NGS partners get to walk away with murder.

Retirement means the removal of NGS assets, excluding the Navajo Nation

21 retained assets, and restoration of the surface of the NGS site.

Navajo could want everything and the remediation could end, but since Amendment One is active and added armor stipulations from the Replacement Lease. Coal mining could continue to 2054.

5. LEASE TERM.

(A) Term. The term of this Lease will commence on December 23,2019 at 12:01 a.m. MST ("Term Commencement Date"), the date on which the Existing Lease ends and is fully extinguished.

(i) Tract A. The Lease Term for Tract A is for thirty-five (35) years and expires on December 22, 2054, without the right of extension.

(ii) Tract B. The Lease Term for Tract B is for thirty-five (35) years and expires on December 22,2054, with one (1) right of extension as referenced below.

(B) Extension of the Lease Term for Tract B. The Lease Term for Tract B shall be extended once for either a 2-Year Extension Period or a 35-Year Extension Period, all as provided for in Section 8 (Further Compensation and Terms and Conditions Related to Tract B) below. The Lease Term, as it relates solely to Tract B and the related §323 Grants, will be extended for the applicable time period provided for in Section 8 (Further Compensation and Terms and Conditions Related to Tract B), commencing on the day immediately following the expiration date of the Lease Term for Tract B, being an expiration date of December 22, 2054 (the "Extension Period"), on the same terms and conditions provided herein, with the exception that the aggregate Lease rental and §323 Grant payments from the



Lessees for the entire Extension Period shall be $10.00 per annum, which may be prepaid or paid in a lump sum at any time by the Lessees. No Extension Period shall apply to Tract A.

Legislative Summary and Exhibit A do not match.

Regular Navajo people cannot sue NGS anymore. There will be no watchdog over NGS. Navajo Nation Council cannot terminate the right of the Navajo people to redress grievances. This is a violation of the Navajo Nation Bill of Rights. This requires that the vote goes to the Navajo People by referendum.

36. WAIVER AND RELEASE OF CLAIMS; COVENANT NOT TO SUE.

(A) To the fullest extent allowed by law, the Nation covenants and agrees not to sue or take administrative action against Lessees and further waives and releases all the claims listed in this Section 36(A), which include legal and equitable claims of any nature, claims for actual compensatory, consequential, punitive, special, multiple or other damages of any kind, whether known or unknown as of the Effective Date, under federal, state, or tribal law, that the Nation may currently have, has ever had, or may have in the future against each of the Lessees. The Nation covenants and agrees not to bring these claims on behalf of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or on behalf of its tribal members, residents, or any other person, in a representative, agent, or trustee capacity or otherwise. This waiver and release shall apply whether or not the action or the basis therefore are known to the Nation on the Effective Date, so that it waives and releases all rights to any provision of law stating that a general release does not extend to any claims that the person does

# Commenting on NGS Replacement Legislation 0194-17.

levont@gmail.com

Mon 5/29/2017 9:35 PM

To:comments <comments@navajo-nsn.gov>;

To Whom It May Concern:

Commenting on NGS Replacement Legislation 0194-17.

Please allow for an extension on the comment period for legislation 0194-17. This legislation and related lease documents are large and complex, and will affect the Navajo Nation for decades to come. Additionally, the comment period happened over a three-day holiday weekend, a time when the public was not available. The comment period for this legislation should be given the longest possible extension.

I am concerned about the number of waivers expected of the Navajo Nation in this replacement lease. The waivers require the Navajo Nation to give up the right to regulation at the best standards of clean-up. The waivers also require that the Nation gives up sovereign immunity, which means the Nation can be sued by NGS. Meanwhile, the Nation waives its right to sue NGS, for anything other than a Superfund violation.

Furthermore, there is ambiguity and unclear language on the future of Navajo Nation's water rights to the 50,000 afy that NGS has had access to for it's operations, but which Navajo Nation has never given up. In the proposed lease extension, the NGS owners agree to return 950 afy out of 50,000. How is it that they arrive at this number? How is it that they can negotiate a water right claim that has not been settled or adjudicated to them?

As this proposed replacement lease reads, it does not claim these water rights for the Navajo people. If our leaders sign this agreement, the Navajo Nation is saying that the water rights are not already ours, but are up for grabs. This is very dangerous language to use in an official document and on this basis alone, should not be signed.

There are far too many, critical waivers and concessions in this lease replacement. This proposed lease needs to be amended to take out the waivers and be rewritten to protect the Navajo Nation's water rights claims, not give them away.

Sincerely,

LeVon T Thomas

Tsaile/Wheatfield Chapter, Wheatfield, AZ

Sent from Mail for Windows 10

## *The new lease agreement to extend NGS is not beneficial to the Navajo Nation.*

To President Begaye, Speaker Bates, and Navajo Tribal Council, before you vote on Legislation 0194-17, please consider:

We have examined the lease documents and consulted with attorneys and other experts. We can accept extending the lease until 2019, however the terms of this agreement must be changed. It gives away too much:

**What the Navajo Nation (NN) gains:**

- Continuation of coal royalty payments, *but these are reduced from $50 million to $39 million.*
- Total monetary payments worth $1.65 billion over the life of the lease. *However there is no structure provided for oversight or audit of these payments.*
- $110 million in lease payments are set up to increase in the future, even though Navajo and Hopi Nations need cash now to finance the transition.
- Rights to use 60% of one transmission line, and 40% of another
- A large warehouse
- The railroad, valued at $120 million
- Lake pump facilities, worth about $40 million
- $18 million payment for not having to demolish the buildings *(Does this mean Navajo Nation takes responsibility for demolishing them?)*

**What the Navajo Nation loses:**

- We waive our right to determine how the plant will be closed down and how well it will be cleaned up in 2019.
- We waive the right to insist on the best standards for cleanup of the NGS site
- We waive sovereign immunity, which gives NGS owners the right to sue NN over this contract.
- **NN has allowed NGS to use 34,100 af out of the 50,000 af that NN claims, but only until September 2019 when the original lease expires. In this proposed lease extension, NGS owners promise to return only 950 afy of that water to the NN.**
- **The remaining 49,050 afy can only be assigned to NN by settlement or adjudication. However, this lease extension does not claim these water rights for our people. If we sign this agreement, we are saying that the water rights are not already ours, but are up for grabs.**

**What the lease does not include:**

- There is nothing about Peabody Energy, the future of the Kayenta Mine and Black Mesa Mine site, and what kinds of obligations the Navajo Nation might have when the mines close.
- There is nothing about commitments to job placement and other transition assistance to laid off workers, or support for existing businesses that will lose money when the plant closes.
- There is nothing about NGS partners making any additional investments on Navajo Nation, such as investments in renewable energy development.

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***It is very dangerous for the Navajo Nation to accept the water rights language in this extension. It could seriously harm our ability to claim those rights.***

***The waivers in this agreement give away too much. In the long run, the Navajo Nation will lose more from the waivers than we gain from the cash payments.***

***This is not just a two year fix. It will have lasting consequences for the Navajo Nation.***

**Report produced by Dine C.A.R.E.**

# Legislation 0194-17

Gloria Johns <glojohns@gmail.com>

Mon 5/29/2017 6:19 PM

To: comments <comments@navajo-nsn.gov>;

2 attachments

One Pager on NGS Extension.docx; ATT00001.htm;

Gloria Johns
Forest Lake Chapter Resident

# Regarding Legislation 0194-17

Ed Becenti <rezztone@yahoo.com>

Mon 5/29/2017 5:47 PM

To:comments <comments@navajo-nsn.gov>;

Yatahey so-called Dine'/Navajo tribal leaders/officials...we know our Dine'/Navajo folks will file a lawsuit against any Navajo Council delegate who VOTES yes to this legislation...I assure all of you...how many of you trusted Council delegates have ACTUALLY taken time to READ this multi-525 page legislation to yor LOCAL constituents to get der...FREE...PRIOR...and INFORMED CONSENT before u all contemplate on making an informed decision...or are u gonna FEEL SORRY and go blame previous leadership for yor vote..?

Wake up..!!

Ed Becenti

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# Regarding Legislation 0194-17

Ed Becenti <rezztone@yahoo.com>

Mon 5/29/2017 5:47 PM

To:comments <comments@navajo-nsn.gov>;

Yatahey so-called Dine'/Navajo tribal leaders/officials...we know our Dine'/Navajo folks will file a lawsuit against any Navajo Council delegate who VOTES yes to this legislation...I assure all of you...how many of you trusted Council delegates have ACTUALLY taken time to READ this multi-525 page legislation to yor LOCAL constituents to get der...FREE...PRIOR...and INFORMED CONSENT before u all contemplate on making an informed decision...or are u gonna FEEL SORRY and go blame previous leadership for yor vote..?

Wake up..!!

Ed Becenti

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Page
ARIZONA
THE CENTER OF CANYON COUNTRY

May 25, 2017

Tom Platero, Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515

Fax No. 928-871-7259

Dear Mr. Platero,

The City of Page is pleased to hear that the Navajo Nation and the owners of NGS appear to be moving forward with a lease extension for the continued operation of NGS until at least 2019. As you are aware, the City of Page believes that the continued operation of NGS is extremely beneficial to the economy of both the City of Page and the entire surrounding region. The City Council is unable to meet before May 29, 2017, to take any type of formal action regarding this matter, but I personally have been very vocal in my advocacy and support of the continued operation of NGS as long as possible into the future. In addition, I know that several, if not all, of the City Council share the same opinion.

I appreciate the efforts of the Navajo Nation to keep NGS open and operating, and wish you the best of luck in that endeavor.

Sincerely,

William R. Diak

William R. Diak
City of Page, Mayor

City of Page
P.O. Box 1180 • 697 Vista Avenue
Page, Arizona 86040
(928) 645-8861 • Fax (928) 645-4244

**THE NAVAJO NATION**
**LEGISLATIVE BRANCH**
**INTERNET PUBLIC REVIEW SUMMARY**

**LEGISLATION NO.: 0194-17**

**SPONSOR: Honorable LoRenzo C. Bates**

**TITLE: An Action Relating To Health, Education And Human Services, Resources And Development, Budget And Finance, NAABIK'IYATI' Committees And The Navajo Nation Council; Approving The Replacement Lease Between The Navajo Nation And Salt River Project Agricultural Improvement And Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company D/B/A NV Energy, And Department Of Water And Power Of City Of Los Angeles; Lease Amendments No.1 To Existing Lease; Approval Of Restrictive Covenants Related To Ash Disposal Area And Solid Waste Landfill And Pond Solids; Waiver Of Sovereign Immunity**

**Posted: May 24, 2017 at 6:05 pm**

**5 DAY Comment Period Ended: May 29, 2017**

**Digital Comments received:**

| | |
|---|---|
| **Comments Supporting (4)** | 1. *Martha Lane*<br>2. *Cindy Begay*<br>3. *Valencia Edge Water*<br>4. *Tamara Seaton* |
| **Comments Opposing ( 3)** | 1. *Stefanie Tsosie*<br>2. *Vincent Yazzie*<br>3. *Marina Eskeets* |
| **Inclusive Comments (2)** | 1. *Sandy Buchanan, Executive Director – Institute for Energy Economics and Financial Analysis*<br>2. *Emmett Kerley* |

**Policy Analyst**
**Office of Legislative Services**

6/6/17 3:05pm
**Date/Time**

# Attn: NGS Lease Replacement Legislation

Susan Wilson <laughswithangels@gmail.com>

Tue 5/30/2017 5:04 PM

To: comments <comments@navajo-nsn.gov>;

This comment is about the NGS Lease Agreement that is to take place soon.

I am Navajo, from Coppermine Community. My concern is for the Navajo Tribal Council to agree with the lease agreement.

The southwestern part of the Navajo reservation will be greatly affected through the NTUA. Their electricity will increase in price. A lot of these people are unaware of that. As it is, many of them are having a hard time paying for their bills now. They are not prepared and this will cause a great hardship on them.

We have a lot of young fathers working at NGS, with homes in Page, who have recently purchased their homes. They will be burdened with financial obligations if they are forced to leave their homes. Some families may have to separate and live in different places. If they have the next two years to transition, it will be less disruptive to family life.

The schools will be affected negatively unless the lease is agreed upon. Children and staff will be affected; enrollment of students and employment of staff will also be affected.

These are just a few reasons that the lease should be approved. The Navajo Tribal Council have been voted into office by the people. Most of the Western Navajo Chapters, as well as some of the New Mexico Chapters, have approved that the lease be continued to 2019. Why is that not honored?

As leaders, please recognize that you are the voice of the people to best serve our people and their needs.

Please vote in favor of the extension of the lease to 2019.

Sincerely,
Martha Lane
Coppermine Chapter Member

# Attn: NGS Lease Replacement Legislation

Cindy Begay <cab421962@yahoo.com>

Tue 5/30/2017 4:58 PM

To:comments <comments@navajo-nsn.gov>;

I'm a resident of Page and enrolled tribal member of Coppermine Chapter. I'm pleading with you all as elected delegates to listen to our request to keep NGS operating for the next 2 years. This will allow employees to better prepare their families of relocating off the reservation since there's no employment for over 1,000 plus families. I understand it's a 500 page legislation, I'm writing this from my input.
Your vote should reflect each communities desires not upon your personal wishes. 1,000 plus families plus their extended families will be affected. That's the Navajo way of life is to help those in need.
NGS and Peabody revenues has helped many different organizations and especially Navajo Nation! If your voting to get more $$ from NGS, why now?
More money to benefit someone's pocket? There's all kinds of needs for our Navajo Nation people but yet, nothing is being done about them. Endless meetings and conferences, money spent all talk and no action! Don't let these two companies go down which will be another failure on your part!
All we ask is let it operate for the next two years. Plain and simple!

Sent from my

# NGS comment

Valencia Edgewater <val.edgewater@gmail.com>

Tue 5/30/2017 9:56 PM

To: comments <comments@navajo-nsn.gov>;

To Whom It May Concern:

Please allow for an extension of the comment period on legislation 0194-17. Given that this is a large and complex document, and the comment period happened over a three- day weekend, the comment period for this legislation should be extended as long as possible.
It appears in this lease that the Navajo Nation is giving up too much. This replacement lease is heavily in favor of the NGS owners. There are several waivers on the Navajo Nation's part. The Navajo Nation loses on water, clean-up and sovereign immunity, all for a dying industry.
These waivers are too big and important to give up. This lease needs to have terms that do not require these waivers, which it currently does.
• Navajo Nation waives the right to determine how the plant will be closed down and how well it will be cleaned up in 2019.
• Navajo Nation waives the right to regulate according to the best standards of cleanup of the NGS site.
• Navajo Nation waives sovereign immunity, which means NGS can sue NN in either federal or state court.
• Navajo Nation waives its right to sue NGS, for anything other than a Superfund violation.
• Navajo Nation has allowed NGS to use 34,100 af out of the 50,000 af that NN claims, but only until September 2019 when the original lease expires. In this proposed lease extension, NGS owners promise to return only 950 afy of that water to the NN.
The remaining 49,050 afy can only be assigned to NN by settlement or adjudication. However, this lease extension does not claim these water rights for our people. If we sign this agreement, we are saying that the water rights are not already ours, but are up for grabs. This is very dangerous language to use in an official document and on this basis along, should not be signed.
There are far too many, critical waivers and concessions in this lease replacement. This proposed lease needs to be amended to take out the waivers and be rewritten to protect the Navajo Nation's water rights claims, not give them away.
Thank you for considering my comments.
Ahxéhee',
Valencia Edgewater
Hardrock Chapter

# NGS Replacement Legislation 0194-17

tamara.seaton@gmail.com

Thu 6/1/2017 10:13 AM

To:comments <comments@navajo-nsn.gov>;

To Whom It May Concern:

Commenting on NGS Replacement Legislation 0194-17.

Please allow for an extension on the comment period for legislation 0194-17. This legislation and related lease documents are large and complex, and will affect the Navajo Nation for decades to come. Additionally, the comment period happened over a three-day holiday weekend, a time when the public was not available. The comment period for this legislation should be given the longest possible extension.

I am concerned about the number of waivers expected of the Navajo Nation in this replacement lease. The waivers require the Navajo Nation to give up the right to regulation at the best standards of clean-up. The waivers also require that the Nation gives up sovereign immunity, which means the Nation can be sued by NGS. Meanwhile, the Nation waives its right to sue NGS, for anything other than a Superfund violation.

Furthermore, there is ambiguity and unclear language on the future of Navajo Nation's water rights to the 50,000 afy that NGS has had access to for it's operations, but which Navajo Nation has never given up. In the proposed lease extension, the NGS owners agree to return 950 afy out of 50,000. How is it that they arrive at this number? How is it that they can negotiate a water right claim that has not been settled or adjudicated to them?

As this proposed replacement lease reads, it does not claim these water rights for the Navajo people. If our leaders sign this agreement, the Navajo Nation is saying that the water rights are not already ours, but are up for grabs. This is very dangerous language to use in an official document and on this basis alone, should not be signed.

There are far too many, critical waivers and concessions in this lease replacement. This proposed lease needs to be amended to take out the waivers and be rewritten to protect the Navajo Nation's water rights claims, not give them away.

Sincerely,
Tamara Seaton
Diné from Flagstaff, AZ

# Comments on the Navajo Generating Station - LEGISLATION NO: 0194-17

Stefanie Tsosie <sktsosie@gmail.com>

Mon 6/5/2017 11:32 AM

To: comments <comments@navajo-nsn.gov>;

1 attachment

S Tsosie - NGS comments.pdf;

To whom it may concern,
Please find my comments on the Navajo Generating Station proposed lease attached. Ahe'hee!
Stephanie Tsosie

Ya'ah'teeh,

My name is Stephanie Tsosie and I am born to Honágháhnii and born for Kinyaa'áanii. My family is from Bááháálí. I am submitting comments in response to Legislation 0194-17 to approve the replacement lease between the Navajo Nation and the Salt River Project Agricultural Improvement and Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company, and Department of Water and Power of City of Los Angeles; approve lease Amendment 1; approve the restrictive covenants; and approve a waiver of sovereign immunity.

I echo the comments of those Navajo organizations and community members who have concerns with the environmental consequences of the lease agreement – including concerns about water rights and water use. I am writing separately to emphasize concern that the Navajo Nation and tribal members should have about how the approval of the lease would severely restrict the Navajo Nation's sovereign authority. This affects all Navajo Nation members.

As written, the legislation and proposed lease and lease amendments would:

- waive the ability of the Navajo Nation to regulate the cleanup after NGS closes (Section 26);
- waive the Navajo Nation's sovereign immunity (Section 19);
- allow for the Navajo Nation to be sued in either federal or state court (Section 19); and,
- release the Navajo Generating Station owners and operators from any claim the Nation has or could have from the operation of Navajo Generating Station (Sections 23 and 36).

These terms mean that the Navajo Nation opens itself up to be sued (even in state court), but the Navajo Nation could not sue the NGS owners and operators for any damages from the operation of NGS. **The way that these waivers are set up in the lease, and the sections on required notice, are set up to keep the Navajo Nation from asserting its rights.**

NGS owners and operators have put very big numbers on paper for payments as a monetary incentive to agree to the lease. But the payment the Navajo Nation receives are not as big of a benefit as it sounds. According to Section 7, the total payment the Navajo Nation would receive is approximately $167 million from the royalty assurance payment ($39 million), the rental payment ($110 million), and the savings payment ($18 million) – which may sound like a big number, but it is over the course of 35 years. Most of the money will be paid by 2022. The royalty assurance payment of $39 million will be split between 2018 and 2019, with $20.8 million paid out in 2018 and the remaining $18.2 million paid out in 2019. In comparison, the Navajo Nation and Hopi Tribe normally receive between $50 and $55 million *per year*. The Navajo Nation certainly gets shortchanged on this payment. The next large payments are from the savings payment and start in 2020, with $6 million a year until 2022, totaling $18.2 million. After 2022, the only explicit payment the Navajo Nation would receive is the rental payments. The rental payments will total approximately $110 million, but are backloaded. So instead of the Navajo Nation receiving what would be an average of $3.14 million a year, the Nation instead receives between $1.8 million to $3 million a year until 2035. After 2035 the yearly payments gradually increase until the end of the agreement. The most the Navajo Nation

would receive per year is $4.9 million, and that isn't until 2053 (the end of the agreement). These payments may also be conditional. If there are other payments the Navajo Nation might be eligible to receive, it is not clearly outlined in the lease. These payments should be clearly stated in terms of how much the Navajo Nation would receive, when, and when they could possible be taken away.

The other values in Section 7 are "assets" that the Navajo Nation would receive, such as the railroad, a warehouse, and the right to use transmission lines. In the proposed lease these assets are already assigned values and the Navajo Nation would waive its right to challenge the values. And even though these assets may have value, it is unclear why they equal the amount they do. There is also a question of how the Navajo Nation will value these assets. What if it is more of a burden to maintain a warehouse than it is tear it down? Or what if there is contamination associated with any of these assets? If the value of the assets were to go down, shouldn't that increase the payments that would be made out to the Navajo Nation? The value, purpose, and post-closure care of these assets should be looked at closely.

If this deal is about money then the Council should look closely at the waivers of sovereign immunity and the release of claims against NGS. Under the waivers there are two exceptions where the Navajo Nation could sue. The first would be for non-payment of the rental or assured royalties (Section 17). Section 17 states that if NGS does not pay the Navajo Nation on time, then they can sue for payment but only after they follow a certain process. NGS would have 30 days to pay after the Nation sent them a notice that payment is past due. If NGS does not pay in that time, then the Nation has to send NGS a letter that says they will sue in 60 days if there is no payment. If they NGS still doesn't pay, then the Nation can finally sue them in court. **This means that the Nation will have to wait 90 days before they can even file suit to recover money it is owed.** But in this very same section says that if the Navajo Nation does not pay on time or within 30 days of notice, **then NGS can sue the Nation immediately.**

The second exception where the Navajo Nation could sue NGS would be a lawsuit under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (Section 36). CERCLA is the legislation that governs "Superfund" and "Superfund sites" and has a focus on recovery of costs of cleanup. 42 U.S.C. § 9601 et seq. CERCLA is a liability statute, which means that if the NGS partners do not do a good enough job of cleaning up the site, or fail to clean up parts of the site, or if there are other issues with contamination that are discovered later, **then the Navajo Nation will pay the bill for cleanup and would have to file a lawsuit against NGS to recover the money that the Navajo Nation has already paid.**

Both of these types of lawsuits also depend on the NGS partners being "solvent", which means that they have money to actually pay the Navajo Nation what it is due. In the meantime, the Navajo Nation would either not be receiving money, or would even have to pay money upfront, in order to bring a lawsuit against NGS. And if NGS owners and operators are no longer "solvent," which means they have run out of money, then the Navajo Nation might never get repaid, or it might take years to get repaid.

The proposed lease also has a number of barriers that the Navajo Nation would have to overcome in order to bring any lawsuit against NGS (Section 18 is an example). They would

have to send advance notices, go to mediation, and jump through a lot of other legal hoops before the Navajo Nation could even file the lawsuit. These are all designed to make the Navajo Nation trip up and make it easier for NGS to get the lawsuit dismissed.[1] None of the restrictions in the lease that are on the Navajo Nation are on the NGS partners, which means that while the Navajo Nation has to jump through hoops to file a lawsuit, NGS partners do not have to jump through the same hoops in order to sue the Navajo Nation.

There are a number of issues in the proposed lease. Examples of how specific sections can create problems are attached below. These examples do not cover all of the issues with the lease, but give an overview of some of the most problematic issues. Each section should be read carefully and renegotiated. The limitations in the lease on the Navajo Nation are very severe and could affect all tribal members. It opens up the Navajo Nation as a whole to be sued. It also gives all of the power to the NGS partners to sue – the NGS partners get to file lawsuits, while the lease amendments have built in protections for the NGS partners so they don't get sued. That is plainly unfair. It also means that the Navajo Nation gives up its ability to make sure that cleanup and remediation are done properly and in the benefit of Navajo Nation members. If the Navajo Nation later discovers that it is not, then it is up to the Nation to pay for it, then file a lawsuit, and then hope that the NGS partners can pay them back. The Navajo Nation should not agree to any of these terms and should go and renegotiate a lease that respects the Navajo Nation and its people. These are not principles of k'e under which the Navajo Nation should govern.

Sincerely,

Stephanie Tsosie
sktsosie@gmail.com
503 NW 45th St.
Seattle, WA 98107

[1] One example – Section 6(D) – "If the Nation does not deliver notice of a rejection on the 121st day after Surrender the Surrendered Lands shall be deemed to have satisfied the foregoing Surrender conditions."

**Sampling of Specific Concerns About the Proposed NGS Lease**

Section 4(G) – This provision provides that NGS will monitor the water quality of groundwater with limited sampling. The problem with this section is that if contamination exceeds certain limits, then the parties must create an investigation plan, and then the parties create an action and response plan, and if there is no agreement on what the response plan should be, then they have to enter dispute resolution. This process could take a really long time and in that time the groundwater is still contaminated and could get worse.

Section 9(B) – This contains an example of how one-sided the lease is. There is a provision that states that "the values set forth in the Table of Savings and Costs are, nevertheless fixed and stipulated values not subject to change, except as noted above or unless otherwise determined by the Lessees." This means that in the table only NGS gets to decide if the values change.

Section 11 – The section on retirement guidelines contains a number of problematic provisions. The Navajo Nation can only monitor to see that the guidelines are being met, but this section states in subsection B that ultimately <u>only</u> NGS gets to change the retirement plan "in their sole discretion." This section also states that NGS can use "commercially reasonable efforts" to direct remediation. This may mean that if it is too expensive to cleanup to certain standards that they don't have to. This section also states that the Navajo nation will "not have a right of entry to participate in the NGS Retirement or related activities[.]"

Section 17 – This section has notice provisions that apply to the Navajo Nation that do not apply to NGS. This only exemplifies the unfairness of the lease sections. This section should be negotiated to apply equally to both parties.

Section 18 – A number of provisions in this section are designed to keep NGS out of court. It sets up stages for claims so that before the Nation can sue it must go through notice, right to cure, informal consultation, mediation, and then litigation. These are hoops that the parties must jump through, and can be expensive. This section also has a provision that "If a dispute is terminated by failure to comply with a notice requirement or by mutual agreement, the dispute may not be raised again." This statement means that if the Nation is supposed to send something on the 30$^{th}$ day, and it sends it on day 31, that the claim could get thrown out and the Nation couldn't fix it and raise it again.

Section 23 – This section on indemnification should be renegotiated or stricken. This releases NGS from damages and liabilities and should be looked at very carefully. This section would prohibit the Navajo Nation from pursuing claims in the future from the operation and actions of past and present operation of NGS.

Section 26 – This section states that the Navajo Nation could not regulate NGS including retirement and remediation. This means that the communities most affected by the NGS plant would have no say in how NGS cleans up.

Section 36 – This section is extremely problematic. All of these terms should be stricken from the lease and no agreement should be made where these provisions are included. It even applies

to claims that the Navajo Nation could have in the future. It releases claims that would result from operation of NGS, any claims under tribal environmental law, any claims under federal or state environmental law, and any claims associated with retirement and remediation of NGS.

# No to 0194-17

Vincent Yazzie <vinceyazzie@yahoo.com>

Tue 6/6/2017 4:02 AM

To: comments <comments@navajo-nsn.gov>;

1 attachment

Appendix_1A_comments.pdf;

June 6, 2017

Vincent H. Yazzie
10080 Palomino Road
Flagstaff, AZ 86004

(928) 380-3198

e-mail: vinceyazzie@yahoo.com

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515

Subject: No to 0194-17

Dear Honorable Delegates,

No to 0194-17 due to Stakeholder lying about how much coal was left for the extension of the 1969 Lease Agreement.
Draft Environmental Impact Statement, Navajo Generating Station-Kayenta Mine Complex Project, Appendix 1A-Synopsis of Documents, page 1A-18 or page 20 of 22 in pdf pages.

https://ngskmc-eis.net/wp-content/uploads/2016/09/appendices/Appendix_1A.pdf

The coal remaining under the Navajo and Hopi coal leases would supply NGS through mid-2041 at historical rates of coal use. The royalty rate and other payment provisions would be subject to periodic adjustment, which would require approval by the Secretary of Interior.

As I remember NGS Participants said they could force lease extension at will, but in reality they could not. NGS participants gave the impression they could do the original 25 year lease extension.

Since NGS Participants could not do the 25 year lease extension, an amended lease extension was with higher lease payments if 3 NGS units were running. There was an option to run 2 units instead of 3 units. NGS participants were secretly laying the groundwork to correct the problem of running out of coal in 2041 by inserting the 2 unit option. Everybody thought NGS would run at 3 units.

In reality, the 3 unit NGS option was not a valid option.

NGS Partners did bait and switch on the Navajo Nation by saying NGS will run for 25 years with 3 units, but an option to run 2 units with reduced royalty. No mention of running out of coal.

NGS Partners committed bait and switch on the Navajo. Section5 of the FTC Act declare unfair or deceptive acts or practices unlawful

No to 0194-17.

Sincerely,

Vincent H. Yazzie

# No to 0194-17

Vincent Yazzie <vinceyazzie@yahoo.com>

Mon 6/5/2017 3:57 AM

To:comments <comments@navajo-nsn.gov>;

5 attachments

Forest lake presentation 041017.pdf; Peabodys-Strategies-for-Survival-Ignore-Market-Realities-and-Risk-Backfiring-FEB-2016.pdf; over_burden_thick.JPG; digging_depth.JPG; coal_death.JPG;

June 5, 2017

Vincent H. Yazzie
10080 Palomino Road
Flagstaff, AZ 86004

(928) 380-3198

e-mail: vinceyazzie@yahoo.com

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515

Subject: No to 0194-17

Dear Honorable Delegates,

Salt River Project says natural gas is cheaper than coal.

Reclamation Managing Water in the West, Navajo Generating Station Update, Forest Lake Chapter, April 10, 2017. USDOI BOR on page 14 of of 35 says natural gas is around $3.40/mmBtu. See Forest lake presentation 041017.pdf

Peabody's Strategies for Survival Ignore Market Realities and Risk Backfiring, Institute for Energy Economics and Financial Analysis, February 2016, Sanzillo, T. Buckley, T., Williams-Derry, C. page 14, Talbe 8: EIA Spot Prices week of January 22, 2016 versus Peabody's Kayenta Coal Mine, the Kayenta Mine coal is $2.0/mmbtu.

What a lie.

NGS fuel supply being mined beyond the design limits of the draglines. Not safe. Kayenta Mine Permit application needs to be revoked immediately.

Digging at 220 feet is underground mining. Coal price doubles which would make Kayenta Mine coal more pricey than natural gas.

https://www.wrcc.osmre.gov/initiatives/kayentaMine/Permit/KPA_Vol1Ch5.pdf

Page 10 of 43 in pdf pages states equipment being used beyond mine depth limits.

Page 15-18 of 43 in pdf pages is the technical specifications of the mine equipment.

A fuel/service supply truck ran into a scrapper 6 years ago, 2/11/17. Roy Black was killed. If the draglines were digging beyond their design specifications, then people need to be hanged.

https://arlweb.msha.gov/FATALS/2011/ftl11c03.pdf

A bad to let the Kayenta Mine operate in an unsafe condition so as to keep water going to CAP. Mine should have been shut down years ago. Reclamation needs to start.

Its a lease violation as the Kayenta Mine would never have finished out the lease with safe economical coal. A lease violation is a treaty violation. NGS needs to be shut down immediately.

No to 0194-17 due to Stakeholder lies and unsafe mine conditions.

Sincerely,

Vincent H. Yazzie

# RECLAMATION

*Managing Water in the West*

# Navajo Generating Station Update

**Forest Lake Chapter**
**April 10, 2017**

U.S. Department of the Interior
Bureau of Reclamation

# Presentation Outline

- NGS and the Central Arizona Project
- NGS Post 2019 Project
  - DOI Process
    - 3 parallel planning activities
      - NGS Operations 2019
      - NGS Operations post-2019
      - Options and Alternatives
- Next Steps

RECLAMATION

# Navajo Generating Station

- 1968 Central Arizona Project (CAP) Authority
  - Federal participation in NGS for CAP – 24.3% for the use and benefit of the United States
- 3-unit, 2,250 MW coal fired power plant
- Coal supplied exclusively by the Kayenta Mine
- Significant economic benefits

RECLAMATION

## Bureau of Reclamation & CAP

- Approximately two-thirds of the U.S. share of NGS power (reserve power) provides approximately 90% of the power used to deliver CAP water in Arizona.
- The U.S. share of NGS power not used to operate the CAP pumps, approximately one-third, is sold at market rates as "surplus" power.

RECLAMATION

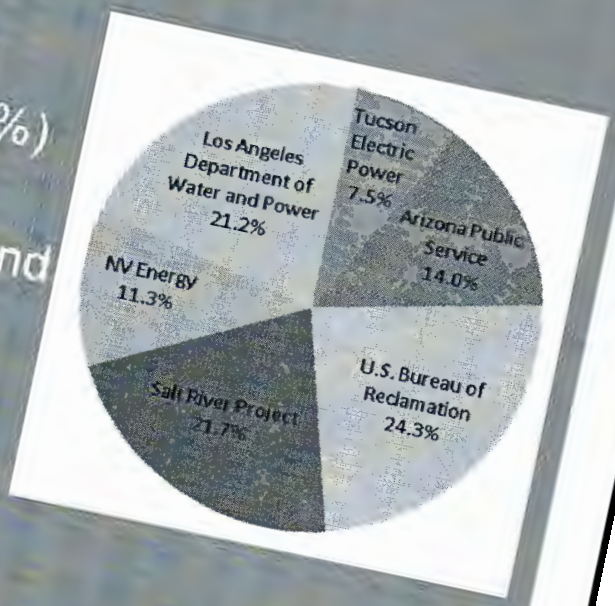
# Reclamation & Central Arizona Project (CAP)

- **CAP**
  - 336-mile distribution system
  - Delivers ~1.5 million acre-feet of Colorado River water in AZ annually
- **U.S. participation in (NGS)**
  - provide primary CAP power supply
- **Central Arizona Water Conservation District**
  - CAP repayment
  - Operation and Maintenance

RECLAMATION

# NGS Owners

- Salt River Project for the Use and Benefit of the United States* (24.3%)
- Salt River Project** (21.7%)
- Los Angeles Department of Water and Power (21.2%)
- Arizona Public Service (14.0%)
- Nevada Energy*** (11.3%)
- Tucson Electric (7.5%)




*The United States is referred to as a "Participant."
**SRP is the NGS Operating Agent. In 2015, SRP purchased the Los Angels Department of Water & Power's 21.2% entitlement share to operation until the end of 2019
*** Nevada Energy is actively seeking to divest it entitlement share

RECLAMATION

# Joint Federal Agency Workgroup

- EPA, DOI, and DOE have committed to work together to support stakeholder interests in NGS
  - Create a long-term EPA-DOI-DOE Working Group
  - Work with stakeholders, including the owners of NGS, tribes and other CAP water users, and environmental and community groups, to develop a roadmap to achieve long-term goals related to clean energy, sustainable water supplies, and sustainable economic development
  - Complete the Phase 2 report on clean energy options for NGS
  - Support shorter term investments that align with long term clean energy goals

RECLAMATION

# Technical Work Group (TWG)

- Established by Salt River Project, as the NGS Operating Agent, to develop a potential additional "Better than BART" alternative.
- TWG Agreement signed in 2013
- Largely adopted by EPA final rule in 2015

RECLAMATION

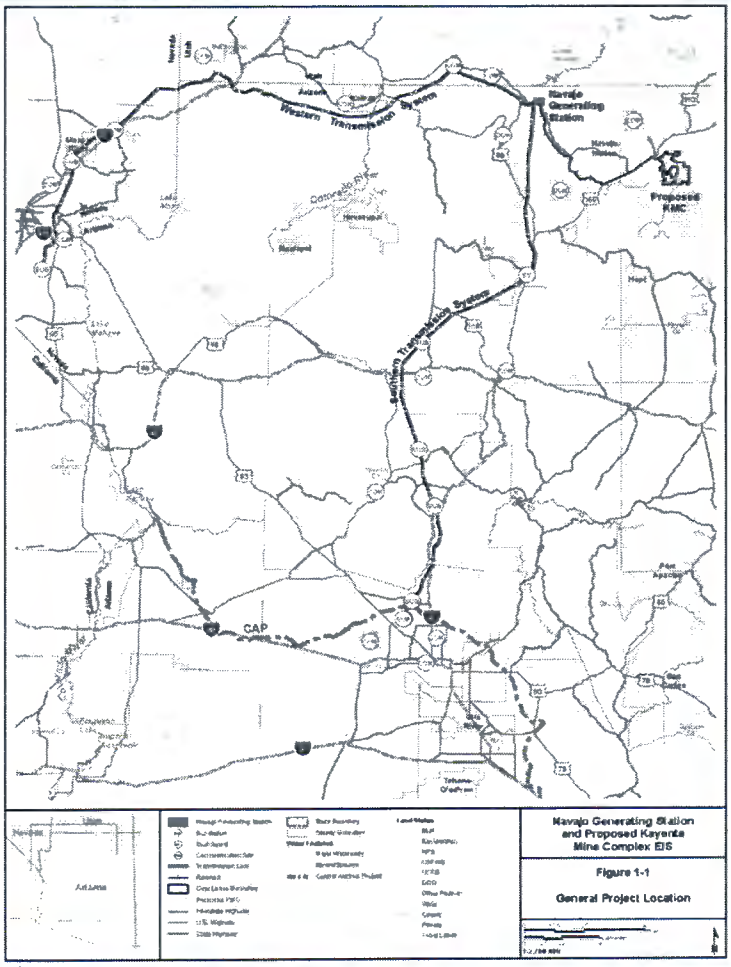
# TWG Key Assumptions

- Assumed plant operations from 2019 – 2044 with pollution controls installed by 2030
- Assumed a "glidepath" development of NGS alternatives over the post 2019 operations period
- Appendix "B" included "Better than BART" alternative adopted by EPA in final rule
- Appendix "C" (DOI Commitments)
  - Accounting Implementation Guide – COMPLETE
- Appendix "E" NREL Phase II Study
  - Volume One – Baseline COMPLETE
  - Technical Assistance to Tribes (Navajo, Hopi, GRIC)
    - Funding agreements executed and technical assistance ongoing

RECLAMATION

# Environmental Compliance

- EIS started in 2014
- General Project Area:
  - Arizona, Nevada, Utah
- Major Components
  - NGS and associated facilities
  - Kayenta Mine
  - Transmission systems and communication sites




RECLAMATION

## Key Dates

- Sept 2016: Draft EIS published;
  Start of public comment period
- Oct/Nov 2016: 11 public meetings across Arizona
- Dec 2016: 90-day public comment period ended
- February 2017: Non-US owners press release

RECLAMATION

# SRP Press Release – 2/13/17

"The current utility owners of Navajo Generating Station today voted not to continue operations at the plant beyond the end of the current lease term. The vote means SRP efforts will now focus on reaching an agreement with the Navajo Nation that lets the plant run through December 2019 by allowing access after that date for removal and restoration work."

RECLAMATION

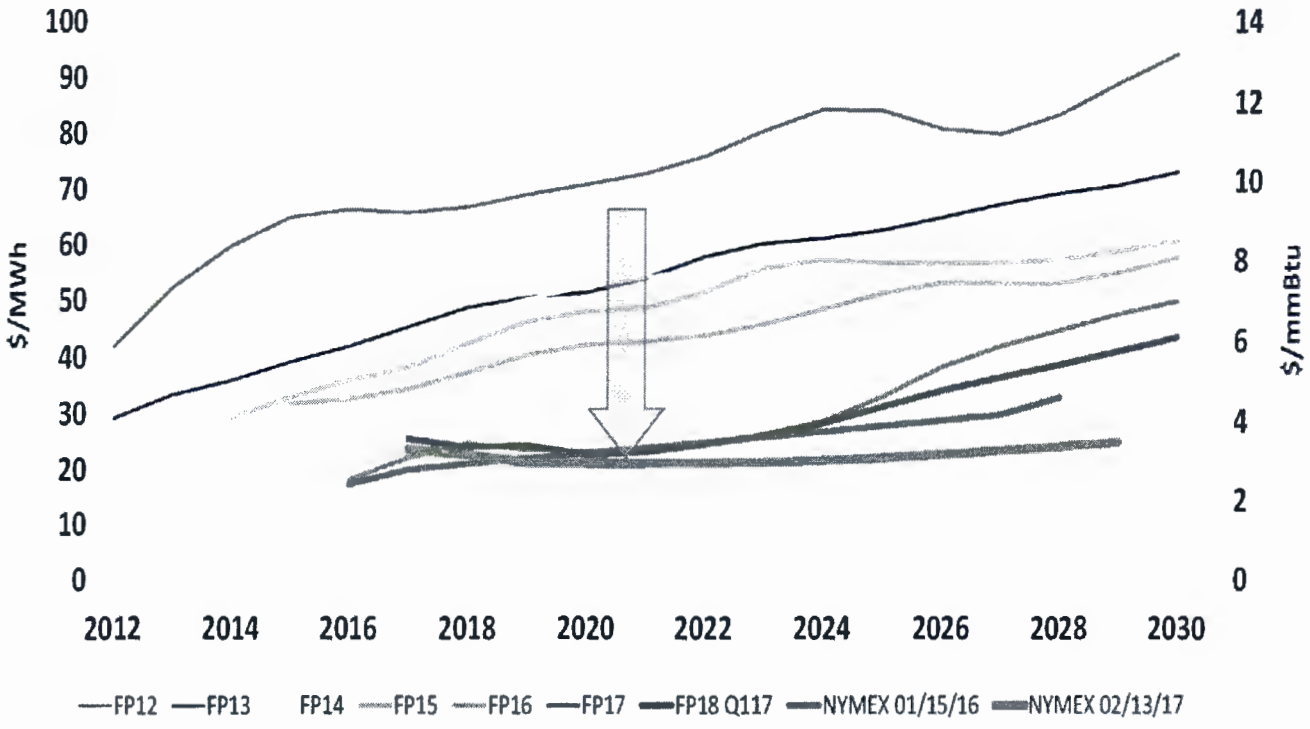
## What Changed?

- Energy Market Economics
- Natural Gas – sets wholesale market energy price
- Available generation in the mass electric system
- Utility obligations to provide best price power to customers
- Salt River Project projects NGS costs 2017-2019: ~$40/MWh and 2020-2030 between $50/MWh and $60/MWh
- Mead Hub wholesale energy rate < $30/MWh
- Natural gas prices projected to remain competitive alternative to NGS

RECLAMATION

# Gas Price Forecasts Dropping over Time

Combined Cycle Plant with 7,400 heat rate



# DOI Facilitated Process

## NGS Operations 2019

- Current NGS Site Lease Terms
  - Coal generation through end of 2017 with 2 year decommissioning
  - Does not require extension of current lease
- 2019 (priority)
  - Coal generation through end of 2019 with 2 year decommissioning
  - Requires extension of current lease (for retirement purposes)
- 2019 +
  - Would require economics and associated terms acceptable to new Co-Tenants



RECLAMATION

# NGS Ownership Transition Timeline

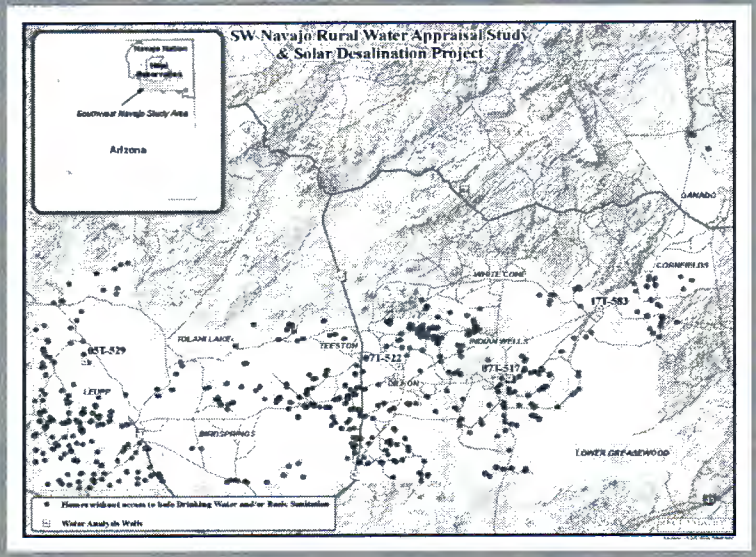
# Stakeholder Meetings

- The Department of the Interior hosted a meeting in DC on March 1st with stakeholders directly involved with NGS 2019 operations to discuss their views about the future of the NGS.
- Listening sessions April 5th and 6th
  - Sub-groups are discussing follow-up topics
    - Negotiate Lease Amendment/Extension
    - Develop Agreement for Decommissioning/Monitoring
    - Explore Potential New Owners/Operators
    - Explore Potential Fuel Cost Reductions
    - Explore Potential Non-Fuel Cost Reductions
    - Pursue Potential New Customers/Load
    - Identify Economic Impacts to CAP Tribes
    - **Identify Strategy to Minimize Socioeconomic Impacts of a Potential Closure**
- Next Meeting April 12, 2017, in Washington DC

RECLAMATION

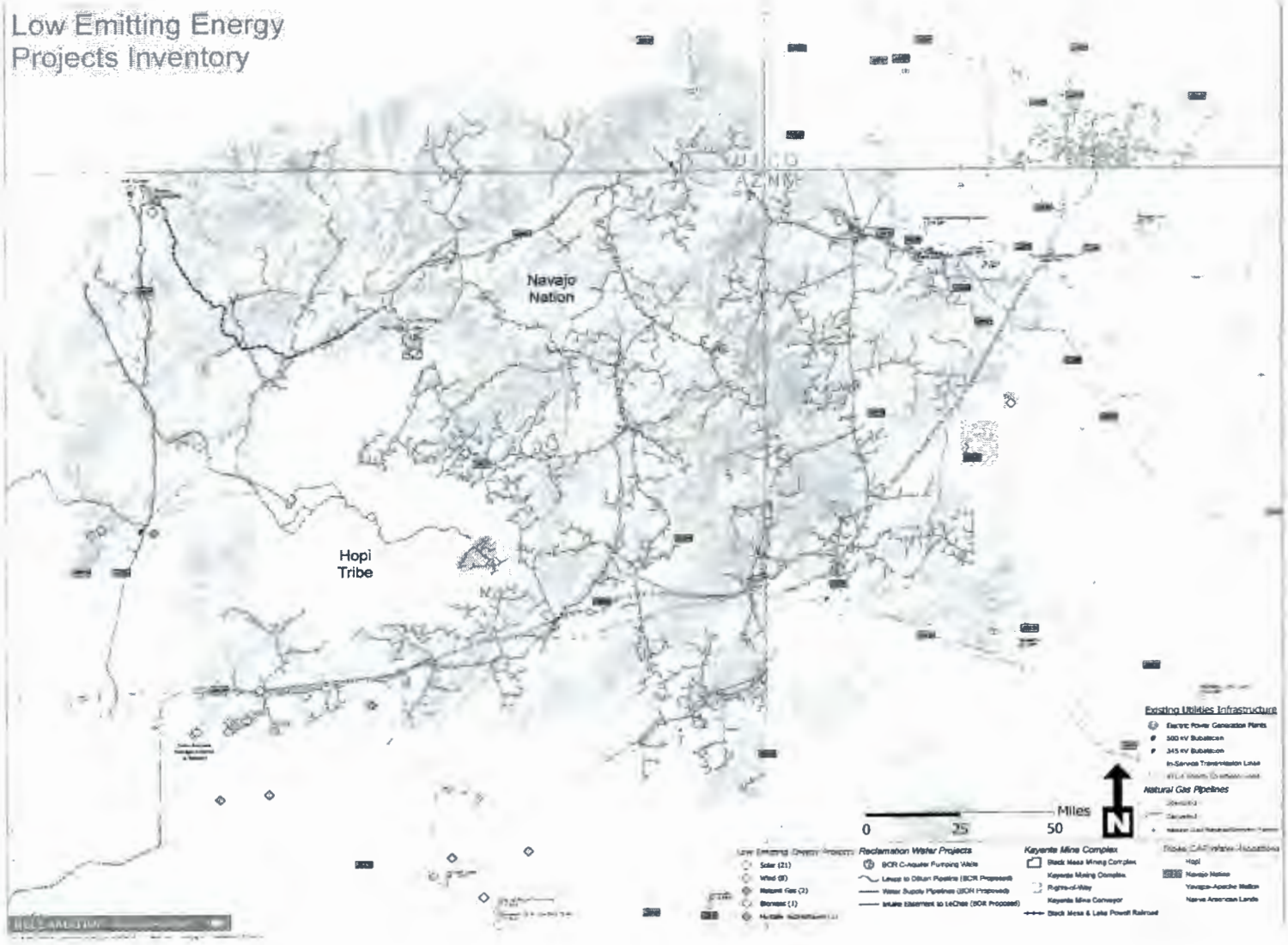
# Identify Strategy to Minimize Socioeconomic Impacts of a Potential Closure

- **NE Arizona Tribal Clean Energy and Water Development Planning**
  - **Regional and Local Stakeholder Involvement**
  - **Technical Assistance**

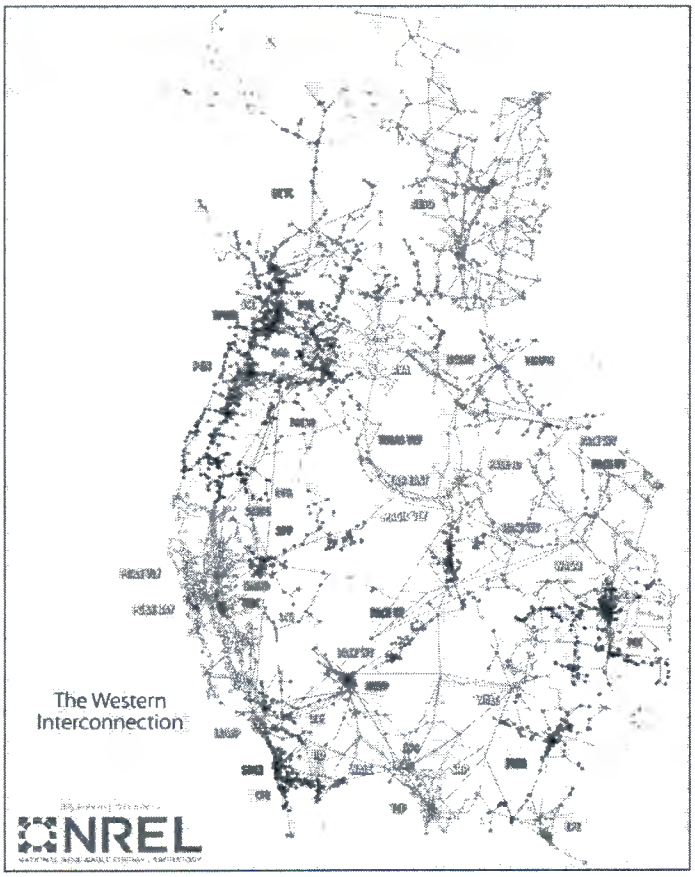


RECLAMATION

# Low Emitting Energy Projects Inventory

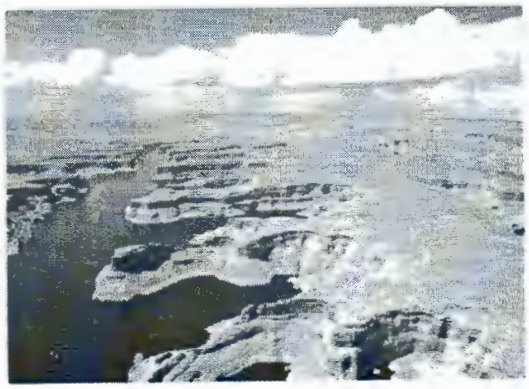


# Resource Planning Model
# Retirements and Expansions



Interim Report

# North Central Arizona Water Supply Feasibility Study



U.S. Department of the Interior
Bureau of Reclamation
Phoenix Area Office
Glendale, Arizona

September 2016

# Southwestern Navajo Rural Water Supply Program Appraisal Study

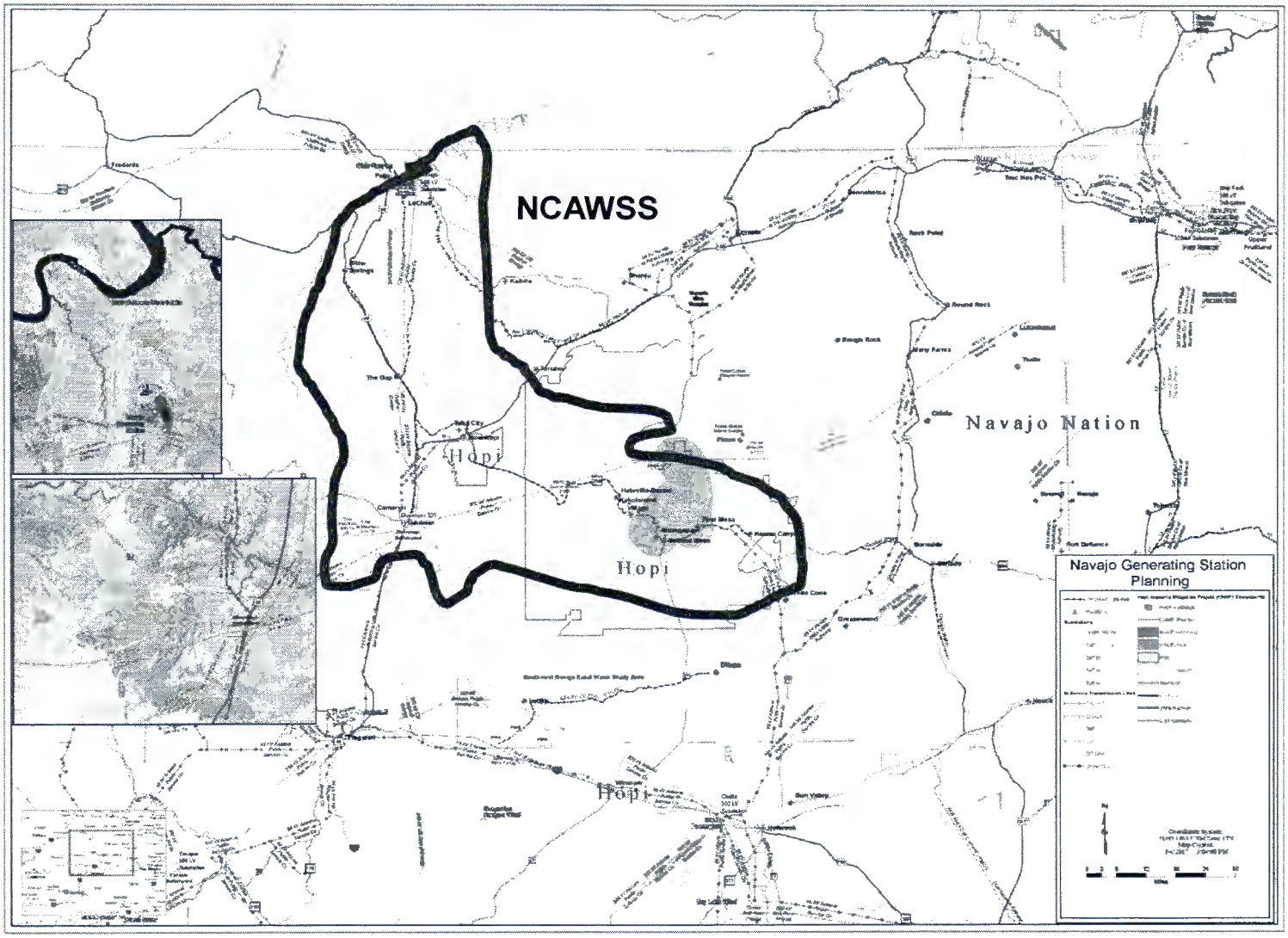
Navajo Nation, Arizona
Little Colorado River Basin

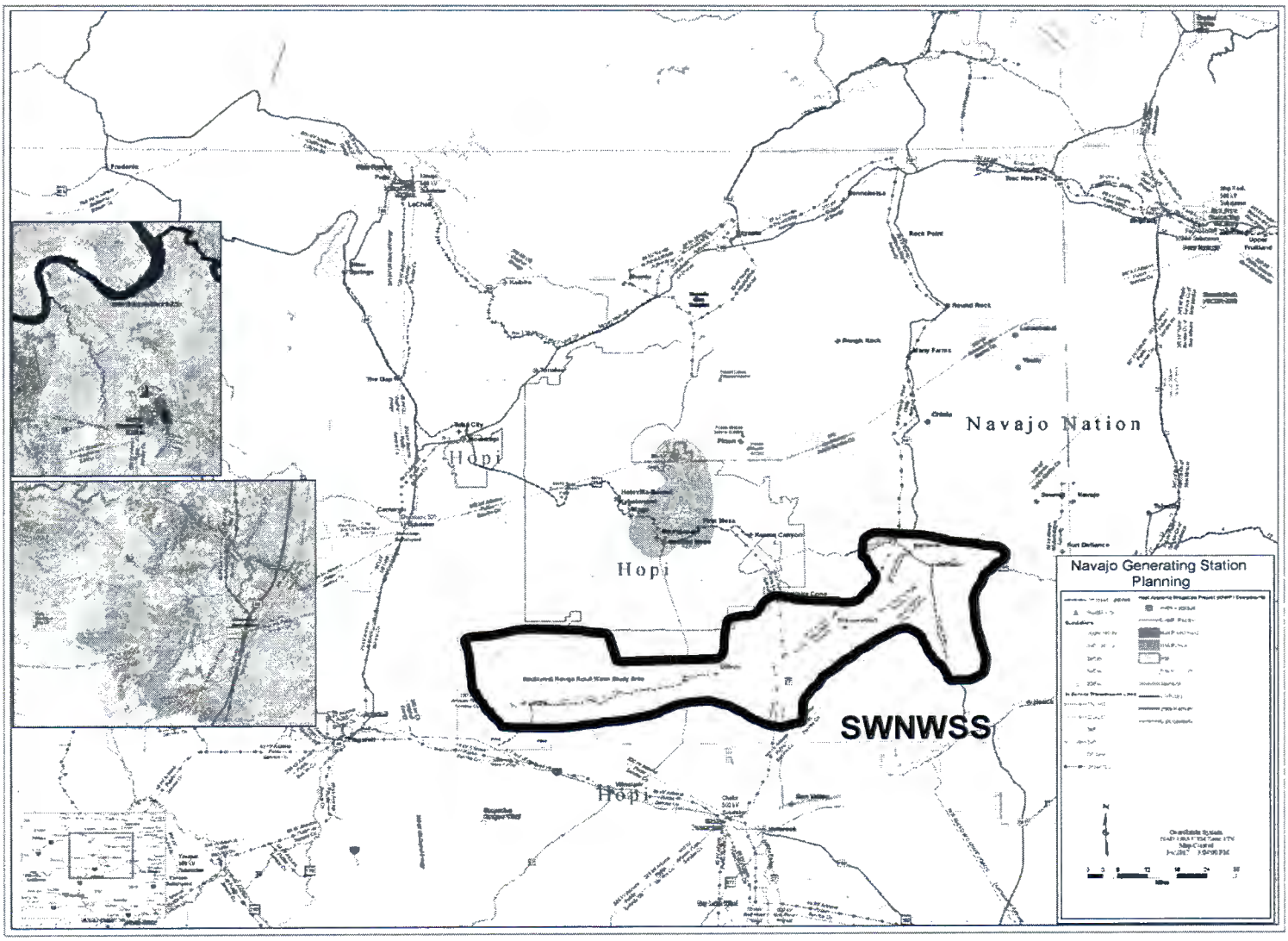
U.S. Department of the Interior
Bureau of Reclamation
Phoenix Area Office

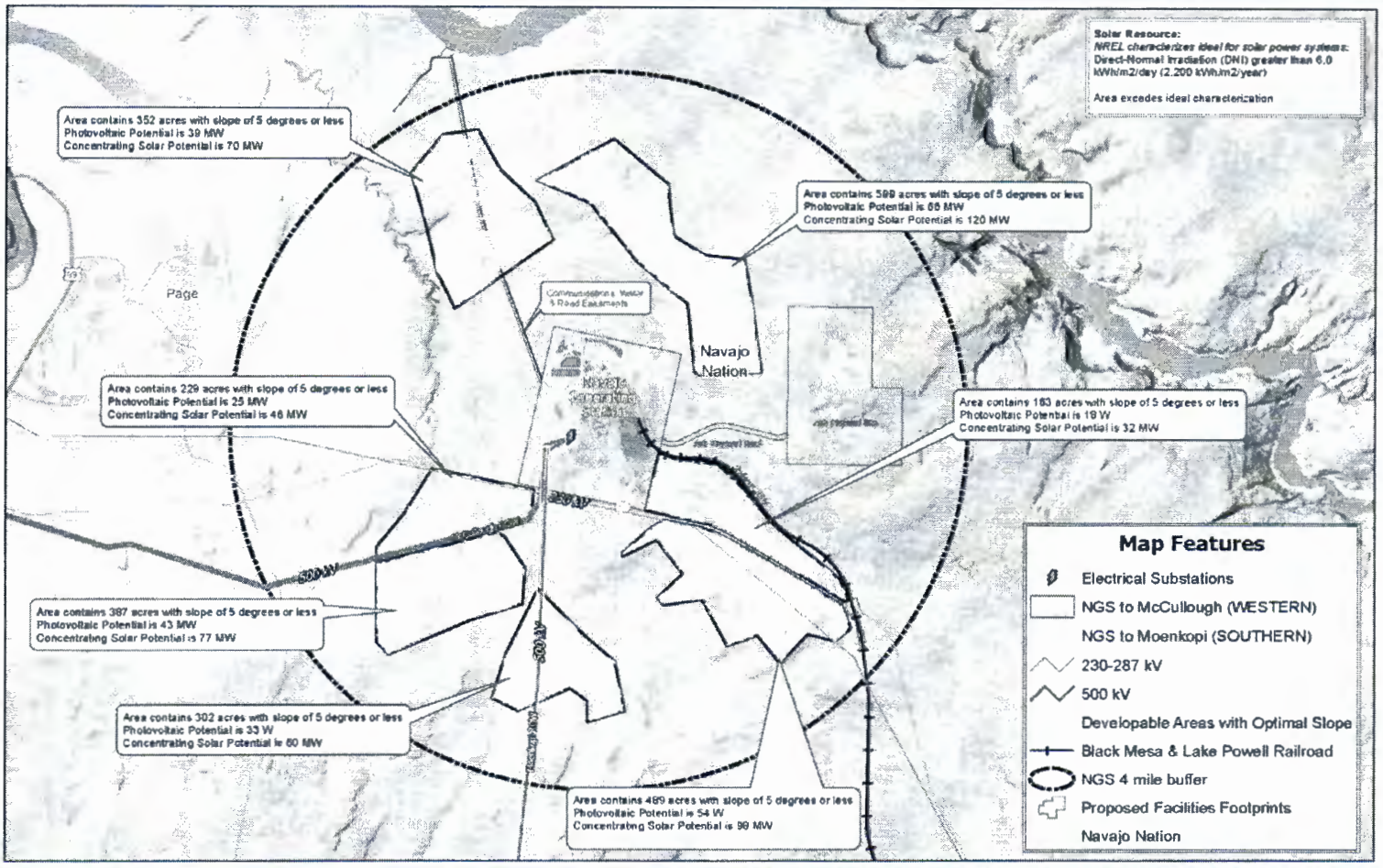
Navajo Nation

March 2015

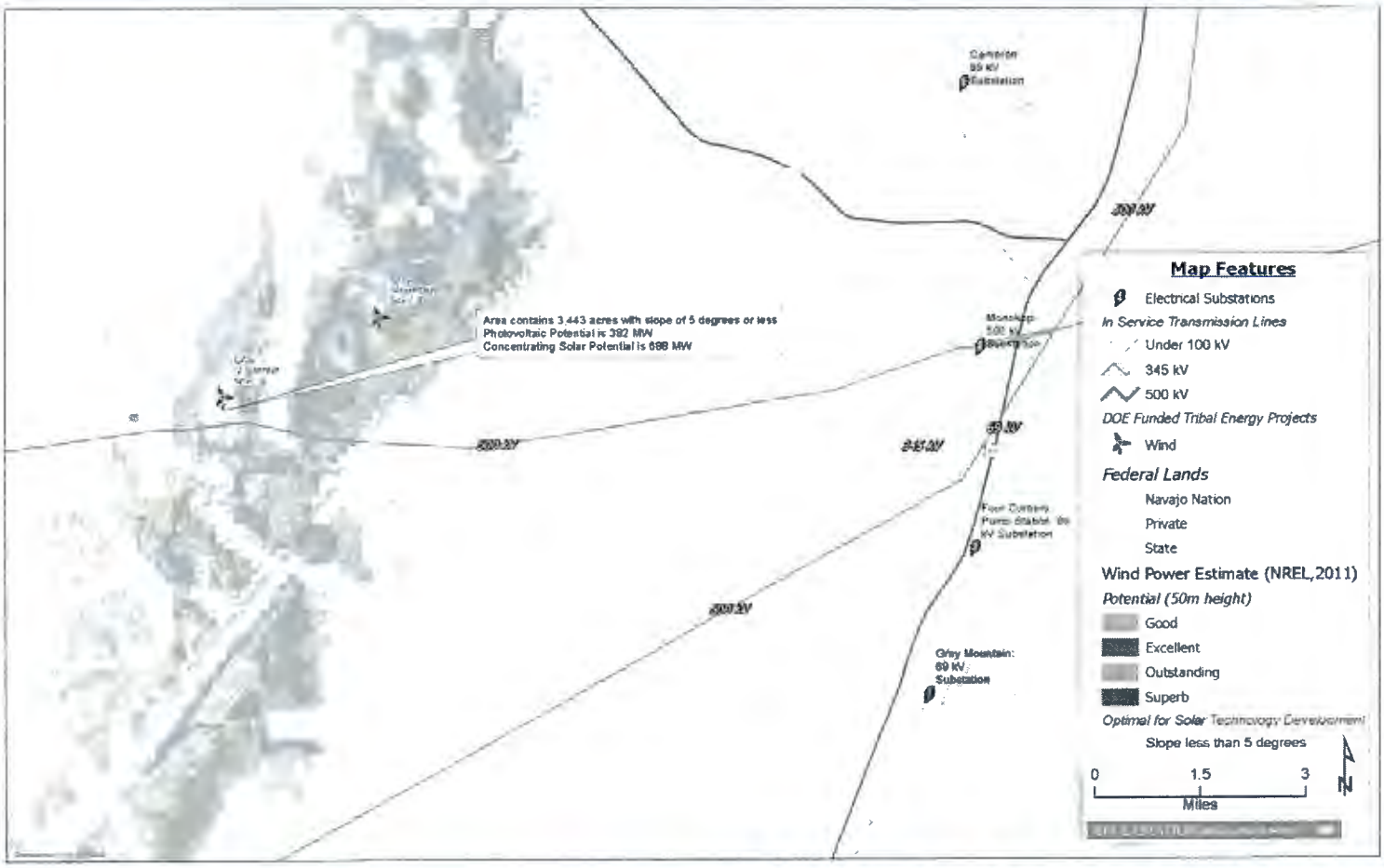
RECLAMATION


NCAWSS
Navajo Nation
Hopi
Hopi
Hopi
Navajo Generating Station
Planning


Navajo Nation
Hopi
Hopi
Hopi
SWNWSS
Navajo Generating Station
Planning




RECLAMATION

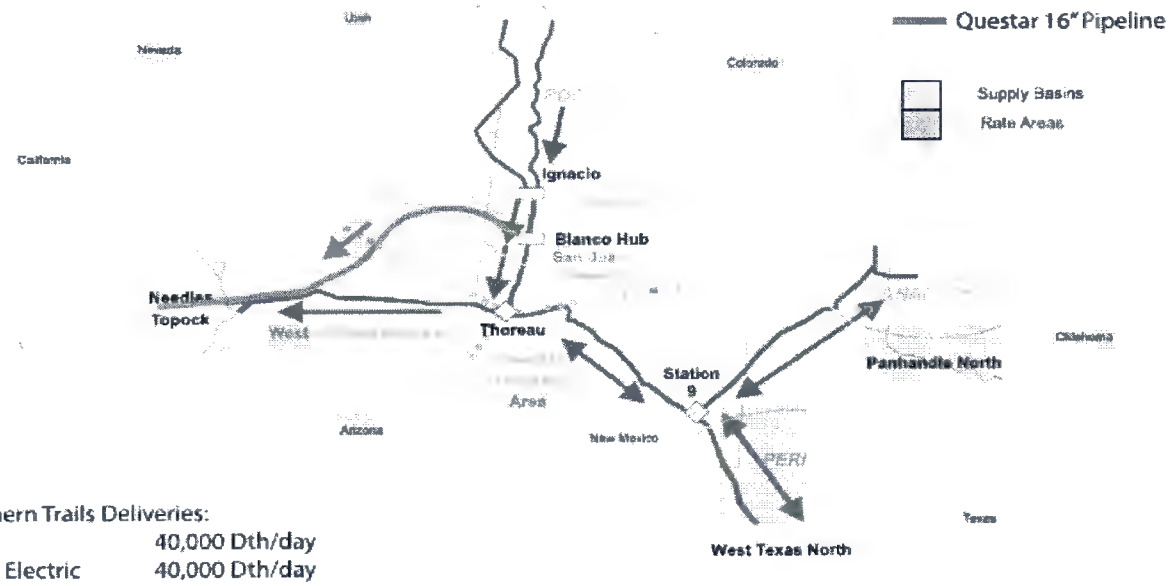



RECLAMATION

# Questar Southern Trails Pipeline (QSTP) deliveries and Blanco Hub receipts

Blanco Hub receipts:

| | |
|---|---|
| * TransColorado Pipeline | 528,000 Dth/day |
| * Williams Milagro Plant | 1,000,000 Dth/day |
| * Transwestern Hub | 1,600,000 Dth/day |




Questar Southern Trails Deliveries:

| | |
|---|---|
| * SoCal Gas | 40,000 Dth/day |
| * Pacific Gas & Electric | 40,000 Dth/day |
| * NTUA | 1,000 Dth/day |

| | |
|---|---|
| **QSTP Under Contract:** | **81,000 Dth/day** |
| **QSTP Capacity as configured:** | **81,000 Dth/day** |

National Park Service
U.S. Department of the Interior

Glen Canyon National Recreation Area
Arizona-Utah

# Navajo Generating Station Water Intake Project Environmental Assessment

March 2005

RECLAMATION

# 2009-2010
# Comprehensive Economic Development Strategy
# The Navajo Nation

Prepared by
Division of Economic Development
PO Box 663
Window Rock, AZ 86515
Tel: 928.871.6544
Fax: 928.871 7381
www.navajobusiness.com

# Methods of Diversification

CAP
CENTRAL ARIZONA PROJECT

- Sources of generation
- Types of agreement

# Recommended Strategy

CAP
CENTRAL ARIZONA PROJECT

- CAP should encourage the development of new generation in Arizona to ensure CAP will have the energy necessary to provide water well beyond the life of NGS.
- CAP will continue to work with utilities and conventional & alternative power providers to develop a diversified energy portfolio.
- Staff should provide regular updates to the Board on:
  - Market prices for energy
  - Technological advances
  - Cost of alternative generation

# Recommended Strategy

CAP
CENTRAL ARIZONA PROJECT

- When NGS is no longer available, CAP should assemble a diversified energy portfolio to meet its pumping needs
  - Diversification of generation types is desirable but may not be feasible to meet baseload requirements
  - Diversification can be achieved through multiple agreements from various energy suppliers
  - No single generation source or contract should provide more than 15-20% of CAP energy needs

NREL

# Navajo Generating Station and Clean-Energy Alternatives: Options for Renewables

D.J. Hurlbut, S. Haase, C.S. Turchi, and K. Burman
*National Renewable Energy Laboratory*

Produced under direction of the U.S. Department of the Interior by the National Renewable Energy Laboratory (NREL) under Interagency Agreement R11PG30024 and Task No WFJ8.1000.

NREL is a national laboratory of the U.S. Department of Energy, Office of Energy Efficiency & Renewable Energy, operated by the Alliance for Sustainable Energy, LLC.

**Technical Report**
NREL/TP-6A20-54706
June 2012

Contract No. DE-AC36-08GO28308

# NAVAJO GENERATING STATION

## & FEDERAL RESOURCE PLANNING

*Volume 1: Sectoral, Technical, and Economic Trends*

NREL

NREL is a national laboratory of the U.S. Department of Energy
Office of Energy Efficiency and Renewable Energy
Operated by the Alliance for Sustainable Energy, LLC

RECLAMATION

## Minimizing Impacts – Preliminary Ideas

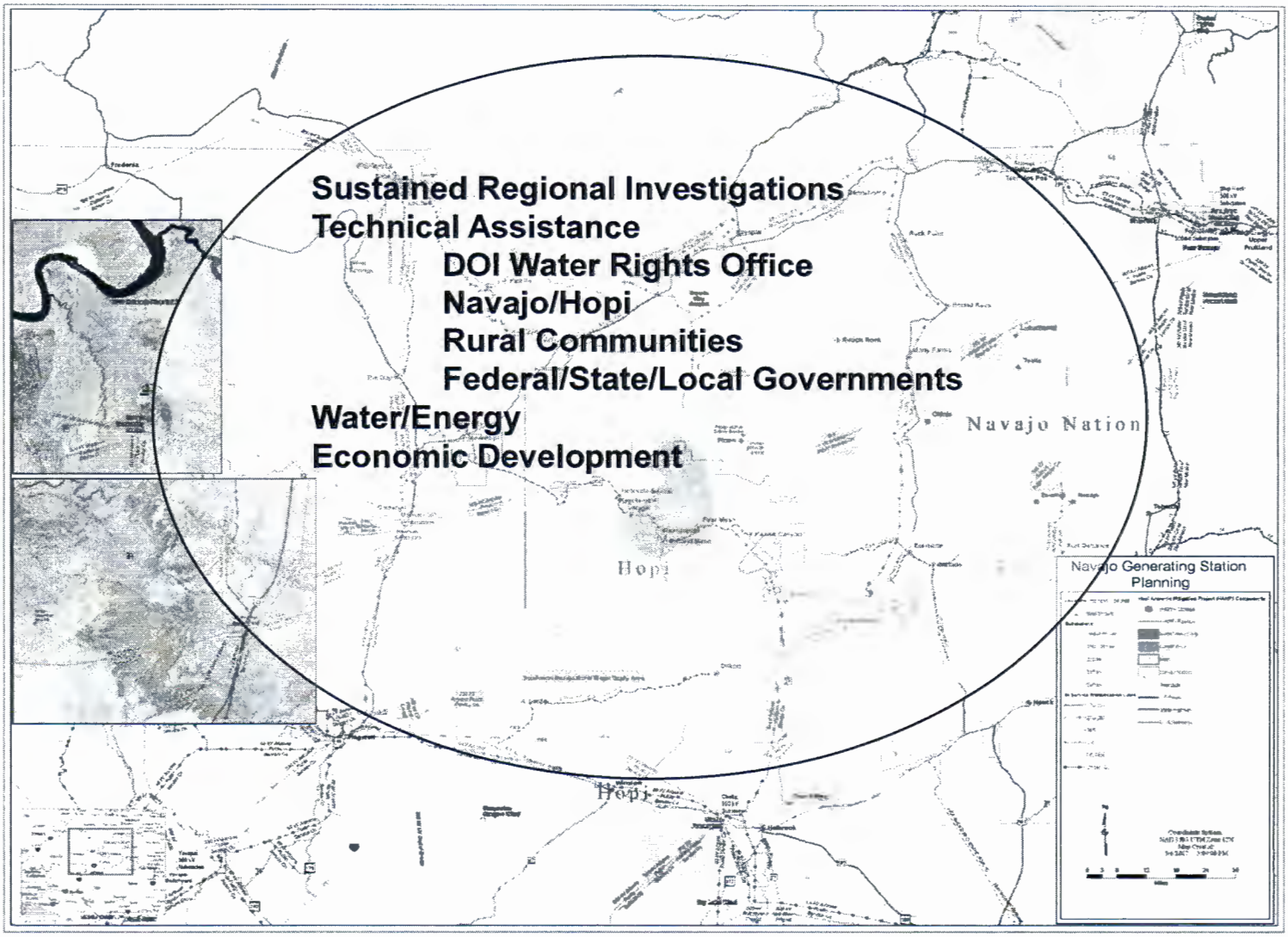
- **Re-purposing existing NGS assets**
  - Lake Powell water pumping station
  - Wastewater and Water treatment facilities
  - Buildings
  - Transmission and interconnection components
  - Electric Coal Rail Line
- **Re-purposing Black Mesa and Kayenta Mine Assets**
  - Buildings
  - Electric distribution
  - Wells and associated facilities
- **Other**
  - Water Settlement
  - Renewable/Natural Gas Power Generation
  - Manufacturing
  - Economic Development

RECLAMATION

# Partnerships

- Arizona Department of Water Resources
- Central Arizona Water Conservation District
- Water and Technical Advisory Groups
- Coconino, Apache and Navajo Counties
- Navajo Nation – central and local governments
- Hopi Tribe – central and Village governments
- Fed Agencies (IHS, BIA, WAPA, NRCS, USDA, NPS, EPA)
- Indigenous NGO's
- National and regional environmental groups
- Public and non-profit Utilities
- Local communities
- Private contractors

RECLAMATION


Sustained Regional Investigations
Technical Assistance
DOI Water Rights Office
Navajo/Hopi
Rural Communities
Federal/State/Local Governments
Water/Energy
Economic Development
Navajo Nation
Hopi
Hopi
Navajo Generating Station Planning

# Peabody's Strategies for Survival Ignore Market Realities and Risk Backfiring

Institute for Energy Economics and Financial Analysis
IEEFA.org

February 2016

By Tom Sanzillo, Director of Finance, IEEFA
Tim Buckley, Director of Energy Finance Studies, Australasia, IEEFA
Clark Williams-Derry, Senior Researcher, Sightline Institute

# Executive Summary

Peabody Energy Corporation's recovery strategy is unlikely to produce a turnaround in its dire financial condition. The company has not come to grips with the dramatic and harsh consequences of a worldwide collapse in coal price and demand. The company's efforts to manage its risks through distressed sales, debt reduction, accounting treatments and maintaining the status quo on self-bonding obligations are undermining its already weak financial fundamentals.

Peabody's 2015 annual financial performance report shows a fourth consecutive year of losses. Revenues have declined from a peak of $8.1 billion in 2012 to $5.6 billion in 2015. Revenue weaknesses are driven primarily by a significant decline in coal prices in the U.S. and a more severe drop in thermal and metallurgical coal prices on the global market. Peabody's export markets out of the U.S. are weak and expected to decline through 2017. Coal mining and shipments out of Australia (where Peabody has substantial reserves) are similarly hampered with both China and India reporting a significant and sustained reduction in demand for coal imports.

Looking ahead, price recovery for coal in the U.S. will be modest at best as low natural gas prices persist and as investment in renewable energy continues to sap market share from the coal sector. While analysts see modest prices increases, the U.S. Energy Information Administration (EIA) projects that coal prices will decline slightly through 2017. Prices in the global thermal coal market are expected to decline for the next seven years from today's low level of $50 per ton.[1]

Peabody has announced three separate initiatives it says will support a return to solvency:

First, raising cash and shedding liabilities by selling non-core assets at distressed prices; second, a debt-exchange plan to lower Peabody's annual interest burden and its unsustainable debt load; third, controlling costs by maintaining eligibility for self-bonding.

We see significant risks to this strategy because it fails to confront the fundamental decimation of coal prices and the follow-on effects on company profits and future investments. Peabody's actions will produce some short-term cash benefits, but will do little to improve the current imbalance between supply/demand and revenue/expenses. Further, the company's sale of its coal assets will exacerbate the already oversupplied coal market, while the fire-sale disposal of the Prairie State Energy Campus in southern Illinois will harden damage to Peabody's reputation.

# Some key metrics noted in this report:

- Peabody Energy has reported annual operational losses for 2015 of $768 million ($2.0 billion minus $1.27 billion in one-time impairment). Revenues are down year to year from $6.79 billion to $5.6 billion. Long-term debt levels rose during the year and at $6.3 billion are unsustainable. Stockholder equity value has plummeted.

[1] http://quotes.esignal.com/esignalprod/quote.action?symbol=NCFQ-ICE

- Prices for Powder River Basin and Illinois Basin coal, two of Peabody's core regions, have dropped by 19% and 38% respectively since 2012. Year-to-year prices have dropped in the Illinois Basin by over 30%. Some optimistic coal-price scenarios see modest improvement in prices but even the most buoyant of those would not reverse Peabody's declining fortunes.
- Since 2011 the price of Newcastle coal, the global benchmark for thermal coal, has declined from a peak of $140.00 per ton to $52.00 per ton.[2] Over the next six years, the price of Newcastle coal is expected to decline to $42.00 per ton by 2022.

These metrics indicate that, all in all, Peabody's current and recent efforts to recover its financial footing contain serious downside risks with limited, mostly short-term benefits that will prove ultimately ineffective.

## The core findings of this report:

- Peabody's asset sales are counterproductive. Although the announced sale of $435 million in distressed assets from the three transactions described in this paper may produce short-term cash benefit, the use of cash in this manner simply masks the fact that Peabody's underlying core economic activity, mining coal, is not profitable. The cash infusion, by necessity, will be used to help the company meet its expenses, including its $465 million annual interest payment. Ironically, the mine sales will also contribute to the domestic and international oversupply of coal by encouraging the continued operation of existing mines and the reopening of closed mines in Colorado, New Mexico and Australia.
- The proposed debt exchange is too little, too late. The company has initiated a $1.5 billion debt exchange with an anticipated reduction of principal of $730 million. The proposed transaction must be approved by bondholders and is expected to achieve a reduction of an estimated $47 million in annual interest payments. Relative to the overall size of the Peabody debt burden and ongoing net losses, the savings are too small to have a meaningful impact on company finances. Operational and debt management actions will be required to staunch operational losses.
- The company's pledge of existing mines as collateral for the new debt is problematic. Peabody has offered a special vehicle to support the underwriting of a portion of the new debt issuance. That special vehicle will pledges four mines—three in the Illinois Basin and one in Arizona—as collateral to its creditors. Peabody's financial presentation of the three Illinois Basin mines is partial and overly optimistic with regard to current operations and future coal prices. The implied price outlook is unsustainable. The Arizona reserves currently serve as a mine-mouth facility supplying coal at a price that exceeds the spot price of coal in every region of the country. This pricing is likely to be unsustainable. Peabody offers no forward-looking price outlook in its statement to investors.
- The company's attempt to avoid additional operational costs by maintaining the status quo on its self-bonding portfolio is highly risky. Peabody Energy is taking steps to preserve a $1.3 billion portfolio of self-bonding agreements in several states. Self-bonding allows companies to pledge company assets to cover mine reclamation obligations in lieu of securing third-party bond payments. Self-bonding allows Peabody to save tens of millions

[2] http://www.indexmundi.com/commodities/?commodity=coal-australian&months=60

annually on premium payments, while freeing up any cash that surety companies would otherwise require as collateral for their bonds. Peabody's deteriorated financial condition by all rights should make the company ineligible for this benefit because the company fails to meet a significant threshold test for corporate solvency by a factor of three. Some states have granted latitude to coal companies experiencing financial distress. The federal government and some analysts have raised questions about whether the liberalization of the rules is an abuse of the program and exposes state governments to environmental risk, financial losses and adverse actions by the federal government.

Peabody Energy, like the coal industry in general, has become a wealth hazard for its shareholders and is now struggling to maintain solvency. The company is also struggling to maintain its role as an energy industry leader at a time of diminished demand for coal worldwide. The actions it is undertaking are designed to mitigate the effects of overleveraging on the company's balance sheet. But Peabody's challenges go far beyond its debt practices, and are not being adequately addressed by its current cost-control measures. Current coal markets and current outlooks for the company highlight the fact that the coal industry in general—and perhaps Peabody in particular—must become substantially smaller to service. More mines need to close.

Peabody's reduction plans are inadequate and do not fully responsive to the declining price of coal. Further, the company is selling distressed assets into an already oversupplied market such that it is taking massive value cuts relative to anything on offer even a year ago, let alone five years ago, when Peabody was making what it called its "company transforming" top-of-the-cycle acquisitions. Its asset sales today are an attempt to remove the largely unfunded liabilities of the mines and the company's workforce from Peabody's balance sheet. The sale of the mines to competitors, however, threatens to compound the downward price spiral of an already oversupplied market—which is the root of the company's problem.

Finally, as noted in several places in this study, Peabody Energy needs to be far more transparent in its disclosures to investors and the public. In a time of severe financial constraint, transparent communication, rather than incomplete reporting and unsupported optimism, would help chart a clearer course for the company. Further failure by Peabody to fully acknowledge the dilemmas created by falling prices only tarnish the company's disclosures regarding revenues, reserves and potential turnaround strategies.

# Peabody Energy's 2015 Earnings Reports Show a Steady Downward Spiral

Peabody Energy Corporation's 2015 results, released on February 11, 2016, reveal a steady downward spiral for the company. Among the company's financial woes are declining revenues, diminished equity value to stockholders, too much debt, asset impairments, and enterprise-wide losses for the fourth straight year.

**Table 1: Peabody Energy Selected Operating Data: 2010-2015 (in $ billions)[3]**

| Item | 2010 | 2011 | 2012 | 2013 | 2014 | 2015[4] |
|---|---|---|---|---|---|---|
| **Revenues** | 6.668 | 7.895 | 8.077 | 7.013 | 6.792 | 5.609 |
| **Expenses** | 5.317 | 6.300 | 7.905 | 7.338 | 6.927 | 5.790 |
| **Net Operating** | 1.315 | 1.596 | .172 | (.324) | (.135) | .181[5] |
| **Interest** | .212 | .220 | .381 | .409 | .412 | .465 |
| **Net after Interest** | 1.138 | 1.397 | (.209) | (.734) | (.547) | (.653)[6] |
| **Net to stockholders** | .774 | .957 | (.585) | (.524) | (.787) | (2.044) |

Low coal prices are at the root of the company's revenue losses. In the United States, low coal prices can be attributed to low natural gas prices, market share gains by wind and solar energy, the erosion of demand by energy efficiency, and a cloudy regulatory climate. These changing market forces have driven coal's market share of electricity in the United States down from 50% in the early 2000's to 34% in 2015 and annual coal consumption for electricity has declined nationwide from 1.1 billion tons to 750 million tons.[7] The price of coal has dropped significantly throughout the country. For the foreseeable future coal prices are expected to remain very low, making mining in some parts of the country financially unsustainable.[8]

International markets are also in decline as weaker demand for thermal and metallurgical coal has driven prices to historic lows.

[3] http://www.peabodyenergy.com/content/162/sec-filings, Peabody Energy, Form 10K, February 25, 2015, p. 43. (Form 10K-2014)
[4] http://www.peabodyenergy.com/content/162/sec-filingshttp://www.peabodyenergy.com/content/162/sec-filings, Form 8K, February 11, 2016 (Form 8K-2016 Year End)
[5] Our calculation based on method used in prior 10K filings.
[6] Our calculation based on method used in prior 10K filings
[7] https://www.eia.gov/forecasts/steo/query/: Custom Table Builder/U.S. Coal/Electric Power Sector Coal Consumption 2012-2017.
[8] https://www.wsws.org/en/articles/2015/08/05/coal-a05.html

**Table 2: Peabody Energy Selected Financial Data Assets, Long Term Debt and Stockholder Equity: 2010-2015 ($ in billions)**

| Item | 2010 | 2011 | 2012 | 2013 | 2014 | 2015[9] |
|---|---|---|---|---|---|---|
| **Total Assets** | 11.36 | 16.73 | 15.88 | 14.13 | 13.2 | 11.0 |
| **Long-Term Debt** | 2.700 | 6.657 | 6.250 | 6.0 | 5.99 | 6.3 |
| **Stock Equity** | 4.689 | 5.515 | 4.938 | 3.950 | 2.720 | .87 |

Peabody assumed significant new debt levels in the earlier part of the decade (See Table 2) in anticipation of a continuation of robust international and domestic coal demand and favorable pricing.

Its most significant debt load was acquired due to the purchase of the Macarthur Coal mine in Australia ($5 billion acquisition price).[10] But the markets went sour: demand fell off and prices collapsed. In addition, a combination of asset sales and value impairments (see Table 3) has pushed down the total asset value of Peabody Energy.

**Table 3: Peabody Asset Impairments: (2010-2015) ($ billion)**

| | 2010 | 2011 | 2012[11] | 2013[12] | 2014[13] | 2015[14] |
|---|---|---|---|---|---|---|
| **Impairments** | 0 | 0 | .929 | .528 | .154 | 1.28 |

Peabody management has taken several steps to maintain company solvency during this challenging period. They have reduced costs at mining operations, cut capital expenditures and consolidated some mining operations. Peabody is currently involved in several asset sales of non-core operations including recent announcements of U.S. western coal sales, Australian mine transactions and the sale of its share of the Prairie State coal-fired power plant in Illinois. The company also recently announced a debt exchange of $1.5 billion of its $6.3 billion in outstanding debt.

# Peabody's Presentations of Coal Prices Do Not Reflect Market Realities

United States domestic coal prices have declined significantly from the beginning of 2012 through the present. CAPP, PRB 8800, and ILB 11500 spot prices declined during this period by 30%, 17%, and 38%, respectively. These price declines have fundamentally altered the revenue

[9] Our calculation based on method used in prior 10K filings
[10] http://dealbook.nytimes.com/2011/11/16/peabody-energy-takes-full-control-of-macarthur-coal/
[11] Form 10K-2014, p. F-16, $806 million Australia mines and $45 million Midwest mining.
[12] Form 10K-2014, $391 million, two mines in Australia and $66.3 in Eastern United States mines, additional $6.5 million unidentified mining write down.
[13] Form 10K-2014, p. F-16: Australia $78.6 million observed weaknesses in seaborne market (thermal and metallurgical); 68.4 million in Colorado and Indiana "non-strategic, undeveloped coal properties", no interest from any buyers
[14] Form 8K-2016 Year End

position of every coal company in the United States and have contributed to 50 coal company bankruptcy filings since 2012.

**Table 4: Selected Price Trends from CAPP, PRB and Illinois Basin: 2012-2016**

| Region | February 2012 | February 2016 | Pct. Change | Peak Price | Date of Peak |
|---|---|---|---|---|---|
| **CAPP -NYMEX** | 68.00 | 47.55 | -30% | 120.00 | August 2008 |
| **PRB 8800** | 11.95 | 9.95 | -17% | 19.00 | January 2006 |
| **ILB 11500** | 65.45 | 40.40 | -38% | 90.00 | August 2008 |

The principal drivers of these dramatic and now persistent low coal prices are low natural gas prices, renewable energy and regulatory uncertainty. Natural gas prices peaked in June 2008 at $12.69 mmbtu dropping to $2.67/mmbtu by early 2012.[15] Since then the price of natural gas has declined further and is currently in the $2/mmbtu range.[16] The EIA projects natural gas prices rising through 2017 to $3.32/ mmbtu. [17]

Coal prices in critical regions across the United States are expected to stay low in the coming years. The EIA's Short Term Energy Outlook through 2017 projects lower coal prices for coal plant operators from 2015 levels.[18] Both Platts[19] and SNL's forward-looking outlooks[20] anticipate modest growth in coal prices across all sectors during this period. SNL is projecting a price of $9.48 per ton for PRB 8800 through 2016.[21] These trends are reason to anticipate further downward pressure on Peabody's revenue position. Yet, Peabody Energy estimates in its 4Q 2015 report that its current PRB pricing is at $13.45 per ton for 2015,[22] and they show a small increase in their contract priced coal for 2016.

In the international seaborne coal trade, low prices are expected to continue for the foreseeable future. The price of Newcastle coal peaked in July 2011 at $142.00 per ton.[23] The current price of Newcastle coal is $52 per metric ton. Over the next seven years the price of seaborne coal is expected to decline further and hit $42.10 in 2022 (see Table 5).[24] The seaborne thermal market is currently oversupplied as China and India are making strides to reduce their respective dependence on imported coal. In addition to a weak outlook for the thermal seaborne sector, metallurgical markets are expected to remain weak as most major steel producing and consuming nations curtail demand.[25]

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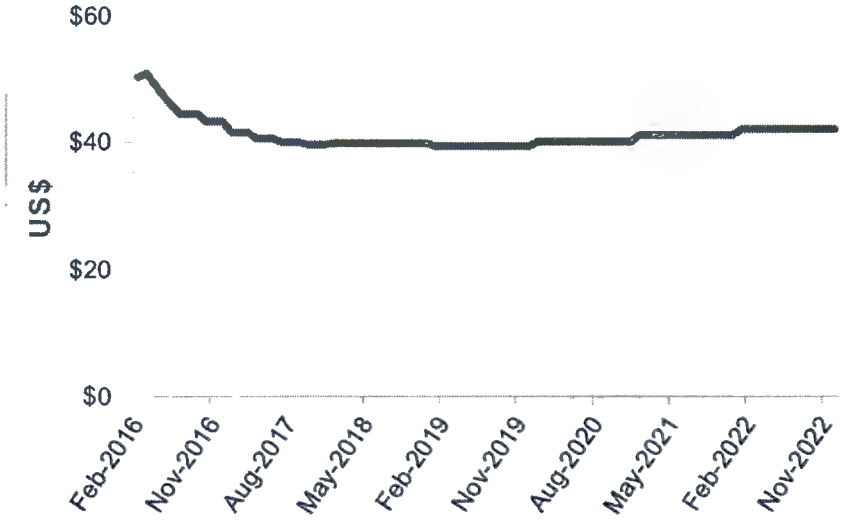
[15] https://www.eia.gov/dnav/ng/hist/rngwhhdm.htm , Henry Hub Natural Gas Prices, 1998-2016.
[16] Some private analysts see the $2 mmbtu price through 2018. Tom Palicki, Lack of demand may keep natural gas prices near $2mmbtu until 2018, SNL, February 10, 2016.
[17] http://www.eia.gov/forecasts/steo/report/natgas.cfm
[18] http://www.eia.gov/forecasts/steo/query/ Custom Table Builder/U.S. Coal/Cost of Coal Delivered to Electric Generating Plants, 2012-2017.
[19] Platts Coal Trader, Platts Daily OTC Assessments, February 2, 2016
[20] SNL, SNL Coal Price Forecast, All Regions, February 6, 2016. This is a proprietary database. Information available upon request.
[21] SNL, SNL Coal Price Forecast, Powder River Basin, PRB 8800, February 6, 2016. This is a proprietary database. Information available upon request.
[22] Form 8K-2016 Year End
[23] http://www.indexmundi.com/commodities/?commodity=coal-australian&months=60
[24] http://www.barchart.com/commodityfutures/ICE_NewCastle_Coal_Futures/LQ
[25] http://www.rba.gov.au/publications/bulletin/2015/jun/pdf/bu-0615-3.pdf.

**Table 5: Futures Outlook for Newcastle Benchmark Coal 2016-2022**[26]




# Sale of Distressed Assets Has Short Term Benefits But Is Counterproductive

In order to avoid bankruptcy, Peabody Energy has adopted an aggressive debt management program based on raising cash through distressed sales of assets in order to pay interest on the existing debt. Since 2015 Peabody has announced three separate transactions to divest itself of non-core assets and raise cash[27]: the sales of the Wilkie Creek mine in Australia, three mines in its U.S. west and southwest reserve portfolio, and its interest in the Prairie State coal plant in Illinois.

**Table 6: Peabody Energy's Estimated Cash Benefits from Recently Announced Asset Sales**

| Transaction | Amount US$m |
|---|---|
| Wilkie Creek | $20 |
| Mines in NM and CO | $358 |
| Prairie State | $57 |

[26] http://www.barchart.com/commodityfutures/ICE_NewCastle_Coal_Futures/LQ
[27] The company has also identified a number of other asset sales in its Form 10Q-3Q-2015, p. 65.

## Wilkie Creek:

Peabody Energy announced the sale of Wilkie Creek , one of its Australian mines, to Sekitan Resources (a wholly owned Australian subsidiary of Energen) in July 2015. The sale was announced as including $20 million in cash plus $55 million in assumed liabilities. [28] Peabody had originally estimated the mine value at $500 million.[29] The closing of the sale to Sekitan Resources was expected in the third quarter of 2015[30] but has been delayed by financing issues.[31] At the time of the announced sale, the mine was closed and had laid off 200 employees.[32] According to published reports the new owner plans to reopen the mine and commence coal production post-closing.[33]

## Sale of Mines in New Mexico and Colorado[34]

In November 2015 Peabody announced that it would sell three mines – Twentymile in Colorado and El Segundo and Lee Ranch in New Mexico to Bowie Resource Partners for $463 million ($358 million cash and $105 million in liability assumptions). [35] Peabody stated it is refocusing its efforts on the Powder River Basin, Australia and Illinois Basin going forward. Peabody lists the three mines in New Mexico and Colorado as having 300 million tons in proven and probable reserves and capacity to produce 11 million tons of coal per year. The proceeds from the sale are to be used for "general corporate purposes and other deleveraging activities". The sales also have the effect of removing $300 million in reclamation liabilities from Peabody's balance sheet. The sale to Bowie Resource Partners is expected to be underwritten by affiliates of Blackstone and to close by the end of the first quarter of 2016.[36]

## Prairie State Energy Campus

The Prairie State transaction will produce $57 million and may allow Peabody to escape liability for a host of financial and operational challenges facing this new 1600 MW coal plant in Marissa, Illinois. Peabody was the lead developer on the project a decade ago and sold its interests to state power agencies in Ohio, Indiana, Illinois, Kentucky and Missouri. Over 200 Midwest communities have bought into the plant and collectively the power agencies and municipalities have assumed $4.75 billion in bond indebtedness. The plant opened in 2012 and has not produced electricity at prices that were described by Peabody and other members of its development team while they were promoting the project. After three years of operation,

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[28] http://www.peabodyenergy.com/content/120/press-releases
[29] Rohan Showmanship, *Peabody Energy selling Australian Thermal coal mine in $75M deal*, SNL, July 8, 2015.
[30] http://www.peabodyenergy.com/content/120/press-releases
[31] http://www.peabodyenergy.com/investor-news-release-details.aspx?nr=908
[32] http://www.australianmining.com.au/News/Peabody-axes-200-jobs-shuts-Wilkie-Creek
[33] http://mininglink.com.au/story/new-owner-has-bright-plans-for-wilkie-creek-mine
[34] http://www.peabodyenergy.com/content/120/press-releases
[35] http://www.peabodyenergy.com/content/162/sec-filings, Form 8K, Press Release, November 20, 2015. (Form 8K-2015 Bowie)
[36] Form 8K -2015 Bowie

the price of electricity still exceeds market prices by over fifty percent, even after recent improvements in its operational performance. [37]

The existence of one or more SEC investigations related to Peabody's participation in Prairie State raises questions about the transaction, as noted by some investment analysts.[38] In addition the communities of Batavia, Illinois and Hermann, Missouri have engaged counsel to obtain relief from the take-or- pay contract provisions. Peabody is not named in either case. It is, however, prominently mentioned as the driving force behind the deal in a citizen class action suit filed by residents of Batavia, Illinois.[39]

Although Peabody Energy has not declared any gains since 2012 on its 5 percent interest in Prairie State it has stated that it achieved a modest profit with the sale of its interest in the plant.[40] This is hard to reconcile with Peabody's SEC filing showing the company invested $246 million[41] in the project and will receive $57 million back from the sale.

Peabody appears to be exercising its right to exit the Prairie State investment prior to its original agreement to stay with the plant for at least the first five years of operation.

## Asset Sales Provide Immediate Cash, But Have No Longer Term Strategic Plan and Will Undermine Market Recovery and the Company's Reputation

The sale of distressed assets is unlikely to result in any substantial improvement in Peabody's finances. Instead, it is likely to forestall difficult short term decisions and will be counterproductive.

First, the proceeds from the sale are being used to generate a short term cash benefit. The company claims to be using the cash from the sales for deleveraging of debt. However, the cash comes in at a time when Peabody's mining activities are not generating sufficient cash to cover expenses (including interest), declare a profit and finance sustaining capital expenditure, let alone future growth. Peabody now must rely on a series of one-time revenue infusions from the asset sales to maintain itself as a going concern. These actions push off more difficult financial decisions. The action does not solve the company's debt problem nor is it part of a strategic plan to correct the fundamental financial imbalances facing the company.

Second, the two mining transactions serve to exacerbate the current domestic and international oversupply of coal. These distressed sales actually serve to recapitalize marginal

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[37] A recent Fitch Rating on a Missouri refinancing of Prairie State debt notes that after recent operational performance improvements at the plant it now produces electricity for $76 Mwh. The report also discloses that if the plant reaches is 85% capacity level than the price will drop to the mid $60's Mwh. http://www.businesswire.com/news/home/20160203006383/en/Fitch-Rates-Missouri-Joint-Muni-Electric-Utilitys. The original bond statements projected a price of $44 Mwh and the current price of on peak power at MISO hubs ranged from $22.14 to 26.61 Mwh in January 2016.

[38] http://seekingalpha.com/article/3835046-disclosure-games-peabody-energy-multiple-undisclosed-sec-probes-prairie-state-woes

[39] Michael Marconi, Richard Benson v. Indiana Municipal Power Agency, Inc., Rajeshwar Rao, Sargent and Lundy LLC and Skelley and Loy, Case No: 1:14-CV-07291, Plaintiff Second Amended Complaint.

[40] Matt Bandyk, *Sale of Stake in Prairie State Shows problems with coal plant, group says*, SNL, January 22, 2016.

[41] http://www.peabodyenergy.com/content/162/sec-filings Form 10K-2012, February 25, 2013, p. F-55.

mines at a time of oversupply (and in the case of Wilkie Creek may result in the reopening of a previously closed mine). The price and other market signals identified in this report and by many coal industry leaders point toward the need to close mines.[42]

The Bowie Resource Partners transaction represents a business proposition with an even more troubling basis. The new investor with a new business model will seek to continue mining and selling coal from the mines in New Mexico and Colorado. Blackstone is reported to be financing the transaction which is supposed to buy out Trafigura/Galena's interest in Bowie and finance the purchase of the Peabody mines. Blackstone runs private equity funds and is a stockholder in Peabody.[43] A private equity investment typically requires a rate of return, usually 20% pa. Whatever positive margins remain at the three mines will be used to support private equity debt. Any balance sheet benefit obtained by Bowie Resource Partners from a distressed sales price will be quickly absorbed by the demands of the new capital structure. And yet, the current coal price environment is pushing prices lower making them unsustainable going forward when viewed against current market trends.

Although the Wilkie Creek and Bowie Resources transactions provide short-term cash for Peabody, they essentially will continue to exacerbate the negative effects of an oversupplied market. The investments are high risk because the new business model in the Bowie Resource Partners case is likely to default.

Third, Peabody's sale of its interest in the Prairie State plant now, when the financial problems of the plant have not been solved, represents the abandonment of its corporate responsibility. Peabody Energy Corporation developed the Prairie State coal plant, enlisting 200 municipalities and power authorities in five states to finance and purchase electricity from the plant. The plant moved forward in the 2007-2012 at a time when coal plant cancellations were accelerating. Peabody enjoyed substantial benefit from the project as it sold a mine to Prairie State consortium as well as its services in the development, construction and operation of the Lively Grove mine mouth facility that serves the plant. Its decision to sell its share of the project now for approximately 20% of its previous value raises serious questions for the other owners of the facility.

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[42] Taylor Kuykendall, *Coal industry struggling to right size as market shrinks calls for radical change,* SNL, January 28, 2016
[43] Blackstone Alternative Investments is listed as holding 33,067 shares as of September 30, 2015, SNL/Companies and Assets/Peabody Energy Corp./Profile/Institutional Holders/. This from a proprietary database, information available upon request.

# Debt Exchange: Inadequate Levels of Principal Reduction Leave Peabody's Financial Condition Driven by Weak Coal prices Subject to Further Slippage

Peabody currently has $6.3 billion in long term debt obligations.[44] Those obligations have been incurred over time and are comprised of several prior bond issuances with varying maturity dates. The restructuring of this debt portfolio is an important focus of Peabody's management.

The company has also announced a debt exchange of its $1.5 billion Senior Note due in November 2018. If the deal is approved, it would result in an agreed reduction in the principal value of debt from $1.5 billion to $730 million,[45] reducing the annual interest payment by an estimated $47 million.[46] The company is also offering the bondholders a 10% equity position in the company.

The exchange is contingent in part on Peabody's ability to sell $500 million in other mining assets by the time the deal closes.[47]

To secure a portion of the debt reissuance Peabody will establish a separate vehicle to hold four mines: Gateway in Illinois, Francisco and Wild Boar in Indiana, and Kayenta in New Mexico. The new vehicle will be restricted in its ability to issue new debt.[48]

These four mines produced an estimated $696 million in revenue in 2014, more than 10% of the company's enterprise-wide revenue. The asset and revenues from these mines appear to be part of the pledges related to Peabody's self-bond reclamation obligations for other mines, as they are part of the "stockholder equity" used to value the company's net worth (see below).

There is a presumption that the new vehicle will protect the assets from Peabody's larger debt problems. But it remains unclear what will happen to these mines in the event of a bankruptcy proceeding: do the mortgages and guarantees ensure the protection of the newly issued bonds or will they be part of the general property of the company covered under a Chapter 11 proceeding?

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[44] Form 8K-2016 Year End.

[45] http://www.peabodyenergy.com/content/162/sec-filings, Form 8K, January 22, 2016 (Form 8K-2016 Debt) The Company's 8K disclosure assumes the issuance of three instruments all with maturity dates of 2020: 1) $250 million 6% pari parsu bonds; 2) $150 million 6% pari pasu bonds and 3) $330 million in Senior Secured notes, supported by the four mines. The plan also involves an equity position for bondholders equal to 10% of the Issuers value.

[46] http://seekingalpha.com/article/3829266-analyzing-peabody-energys-proposed-debt-exchange

[47] Form 8K-2016 Debt, Peabody Energy Corporation (the "Issuer") Exchange Offer, 6.00% Senior Notes due November 2018, Exhibit 99.1, Exchange Offer, January 8, 2016, P.2.

[48] Form 8K-2016 Debt, Peabody Energy Corporation (the "Issuer") Exchange Offer, 6.00% Senior Notes due November 2018, Exhibit 99.1, Exchange Offer, January 8, 2016, P.4.

## Peabody's Debt Exchange Produces Very Little Financial Benefit and Its Collateral Claims are Based on Overly Optimistic Value Assumptions

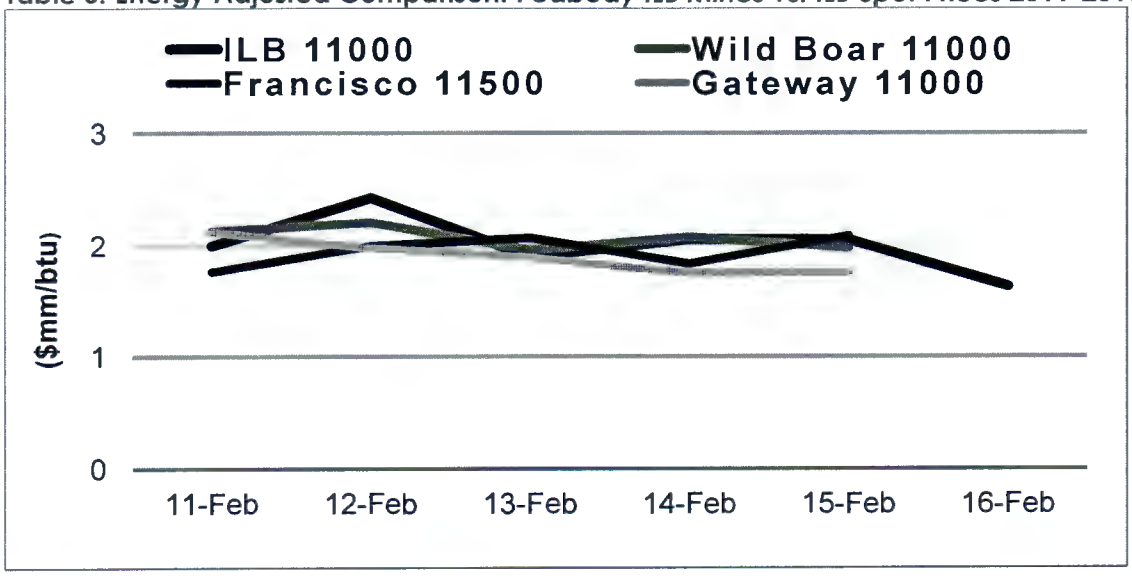
After the transaction, Peabody will still not be able to cover the cost of operations and the new debt load. Simply stated: the company declared losses of $768 million in 2015 (minus losses from impairments). The 2015 interest payment was $465 million. An estimated $47 million in interest payment leaves the company on an enterprise level with operating losses after interest payments of approximately $600 million (see Table 1).

Put another way, Peabody's 2015 interest payments of $465 million constituted 8.27% of the company's enterprise-wide revenues. Using 2015 data, this number increases slightly after the debt swap, with the company still paying 8.5% of revenues for interest (assuming the four mines are no longer considered part of Peabody's enterprise-wide balance sheet). This analysis is based on an assumption about the accounting treatment of the new vehicle used by Peabody and the strength of the protections offered in the debt exchange documents.

## Peabody's Financial Profile of the Four Mines Ignores the Downward Spiral of Coal Prices

Peabody's financial disclosures on the mines present a partial and overly optimistic picture of the financial condition of these mines. First, the disclosure is based only on historical data for the last five years. The company is requesting that investors consider these mines as solvent operations going forward. However, Peabody offers no indication of any of its forward-looking assumptions regarding these mines, particularly the price of coal.

**Table 6: Energy Adjusted Comparison: Peabody ILB Mines vs. ILB Spot Prices 2011-2016**



The three ILB mines (Francisco, Wild Boar and Gateway) have coal prices[49] (a mix of contract and spot prices) that cluster around the historic spot prices In the ILB (see Table 6). ILB prices have declined substantially over the last four years and dropped significantly during 2015 (See Table 7: Illinois Basin Coal Prices 2005 to Present). For example the spot prices of ILB 11800, 11500 and 11000 were $55.90, $65.45 and 53.40 per ton in February 2012[50]. At the beginning of February 2016 the same coal per ton spot price dropped to $36.14, 40.40 and $30.00 per ton respectively[51]. In addition, from February 2015 to February 2016 the ILB 11800 spot price dropped from $60.39 per ton to $40.40 per ton, a 30% decline.

Although the Peabody 8K disclosure on the debt exchange was issued on January 22, 2016, [52] it contained only production and prices through the third quarter of 2015. SNL Energy reports an overall decline in ILB production in 2015 of 10%.[53] All three of the Peabody mines reported weak fourth quarter production results.[54] Table 7 shows a precipitous price drop in the third and fourth quarter of 2015. The risk of per ton mine prices at Gateway, Francisco and Wild Boar declining is high. Peabody offers no short, medium or long term price forecast in its 8K overview disclosure on the future financial condition of the mines.[55]

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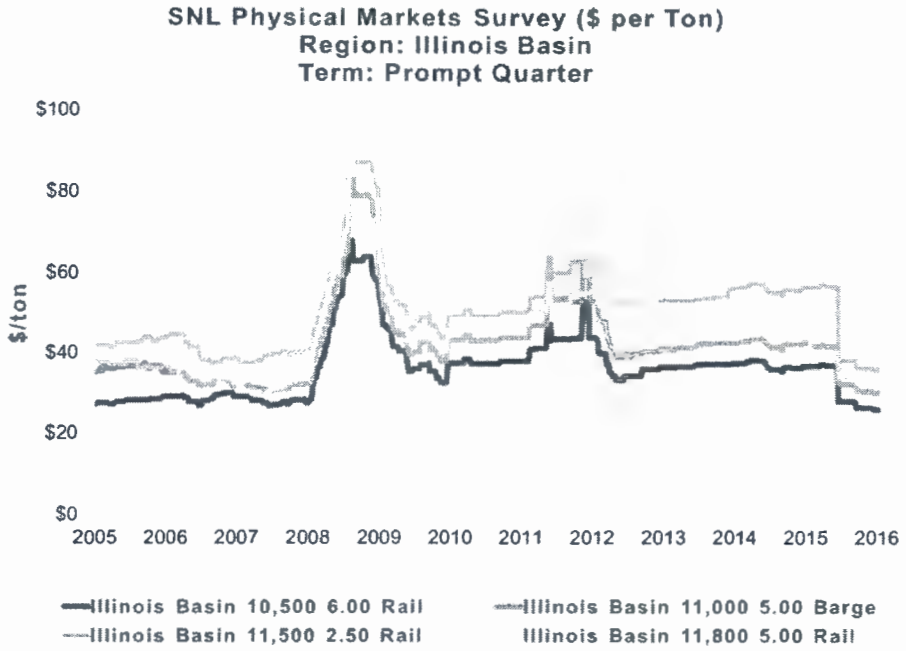
[49] Form 8K-2016 Debt, Peabody Energy, Overview of Selected Assets, January 22, 2016. A five year coal price disclosure is provided for each mine identified as part of the company's new special vehicle.
[50] SNL, Markets and Deals/Coal Summary/ Physical Markets Survey/Region. This is a proprietary database. Information available upon request. See also Appendix I. (SNL Physical Markets)
[51] Platts Coal Trader, Weekly Survey,. Traditional Physical Market. January 29, 2016
[52] http://www.peabodyenergy.com/content/162/sec-filings, Form 8K-2016 Debt.
[53] Steve Piper, *With weaker market gas premium was eliminated, coal displacement remains*, SNL, February 2, 2016
[54] Christopher Coats, *Production slips at Peabody's U.S. mines in latest quarter after uptick in Q 3 15*, SNL, January 26, 2016.
[55] Since Peabody is addressing the forward value of these mines to serve as collateral for securing mortgages, the revenue to expense calculation is critical. The revenue dynamics in the Illinois Basin have deteriorated rapidly in the last eight months. This is likely to affect future valuations. One does not expect from Peabody a full valuation of these mines as part of the 8K filing, but the basic outlines of future value would include at minimum future price assumptions. See for example, http://www.bvresources.com/pdfs/WB061313/BVR%20-%20Quarries%20&%20Mines.pdf

**Table 7: Illinois Basin Coal Prices 2005 to Present**




Peabody discloses that the fourth mine in the debt swap transaction -- the Kayenta mine in Arizona, a mine mouth facility that serves the Navajo Generating Station -- receives $43.63 per ton for its coal. This means that this Arizona mine is some of the most expensive coal in the nation, charging an energy-adjusted price that exceeds the spot price in almost every region of the country.

**Table 8: EIA Spot Prices week of January 22, 2016 versus Peabody's Kayenta Coal Mine**

| Region | Per Ton Price ($) | Energy Adjusted ($mmbtu) |
|---|---|---|
| CAPP | 42.25 | 1.69 |
| NAPP | 48.60 | 1.87 |
| Illinois Basin | 40.0 | 1.79 |
| PRB | 9.70 | 0.55 |
| Uinta Basin | 39.05 | 1.67 |
| Kayenta[56] | 43.63 | 2.0 |

Peabody does not offer a forward looking price scenario for the Kayenta mine in the Form-8K Overview. The ownership structure for the Navajo Generating Station, the one plant served by the Kayenta mine, consists of Tucson Electric Power, Salt River Project, Los Angeles Department

[56] Although Peabody's Form 8K-2016 Debt filing lists the per ton cost at $43.63, SNL's data base of Fuel Contract Details for 2015 lists the average price of the year at $45.10 per ton. (SNL, Company and Assets/Navajo Generating Station/Analytics/Fuel Contract Details, 2015, proprietary database information.)

of Water, Nevada Power and the Bureau of Reclamation. In a time of declining coal prices, how much longer will the five owners of the plant be willing to pay $43.63 per ton for coal from a mine mouth facility?

U.S. coal companies, including Peabody, have infrequently released their forward looking coal price forecasts. When coal prices are rising and margins are ample this limitation on coal company transparency receives little attention. During this time of severe financial pressures, however, coal companies could better serve investors, the bankruptcy process, the market and their own interests by providing a more robust picture of their forward looking coal prices and the implications for economically recoverable coal that flows from these disclosures.[57]

# Peabody's Weakened Financial Condition Places its Self-Bonding Program at Risk

Peabody Energy Corporation carries $1.3 billion[58] in reclamation obligations. These obligations cover its self-bonding commitments in Colorado, New Mexico, Wyoming, Illinois and Indiana.

Self-bonding is the method used by some coal companies to comply with requirements under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The act requires coal companies to post bonds sufficient to cover the cost of reclaiming the site. The bond insures that the site will be reclaimed and restored at the cessation of mining activities even if the company goes out of business or fails to fulfill its obligations. The bond is released by the federal government once the site is fully reclaimed.

The law contemplates that coal companies will obtain surety bonds or post other third party commitments for each mine. The law also allows for self-bonding by a coal company. This method effectively pledges company assets as a form of collateral in lieu of the bonds. This allows coal companies to avoid premium payments on the third party insured bonds. The bond premium savings is typically in the millions of dollars per mine.

Coal companies can qualify for self-bonding if they meet certain tests of financial solvency. The companies make application under the federal law to administrators of the program in designated state agencies. The mine applicant is usually a subsidiary corporation of a larger parent company (i.e. Peabody, Arch and Alpha Natural Resources). The subsidiary must show that it has access to unencumbered assets sufficient to cover the self-bonding obligation. The applicant must show as part of its filing that the parent company has a liabilities to net worth ratio of less than 2.5. States vary somewhat in methodological determinations of what are total liabilities and what constitutes net worth. When coal prices are high, the value of company reserves and equities are rising, and debt levels are manageable, most companies can easily meet these solvency tests.

[57] http://powersource.post-gazette.com/powersource/companies/2015/10/18/Coal-reserves-Unmined-or-unminable/stories/201510180092

[58] http://www.peabodyenergy.com/content/162/sec-filings , Form 10K, February 25, 2015. F-64.

Our review of the information found in Peabody Energy Company's filings with the SEC shows that Peabody Energy Corporation and its various subsidiaries would fail to meet this basic self-bonding test of financial solvency. [59]

According to Peabody's 2015 end of year filing, the company ratio of total liabilities to net worth is 12.6 -far in excess of the 2.5 benchmark required under federal statute.

**Table 9: Peabody Energy Total Liabilities to Net Worth[60] at End of 2015**

| | Value ($ billions) |
|---|---|
| **Total Liabilities** | 10.972 |
| **Net Worth** | .869 |
| **Ratio** | **12.6** |
| **Standard** | **<2.5** |

In order to achieve "technical" compliance with SMCRA self-bonding rules, Peabody, like most other coal companies created a network of subsidiaries that allow for "technical" compliance through the use of various accounting treatments involving a network of subsidiaries. Peabody Energy Corporation has created a parent company for its mining subsidiary that appears relatively free of liabilities and therefore in compliance with SMCRA rules.

For example, in New Mexico, where Peabody has millions in current SMCRA self-bonding obligations, the company has historically[61] used interlocking corporate networks to meet the financial tests. Peabody Investments Corp. (PIC)[62] is deemed the parent company for the purpose of the self-bonding application and has a separate accounting statement from that of Peabody Energy Corporation.

[59] This is also the conclusion of an earlier report by the Western Organization of Resources Council http://www.underminedpromise.org/UnderminedPromiseII.pdf

[60] Form 8K-2016 Year End.

[61] The following illustration is drawn from information provided by the New Mexico (agency name). We reference here a letter and attachments from Stuart Butzler of the law offices of Modrall Sperling representing Peabody Energy and James O'Hara, Coal Program Manager, Mining and Minerals Division, February 18, 2011.

[62] PIC is deemed the parent applicant for the New Mexico filing. PIC is a subsidiary of the parent corporation Peabody Energy for purposes of the 10K Filing with the Securities and Exchange Commission. http://www.peabodyenergy.com/content/162/sec-filings, Form 10K, February 25, 2015, Peabody Energy Corporation List of Subsidiaries, Exhibit 21, p. 4. PIC is identified as a wholly owned subsidiary of Peabody Energy Corporation in Ernst and Young, Consolidated Financial Statements, Peabody Investments Corporation and Subsidiaries Year Ended December 31, 2010 and attached to the Butzler letter.

**Table 10 : Comparison of Selected Peabody Investment Corporation and Peabody Energy Corporation Asset and Liability Accounting from Consolidated Balance Sheets, December 2010.**

| | Peabody Investments 12/10 ($ billions)[63] | Peabody Energy Corp. 12/31/10[64] |
|---|---|---|
| Assets | | |
| Land and coal interests | 7.657 | 7.657 |
| Buildings and Improvements | 1.079 | 1.079 |
| Machinery | 1.699 | 1.699 |
| Depreciation | (3010) | (3010) |
| Total Property, Plant & Equip | 7426 | 7426 |
| | | |
| Liabilities | | |
| Total Current Liabilities | 1441.3 | 1513.7 |
| Long term debt | 97.3 | 2706.8 |
| Deferred Income | 451.1 | 539.8 |
| Asset Retirement Obligations | 501.3 | 501.3 |
| Accrued postretirement costs | 963.9 | 963.9 |
| Other noncurrent liabilities | 437.7 | 448.3 |
| Total Liabilities | 3892.6 | 6673.8 |
| | | |
| Stockholder Equity | 8620.5 | 4689.3 |

The applicant, a subsidiary of PIC, is New Mexico Coal Resources (NMCR). NMCR uses the PIC balance sheet as the basis for demonstrating compliance with SMCRA rules. NMCR's representation is that PIC, as its parent, meets the criteria for eligibility for self-bonding. PIC would therefore possess the assets and liquidity necessary to finance reclamation activities at the cessation of mining if NMCR is unable to pay for it themselves.

## Program Rules, Weak Self-Bonding Administration by States and Accounting Treatments Obscure PEC's Failure to Meet the Financial Solvency Test for Self-Bonding

The use of PIC as the substitute parent for Peabody Energy Corporation allows for an accounting treatment that significantly decreases the Long Term debt liability for PIC and increases the stockholder equity accounting when compared to Peabody Energy Corporation. PIC is also allowed under this accounting treatment to claim as part of its

[63] Ernst and Young, Consolidated Financial Statements, Peabody Investments Corporation and Subsidiaries Year Ended December 31, 2010, p. 2.
[64] http://www.peabodyenergy.com/content/162/sec-filings, Form 10K, February 28, 2011, Consolidated Balance Sheets, p. F-3.

valuation the full enterprise value of Peabody's mines, domestic and foreign. In short the PIC corporate balance sheet takes full advantage of Peabody Energy's assets but is, through an accounting treatment allowed to allocate only a small portion of the total liabilities of Peabody Energy.

Program rules appear to allow for a definition of the parent and subsidiary relationship for the purposes of the self-bonding applications that is materially different from that used in federal SEC filings or under GAAP relating to group consolidation. Under those filings Peabody Energy Corporation is the parent company and PIC and NMCR are both considered subsidiaries.

In 2010, under either the PIC or PEC accounting, the parent would have complied with self-bonding rules. As noted in Table 9: Peabody Energy Total Liabilities to Net Worth[65] at End of 2015, however,

The NMCR application would not meet eligibility requirements under current financial conditions using Peabody Energy Corporation as the true parent.

It is also important to note that whatever net worth Peabody Energy Corporation may have in 2016 it has been pledged that value to its bondholders. A review of Peabody Energy's financial filings indicates that generally and specifically the company has pledged its mining assets to its creditors.

Much of Peabody's debt is governed by a multi-party agreement (Credit Facility) established in 2013 and amended in February 2015. As described in the company's filing under the Credit Facility "The Company and substantially all of its domestic subsidiaries"[66] secure the indebtedness. In the section of the filing that describes the Senior Secured Notes the company discloses that the notes are "Jointly and severally guaranteed by nearly all of the Company's domestic subsidiaries."[67]

In addition to this general assignment of the value of the assets of Peabody Energy Corporation and its subsidiaries to its bondholders, in 2015, as part of the amendment to the Credit Facility, the company issued mortgages to its creditors for the following mines in order to specifically secure more liberalized credit terms for Peabody Energy going forward.

**Table 11: Mines Mortgaged by Peabody to its Creditors in 2015 Credit Facility Amendment**

| Mine | State | 2014 Coal Production (million tons) |
|---|---|---|
| North Antelope Rochelle | Wyoming | 118.0 |
| Caballo | Wyoming | 8.0 |
| Rawhide | Wyoming | 15.0 |
| Lee Ranch | New Mexico | 0.3 |
| El Segundo | New Mexico | 8.2 |
| Kayenta | Arizona | 8.2 |
| Bear Run | Indiana | 8.6 |
| Total Coal Production | | 166.3 |
| Total Peabody Domestic | | 185.0 |
| Percent Mortgaged | | 90% |

[65] Form 8K-2016 Year End.
[66] http://www.peabodyenergy.com/content/162/sec-filings, Form 10K, February 25, 2015, Long Term Debt, p. F-38.
[67] http://www.peabodyenergy.com/content/162/sec-filings, Form 10K, February 25, 2015, Long Term Debt, p. F-40.

Peabody Energy has issued mortgages to its creditors securing the assets of 90% of its annual U.S. domestic coal production. It also has outstanding self-bonding pledges in several states of $1.3 billion. These double pledges appear to be in direct conflict with one another. If regulators were to look to the actual value of the assets, along with how the company has pledged its assets and how it has attributed full assets and liabilities to Peabody Energy Corporation (the corporate parent in SEC filings), none of the self-bonding mining applications could be deemed as acceptable. The judgments made by this type of clear-eyed regulatory assessment would be the same as that rendered by the market: Peabody Energy Corporation is nearly bankrupt. While perhaps legal, these arrangements are an abuse of SMCRA.

The current financial climate for the coal industry raises numerous issues concerning the ongoing management of the companies that comprise it.[68] On the issue of self-bonding, the historically valid net worth tests offered by coal companies, including Peabody, are now worthless. In the current spate of very real, and increasingly likely instances of bankruptcy, coal companies will seek to reduce or eliminate the bonding requirements and eviscerate this environmental protection for the public and fiscal protection for the state and federal government. The State of Wyoming recently granted substantial financial relief to Alpha Natural Resources on its $400 million reclamation obligation allowing it to post a minimum cash offering driven in part by the company's declaration of bankruptcy.[69] Arch Coal has similar relief from its obligation after it filed for bankruptcy.

Several recent developments indicate that Peabody's self-bonding mechanisms may be in jeopardy:

- In June 2015 Thomson Reuters reported that federal officials were examining Peabody Energy and other coal companies to determine if the companies were still eligible for self-bonding.[70] Since then federal officials have issued follow up notices to the State of Wyoming. Environmental protection administrators in the state approved Alpha Natural Resources and Arch's self-bonding applications despite obvious severe financial distress and Chapter 11 bankruptcy filings.[71]
- The State of Colorado has announced that it is moving away from self-bonding because the practice is too risky.[72] The decision came in response to questions being raised concerning Peabody Energy's sale of the Twentymile mine to Bowie Resources (discussed above). Bowie has applied to the State of Colorado for self-bonding.
- Recently the Environmental Law and Policy Center (ELPC), an Illinois based organization, has raised questions with Illinois environmental regulators responsible for Peabody's self-bonding applications in the state.[73] Questions have also been raised by IEEFA about Peabody's mine sales to Bowie Resources in New Mexico.[74]

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[68] For a concise treatment of the financial problems of the coal industry see: McKinsey and Company, *Downsizing the U.S. coal industry: Can a slow motion train wreck be avoided,* November 2015.
[69] http://www.platts.com/latest-news/coal/houston/alpha-wyoming-reach-deal-to-resolve-prb-coal-21102521
[70] http://www.reuters.com/article/us-usa-coal-bonding-idUSKBN0OK26F20150604
[71] http://www.houstonchronicle.com/business/energy/article/Feds-give-Wyoming-more-time-on-coal-mine-bonding-6804764.php
[72] http://wyomingpublicmedia.org/post/co-moves-away-self-bonding
[73] http://www.chicagobusiness.com/article/20160130/ISSUE01/301309995/peabody-energy-failure-could-leave-state-without-coal-mine-cleanup
[74] http://www.santafenewmexican.com/opinion/my_view/reader-view-n-m-taxpayers-at-risk-in-peabody-bowie/article_cce75802-93c0-5b52-874c-129842daec98.html

# Conclusion

Peabody Energy is failing to address the fundamental point of this depressed market. If coal prices have any chance of turning around, the company must use the primary tool it has in its control: closing mines to drive down the supply of coal commensurate with market demand. Instead, Peabody is trying to manage its debt problems by selling mines for cash to competitors who will then further flood an already oversupplied market. Peabody's debt management plans – asset sales, debt exchange and self-bonding cost control – will be insufficient even if they are successful.

Until Peabody Energy acknowledges the price decline, establishes an action strategy to address the difficult financial situation this creates, and acts on it, its financial condition will continue to slip.

# Institute for Energy Economics and Financial Analysis

The Institute for Energy Economics and Financial Analysis (IEEFA) conducts research and analyses on financial and economic issues related to energy and the environment. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy and to reduce dependence on coal and other non-renewable energy resources. More can be found at www.ieefa.org

# About the Authors

## Tom Sanzillo, Director of Finance, IEEFA

Tom Sanzillo is the author of several studies on coal plants, rate impacts, credit analyses, and public and private financial structures for the coal industry. He has testified as an expert witness, taught energy-industry finance training sessions, and is quoted frequently by the media. Sanzillo has 17 years of experience with the City and the State of New York in various senior financial and policy management positions. He is a former first deputy comptroller for the State of New York, where he oversaw the finances of 1,300 units of local government, the annual management of 44,000 government contracts, and where he had oversight of over $200 billion in state and local municipal bond programs and a $156 billion pension fund.

Sanzillo recently contributed a chapter to the Oxford Handbook of New York State Government and Politics on the New York State Comptroller's Office.

## Tim Buckley, Director of Energy Finance Studies, Australasia

Tim Buckley has 25 years of financial market experience covering the Australian, Asian and global equity markets from both a buy and sell side perspective. Tim was a top rated Equity Research Analyst and has covered most sectors of the Australian economy. Tim was a Managing Director, Head of Equity Research at Citigroup for many years, as well as co-Managing Director of Arkx Investment Management P/L, a global listed clean energy investment company that was jointly owned by management and Westpac Banking Group.

## Clark Williams-Derry, Senior Researcher, Sightline Institute

Clark Wiliams-Derry directs research and communications programs for the Sightline Institute, based in Seattle. Williams-Derry's work covers a wide range of topics, including climate and energy policy sustainable transportation, and mapping and analyzing urban sprawl. He is a speaker, writer, consultant, and media spokesperson on sustainability topics. He graduated from Yale University in1989 with a joint degree in mathematics and philosophy.

## Coal Resource Protection

Mining on the Black Mesa involves extraction of nonconcentrated, multiple coal seams having varying overburden depths and interburden thicknesses. This situation is clearly discernable by examining the cross sections found in Chapter 25. Coal seams split, change to burned coal, and pinch out in very short distances. The initial choice of mining equipment type and size was based upon the type of mining conditions (i.e., area mining in an area with highly changing surface elevations), production requirements, the life of the mining operation, types and thicknesses of overburden and parting, local and regional dip, and thickness of coal seams. Experience in mining on the Black Mesa has resulted in the current mix of major excavators and support equipment and in highly efficient and effective coal removal. Auxiliary equipment has been carefully matched to primary excavators and their capabilities. Mining activities are conducted to maximize the recovery of coal while maintaining environmental integrity. Based upon geological conditions and the current mix of excavation equipment used at Kayenta Complex, PWCC has defined the maximum recovery depth to be 180 feet. In some conditions, it may be economical to extend the maximum recovery depth to approximately 220 feet; however, this is evaluated by PWCC's engineering department on a site-by-site basis.

# 2570 WALKING DRAGLINE
## SPECIFICATIONS

WEIGHTS:

| | |
|---|---|
| NET WEIGHT*, DOMESTIC, APPROX. (WITH BUCKET + 80' BASE) LBS..... | 10,430,000 |
| WORKING WEIGHT, APPROX. (WITH BUCKET) LBS..... | 11,180,000 |
| BALLAST WEIGHT (FURNISHED BY PURCHASER) LBS..... | 750,000 |

* ADD 90,000 LBS. FOR BLOCKING ON CARS WHEN ESTIMATING DOMESTIC FREIGHT.

ELECTRICAL EQUIPMENT:

| | |
|---|---|
| HOIST MOTORS (BLOWN)..... | EIGHT 500 HP |
| DRAG MOTORS (BLOWN)..... | SIX 500 HP |
| SWING MOTORS (BLOWN)..... | FOUR 625/1250 HP |
| WALKING MOTORS (BLOWN)..... | FOUR 500/1000 HP |

ALL ABOVE MOTORS RATED AT 75° CONTINUOUS AND AT 230/460V.
MT SET DRIVES: FOUR 2,500 HP SYNCHRONOUS MOTORS

WORKING DIMENSIONS

| | | |
|---|---|---|
| A | CLEARANCE RADIUS, FT.-IN..... | 80-0 |
| B | OPERATING RADIUS, FT..... | 329 |
| C | BOOM FOOT RADIUS, FT.-IN..... | 30-0 |
| D | CLEARANCE HEIGHT, FT.-IN..... | 14-0 |
| E | BOOM FOOT HEIGHT, FT.-IN..... | 16-0 |
| F | DUMPING CLEARANCE, FT.-IN..... | 72 |
| G | BOOM POINT HEIGHT, FT..... | 204 |
| H | DIGGING DEPTH, FT..... | 160 |
| J | POINT SHEAVE PITCH DIAMETER, IN..... | 144 |
| | BUCKET SIZE..... | 90 C.Y. |
| | BOOM LENGTH, FT..... | 366' |
| | BOOM ANGLE..... | 35° |
| | MAX. SUSPENDED LOAD (TONS)..... | 225 |

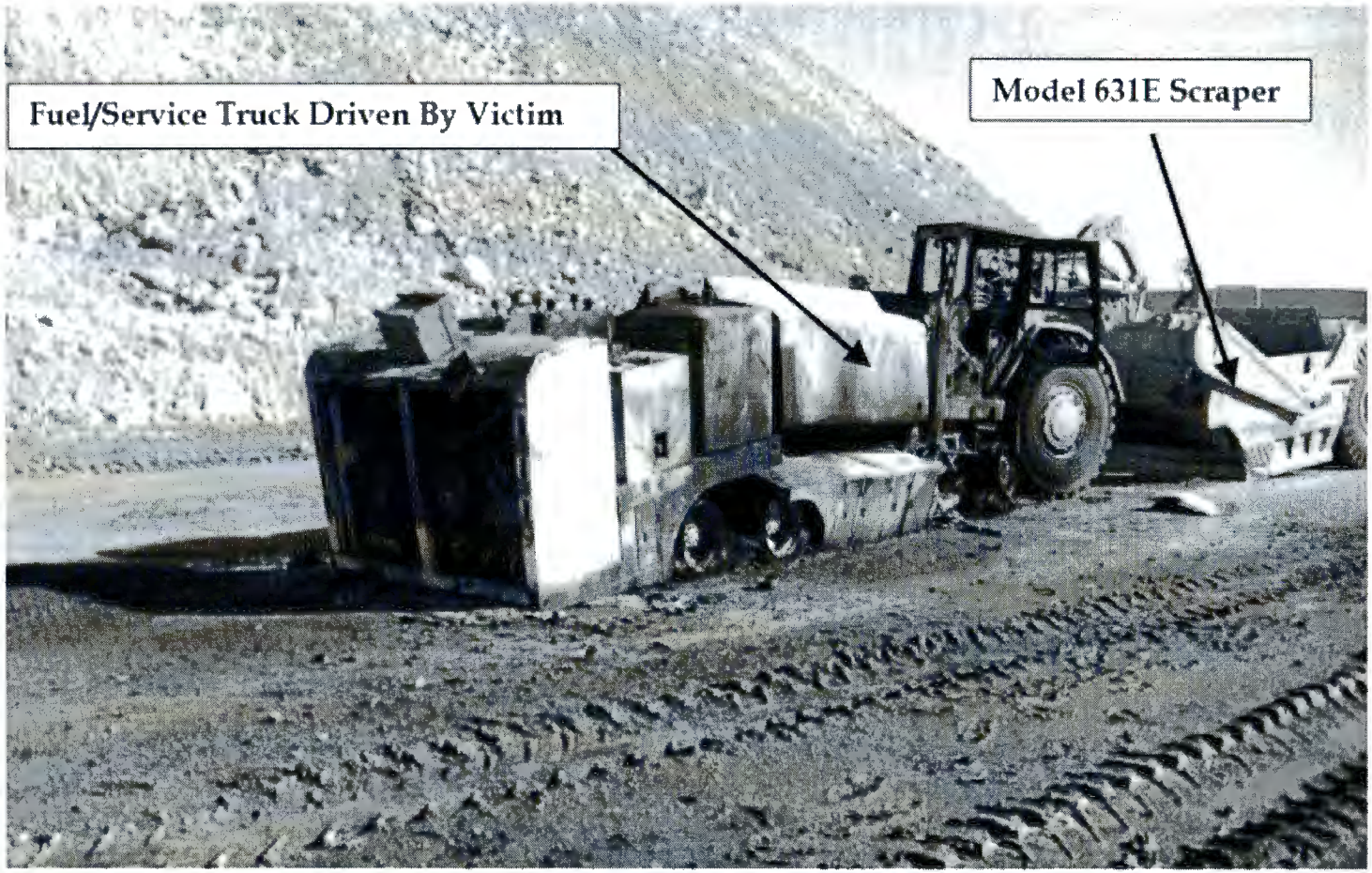
BASE:

| | |
|---|---|
| OUTSIDE DIAMETER, FT.-IN..... | 80-0 |
| BEARING AREA, SQ. FT..... | 5026 |
| CIRCLE RAIL DIAMETER, FT.-IN..... | 54-0 |

WALKING MOUNTING:

# VIEW OF ACCIDENT SCENE

VEHICLE COLLISION SITE



# NGS Lease Extension

Marina Eskeets <steekse@gmail.com>

Sun 5/28/2017 10:13 PM

To: comments <comments@navajo-nsn.gov>;

I do not agree with the extension of the Navajo Generating Station lease. As a young 22 year old Diné woman from the Eastern agency, I grew up next to the United Nuclear Uranium mine. Our river no longer runs because of that contamination. My family faces many challenges with the water. Our water as a whole community of Diné people should be put toward our people and their animals, and crops. So many of our people live with contaminated water because of these irresponsible energy corporations. With climate change being a top world issue, we as Indigenous people are the first to feel the effects. It is time for the Navajo Nation to move toward a more sustainable future. We can no longer exploit our people our land our air our water our mother earth. Protect our mother earth she takes care of each and everyone of us. SHUT DOWN NGS AND PROTECT OUR MOTHER!

# A Transition Plan for Navajo Generating Station

Sandy Buchanan <sbuchanan@ieefa.org>

Wed 5/31/2017 7:42 AM

To: comments <comments@navajo-nsn.gov>;

1 attachment

Transition Plan for Navajo Generating Station 5_30_17 draft.pdf;

To the Office of Legislative Services: Attached please find a document entitled "Moving Forward: A Transition Plan for the Navajo Generating Station, Draft May 30, 2017" which we submit as comments on Legislation Number 0194-17.

Sincerely,

Sandy Buchanan, Executive Director
Institute for Energy Economics and Financial Analysis
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Cleveland, OH 44111
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# Moving Forward:
## A Transition Plan for the Navajo Generating Station

Institute for Energy Economics and Financial Analysis
IEEFA.org

**DRAFT - May 30, 2017**

**By Tom Sanzillo, Director of Finance, Institute for Energy Economics and Financial Analysis**

**In coordination with several principles of DinéHózhó L3C (a Navajo community-based low-profit limited liability company)**

# Executive Summary

This proposal provides recommendations for a nuts-and-bolts plan to find innovative and sustainable economic growth opportunities, new jobs, and new revenues for the people and communities who will be hurt by the closures of the Navajo Generating Station and its coal supplier, Peabody Energy's Kayenta mine.

The plant's current utility owners announced in February 2017 that they planned to close it as soon as 2017 because it is no longer economically competitive. It now appears that negotiations between the owners and the Navajo Nation will result in a decision to keep the plant open until 2019. However, some of the parties involved have discussed the possibility of selling the plant and mine to new owners and attempting to keep it open longer.

The Institute for Energy Economics and Financial Analysis analyzed the plant's poor financial performance and weak financial outlook in our May 2017 report, **End of an Era: Navajo Generating Station Is No Longer Economic**. IEEFA projects that a bailout of up to $2.4 billion would be required to keep the plant open through 2030. If this were to occur, ratepayers and taxpayers would pay for the losses through higher taxes and higher electricity rates.

There is a better way to use public and private money to support the local economy than to subsidize the operations of the plant and mine, by implementing a solid economic transition plan over the next two and a half years before the plant and mine close. Well-planned transition efforts, such as those that have been conducted many times in the U.S., by the Department of Defense, can avoid a significant amount of job loss, public income loss and community disruption, and can lay the groundwork for future economic development.

IEEFA proposes a planning framework to address three critically important areas: economic growth, jobs and fiscal balance. Implementation of a full plan would rely upon the cooperation and goodwill of business, tribal governments and local communities, labor, and public agencies. The plan would require redeployment of existing private and public investment and strategic uses of additional public dollars.

IEEFA's plan, developed in close consultation with the on-the-ground work of DinéHózhó L3c and similar community-based efforts, assumes that the rebuilding of the local and regional economy according to principles of community-based, diversified, economic and ecological sustainability is the top priority. The plan is built on the premise that every employee of the plant and mine should receive a new job at comparable wage and benefit levels to existing employment, and that no worker need miss a day's pay. We propose a plan for fiscal stability and balance to protect the Navajo and Hopi communities and enhance existing services and employment provided by tribal governments.

Overall, this plan recognizes that many residents may find employment opportunities elsewhere. The current local economy has produced a skilled, desirable workforce that can move. The task of the transition effort therefore is to develop good local work opportunities, preserving the area as a place to raise families, protect culture and grow businesses. Only then will those families who have the economic mobility to leave the area choose to stay instead.

# Recommendations

IEEFA is recommending a structure and approach for economic transition planning that would provide the following:

## An Economic Growth Framework to Produce Investment and Jobs

The plant and mine are economic engines for the area, which must be replaced when they close. This plan offers a structure for long-term growth based on local entrepreneurial efforts, cultural vitality, labor and organizational assets. The plan suggests several permanent planning and development mechanisms to insure continued participation of the community and an ongoing dialogue on priorities and investment. These community-based development structure, provided with sufficient resources, can launch the initiatives to diversify the economy into the energy, infrastructure, agriculture and tourism sectors. This plan also addresses the immediate needs of existing businesses that will lose customers and revenue from the plant and mine, and new large-scale economic growth projects in the renewable energy and infrastructure areas and beyond.

Many aspects of this plan follow the economic transition models created by the U.S. Department of Defense. Applying this model is particularly appropriate here because of the federal government's role as a part-owner of the Navajo Generating Station and of the historical relationship between the tribe, federal government, and Peabody Energy with regard to ownership and leasing of the Kayenta mine.

## New Jobs for People Affected by the Plant and Mine Closings

IEEFA estimates that at least 643 employees from the plant and mine will need to find new jobs, along with a currently unknown number of people employed by supporting businesses. We estimate that the current owners of the plant and mine (four utilities, Peabody Energy, and the U.S. Bureau of Reclamation) will be able to provide a substantial core of replacement jobs that require skill sets similar to those of the existing workforce at the Navajo Generating Station and Kayenta mine.

Between them, the current owners are likely to have 2,347 job openings in the next three years.

In addition, we estimate there will be 26,681 job opportunities[1] at large employers in the county and state during their normal course of business over the three years. These include energy-related work but also encompass the rest of the Arizona economy.

[1] Job opportunities include those new jobs created as a function of business and economic growth and new openings from projected job turnover. See Table I.

## Fiscal Support for the Tribal Budgets

The Hopi and Navajo tribes receive a total of $51 million per year in revenue payments from the Kayenta mine, which will cease when the mine closes. This transition plan provides $55 million in annual replacement revenues for the Navajo Nation and Hopi Tribes for a minimum five-year period, by using targeted federal financial assistance to smooth the transition.

## Administration of the Transition Plan

We propose that implementation of the plan be overseen by an executive board, made up of representatives from: 1) Arizona's business community including coal interests; 2) the federal government, including those involved in agency, executive and legislative leadership functions; 3) state and county government and higher education; 4) Tribal government, local Navajo chapters (political sub-divisions), village, business and cultural leadership; and 5) Union and employee leadership. The board would hire a staff to execute its policy directives.

Cooperative leadership, solid planning and efficient organization and execution would be the cornerstones of this action plan.

The alternative to this plan is to bailout the plant and the mine, at an estimated cost of $2.4 billion through 2030. This plan could be implemented in a considerably shorter time and at one sixth of the cost, at an estimated $128 million in the first year and a total of $380 million over five years.

## Payment for a Job Well Done

This plan is fair payment for a job well done. The coal industry, and specifically coal miners who have made many sacrifices, contributed mightily to America during a time of historic economic expansion. Coal became an important part of the nation's national security as a critical low-cost energy source for America's electricity and steel-making sectors. With the support of federal and state governments and utilities, the industry aided the development of markets, creating jobs for workers and business for suppliers and supplying community revenues. The coal sector was also a modest, steady, stable contributor to investment returns for investors.

Time and market forces have changed the role of coal in the U.S. economy, particularly over the past decade. Although the energy sector and the overall economy have grown, the coal industry has shrunk. Competition, from natural gas and renewable energy, has cut into the market share of coal-fired power plants to provide electricity. Investment value and jobs have vanished, tax payments have dried up, and the industry outlook is negative. Bankruptcies and layoffs have hurt communities and left behind fear and bitterness.

Although the economic pain created by these changes is real and must be acknowledged, many public choices can be made to prevent widespread misery. Resources are available to assist individual workers from plants and mines in finding new livelihoods, to support communities by providing fiscal relief, and to build local economies anew.

# I. Background: the Navajo Generating Station is No Longer Economic to Operate Status of Plant and Mine

The Navajo Generating Station, supplied by coal from the Kayenta Mine, provides electricity to customers in Nevada and Arizona.[2] The plant and the mine have provided substantial jobs and revenues for the Hopi Tribe and Navajo Nation for decades. The plant reports that it has "more than 400 employees"[3] and Peabody Energy reported 243 mine employees as of July 2016.[4] The mine generates $51 million per year in revenues[5] for the Navajo Nation and Hopi Tribe, contributing to the Navajo Nation's annual budget[6] of $626 million[7] and the Hopi Tribe's budget of $21 million.[8]

The coal plant and coal mine have created an economic way of life, based on a partnership of 40 years between the plant owners, Peabody Energy (the mine owner) and the community. The wages from the plant and mine are substantial, and many of the workers

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[2] http://www.azcentral.com/story/money/business/energy/2017/03/01/feds-seek-ideas-keep-navajo-generating-station-arizona-open/98522800/

[3] https://www.ngspower.com/about/facts.aspx

[4] http://www.hopi-nsn.gov/wp-content/uploads/2016/09/Hopi-Comprehensive-Economic-Development-Strategy-Final-Draft-2016.pdf, p. 51. Some reports on employee levels are significant lower, See: http://www.azcentral.com/story/money/business/energy/2017/05/16/navajo-nation-president-russell-begaye-promises-deal-troubled-navajo-generating-station-coal-plant/320774001/

[5] Precise budget and payroll information in this area are not publicly available. The transition effort will require more precise headcounts and salary information. The public process would benefit from a certified statement from the Chief Financial Officers of both tribes regarding total annual revenues received from the mine. We have relied on NREL data to summarize the payments thorough 2010 http://www.nrel.gov/docs/fy12osti/53024.pdf. Under this financial presentation, the Navajo Nation receives $37 million per year and the Hopi Tribe receives $14 million in coal revenues from the mine. Typically, the Navajo Nation budget contains a revenue line item for Coal Revenues.This includes Kayenta and other mines. http://www.navajobusiness.com/pdf/CEDS/CED_NN_Final_09_10.pdf, see also: http://www.omb.navajo-nsn.gov/Downloads/NNFunds/FY2017%20Downloads/FY2017%20Budget%20Instructions%20Manual.pdf. A more recent presentation of the Hopi Tribe budget shows $14.7 billion https://www.hopi-nsn.gov/wp-content/uploads/2016/01/Vol.24-No.2-01-19-2016.pdf. Similarly some Navajo estimates have been in the range of $28 million http://www.newschannel10.com/story/35086641/tribe-could-lose-28-million-annually-if-power-plant-closed.

[6] The Navajo Annual Budget documents contain a table of revenues (Revised General Fund Revenue FY 2017 Budget) with a line item for Coal Revenues. This line item provides aggregate revenues for all of the coal proceeds received by the tribe on an annual basis. Kayenta mine is one part of this calculation and its contribution is not distinguished from other revenue producing sources. http://www.omb.navajo-nsn.gov/Downloads/NNFunds/FY2017%20Downloads/FY2017%20Budget%20Instructions%20Manual.pdf. The Budget Instructions manual also contains an "FY 2017 Chart of Accounts and Level of Detail (LOD) for Budgetary Purposes", Appendix A that shows the four other sources of revenue that are counted in the Coal Revenue line item, but not the corresponding values for each source.

[7] http://www.daily-times.com/story/news/local/navajo-nation/2016/09/12/navajo-nation-council-approves-fiscal-year-budget/90265472/

[8] https://www.hopi-nsn.gov/wp-content/uploads/2016/01/Vol.24-No.2-01-19-2016.pdf

live relatively close to the facilities. These factors have combined to make the plant and mine a mainstay for the individual employees and families, tribal communities, and county and state governments.[9]

## Changes in Markets Have Placed the Plant at a Severe Competitive Disadvantage

The Salt River Project (SRP) (a 42.9 % owner and operator of the Navajo Generating Station) announced on February 13, 2017, that the utility owners of the plant had decided to close the plant. As of May 2017, it appears that the owners will reach an agreement with the Navajo Nation and Hopi Tribe[10] to keep the plant running through December 2019.[11]

The decision of the four utility owners – Salt River Project, Arizona Public Service (14 %), Nevada Power (11.3%) and Tucson Power (7.5%)[12] to end their relationship with the plant was a result of market changes, where natural gas prices have driven power prices in the region well below the price of electricity needed to run the coal-fired plant. Each of the utility owners is responsible to their customers and investors to provide electricity at the lowest cost possible.

The plant and mine have become uneconomic to operate, and this condition is not temporary. The facilities do not and cannot generate sufficient revenue to cover operations, new investments and sufficient surplus, given the current and long-term market price forecasts for power in the region. Because the plant and mine can no longer compete, the owners and the customers of the plant are effectively subsidizing it now. They carry an unnecessary burden.

The Bureau of Reclamation, Peabody Energy,[13] the Hopis and Navajos are reportedly engaged in a process to find alternative financing to keep the plant open in order to maintain the jobs, revenues and the contribution of the mine and plant to local economic life.[14] Recent reports indicate that an agreement will be reached to keep the plant and mine in operation through 2019, [15] but the plans thereafter are uncertain. This may mean that the time and resources will be spent looking for another owner and relying on federal subsidies to achieve this objective.[16]

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[9] For an in-depth discussion of the role of coal in the Hopi Community, see: http://www.hopi-nsn.gov/wp-content/uploads/2016/09/Hopi-Comprehensive-Economic-Development-Strategy-Final-Draft-2016.pdf, 9-29.

[10] http://www.hopi-nsn.gov/wp-content/uploads/2017/02/Tribal-leaders-call-on-Salt-River-Project-to-keep-Navajo-Generating-Station-in-operation.pdf

[11] http://www.srpnet.com/newsroom/releases/021317.aspx

[12] The federal Bureau of Reclamation also has a 24.3% interest in the plant. The Bureau is interested in keeping the mine open to preserve the employment and revenue base it provides. They are spearheading an effort to find an alternative financing arrangement. http://www.azcentral.com/story/money/business/energy/2017/03/01/feds-seek-ideas-keep-navajo-generating-station-arizona-open/98522800/

[13] http://www.power-eng.com/articles/2017/04/peabody-energy-seeks-new-owners-for-navajo-generating-station.html

[14] http://www.azcentral.com/story/money/business/energy/2017/03/01/feds-seek-ideas-keep-navajo-generating-station-arizona-open/98522800/

[15] https://www.usnews.com/news/best-states/arizona/articles/2017-05-02/considerable-progress-cited-in-negotiations-on-coal-plant

[16] http://www.foxnews.com/us/2017/04/03/navajo-nation-wants-trump-to-subsidize-coal-sales-to-struggling-power-plant.html

IEEFA estimates, based on data provided by SRP, the other owners and the Central Arizona Project[17] (the largest consumer of electricity from the plant) that over a ten-year period the cost of such a subsidy would be as high as $2.4 billion. No specific proposals either for direct coal subsidization or for other forms of external support have been floated publicly.

This proposal suggests a way to close the plant and mine while supporting the people and communities most affected by the closings. We propose a three-fold strategy to provide: 1) a well-resourced focus on the short term needs of existing businesses and longer-term economic growth strategies.; 2) new jobs and income for the workers; and 3) revenue replacement for the tribes.

# II. Lessons From Previous Economic Transition Efforts in the U.S.

The dynamic of economic change sweeping through some types of industries in the U.S. is familiar: we have seen it, for example, in the closings of large defense department installations, the decline of the tobacco industry in the South, and the flight of manufacturing from the Midwest. And we are now seeing it in the precipitous decline of the coal industry.

The pattern goes like this: Large investments prove profitable for a period and capture the public imagination. Then, competition or other changes take place and the once stable scenario of jobs, community and growth collapses. Wealth and jobs vanish, uprooting whole communities.[18] Overall, the U.S. relies upon market innovation and new investment to begin the business cycle again with job creation, growth and recovery.

The U.S. Department of Defense's experience in closing hundreds of defense facilities offers an important model for the proper treatment of employees, communities and local economies. Other examples of transition in the tobacco, manufacturing and coal sectors contain important lessons and cautions for financing, government support and employment efforts.

IEEFA believes that the collapse and long-term structural decline of the coal industry requires concerted attention and resources from the U.S. government. The contribution of the industry to the economy of the United States has been significant, and the federal

[17] http://www.azcentral.com/story/money/business/energy/2017/02/16/officials-arizona-water-users-better-off-without-navajo-generating-station-coal-plant/98005410/

[18] See for example Peter Bernstein, Wedding of the Waters: The Erie Canal and the Making of a Great Nation, W.W. Norton and Company 2006. After decades of investment and toil to build a canal to move goods and people across the United States the waterway was completed. Rail transport quickly replaced the canal system. Economic growth along the Erie Canal never achieved the grand vision that built it. The process that created these less than optimal results also launched important innovations in large-scale capital construction and created the backdrop for the development of global financial markets for a young nation. See also: http://www.infomine.com/library/links/654/united.states/ghost.towns.and.historical.mining.towns.aspx

government has played a heavy role in developing and promoting the industry over time, particularly as owner of 40 percent of the coal reserves in the country.

## A. The Department of Defense Has a Long Track Record of Providing Comprehensive Planning and Resources When Defense-Related Industries Close

The U.S. Department of Defense has opened and closed hundreds of defense plants in America's communities.[19] The government has placed a priority on developing a process for the orderly phasing out of defense plants, taking into account their significant employment, community, fiscal and economic impacts. Many U.S. presidents and the Congress have devoted resources to this planning, [20] both to protect national security and to assist the communities, employees and families where the plants are located.[21]

The Department of Defense has conducted extensive analysis of the employment impacts of plant closings,[22] fiscal impacts on local governments, and economic activities to protect existing businesses, promote plant reuse and new economic activity in the wake of the closures.[23] It also conducts environmental remediation studies and funds the plans for site cleanup to facilitate reuse.[24]

The Department of Defense spends considerable resources to relocate civilian and uniformed staff at military bases. The program design stresses:

- the need for adequate notice to employees and local businesses;
- cooperation between public agencies, companies and community;
- a reemployment resource base to help employees and families assess their options;
- job placement and retraining services to allow for the selection of the best options for each employee;
- Severance payments and other financial support for families in transition.[25]

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[19] http://www.brac.gov/docs/final/Chap3PrevExpwithBRAC.pdf and http://www.brac.gov/docs/final/AppendixF.pdf

[20] http://www.brac.gov/finalreport.html

[21] Defense Department policy including that related to plant openings and closures has also received ongoing attention from private organizations. See: https://www.bens.org/

[22] http://www.brac.gov/docs/final/AppendixO.pdf

[23] This 2004 report, one of several that are publicly available highlights numerous examples of economic investment in communities after the plant has closed. http://www.acq.osd.mil/brac/Downloads/March%202004%20CR%20-%202912/04_0_body032403.pdf, See Chapter Economic Considerations, p. 55.

[24] http://www.brac.gov/docs/final/AppendixP.pdf

[25] https://books.google.com/books?id=16KPruqDj6UC&pg=PA49&lpg=PA49&dq=defense+plant+closures+federal+response&source=bl&ots=DYnlRughXN&sig=BTr04iWKnw8CRyosOzamjlOaoFQ&hl=en&sa=X&ved=0ahUKEwjw65L547jTAhUDTSYKHT8NClo4ChDoAQgwMAI#v=onepage&q=defense%20plant%20closures%20federal%20response&f=false. This Office of Technology Assessment study provides numerous illustrations of the concepts used in this report. Chapter 3 on the process for finding new jobs for displaced defense and civilian workers is of special relevance.

## B. By Contrast, the Federal Government Played a Limited Role in Easing the Dislocation Caused by the Decline of the Tobacco Industry

The tobacco industry began to decline in the U.S. in the 1990's as result of the disclosure of health hazards caused by smoking, contentious litigation and the threat of regulation. The decision by tobacco producers to move overseas to avoid this environment had important implications for many states in the South.[26] Unfortunately, the federal government's response to the tobacco industry's flight was far less comprehensive than its response to the closure of Defense Department facilities. .

Most re-investment work occurred at the state level. State governments financed their transition activities from the proceeds of a Master Settlement Agreement[27] between state government litigants and the tobacco industry, [28] which provided $138 billion distributed to every state in the nation.[29] Tobacco-producing communities that lost jobs and revenue by tobacco's exit faced many of the same challenges as those communities now faced with the coal industry exit. Many states like Virginia,[30] North Carolina[31] and Kentucky[32] integrated the resources from tobacco settlements as part of overall economic development strategies.

## C. Federal Policy Response to Deindustrialization Has Been Weak

The number of manufacturing jobs in the United States has been on a steady, downward trajectory since the late 1970's.[33] In the debate about what to do about restoring manufacturing jobs, liberal[34] and conservative[35] analysts have both focused on globalization as a common culprit. (Others, like the International Monetary Fund, have found in deindustrialization the strength of the global economy.[36]) An array of federal policy proposals has failed to meet the needs of communities hit with job losses, revenue declines and population loss. The "solutions" span a wide gamut from support for more free trade, to less free trade; from greater restrictions on immigration to open borders; from strong support for organized labor to the end of labor unions. The result: America has not adopted a policy for a resurgence of the manufacturing industry.

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[26] The general pressure on the tobacco industry took the form of actions to increase federal health regulations, investor actions to divest or place pressure on companies with shareholder resolutions (against marketing to young people and expecting mothers) and general increases in public campaigns to decrease the demand for tobacco products. At the same time, this was occurring the tobacco industry was taking steps to stabilize its revenue losses by pursuing new markets in Asia.[26] Over several decades, the industry's reinvention strategy has been largely successful.[26]

[27] https://www.tobaccofreekids.org/research/factsheets/pdf/0365.pdf

[28] http://www.publichealthlawcenter.org/sites/default/files/resources/tclc-fs-msa-overview-2015.pdf

[29] https://www.tobaccofreekids.org/research/factsheets/pdf/0365.pdf

[30] http://www.tic.virginia.gov/

[31] http://rafiusa.org/grants/

[32] http://agpolicy.ky.gov/SiteCollectionDocuments/kadf-study_2007-2014_executive-summary.pdf

[33] https://www.creditwritedowns.com/2012/05/chart-of-the-day-us-manufacturing-unemployment-1960-2012.html

[34] http://www.d.umn.edu/~epeters5/Cst1201/Articles/Deindustrialization%20of%20America.pdf

[35] http://buchanan.org/blog/manufacturings-dismal-decade-4612

[36] https://www.imf.org/EXTERNAL/PUBS/FT/ISSUES10/INDEX.HTM

Washington has been unable to find consensus on a strategy that meets with broad public approval. The only issue addressed by Congress has been the need to provide advance warning of plant closings, as implemented with the passage of the Worker Adjustment and Retraining Notification Act (WARN)[37] in 1988.

In the absence of federal policy, it has been incumbent upon state governments to develop policies to attract new manufacturing businesses. [38] The result is that individual states compete with each other to entice companies to move to their states, often by seeing which state can offer the most substantial subsidies. The overall lack of policies that allow for national growth has become a highly divisive issue in Washington.[39]

## D. Federal Response to the Downturn of the Coal Sectors Has Been Limited and Contentious

Coal stock prices have declined precipitously since 2014, following a series of industry setbacks. These included the failure of a plan to build 150 new coal plants in the mid-2000s; the collapse of natural gas prices in 2008, which drove down the price of electricity and placed competitive pressure on the coal industry; and the declining prices of wind and solar energy, which are now taking market share in some parts of the country. Since 2010, utilities in the U.S. have retired or announced definite retirement dates for over 250 coal-fired power plants.

As financial conditions deteriorated, most distressed coal companies and utilities sold discounted assets, took value impairments and/or declared bankruptcy. In total, sixty U.S. coal companies, including 3 of the 4 largest in the country (Peabody Energy, Alpha Natural Resources, and Arch Coal), filed for bankruptcy from 2014 through 2016. Layoffs and reductions in local tax payments became common.

As early as 2012, some national leaders, like West Virginia Senator Jay Rockefeller, were urging coal industry executives to "face reality" and chart a course to pave the way for a better, if less grand, future for coal.[40] The industry did not respond to these pleas for a new public-private partnership. Even as additional political leaders proffered legislative and other programs to help communities hit by closing mines and plants,[41] the coal industry was not interested.

Even now, Industry leaders, while acknowledging that the future will include less coal sales and fewer profitable coal companies, have remained largely opposed to supporting coal miners and coal communities in an economic transition.[42] Many utilities that remain committed to coal are simply looking to state public service commissions for bailouts in the form of higher electricity prices for uneconomic plants.[43] Some utilities[44] have chosen to

[37] http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1326&context=key_workplace
[38] https://www.minneapolisfed.org/research/economic-policy-papers/competition-and-the-decline-of-the-rust-belt
[39] http://www.npr.org/2016/08/18/490192497/bringing-back-manufacturing-jobs-would-be-harder-than-it-sounds
[40] Senator Rockefeller: Some U.S. coal operators cannot face reality, SNL, June 20, 2012.
[41] Christopher Coats, *Obama sets aside $14.5 million for battered coal communities*, industry conflicted, SNL, October 15, 2015.
[42] http://www.kentucky.com/news/state/article147838864.html
[43] http://ieefa.org/firstenergy-hatches-new-bailout-strategy-ohio/
[44] http://www.powermag.com/supporting-coal-power-plant-workers-plant-closures/?pagenum=2

manage layoffs caused by the closure of coal-fired power plants by transferring employees to jobs within their own companies, though little overall data is available.

In the meantime, the State of New York has come up with an interesting policy response to coal plant closures. The legislature created an Electric Generation Facility Cessation Mitigation Fund in 2016 to help communities protect their tax bases when power plants close. The legislature expanded the fund 2017 to $42 million, up from the original amount of $30 million. [45]

Community organizers in Tonawanda,[46] where the closure of the NRG Huntley coal-fired power plant was the latest effect of the forces of deindustrialization, were the catalyst for this legislation. Environmental and community organizations, labor unions, and local officials worked together to urge state legislators to provide fiscal relief to cash strapped towns and school districts to maintain services and education.[47] The remainder of the transition effort in Tonawanda is a work in progress, but the bonds formed thus far place the community in a better position to meet the ongoing challenges.

## Conclusion

Economic change is part of America's history, enriching the lives of many and leaving others in despair. The nation's response to economic change provides both reason for optimism and caution. The optimism stems from the Defense Department's comprehensive planning efforts and support for jobs, local tax bases and economies, as well as the innovative state policies that stemmed from the tobacco transition and the decisions by utilities to transfer workers in recognition of the importance of retaining a stable, skilled, long-term workforce. Even the weak overall public policy response on the closure of coal-fired power plants produced a state initiative to provide fiscal relief to cash-strapped communities.

However, the cautionary tales are also clear. The federal response to deindustrialization has not met the needs of the public. The tobacco transition received very little federal support. The coal transition has been bitter and divisive. It has produced no plan for the survival of a healthier – though smaller – coal industry and nothing for the thousands of employees who lost jobs or for communities who are losing tax revenue and have a weak economic outlook.

[45] https://www.wnypapers.com/news/article/current/2017/04/05/128059/schimminger-jacobs-announce-boost-to-huntley-mitigation-aid

[46] http://ieefa.org/category/subject/huntley-generating-station/

[47] http://buffalonews.com/2017/04/06/state-budget-includes-additional-funds-communities-hit-hard-huntley-closure/

# III. Proposal for a Structured Transition Plan to Support Growth, Provide Jobs, and Replace Revenues Lost by the Closing of the Navajo Generating Station and Kayenta Mine

The intent of the plan outlined here is to support economic development, secure new jobs for the individuals who would be laid off, and replace the revenues that will be lost to the Navajo and Hopi tribal governments and communities due to the closure of the Navajo Generating Station and Kayenta mine.

This report is meant to provide a foundational approach to transition planning and implementation, and contains suggestions for next steps. We recognize that local decision-making and implementation will change most of the elements of this plan.

An effective plan of action would focus on three elements:

- New economic growth strategies and protection of existing businesses
- New job opportunities
- New revenues for tribal budgets to replace those lost from the mine and plant

The key to success is getting the buy-in, steady commitment, and patience from a leadership group that includes companies (Peabody Energy, the current owners of the plant, other energy interests and tribal businesses), public agencies (federal, tribal, state, county, and education[48]) and community (chapter and village leadership, community cultural and education leadership, labor unions and locally based technical assistance providers). These sectors, working together, will form the basis of a stable and efficient team that can generate the resources needed to meet the challenge.

## Economic Growth Opportunities Can be Rooted in Local Initiatives, Business Planning, and Development of Solar Energy and Infrastructure Planning

The impact of the economic loss of the plant and the mine is not just a question of job and revenue replacement. The extraction, burning, and disposal of the coal have been a major driver for the economy of the reservation and the region. The coal facilities paid wages, bought goods and services and contributed to the tax base. These activities also came with

[48] Arizona State University is in collaboration with the Navajo Nation to build capacity for a transition away from fossil fuels and into renewable energy. https://cronkitenews.azpbs.org/2017/02/06/solar-power-brings-light-to-navajo-homes/

the cost of pollution threats to human health and the environment. A transition plan will be building a different type of economic activity.

Local residents posted on a handwritten placard an outline of their transition plan outside a recent Department of Interior listening session in Window Rock:

- Save a path to clean energy
- Take care of families and workers
- Clean up pollution
- Protect sacred water
- Secure transmission line rights
- Health compensation
- We want involvement

The ideas in this transition plan, and the ongoing dialogue generated during the process, can make significant progress toward meeting these objectives.

The Hopi and Navajo[49] tribes are both engaged in assessing longer-term economic growth priorities through public discussions and formal planning. This process has produced studies that identify social and economic needs, assess the business and economic climate, analyze public and private investment commitments and suggest short and long-term strategies for the economies that most important to the tribes.

These studies had assumed, however, that current economic structures will remain largely in place over time. The closing of the plant and mine changes the picture, and will call for a new direction in economic growth strategy – a strategy tailored to greater diversification of businesses (small and large), building permanent structures of community involvement and control over economic growth initiatives, and using community assets (labor and culture) to grow.

## 1. Community-Based Development Strategies Can Provide Both Short and Long Term Economic Growth

The loss of the plant and mine have become a new rallying point for innovative ideas for economic growth in the area, and a range of community planning and economic growth concepts are emerging. These efforts can guide investment activity. The creation and maintenance of community planning efforts are critical to sustaining economic growth as they are a source of new business activity.

The broad categories for top priorities relate to energy, water, infrastructure, tourism and agriculture. All of the planning efforts point to the substantial opportunities available in these areas that the transition effort could build upon.

[49] http://www.navajobusiness.com/pdf/CEDS/CED_NN_Final_09_10.pdf

## Community Planning

The reservation now benefits from numerous community-based planning initiatives.[50] These efforts provide an important development function that integrates the needs of the people in a practical format with the aspirations of ecological and economic sustainability for Western Navajo communities.[51] The planning process enables communities to establish objective economic assessments of local businesses and to establish priorities. The menu of priorities becomes the basis for the creation of investable business plans and ongoing community controlled sustainable economic development.

A network of community-based, chapter-planning mechanisms serve not only to set priorities but also to launch business platforms that will ensure that the benefits from economic activity jobs, business development and profits can remain substantially in the community. Local chapter organizations would benefit from small planning grants to encourage the production of plans and launching of specific business platforms. [52]

## Job Creation

Small business start-ups are a way to harness the already- existing activity of many people in the local economy. The transition effort can work with people to turn home and community based enterprises into businesses with strategic plans. A small group of staff in the transition organization can work with entrepreneurs to produce and market locally based goods and services. Micro-lending offers the type of financing tool that is most applicable to these businesses.

This small business development resource is particularly useful for those people who live on the reservations and aspire to the protection of the Hopi and Navajo tribal traditions. Locally-owned and operated businesses produce wealth and jobs that support community development through entrepreneurial efforts.

Staffing for this effort will focus on business development strategies, financial options and network building. Business developers will make micro loans to eligible, project ready businesses. The initial set-aside for this portion of the transition effort is $3 million.[53]

## Healthy Businesses

The plant and mine dominate the local economy – and their loss exposes the need for a broader and more diversified economic base going forward. Small scale, diversified, ecologically sustainable investments that come from community efforts allow for maximum participation and control of businesses by local residents. Community economic planning efforts have identified the need for new businesses and initiatives in tourism, retail, meat processing,[54] infrastructure and public safety.

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[50] See for example: DinéHózhó, *The Cameron Economic Strategic Implementation Process*, March 6, 2017.

[51] http://www.dinehozhol3c.com/

[52] The budget includes $10 million for these planning grants. The distribution of the funds like all other decision making assumed in this report are to be carried out with maximum community involvement transparency.

[53] This $3 million could be included in the federal infrastructure spending plan

[54] http://www.dinehozhol3c.com/2016/09/30/tolani-lake-enterprises-awarded-a-usda-rural-business-development-grant-to-conduct-feasibility-study-of-hozho-meats-harvest-facility-in-the-eastern-portion-of-coconino-county/

Each of these areas are strong candidates for "impact"[55] investors looking to support local entrepreneurial activity. Impact investors bring not only financial resources but also the kind of technical resources necessary to design and structure business ventures that are consistent with community and tribal standards.

## 2. One-on-One Plans Can Focus on Local Businesses Currently Supported by Plant and Mine Spending

A fully developed transition strategy would address the loss of business for the small and medium-sized firms that currently provide goods and services to the mine, plant, and their employees -- a mix of coal-related business and other businesses. The broad question is how do these businesses find new customers to buy their goods and services?

The local economy is coal-dependent and isolated. This makes it more difficult for the market to absorb employees and businesses than it would in an area with greater economic diversity.

The mine and plant owners possess the roster of companies they do business with. The transition plan would include outreach to these businesses, with the purposes of assessing the impact of the revenue loss on the cash flow of the business in the short term and devising a five-year plan to ameliorate the losses in the longer term.

This type of one-to-one business planning is consistent with the mechanisms devised by the United States Small Business Administration. Among the many business environments the SBA works in are those where defense plants have closed.[56] The challenge in this situation is for transition staff and business owners to find the right combination of cash resources and new business ideas for each company. The new business ideas combined with traditional economic development resources can open new pathways to business after the closure of the plant and mine. Economic development programs traditionally use credits, land acquisition incentives and tax breaks to expand or create business. The transition efforts support for these initiatives are essential. These traditional tools usually take time. They succeed as the local economy adjusts and absorbs change.

A cash infusion for these businesses can be a bridge to the future. The transition effort can address both short and long-term needs of existing businesses.

## 3. Longer Term Economic Growth Strategies Can Focus on Energy and Infrastructure Development

[55] Impact investors provide capital to business ventures that earn a rate of return and support social and environmental objectives. They offer a mix of market and below market capital. As of 2017 some 208 funds with over $100 billion in assets are active in this market. https://thegiin.org/impact-investing/

[56] https://www.sba.gov/sites/default/files/files/FINAL%20PA_2013%20OGC_cleared%20.pdf

## Solar Energy Development Can Create Jobs and Bring Electricity to People who Need It

New solar power generation can replace some of the lost generation capacity, jobs and revenue from the Navajo Generating Station.[57] Navajo Country is an ideal location for new solar capacity. [58] Land with ideal topography and access to transmission lines is available.[59] The Navajo Nation has more developable solar energy than any tribe. Estimates for wind capacity are substantial.[60] The State of Arizona Corporation Commission encourages new renewable energy projects under its Renewable Standards. The price for new build solar construction is declining and expected to remain cheaper than coal for the future.[61] Nationwide, the number of jobs in the solar sector has been increasing at a faster rate than jobs in the fossil fuel component of the energy sector.[62] A recent study shows that the solar industry has created 28,000 jobs in Texas. [63]

A coordinated effort to expand solar development in Navajo County simultaneously with the Navajo plant and mine phase-out is a potential source of employment for both construction and ongoing electricity-generation operations. Solar energy can provide a competitively priced source of electricity that does not require costly annual subsidies from ratepayers and taxpayers.[64]

Solar energy development, whether at micro-grid scale or utility scale, provides long-term benefits for the local economy. Investments now in local planning and joint venture capacity building offers a way for community residents to participate in this new area of economic activity and wealth creation. The chapter planning efforts along with the traditional energy planning apparatus in the state are key assets in planning new generation. These efforts can develop business ventures that bring in outside investment and allow for maximum benefits in jobs and revenues to accrue to people who live on the reservation.

## Federal Spending on Infrastructure Improvements Can Create Jobs and Generate Revenues

The economic development plans of both the Hopi and Navajo nations contain significant emphasis on infrastructure investment. The reports document the need for more investment in water, road, energy, solid waste, water treatment, telecommunications and broadband infrastructure. According to statistics published by the Navajo Nation,[65] 32 percent of homes on the reservation lack electricity, 38 percent lack water services, 31 percent lack plumbing, 86 percent lack natural gas, and 60 percent lack telephone services.

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[57] https://renewablesnow.com/news/tribal-utility-to-break-ground-on-27-5-mw-solar-project-in-arizona-in-apr-518776/
[58] https://www.eia.gov/state/analysis.php?sid=AZ
[59] Efforts are being made to combine coal mine phase outs and solar energy development, see: Joshua Leam, *Coal company, renewables firm partner to install solar panels at reclaimed mine*, SNL, April 18, 2017
[60] Martin J. Pasqualetti, Thomas E. Jones, Len Necefer, Christopher A. Scott & Benedict J. Colombi., "A Paradox of Plenty: Renewable Energy on Navajo Nation Lands", Society and Natural Resources: An International Journal, Volume 29, 2016 – Issue 8.
[61] http://newscenter.lbl.gov/2016/08/24/median-installed-price-solar-united-states-fell-5-12-2015/
[62] http://fortune.com/2017/02/07/us-solar-jobs-2016/
[63] http://gov.texas.gov/files/ecodev/Renewable_Energy.pdf
[64] http://ieefa.org/ieefa-update-tax-credits-without-prices-u-s-wind-solar-downward-slope/
[65] http://navajobusiness.com/fastFacts/demographics.htm

In Western Navajo, water infrastructure is paramount because of depletion of water resources due to 40 years of pumping of water from the Navajo aquifer to slurry coal to the Mohave Generating Station in Laughlin, Nevada. This plant closed in 2006 but left an impacted aquifer whose recharge is challenged by 1) increased temperatures and decreased rainfall now prevalent in the region; and 2) growing Navajo and Hopi communities working to diversity their economies.

The Trump administration has pledged at least a $1 trillion infrastructure fund to support projects over ten years.[66] Few details of the plan are public, and funding sources, scope of projects and allocations have not been determined. Support for traditional rail, water and highway projects is under discussion, as well as more innovative projects like broadband access and new energy alternatives.

Arizona's population constitutes 2.1% of the United States population. If allocations are based on population size, Arizona would receive $21.4 billion over ten years (or perhaps less if the timeframe is shortened) IEEFA estimates and recommends that an allocation of at least $200-$300 million per year be made to Navajo and surrounding counties for the next five years.

**Table I: Economic Growth Initiatives Funding**

| Use of Funds | First Year | Total (billions) | Payment Duration | Source |
|---|---|---|---|---|
| Economic Growth Fund | $200-$300 | $1.0 - $1.5 | 5 Annual Allocations | Federal Infrastructure Fund |

New infrastructure investment can be a long-term way to support economic growth. The success or failure of these efforts is rooted in their ability to serve local interests and to attract outside investment. Local planning chapters and region wide planning efforts that support large scale infrastructure investments offer a way to change how the distribution of benefits from these projects are managed. For example, the existing rail system for the mine and plant offer various infrastructure opportunities for conversion to new economic uses. [67]

## New Jobs Can be Secured for People Currently Employed at the Plant and Mine

A major challenge is how to secure replacement jobs for the individuals and families who will lose their jobs. This challenge is compounded by the fact that the jobs at the mine and plant are well paying jobs. The key to this approach is to pay individual attention to the people who are affected. The reason this initiative is likely to succeed is that it involves a skilled workforce who currently hold jobs and are highly motivated to find new jobs.

Another objective of the job placement effort relates to the location of new employment. To the maximum degree possible, the transition effort should avail itself of local employment

[66] **http://www.reuters.com/article/us-usa-trump-infrastructure-idUSKBN17035D**

[67] The reuse of existing assets that were part of the old economy is one of the most profitable aspects of transition investment. The new use of an old facility also provides a significant boost to local community and business interests as symbolic evidence of new economic growth. http://www.gao.gov/assets/600/592076.pdf, See Enclosure I, p. 19.

opportunities. This minimizes costs and disruption and helps protect the cultural integrity of the reservations.

The larger dynamic for families and the community relates to the loss of a talented group of workers and community participants. The aim is say to the people who possess the talent to leave and compete elsewhere that the Navajo community remains a place where they can secure good jobs, raise families, protect tradition and build community.

The transition effort needs to address the following questions:

## 1. How many people need jobs? What kind of jobs do they need?

IEEFA estimates that 400 people working at the plant and 243 people at the mines will require new jobs.[68] People need jobs with good wages and benefits, which match their skills. Training programs need to lead to real jobs, and the jobs need to be close to home.

## 2. Where are jobs currently available and where are they being created? How do we locate them? Moreover, how then are individuals matched with new jobs?

IEEFA has conducted a preliminary web-based survey of the current owners of the plant, Peabody Energy, large county employers and large statewide Arizona employers. Where possible we have estimated potential job growth in these companies and government agencies, as well as job turnover. We paid particular attention to companies that currently employ people with skill sets similar to those of the current workforce at the plant and mine. We also recognize that many opportunities exist for people to start out in new careers in the county and state, and that Arizona's economic trajectories strongly suggest that jobs outside of the coal and energy sectors are growing.

**Table 2: Estimated Cumulative Job Opportunities from Selected Arizona Employers 2017-2019[69]**

| Sector | Job Opportunities |
|---|---|
| Current Owners of NGS | 2,139 |
| Peabody Energy | 208 |
| Employers in the county | 3,281 |
| Employers in the state | 23,400 |
| Total | 29,028 |

[68] The Navajo Generating Station website and the aforementioned economic development study for the Hopi Tribe are the source for these estimates. Both of these figures require a more formal update using actual payroll records from the facilities that disclose job titles and salaries and benefits. Other job estimates have been higher on the mine. One mine estimate based on Peabody reports places the roster at the mine at 384 employees for 2016, down from 403 in 2015. SNL Database/Peabody Energy/Kayenta Mine/Mine Profile/Average Number of Employees. The most recent Hopi economic development report reflects a July 2016 interview with Peabody Energy at the mine and identifies recent layoffs. The Transition team will establish employee eligibility guidelines for service.

[69] IEEFA recognizes that there may be some overlap in various job estimates for the sectors identified. We note that the lists of state and county employers contain no overlap; the Peabody estimates exclude the Kayenta mine. We do not believe the level of overlap significant alters the fundamental point that there is a relatively robust labor market in both the energy sector and broader Arizona economy.

**Current Plant Owner Employment Baseline, Growth and Turnover[70]**

In 2016, the four utility owners of the plant had 14,382 employees. The U.S. Bureau of Reclamation (BuRec), the fifth owner, had 5,344 employees in the western United States. IEEFA analyzed employment trends in the four utilities (See Table II) and found that over the next three years they could be the source of 1,706 new job opportunities (325 jobs from growth and 1,381 from normal attrition and turnover). BuRec's employment contribution brings the total to 2,139.

All of the five owners own substantial power generation and transmission capacity. Collectively they own 37,558 MW of power generation.[71] The Bureau of Reclamation also is a large economic force in the western United States. It has an employment base of 5,344 people and operates 53 hydropower plants that provide 40 billion kwh of electricity generation. The bureau has an annual budget of $1 billion, and its economic contribution to the region is $45.53 billion that supports 344,000 domestic jobs.[72]

All five organizations taken together possess a substantial employment base that could absorb a significant percentage of those seeking new employment from both the mine and plant. IEEFA surveyed the websites of the four utilities during the week of April 29, 2017 and found 82 job recruitment notices. In addition, each of these organizations has economic networks that would provide even greater reach if used to help employees find new jobs.

**Table 3: Estimated Job Opportunities at the Five Current Owners of the Navajo Generating Station**

| Company | 2012 | 2016 | Annual Growth | 2017-19 New Jobs | 2017-19 Turnover | Total Jobs |
|---|---|---|---|---|---|---|
| Salt River Project | 4,390 | 5,230 | 168 | 504 | 502 | 1,006 |
| Arizona Public Service | 6,534 | 6,244 | -58 | -174 | 599 | 425 |
| Nevada Power | 1,524 | 1,400 | -24.8 | -74 | 134 | 60 |
| Tucson Power | 1,392 | 1,508 | 23.2 | 70 | 145 | 214 |
| **Total Utility** | 13,840 | 14,382 | 108.4 | 325 | 1381 | 1,706 |
| Bureau of Reclamation | NA | 5,344 | | 0 | 433 | 433 |
| **Total All Jobs** | | 19,726 | | 325 | 1814 | 2,139 |

[70] For turnover figures we have relied upon the Bureau of Labor Statistics monthly job openings, hires, separations layoffs https://www.bls.gov/news.release/pdf/jolts.pdf. For the Western part of the country, the number of new job openings as a percent of total employment was 3.6%. Federal government employment turnover is In the Transport and Utilities sector the number was 3.2%. Federal government turnover is 2.7%. Some private services estimate the turnover rate in Arizona at 19.6%, ranking 11th in the nation. https://cdn2.hubspot.net/hubfs/690463/Compdata-Surveys-Consulting-2016-Turnover-by-State-Report-BenchmarkPro.pdf?utm_campaign=Sales%20Support%20-%20Ongoing&utm_source=hs_automation&utm_medium=email&utm_content=33382165&_hsenc=p2ANqtz--sIZIBwO99LJUKEaqc1AZjZmZwcDUCbIGGOoymBkTCV6Ozl-O_762gBn8hSd-ldu19flMqp84z4o1s344HgE5ENMifCA&_hsmi=33382165. As with the headcount information provided thus are public only the individual companies can verify

[71] Appendix I: Summary of Power Generation Assets of Five Owners of Navajo Generating Plant

[72] https://www.usbr.gov/main/about/fact.html. See also: https://www.doi.gov/sites/doi.gov/files/uploads/fy2015_doi_econ_report_2016-06-20.pdf , P. 23. The DOI study relies upon the widely used IMPLAN model to derive its indirect job and economic impact analysis.

## Peabody Energy Role in Replacement Employment

Peabody Energy can play a unique and constructive role as a resource for employees at the Kayenta mine. Peabody Energy has recently emerged from Chapter 11 bankruptcy and is anticipating an improved cash position as the cornerstone of its financial reorganization.

Peabody Energy's CEO Glenn Kellow said in April 2017 that the company is "recruiting" across its entire United States coal mining operations,[73] but did not disclose the number of new hirings. IEEFA estimates (see Table III) that the company employs approximately 4,000 mineworkers at 17 mines in the United States. Fully half of the jobs (excluding Kayenta) are at the company's operations in Colorado, New Mexico and Wyoming. The most recent federal Bureau of Labor Statistics estimates that turnover in the mining and logging industry is 2.6%.[74] Over a three-year period that level of turnover would create approximately 208 job opportunities at Peabody facilities.

**Table 4: Employment at Peabody Energy Mines[75]**

| Mine | Region | 2016 Employee |
|---|---|---|
| Bear Run | ILB | 559 |
| Caballo* | PRB | 156 |
| Cardinal Mine | ILB | 7 |
| El Segundo* | West NM | 248 |
| Foidel Creek* | Uinta | 339 |
| Francisco Underground | ILB | 295 |
| Gateway Mine | ILB | 4 |
| Gateway Mine North | ILB | 150 |
| Kayenta Mine | West AZ | 384 |
| North Antelope* | PRB | 1,186 |
| Rawhide* | PRB | 93 |
| Somerville | ILB | 4 |
| Somerville Central Mine | ILB | 184 |
| West 61 | ILB | 15 |
| Wildcat Cottage Grove | ILB | 35 |
| Wildcat Hills Mine | ILB | 220 |
| Wild Boar | ILB | 160 |
| **Total** | | 4,039 |
| ***PRB/West (excluding Kayenta)** | | 2,022 |

With an employment base nationwide of 70,000 workers and a turnover of 2.6%, the coal industry as a whole can produce an annual potential of some 1,820 job opportunities. Arch

[73] https://www.bloomberg.com/news/articles/2017-04-05/even-under-trump-a-u-s-coal-giant-plots-cautious-comeback-plan, at 1:02 min./sec. of interview.
[74] https://www.bls.gov/news.release/pdf/jolts.pdf
[75] SNL Proprietary Data Base/Peabody Energy/Mines/Operating Profile

Coal recently announced that it is having difficulty finding qualified workers.[76] Several coal producers, including Ramaco Resources, Southern Coal Corporation, Arch Coal and Alliance Resources all have announced they are now hiring new workers. [77] New Powder River Basin mine jobs have increased slightly since late 2016.

However, the number of coal jobs nationally has been declining for decades and a major resurgence in employment is unlikely even as the industry mounts a comeback. Some coal producers are announcing layoffs.[78]

Peabody Energy could make a major contribution by assisting with the placement of its Kayenta workers at other Peabody mines and in the coal industry generally. In addition, current Kayenta employees could be employed to undertake reclamation activities at the mine.[79]

## Economic Opportunities in State of Arizona and Navajo County

Arizona's economy has typically been expanding at the same rate or slightly higher than the rate of the overall U.S. economy for the past five years.[80] The State of Arizona economic forecast for the next five years projects continued growth in population, employment and income.[81] The overall U.S. economic growth projections are similar. Uncertainties at the federal level regarding immigration policy, trade, and currency regulation add caution to the outlook.[82]

A list of major employers published by the State of Arizona (Table V) shows that those companies currently employ 196,000 people, and that they have had a moderate growth rate in employment over the past ten years. IEEFA assumes conservatively that the collective job production of these companies will be approximately the same over the next three years, consistent with the state's overall economic outlook.

Thus, IEEFA estimates that 23,400 job opportunities will be opening up statewide over the next three years in these companies/organizations. Many of the companies are not part of the energy industry. Where opportunities may exist in these companies, resources for retraining individual employees currently employed at NGS and the Kayenta mine will be required.

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[76] Taylor Kuyendall, *Coal jobs in demand as optimism spreads, but Trump impact unclear*, SNL April 3, 2017

[77] Taylor Kuyendall, *Coal jobs in demand as optimism spreads, but Trump impact unclear*, SNL April 3, 2017

[78] Jeffry McDonald, *Murray subsidiary to lay off 255 employees at New Future coal mine in Illinois,* Platts Coal Trader, April 28, 2017.

[79] Reclamation efforts routinely employ mineworkers. http://powersource.post-gazette.com/powersource/policy-powersource/2016/08/05/Reclamation-projects-could-provide-jobs-for-former-coal-miners/stories/201608050129. As a policy matter: mine reclamation activity is "New economic development that would include things such as new jobs at businesses that support reclamation to workforce that provide project materials and assorted income and taxes." https://teeic.indianaffairs.gov/er/coal/impact/decom/index.htm. For a brief background of how mine reclamation activities functions, see: https://teeic.indianaffairs.gov/er/coal/impact/decom/index.htm https://www.wyomingmining.org/minerals/coal/coal-safety-reclamation/

[80] https://ebr.eller.arizona.edu/news-article/arizonas-economy-catches-winter-chill

[81] https://www.azeconomy.org/data/forecast-data/; see also: http://www.azcentral.com/story/money/business/economy/2016/12/05/economists-2017-outlook-good-arizona-and-us/95017788/

[82] https://ebr.eller.arizona.edu/economic-forecasts/forecast-data

**Table 5: Large Arizona State Employers**[83]

| Company/Organization | 2005 | 2014 | Annual Loss/Gain | 3 Year Job Gain/Loss | 3 Year Turnover | Total |
|---|---|---|---|---|---|---|
| State of Arizona | 49,958 | 48,910 | -104.8 | -314 | 4,069 | 3,755 |
| Walmart Stores Inc. | 28,246 | 32,438 | 419.2 | 1258 | 3,215 | 4,473 |
| Banner Health | 19,250 | 30,266 | 1,101.60 | 3305 | 2,999 | 6,304 |
| City of Phoenix | 13,844 | 14,875 | 103.1 | 309 | 1,238 | 1,547 |
| Wells Fargo | 11,533 | 14,126 | 259.3 | 778 | 1,400 | 2,178 |
| Maricopa County | 13,002 | 13,341 | 33.9 | 102 | 1,110 | 1,212 |
| Intel Corp. | - | 11,700 | - | - | 1,160 | 1,160 |
| Scottsdale Lincoln Health Network | - | 10,500 | - | - | 1,041 | 1,041 |
| Honeywell | 10,700 | 10,000 | -70 | -210 | 991 | 781 |
| JP Morgan Chase and Company | - | 9,600 | - | - | 951 | 951 |
| U.S. Postal Service | 11,000 | - | - | - | - | |
| Raytheon | 10,300 | - | - | - | - | |
| **Total** | 167,833 | 195,756 | 1,742.30 | 5227 | 18,174 | 23,401 |

Apache and Navajo counties do not enjoy the full benefits of the growth trajectories in the rest of Arizona and the U.S. Official unemployment rates for these counties,[84] at 10.7% and 7.4%[85] in March 2017 respectively, are higher than Arizona and the U.S. (at 5.0% and 4.5% respectively). Alternative unemployment analyses[86] offered by the United States Bureau of Indian Affairs placed unemployment in 2010 in these counties at twice the official levels.[87] When population, employment and income grow in the state overall, Navajo County typically grows too, but at a lower rate. The average salary in the state in the fourth quarter of 2015 was $51,615,[88] as compared to $40,400[89] in Navajo County.

A report published by Navajo County lists twenty-eight major employers [90] who contribute to the county's employment base of 41,000 jobs. (See Table VI).

[83] https://gao.az.gov/sites/default/files/FY%202015%20CAFR%20FINAL%20NO%20AG%20SIG%206-9-16.pdf, p. 275.
[84] The unemployment rate among Navajo and Hopis is significantly higher than the general population represented in these statistics. See discussion on unemployment rate: http://www.navajobusiness.com/pdf/CEDS/CED_NN_Final_09_10.pdf, p. 22.
[85] https://data.bls.gov/map/MapToolServlet, March 2017
[86] https://www.bia.gov/cs/groups/public/documents/text/idc1-024782.pdf
[87] https://fred.stlouisfed.org/series/AZNAVA5URN . The Official data offered by the St, Louis Federal Reserve board pegged the average monthly unemployment rate at 14.5% during 2010. The Bureau of Indian Affairs, using an alternative measure exceeded 30% (see Table 7: https://www.bia.gov/cs/groups/public/documents/text/idc1-024782.pdf)
[88] https://ebr.eller.arizona.edu/current-indicators/arizona-us
[89] https://ebr.eller.arizona.edu/current-indicators/arizona-counties/navajo-county

[90] https://www.azauditor.gov/sites/default/files/NavajoCountyJune30,2015ComprehensiveAnnualFinancialReport.pdf

Table 6: Major Employers in the Navajo County

| Navajo County - Major Employees | Employer Type |
|---|---|
| APS Joseph City | Electric Services |
| Arizona Department of Corrections | Prison |
| Algae Bioscience | Pharmaceuticals |
| Burlington Northern Santa Fe | Line-Haul |
| Cellular One | Communications |
| Hatch Auto Centers | Auto Dealer |
| Hondah Resort and Casino | Hospitality |
| Holiday Inn, Kayenta | Hotels and Motels |
| Home Depot | Retail |
| Kayenta Boarding B.I.A. School | Education |
| Kearns Canyon Indian Hospital | Medical |
| K-Mart | Retail |
| Little Colorado Medical Center | Medical |
| Navajo Government Executive Branch | Government |
| Navajo County School District | Education |
| Navajo Tribal Utility Authority, Kearns Can. | Utilities |
| Navopache Electric Cooperative | Utility |
| Northland Pioneer College, Holbrook | Colleges |
| NovoPower | Energy |
| Overseas Aircraft Support | Aircraft |
| Peabody Coal co. - Kayenta | Coal and Mining |
| PFFJ, Inc., Snowflake | Pork Production |
| Pinon Unified School District #4 | Education |
| Safeway, Pinetop-Lakeside | Retail |
| Summit Healthcare, Show Low | Hospital |
| Tate's Auto Center, Holbrook | Auto Dealer |
| Wal-Mart SuperCenter, Show Low | Retail |
| Western Moulding Co. Inc. - Snowflake | Millwork |
| White Mountain Apache Tribe | Government |

## Revenues to Tribal Governments Can be Replaced

IEEFA estimates that there will be a need for $55 million per year to replace lost coal revenues to the Hopi and Navajo tribes.[91] Coal revenues provide an estimated 80 percent of the Hopi Tribe's budget. Coal revenues now account for approximately 25 percent of the Navajo general fund (and approximately 9 percent of total budget), and have been declining over

[91] this figure could be adjusted once a more thorough analysis is conducted of tribal revenues and budgets, which are not currently publicly available

the last decade. From 2006 to 2008, coal revenues were upward of 33%[92] of total Navajo general fund resources,

The loss of revenue to the tribes would cause a loss of employment for the tribal governments as well as a loss of services to the people. The Hopi tribal government employs an estimated 400 workers.[93]

The Department of Interior is, thus far the lead agency for the federal government on the issues surrounding the closure of the plant and mine. Arizona Corporation Commissioner Andy Tobin wrote to the Secretary of the Interior in April [94] recommending that the owners of the plant and the federal government share the costs associated with keeping the plant open through 2022. He proposed that the federal government cover a 50 percent share[95] of these costs (the other 50 percent appears to be borne by ratepayers).

IEEFA agrees that the Department of the Interior as the lead federal agency has the resources to support such a 50 percent share of a subsidy needed to keep the plant open from 2017 to 2022, a share that would amount to $500 million.[96] However, we recommend using these resources instead to provide replacement revenue for the tribal governments. Over a five-year period at $55 million per year this would total $275 million. It is also possible that the final total would be less than $275 million, since, since both tribes have ways to offset some of the lost revenue internally and have the capacity to reduce their expenses. To be conservative, however, IEEFA's plan uses the figure of $55 million per year for five years.

# IV. How to Organize the Transition Effort

The transition effort would require organizational oversight to insure that: [97]

- Economic growth initiatives thrive.
- All employees find stable, long-term replacement jobs at wages and benefit levels that meet their needs.
- The fiscal solvency of tribal governments is maintained

[92] http://www.navajobusiness.com/pdf/CEDS/CED_NN_Final_09_10.pdf (See: Table 11: Navajo Nation Source of General Fund Revenues)

[93] https://www.hopi-nsn.gov/wp-content/uploads/2017/02/02-07-2017-Vol25-No3.pdf

[94] http://docket.images.azcc.gov/0000179331.pdf

[95] Item 3, page 4: http://docket.images.azcc.gov/0000179331.pdf

[96] David Schlissel, Director of Resource Planning Analysis, Navajo Generating Station is No Longer Economic, IEEFA, May 2017. http://ieefa.org/ieefa-report-end-era-navajo-generating-station-vast-subsidies-required-keep-aging-plant-online-retirement-seen-viable-option/

[97] The formulation for this transition effort has benefited significantly from the efforts by the Defense Department to close defense plants. For the purposes of understanding the workings of the transition committee see: https://books.google.com/books?id=16KPruqDj6UC&pg=PA49&lpg=PA49&dq=defense+plant+closures+federal+response&source=bl&ots=DYnlRughXN&sig=BTr04iWKnw8CRyosOzamjlOaoFQ&hl=en&sa=X&ved=0ahUKEwjw65L547jTAhUDTSYKHT8NClo4ChDoAQgwMAI#v=onepage&q=defense%20plant%20closures%20federal%20response&f=false, specifically Chapters 2 and 3 on the placement of displaced defense and civilian employees.

## Organizational Structure

IEEFA recommends the creation of a new organization, comprised of an executive board and staff, to oversee the transition process. The Executive Bboard would be action-oriented and would take the lead in mobilizing the resources necessary to make the transition effort a success.

The Executive Board would be comprised of representatives from: 1) Arizona's business community including coal interests; 2) Federal representatives that provide agency, executive and legislative leadership functions; 3) State, county government and representatives of higher education; 4) Tribal government, chapter, village, business and cultural leadership; 5) Union and employee leadership. The board would hire a staff to execute its policy directives.

1) Arizona's business community, including coal interests; 2) federal representatives that provide both agency and executive leadership functions; 3) state, county government and representatives of higher education; 4) Tribal leadership; 5) union and employee leadership.

The Executive Board would oversee the administrative functions of the transition effort ensuring accountability particularly as it relates to the quality of services provided to the displaced employees.

Each board member would provide leadership on the board itself, ***but would also act as a catalyst within his or her professional sector to mobilize opportunities for employment***. For example, business leaders on the Board will be expected to mobilize the support of a wide network of other businesses (many identified in this report) to ensure that opportunities for employment and retraining are available to displaced employees.

The Board in its collective form would also be an instrument for public policy advocacy, articulating the needs of the employees, communities and economic growth efforts. The Board would be the main tool for advocating for resources to the transition effort from the members' own organizations and in concert with other board members.

The Executive Director would lead the staff and assist the Board. Setting up the following operational units would create an efficient, functional plan for staff organization:

- **Economic Support and Growth Initiatives** – The staff involved in this area should be capable of working with businesses and community leaders to create new business plans and to develop initiatives and support for the board and Executive Director. They would help formulate priorities for economic growth, create a menu of options and projects to pursue; and devise action plans to secure the necessary resources to turn development ideas into successful new business opportunities.

- **Support to Individual Employees**: The driving objective here would be clear: ***No displaced employee goes without a day's pay.*** The staff should be capable of providing the following services to those who seek assistance: employment placement, training and employee financial security. Services should be organized so individual employees receive one-on-one attention and support.
  - **Fiscal Solvency** – Fiscal staff should provide analysis of all initiatives where the transition is involved. This would include but not be limited to: 1) securing maximum

replacement resources for the tribal governments; 2) ensuring that the fiscal aspects of the program, particularly those related to services for displaced employees, are well-funded and carried out in full compliance of all mandates; and 3) assisting the Board and Executive Director with the formulation of all fiscal strategies and negotiations.

# Overall Funding and Organizational Budget for the Transition

## 1. Overall Funding Levels

The federal government has sufficient resources to fund most of the transition effort.

This plan relies on federal support but contains no new costs to either the plant or Peabody Energy. It also requires at maximum $128 million in the first year and a declining payment thereafter. The total cost of the transition carries an estimated $380 million price tag.[98]

The goal is new employment for every employee, fiscal balance for the tribal governments and a strong foundation for new economic growth initiatives.

**Table 7: Sources and Uses of Transition Resources ($ in millions)**

| Use of Funds | First Year | Total | Payment Duration | Sources |
|---|---|---|---|---|
| Support for Business Transition | $ 35 | $35 | 3 years | Federal Agencies – DOI Lead |
| Payments to Tribal Budgets | $55 | $275 | 5 years | Federal Agencies - DOI Lead |
| Severance Payments to Employees | $30 | $50 | 3 Years[99] | Federal Agencies - DOI Lead |
| Transition Income for Employees | $3 | $5 | 3 Years[100] | Federal Agencies - DOI Lead |
| Transition Organization | $5 | $15 | 3 Years[101] | Partnership Sources |
| **Total** | **$128** | **$380** | | |

## 2. Support for Business Transition

The transition budget includes $35 million for business transition support. This is to cover cash infusions for eligible business, planning grants to local planning chapters and, if necessary additional micro-lending or other forms of business venture investments.

## 3. Line items for severance payments and transition income

[98] See Appendix I: *Comparison of Navajo Transition Plan costs to other Transition projects funded with federal participation.*
[99] We assume $30 million in the first year and a declining amount thereafter.
[100] We assume $3 million in the first year and a declining amount thereafter.
[101] We assume three equal payments of $5 million per year.

The employee base is highly motivated to seek and find new employment. A new job is critical to the economic security of each employee. The payrolls for the new employment will come largely from the private and public sector organizations described in the prior section. The plan assumes that no employee will require long-term financial assistance. Those leaving the workforce due to age should have retirement options.

### a. Severance Payments

Transition efforts frequently provide severance payments to displaced workers. These payments often have rationales connected to the voluntary or involuntary nature of employment termination, retraining and other separation events. In practice, these payments serve multiple concurrent functions.[102] The transition effort in this case may want to support severance payments for generic overall employee resettlement needs connected to the involuntary nature of the termination, employment terms of new jobs and the potential for retraining or other family costs of the new job.

Depending upon the rationale and resource availability such an approach could require a one-time outlay of between $30 and $50 million if all employees are covered.

### b. Transition Income

The transition effort must be prepared to assist some employees for an extended period. We estimate that 30 employees may require such assistance at a cost of up to $5.0 million. The Board and staff should develop criteria for these payments related to individual need, retraining periods or other extraordinary circumstances. These payments should be ***in addition*** to any employment based accrued salary or other termination payments. Transition payments are not income for other income based public programs.

## 4. Budget for Transition Organization

The proposed budget for the transition staffing is $5 million per year. The board and staff would work to carry out the mission of the transition. The provision of assistance to employees who lose their jobs receives the biggest allotment in this proposed budget. The principle is no employee should lose even one day of pay. Sufficient resources must be available if this promise is to turn into a reality.

The Fiscal Analysis and Economic Growth functions are integral to the success of the effort. Accurate, ongoing fiscal analysis ensures that the tribal governments achieve their fiscal goals. The transition effort will also need to pay careful attention to a variety of financial governmental and non-governmental resources that become available. The fiscal staff will also be integral to the board's efforts to act as an advocate for additional transition resources.

The Economic Support and Growth function will assist individual businesses, community planning efforts and help with the general prioritization of economic development plans and proposals. The tribes, county and state already have economic development planning and

[102] http://ftp.iza.org/dp5731.pdf

project resources. This effort is complementary but with a focus that creates jobs and new business in the region of the state most affected by the mine and plant closure.

**Table 8. Proposed Budget and Staffing Plan for Transition Effort**

| Staffing | Number | Salary/Fringe* |
|---|---|---|
| **Executive** | | |
| -Executive Director | 1 | $120,000 |
| - Assistant Director | 1 | $90,000 |
| - Lead Administrator | 1 | $75,000 |
| - Administrative Asst. | 1 | $60,000 |
| **Subtotal** | | $345,000 |
| | | |
| **Employment/Training** | | |
| - Managers | 5 | $450,000 |
| - Human Resource Specialists | 20 | $1,500,000 |
| - Administrative | 3 | $180,000 |
| **Subtotal** | | $2,130,000 |
| | | |
| **Fiscal Analysis** | | |
| Analyst | 3 | $315,000 |
| Finance Administration | 1 | $90,000 |
| Administrative | 1 | $60,000 |
| **Subtotal** | | $465,000 |
| | | |
| **Economic Development** | | |
| Economic and Business Developers | 8 | $690,000 |
| Administrative | 1 | $60,000 |
| **Subtotal** | | $750,000 |
| | | |
| **Personnel Total** | | **$3,690,000** |
| **Other** | | $1,310,000 |
| **Total** | | **$5,000,000** |

The "Other" line item assumes an operational plan guides the use of consultants, advertising, board expenses and administrative needs (if required). The overall budget and specifically the "Other" line item can be reduced if stakeholder government agencies and companies can help defray transition costs from their already existing administrative outlays and underutilized assets.

### 5. Maintaining Accountability

A comprehensive evaluation process should be established to examine the actions and interventions undertaken under this plan. Transition leaders, working with government oversight officials and university researchers, should scope out a program of financial and performance audits,[103] evaluation and public policy studies appropriate for the various activities developed by the transition effort.

# Conclusion

This proposal suggests a way to close the Navajo Generating Station and Kayenta Mine while supporting the people and communities most affected by the closing. We propose a three-fold strategy to provide: 1) new jobs and income for the workers; 2) revenue replacement for the tribes; and 3) a well-resourced focus on the short term needs of existing businesses and longer-term economic growth strategies.

[103] IEEFA has compiled a listing of 39 audits conducted by the United States Government Accountability Office on the issue of defense plant closings. A number of additional evaluation and policy studies are identified earlier in this report in that area. The United States Department of Agriculture, Department of Labor and Government Accountability Office have also produced a series of audits and studies over the years on the results of federal actions to assist workers under the Trade Adjustment Act of 1974.

# Appendix: Comparison of Navajo Transition Plan Costs to Other Transition Projects Funded with Federal Participation

## Size of Federal Budget and Navajo Request

ACC Commissioner Tobin recently suggested a 50/50 cost sharing split to pay for keeping the plant open for an indeterminate period. IEEFA estimates the cost of keeping the plant open is $2.4 billion. This would set the federal government share of such a decision at $1.2 billion over an approximately ten year period, or $240 million annually. IEEFA has reviewed such a funding obligation on the federal budget and in relation to past transition efforts that benefited from federal participation. The proposed amount in this study for the Navajo transition plan is $380 million over a five year period $76 million on an annualized basis. This estimate seems reasonable as it relates to the annual federal budget as well as in line with prior transition project costs.

## The Federal Budget

The federal budget in 2017 is $4.1 trillion. This request represents three thousandths of one percent of the federal budget in the first year 0.00003%. The Department of Defense usually coordinates DOD expenditures with Department of Treasury, Department of Energy, Department of Labor and others.[104]

| Federal Budget | Amount | Percentage |
|---|---|---|
| 1 Yr. Federal Budget | $4,100,000,000,000.00 | |
| 2 Yr. Federal Budget | $4,715,000,000,000.00 | |
| 3 Yr. Federal Budget | $5,422,250,000,000.00 | |
| 4 Year Federal Budget | $6,235,587,500,000.00 | |
| 5 Year Federal Budget | $7,170,925,625,000.00 | |
| **Cumulative Federal Budget** | $27,643,763,125,000.00 | |
| | | |
| **First Year Allocation Navajo** | $113,000,000.00 | 0.003% |
| **Five Years** | $375,000,000.00 | 0.001% |

[104] https://www.archives.gov/federal-register/codification/executive-order/12049.html

1. The scope of potentially eligible activities for financing under this type of plan is extensive. The Department of Defense Manual on Base Closings provides a good list (but even this extensive listing is not complete).[105]
2. From 2006 through 2011 the Defense Department spent $35 billion ($43 billion in today's dollars) on base closing related costs. An audit of these expenditures shows they are largely construction and relocation related costs. This means the list of costs included in the audit are significantly understated. This amounts to about $7 billion per year. The first year of the Navajo transition request would be $113 million, or just under 2% of the historic annual expenditures. [106]
3. Audits of DOD spending show that on construction costs ALONE the Defense Department spent more than the total five-year allocation asked for in the transition plan on 21 individual construction projects.[107] If we adjusted these numbers in current dollars to these charts the number would be close to 40 individual projects.

The request of $345 to $375 million for five years for the Navajo Transition project should prove to be no burden on the Federal Budget nor is it inconsistent with typical spending patterns of the Department of Defense transition spending which is considerably higher.

[105] http://www.dtic.mil/whs/directives/corres/pdf/416566m.pdf
[106] http://www.gao.gov/products/GAO-12-709R
[107] http://www.gao.gov/assets/600/592076.pdf, See Enclosure I, p. 19.

# Institute for Energy Economics and Financial Analysis

The Institute for Energy Economics and Financial Analysis (IEEFA) conducts research and analyses on financial and economic issues related to energy and the environment. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy and to reduce dependence on coal and other non-renewable energy resources. More can be found at www.ieefa.org.

Tom Sanzillo, director of finance for IEEFA, is the author of several studies on coal plants, rate impacts, credit analyses, and public and private financial structures for the coal industry. He has testified as an expert witness, taught energy-industry finance training sessions, and is quoted frequently by the media. Sanzillo has 17 years of experience with the City and the State of New York in various senior financial and policy management positions. He is a former first deputy comptroller for the State of New York, where he oversaw the finances of 1,300 units of local government, the annual management of 44,000 government contracts, and where he had oversight of over $200 billion in state and local municipal bond programs and a $156 billion pension fund.

Sanzillo recently contributed a chapter to the Oxford Handbook of New York State Government and Politics on the New York State Comptroller's Office.

Special thanks to IEEFA Operations Director Manager Christa Ebert, who contributed research on the Department of Defense economic transition programs. Ebert is a past Campbell-Steinbacher Endowed Fellow at the Cleveland-based Neighborhood Progress Inc. and has worked for non-profit organizations that include Hard-Hatted Women and Ohio Citizen Action.

# DinéHózhó

Diné Innovative Networks of Economies in Hózhó, L3C (DinéHózhó) is the first Low-Profit Limited Liability Company (L3C) incorporated within the Navajo Nation with a mission to integrate Diné culture, sustainability, conservation, and local knowledge to a locally developed economy. As a social enterprise developed by five Western Navajo communities, we strive to cultivate seeds of capacity building, regional empowerment, and economic livelihood that transition toward sustainable communities that improve the Diné quality of life. More information can be found at DineHozhol3c.com.

Tony Skrelunas was brought up in Diné Traditions by his great grandparents. He has B.A and M.B.A. Business Degrees from Northern Arizona University. Tony serves as vice-president of DinéHozhó L3c.com, a the newly formed Social Entrepreneurship Venture; board chair of Black Mesa Water Coalition (BMWC), a grass roots conservation organization; and just recently joined the board of Native Americans in Philanthropy. Mr. Skrelunas serves as Director of Native America Programs at Grand Canyon Trust where he leads innovative sustainable economic work with Hopi and Navajo communities and he also manages the Colorado Plateau Inter Tribal Gatherings to ensure tribes maintain resiliency in their water,

farming, ecological knowledge systems. He is the Navajo Nation's former Executive Director overseeing Commerce and Government Development. He was the lead in creating major changes to the Navajo Nation including the Local Governance Act of 1998, Securing Congressional Delegation of Business Site Leasing in 2000, creation of a 3% Sales Tax that goes to local Chapters, securing the first major grants for Land Use Planning, and creation of culturally relevant and meaningful Alternatives forms of Local Governance such as the Council of Nat'aa. His recent success includes the organizing of Colorado Plateau Inter Tribal Gatherings using ancient honored gathering processes, creation of "green" ventures with majority community ownership, and building capacity of the Navajo Nation to effectively develop large scale Renewable Energy Projects such as the Aubrey Cliffs Wind Project.

Edward Dee (Diné) is a Ph.D. candidate in the School of Sustainability at Arizona State University. His current research includes Sustainable Governance and Policy, Traditional Ecological Knowledge, Social-Ecological Services, Energy Systems, Innovative Community and Social Entrepreneurship, and Human-Environment interaction in Sustainable Tourism, with an all-encompassing proposed dissertation topic of "Mother Earth Father Sky: a theoretical framework and meanings of nature, land, and sustainability in using Diné Lifeway concept." Edward also concurrently completed a Graduate Certificate program in the Administration and Management of American Indian Natural Resources at the University of Arizona. Edward holds Masters in Public Administration (MPA) and Masters in Business Administration (MBA) degrees from Northern Arizona University. Edward is a current board member on the Arizona American Indian Tourism Association (AAITA) and the co-founder of DinéHozhó, L3C based in Cameron, AZ. Edward's previous work experience includes Arizona State University Teaching Assistant, Monument Valley Navajo Tribal Park Manager, Little Colorado River Tribal Park Supervisor, Navajo Local Governance Support Center Planner, Legislative Assistant to the Speaker of the Navajo Nation Council, and Director of Navajo Special Education and Rehabilitation Services. Edward is a University of Arizona Udall Scholar class of 2002. An Honorable Discharged Veteran with 8 years military service.

# Legislation 0194-17

Emmett Kerley <kerley.emmett@yahoo.com>

Tue 5/30/2017 9:13 AM

To: comments <comments@navajo-nsn.gov>; Walter Phelps <walterphelps@navajo-nsn.gov>; Russell Begaye <russellbegaye@navajo-nsn.gov>; Jonathan Nez <jonathannez@navajo-nsn.gov>; Milton Tso <tsomilton@yahoo.com>;

1 attachment

NGS comment.docx;

Minimalist

Please, see attachment.

Minimalist

*Yahoo Mail Stationery*

-

Date: May 29, 2017

To: Navajo Nation President and Speaker of the Navajo Nation Council

**Subject: Legislation 0194-17 Proposed Updated Lease of NGS.**

Honorable Elected Officials:

This concern is foremost as constituent of the Navajo Nation and secondarily as an elected official. The human cost of the NGS and the symbiotically related Black Mesa mines are not considered in these discussions of the updating of the NGS Lease. Resulting of the JUA, Relocation, and the Former Bennet Freeze Area. In Black Mesa Dine' lost their Hogan(s), livestock corrals, livestock, grazing permits, cornfields, N-aquafer water, water rights, places of spiritual offerings to the development of the mines and NGS. Additionally, the Navajo Nation Government, the federal, states and all associated politicians, attorneys and collective private business concerns who misused there public trust and have forever lost the trust of the Dine' of NPL, HPL and FBFA by lying to and coercing all Dine' especially the directly affected population from the creation of the mines and the NGS.

Who will not only repatriate the displaced, atone for the dead resulting from relocating? Who will re-establish the spiritual connections that were destroyed when the following were brutally trampled by heavy equipment and buried; including resting places of umbilical cords, hogans, livestock corrals, cornfields, cultural properties not cataloged, all places of spiritual offerings and gravesites?

The ones that stayed are still contending with coal dust and contaminated surface waters poisoning their livestock. The NGS plant smokestacks spew sulfur dioxide, particulates, mercury, and arsenic, just to name a few. Another negative effect are the unsightly high voltage electric transmission lines converging in Cameron Chapter, taking away from potential eco-tourism and people dying and struggling with health issues from the electro-magnetic radiation from them, not to mention all Rights of Ways that community development plans have to work around. Meanwhile in the Navajo Partitioned Lands and Former Bennet Freeze Area, hundreds of tribal members remain without basic infrastructure and contend with social issues surrounding the proposed rangeland management and the extremely challenging barriers to economic develop exacerbated by the freeze, one of which is brain-drain, where the most intelligent human resources had to leave these areas escaping, "Developing World" conditions.

This is a classic case of pandering to a single special interest group, NGS employees comprise one thousandth a percent of the total population of all Navajos. My concern is, in doubling down to please a small group of Navajo voters. You will currently be involved with and for the coming decades with an economic catastrophe of purchasing an archaic business model, standing to not only lose up front capital but to put future constituency in debt, by your ill-advised and imprudent decision. Furthermore you will jeopardize additional resources such as water and among other strategic Navajo business and sovereignty positions.

The 2010, SELECTED ECONOMIC CHARACTERISTICS 2006-2010 American Community Survey 5-Year Estimates and the 2010 U.S. Census enumerated 332,129 Navajos, the population of sixteen years and older was 120,444. In the labor force is 53,083 if there is forty-eight percent unemployed on the Navajo Nation. Then there are is fifty-two percent 52% employed, 27,603 individuals employed. Out of that only 2,428 are in the, Transportation and warehousing, and utilities jobs, which is only 5.4% of 332,129 total Navajo population.

However, according NGS website, https://www.ngspower.com/about/facts.aspx NGS of employs more than 400 full-time employees, more than 90% of whom are Navajo. 90% of 400 are only 360 individuals. 360/332,129 equals 0.001083916189191 that is only one thousandth of a percent of the total population 0.001% of the total population of the Navajos on and off the reservation. You are all too aware of the previous contentious presidential election and of the upcoming elections on the nation.

Any questions please feel free to contact me at (928)380-6461 or email: Kerley.emmett@yahoo.com.

Sincerely,

Emmett Kerley, Vice President
Cameron Chapter
Cameron, Arizona 86020

XC: Navajo Nation Council Speaker
Walter Phelps, Navajo Nation Council Delegate
File copy

## Committee Report

**THE HEALTH, EDUCATION AND HUMAN SERVICES COMMITTEE OF THE NAVAJO NATION COUNCIL** to who has been assigned;

**LEGISLATION NO. 0194-17**

**AN ACTION RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, NAABIK'IYATI' COMMITTEES AND THE NAVAJO NATION COUNCIL; APPROVING THE REPLACEMENT LEASE BETWEEN THE NAVAJO NATION AND SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY D/B/A NV ENERGY, AND DEPARTMENT OF WATER AND POWER OF LOS ANGELES; LEASE AMENDMENT NO.1 TO EXISTING LEASE; APPROVAL OF RESTRICTIVE COVENANTS RELATED TO ASH DISPOSAL AREA AND SOLID WASTE LANDFILL AND POND SOLIDS; WAIVER OF SOVEREIGN IMMUNITY**

**Sponsor: Honorable LoRenzo C. Bates**

**To Insert 4 documents at the Comments Section of Legislation 0194-17**

Has had under consideration and report the same with the recommendation that Legislation 0194-17 PASS with no amendment and no directive; And therefore referred the same to the **RESOURCES AND DEVELOPMENT COMMITTEE OF THE NAVAJO NATION COUNCIL**

**Respectfully Submitted,**

**Jonathan L. Hale, Chairperson**
**Health, Education and Human Services Committee**

**Dated: June 05, 2017**

**Main Motion**
Motion by: Honorable Nathaniel Brown
Seconded by: Honorable Steven Begay
Vote: 2 in favor; 1 Opposed; Chairperson Not Voting

Dear Honorable Delegates June 4, 2017

Re: Legislation 0194-17, Lease Agreement to Extend NGS

In the last few months, I heard at several meetings the closure of NGS/Peabody, some want the extension to year 2044, to 2029, to 2025. When all failed, plans of extending the operation to December 2019 happened in opposition to the owner/operators' wishes to cease operation this year (2017) and let decommissioning begin. I was in favor of having the operation cease this year as stipulated in the 1969 Agreement, however after carefully thinking about it, I thought I can live with the December, 2019 closure followed by the decommissioning and clean-up for two years.

I am still in favor of closure in December 2019. However after reading the new Replacement Agreement and the Legislation I am now very concern. I wish to share with you some of those concerns. I urge you to seriously consider the concerns I bring forth and urge you to thoroughly understand what is in the Agreement and the Legislation. Before I begin, I overheard some Council Delegates say Salt River Project (SRP) over the years has done so much damage to the Nation and been dishonest along the way. In this Agreement SRP wants to take control and please allow me to explain.

First, I want to remind you and the public, that in the last few weeks we heard the President and the Speaker state the negotiation and the Agreement extension is up to December 2019 to continue the operations of the plant and mine. However, after reading the Agreement and the Legislation I must say we all have been misled and lied too. This is not about extending the lease for 2 years but for 35 years until December, 2054 plus two additional years of automatic extension to December 2056 that's 37 years all together. The coal has no future, see enclosed news clipping as to what Trump Administration is now saying about future of coal.

Next, I want to begin addressing the Replacement Lease Agreement:

Had you read the Agreement you would note the words **"in perpetuity"** eight (8) times, that makes the Agreement not 37 years but **eternal, endless and forever.** Are you really ready to make that decision, do you have that power and authority to do so?

True, there are monetary gains for the Nation; such as royalty payment at reduced rate, lease payments to serve as **inducement,** to dangle in from of you so you can approve the Legislation. Other gains include "rights to certain percentage of transmission lines, certain facilities including warehouse, railroad and pump facilities and these retained assets are, **"AS IS"** conditions. And payment for NOT demolishing certain buildings. Importantly in the 1969 Agreement the Navajo Nation can request for and obtain all these assets without having to negotiate and amend the Lease Agreement.

Some of the above payments are condition on permanent waiver of taxation in any form, estopped statement, relinquishment of claims. While other payments are in lien of all taxes, fees, assessments, levies and for the **Nation not to tax or assess in any matter whatsoever**

Also, true is what the Nation loses in **perpetuity** in the new Agreement; the Nation will waive its rights to several things for example: 1). The Nation will affirmatively waive its' sovereign immunity to be sued by the lessees in federal and state courts and not the tribal courts. Navajo Nation will give up rights to settle dispute in federal and state courts and not the tribal courts. What this means upon approving this legislation is you too have no confident in our judicial system, our laws and our Judges. There are certain Navajo laws no other court can handle, it is our Dine Fundamental Laws and only our tribal court understands and can handle it properly. The Agreement requires that you agree to give consent to the Secretary of Interior to waivers and making exceptions 6 times to 6 different parts of 25 CRF, and some are to be held in perpetuity. There is a whole section on page 43 **"Waiver and release of claims, covenant not to sue"**, please read it, understand it and ask questions as to what does that means.

Another loss the Nation gives up its rights to regulate lessees and their operation, so upon NGS retirement, remediation and clean-up the Nation can only monitor. Lessees will have rights to mortgage to borrow capital against the lease including all ROW without notice or approval from the Nation. Lessees can transfer or sell their interest without notice to the Nation. Navajo Preference in employment and Navajo business opportunity will be secondary, meaning employment will be without regard to race, color, creed or national origin, it will all be based on qualification.

In the 1969 Agreement NGS was dedicated up to 34,100 AFY out of the 50,000 AF from the Upper Colorado River Basin to support the operation for 50 years, that is well over 1,700,000 AF. In 69 Agreement it also states **"this agreement shall not be construed in any manner as a waiver by the tribe (Navajo) of any present or prospective water rights of the tribe (Navajo)".** All owners/operators including the Secretary of the Interior agreed to this provision. We have 17 resolutions from chapters, Agency Councils, Dzil Yijiin Council and Dine' Hataalii Association, (see enclosure). The resolutions, "Demands the Nation do all things proper and appropriate to reclaim the water rights from Colorado River and the N-aquifers of Black Mesa".

In the Replacement Extension Agreement, **the Nation will get a mere 950 AFY** for only the immediate communities surrounding LaChee, while **NGS gets not greater than 1,500 AFY.** The Nation also agrees SRP holds certificates of water rights for its' self and NGS participants for use of a portion of the 50,000 AF. The Nation also agrees **once the NGS water allotment is no longer necessary and certificates granted to SRP is terminated** (which is in 2056) SRP will support the Nation's efforts **to acquire the use of a portion of 50,000 AF.** This section of the Agreement will further deny the use of our water for another 37 years for a total of 87 years, this is unfair, **87 years.** That's more than a life time for most of our people.

Please note, The Navajo Nation **is the only community** in the Upper Colorado River Basin except for the city of Page. Thus, the Nation is entitle to and have full right to the entire 50,000 AFY, without having to go through SRP. If the Nation agrees to the water provision it will greatly dimension the water rights it held in the 69 Agreement.

The new Agreement give SRP new powers over water which it did not have in the 69 Agreement.

There are several other things not included in the Agreement; First, Peabody and Black Mesa Pipeline are not mentioned, NGS and Peabody shares the same life line. Mojave Generating Station closed in 2005 (14 years ago) all Black Mesa Pipelines' infrastructures are still there, thus no decommissioning, no clean up, everything they built to support their operation remains, they simply up and left. Under the new Agreement, this will continue with no clean-up.

There is no mention of the owner/operators' responsibility to its workers. There are no plans mentioned to transition to renewable energy. There are no plans of the impact on the people's health and on the environments. There are no plans for the thousands of families having no water, all their water been dedicated to NGS for 50 years and now for another 37 years. There are no funds to provide water to them, all our water will be in the hands of SRP, NGS and Arizona Department of Water Resources for another 37 years. Our water will be out of your hands. If you approve the legislation and Agreement as is the health impacts and environment will only worsen for our people. The impact on our people' social and cultural also will worsen too. Are you really ready to do this to us again?

There are so many other issues yet to be uncovered, issues affecting our children's future. What are we really leaving them, are we leaving them with no defense, no sovereign immunity against NGS owner/operators for 37 more years and in some instance forever? Are you allowing SRP to decide our children's future for all their water needs? We are a sovereign Nation, the leases are on Navajo land we should be in the driver's seat controlling these decisions, are we setting new precedents for all other industries on the reservation when their leases expire.

Having said all of the above, I am asking you to ask questions, seek the truth or make major changes. Or defeat the legislation. It seems we have a better opportunity under the 1969 Agreement. You have the power to do so.

May the Creator and the Spirits be with you and be your guild.

Percy Deal, Big Mountain.

## Resolution of the Dzil Yijiin Council

## Requesting the Navajo and Hopi Negotiating Team to Agree to Protect the N-Aquifer of Black Mesa From Industrial Use

### Whereas:

1. The Dzil Yijiin Council was establish by the Navajo Nation Council to act on issues effecting the Black Mesa Region and consist of 6 chapters in the Black Mesa area; and
2. The Navajo and Hopi Tribes in 1964 has agreed and approved Peabody Western Coal Company to mine coal and water (N-aquifer) on Black Mesa; and
3. The Navajo and Hopi Tribes has agreed to commence negotiation to claim their rights to Little Colorado River, the washes and the N-aquifer of Black Mesa; and
4. Water provides the foundation for Navajo and Hopi lifeway including the spiritual and the daily lives of the people of Black Mesa as evidenced in their culture, language, tradition, teaching and ceremonies; and
5. The mining operation over the last 50 years has effected the N-aquifer water table and contaminated the water supply and it would take years for the re-charge to charge to a safe level; and
6. The N-aquifer is the sole source of safe and dependable water supply for the residents of Black Mesa and surrounding communities including the Hopi tribe; and
7. It is in the best interest of all concern and in order to safeguard the Navajo and Hopi water rights and source for the future the Dzil Yijiin Regional Council is deeply concerned about the overuse of safe, clean drinking water for mining operation by Peabody Western Coal Company.

### Now Therefore Be It Resolved That

The Dzil Yijiin Council hereby respectfully request the Navajo and Hopi Negotiating Team to agree to fully protect the N-aquifer from industrial use.

The Council hereby further supports the position of the people of Black Mesa and the surrounding communities including the Hopi Tribe in their inherent and indigenous rights to safe sustainable and quality source of drinking water from N-aquifer and furthermore due diligent must be exercised and prevent and protect the N-aquifer supply through overuse of potable water for industrial use.

### CERTIFICATION

We hereby certify that the foregoing resolution was duly considered and at a duly called meeting at Black Mesa Chapter on July 7th, 2016 and the same was passed by 16 in favor 0 opposed and 2 obtaining. M: Tim Johnson S: Fern Benally

President — Aaron Yazzie

Vice President — Evelyn M. Meadows

Secretary — Helena Begay

**RESOLUTION OF HARDROCK CHAPTER**
**HR-04/17-04**
THE NAVAJO NATION

DEMANDING THAT THE NAVAJO NATION DO ALL THINGS PROPER AND APPROPRIATE BY CLAIMING THE WESTERN NAVAJO COMMUNITIES' WATER RIGHTS OF THE COLORADO RIVER, N-AQUIFER OF BLACK MESA, AND PROTECT THE HEALTH OF THE AFFECTED COMMUNITIES.

**Whereas:**

1. The Chinle Agency Council is a duly certified local governing entity recognized by the Navajo Nation Council to advocate and address the needs and development of the local people to interact with other parts of the Navajo Nation and federal and local agencies which serve and affect the Navajo Nation; and
2. The Chinle Agency Council consist of chapter elected officials from the Chinle Agency Chapters and by Navajo Nation budget appropriation are authorized to meet quarterly to discuss and take necessary action on issues affecting the agency; and
3. The Navajo Nation Council by Resolution CS-34-98 enacted the Navajo Nation Local Governance Act and codified it under Title 26 of the Navajo Nation Code; and
4. Pursuant to Title 26 NNC, Section B-1 & 2, the purpose of the Local Governance Act is to recognize at the local level and to delegate to chapter government with respect to local matters consistent with Navajo Nation laws including costume and tradition and to make decisions over local matters; and
5. The Navajo and Hopi Tribes in 1969 entered into a Lease Agreement with Peabody Western Coal Company to mine coal and water (N-aquifer) on Black Mesa for a period of 50 years; and
6. The Navajo tribe entered into a Lease Agreement with Navajo Generating Station to produce electric power for the Central Arizona Project to supply water and power to southern Arizona and California, using coal from Black Mesa to produce power; and
7. In the Lease Agreement with Peabody the tribes originally agreed to approximately 6,100 AFY of N-aquifer to support the mining and slurry operations, until the Mojave Generating Station shut down in 2005 after which Peabody continued to use approximately 4,125 AFY; and
8. In the Lease Agreement, Section 15 (a) with Navajo Generating Station the Navajo Tribe together with SRP, BOR and other partners agreed to the operation of up to 34,100 AFY out of the 50,000 AF allocated to the State of Arizona (Upper Colorado River Basis Compact) for a period of 50 years. Section 15 (a) of the Agreement further states **"This Agreement shall not be construed in any manner as a waiver by the Tribe of any present or prospective water rights"**; and

9. The expiration dates on the two Leases are both in December 2019. However, there are efforts to extend the leases to either 2030 or 2044. Meanwhile, the Navajo people in the Black Mesa region and the Western portion of the Navajo reservation have long been denied the use of their water as result of the leases and many in the affected areas do not have running water for domestic and agricultural use; and
10. Should the Lease Agreements be extended, the Navajo people will continue to be denied their enjoyment of their water for the period the agreements are extended; and
11. The Lease Agreement has had an adverse environmental impact on the region and has increased health disparities in the Black Mesa and Western Navajo communities; and
12. In the best interest of Navajo health, economy and all concerned, all water currently used by Navajo Generating Station and Peabody Coal Mine should be reclaimed for the Navajo people's health, well being, and enjoyment.

**Now Therefore Be It Resolved That**

1. The Chinle Agency Council of the Navajo Nation hereby demands that the Navajo Nation Do All Things Proper and Appropriate by Claiming the Western Navajo Communities' Water Rights of the Colorado River, N-Aquifer of Black Mesa, and Protect the Health of the Affected Communities.

## CERTIFICATION

We hereby certify that the foregoing resolution was duly considered by the Hardrock Chapter at a duly called meeting in Hardrock, Navajo Nation, Arizona which quorum was present that same was passed by vote of 25 in favor 0 opposed and 2 abstained on this 21st day April, 2017.

Timothy Johnson, President

Byron Wesley, Vice President

Valencia Edgewater, Secretary/Treasurer

Dwight Witherspoon, Council Delegate

Joe Romm Follow

# Top Trump economic adviser: 'Coal doesn't even make that much sense anymore'

But investing in solar and wind can make us "a manufacturing powerhouse," admits Gary Cohn.

National Economic Council Chair Gary Cohn listens as President Donald Trump speaks in the White House, Jan. 23, 2017. CREDIT: AP/Pablo Martinez Monsivais

Whether or not the United States will remain in the historic Paris climate agreement is a major question surrounding President Donald Trump's trip to Italy for the G7 Summit. Trump's top economic adviser, Gary Cohn, was asked about the decision aboard Air Force One on Thursday, and had some surprising answers.

Cohn told reporters that coal doesn't "make that much sense anymore," but that pushing renewables could make America "a manufacturing powerhouse." The words seem off-message from a White House that has promised repeatedly to bring back coal jobs and just proposed massive cuts to federal investment in clean energy.

Cohn told the press that Trump would achieve fast economic growth while preserving the environment at the same time. "We're not going to pollute the air to do that. We're not going to be rampant polluters," he said.

He then explained that achievement was made possible as a result of the country's changing energy mix. "Coal doesn't even make that much sense anymore as a feedstock," Cohn said, whereas natural gas, of which we've become an "abundant producer," is "such a cleaner fuel."

Trump famously campaigned on restoring coal jobs, but the economic reality makes that a futile effort because the economics of coal no longer make sense and most of the jobs were lost years ago to productivity gains and machinery.

Energy experts give Trump the hard truth: You can't bring coal back

Coal wasn't killed by a political "war"—cheap renewables and fracked gas were the culprits.

rogress.o

Cohn, director of Trump's National Economic Council (NEC), appears to be much more informed about the new energy reality than his boss.

"If you think about how solar and how much wind power we've created in the United States, we can be a manufacturing powerhouse and still be environmentally friendly," Cohn said.

This is an argument that clean energy advocates have been making for a while. Clearly Cohn's NEC doesn't have much influence when it comes to the federal budget, given the devastating cuts in renewable energy Trump proposed this week.

Trump's clean energy budget cuts would 'devastate' an emerging economic sector

Budget plan calls for elimination of ARPA-E, major cuts to renewables research.

Sadly, Cohn is not equally well-informed about the Paris climate agreement. When asked what specifically European leaders have said to Trump about it, Cohn said they "are pretty much in favor of the Paris accord, but the Europeans as a whole have a much easier standard to abide by than the standard we were left with by the previous administration."

Cohn argued, "if you look at everyone's standards are, and what their baseline was, it's literally to interpret what you have to do to abide it is very difficult. It's a real un-level playing field."

This is exactly backwards, as ThinkProgress has explained many times. The Paris agreement is a ridiculously good deal for the U.S., and the pledges we made in Paris "are at the least ambitious end of what would be a fair contribution," as the Climate Action Tracker (CAT) put it.

President Barack Obama's pledge requires the U.S. to cut greenhouse gas emissions 26 percent to 28 percent by 2025, compared to 2005 levels, which is "equivalent to 14–17 percent below 1990 levels of GHG emissions." We can compare that target to the one from the European Union, which is "at least 40 percent domestic greenhouse gas emissions reductions below 1990 levels by 2030."

Still, Cohn deserves kudos for telling the blunt truth about the future prospects of coal versus renewables.

# TEP can help Navajo and Hopi by buying their renewable energy

Arizona Daily Star

**By Racheal James Special to the Arizona Daily Star**

Apr 5, 2017

When I turn on the lights or the water faucet here in Tucson, I can't help but think of home, and the enormous coal plants there.

I am a Diné (Navajo) woman who came to Tucson to study microbiology at the University of Arizona. You might not know that most of the water we drink here in Tucson comes from the Central Arizona Project canal, whose pumps are powered by the Navajo Generating Station (NGS) coal plant on the Navajo Nation near Page in Northern Arizona.

Even though it's nearly 400 miles away, Tucson Electric Power gets a portion of the electricity that we use in our homes, schools and businesses from the Navajo plant. Miles of transmission lines, sometimes derided on the reservation as "white man's gods," bring the electricity from my home on the Navajo Nation to my home here in Tucson.

Making electricity out of coal is a dirty process. At NGS, it starts at the Kayenta Mine on Black Mesa, where, decades ago, Diné and Hopi families were forced to relocate to make way for the massive black pit. Cranes the size of large buildings fill trains with coal that feed NGS, whose trio of 775-foot smokestacks emit the most carbon dioxide of any single facility in the Southwest.

Last month, the utility owners of NGS announced they will exit the plant in 2019 since it's no longer economically viable. Power can be sourced from cheaper — and cleaner — alternatives. While NGS will soon be an afterthought here in Tucson, we can't forget about the Navajo and Hopi communities that have suffered most from the pollution, and will be most affected by its closure.

Behemoth coal plants have soiled Navajo and Hopi skies, water and land even while more than half of my people have been left off the grid.

In addition to NGS, TEP owns a stake of the San Juan and Four Corners coal plants in the Four Corners region, and the Springerville coal plant, located between the Fort Apache and Zuni Reservations. Like NGS, these plants also feel the financial burden of coal, and the San Juan plant is now expected to close in 2022, decades earlier than originally planned.

The Navajo and Hopi who work at TEP's coal plants are concerned about the future. As the Navajo and San Juan plants prepare to close, it is critical that TEP, which has a 7.5 percent ownership stake in NGS and owns about 20 percent of the San Juan plant, takes a leadership role to make sure the tribal lands are reclaimed and that tribal economies are sustained.

Navajo and Hopi lands are ideal for solar and wind development, which can create sustainable jobs and make use of the existing transmission lines leading from the coal plants. We should all encourage TEP to support tribal communities by committing to buy a share of power from future renewable energy projects developed there.

When TEP supports Navajo solar and wind instead of Navajo coal, Tucsonans will feel a lot better about where our electricity and water comes from.

*Racheal James is a member of the Diné (Navajo) tribe. She graduated from the University of Arizona with a bachelor of science degree in microbiology.*

# Now is the time for bold vision

NAVAJO TIMES
DINÉ BI NAALTSOOS

April 6, 2017

***By Nicole Horseherder***

The announcement last month by the owners of the Navajo Generating Station that poor economics are forcing them to retire the plant far ahead of schedule – as early as this year – puts the Navajo Nation at a vital crossroads.

Down one path is the opportunity to transition to a clean energy economy that will provide revenue, jobs and security to Navajo families for generations to come. Down the other is the feeble extension of the plant's life – and the jobs that come with it – for a few more years, but yields little hope for today's youth when the plant closes around the time they start raising their own families.

A move to clean energy offers hope for righting years of wrongs related to the health and economic sacrifices the Navajo people have made for decades in the name of providing electricity and water to millions of people in the southwest. The status quo offers more of the same – more pollution leaving our people with asthma and other health problems, more depletion of our vital water resources, and more exploitation of Navajo energy resources.

There is clearly only one correct path for the Navajo Nation, but there are forces – mainly political – dragging us down.

"I am a coal man," says Lorenzo Bates, the speaker of Navajo Nation Council, who is looking with blinders on only at the fate of the current workers at NGS and nearby coal mine. We agree that the workers Bates is trying to protect deserve the resources necessary to help them with the financial and career disruption that will come with the retirement of the plant and mine, but keeping the plant and mine open only delays that hardship they will endure in the not too distant future.

After 40 years and an unhealthy dependency on coal, the Navajo Nation desperately needs new thinking that goes beyond asking for bailout subsidies to keep the plant running for a few extra years. We need visionary economic leadership.

The insistence by Bates and President Russell Begaye that we keep our future tethered to coal is both shortsighted and dangerous. It fails to acknowledge the crashing coal market. And it sadly dismisses the vast potential of the Navajo Nation's solar and wind resources.

For the people who have lived in the shadow of the power plant for decades, the position taken by Begaye and Bates is especially frustrating. We all watched helplessly four years ago when tribal leadership ignored market signals and sunk millions into buying the Navajo coalmine in New Mexico. Two years later, the Four Corners Power Plant announced it was closing two units, making the Navajo ownership of the coal that feeds it a costly – and entirely preventable – mistake.

Now Begaye and Bates are talking about walking down that same road again. They have pleaded repeatedly for the Trump administration to step in and provide a bailout to help keep the plant running until 2030.

Instead of asking for subsidies, they should be using the opportunity to secure strong, meaningful commitments from the owners of NGS for cleanup, transition, and new energy development. By holding out their hands, they are squandering the tribe's leverage for cleaning up the plant and assisting workers. They are wasting a once-in-a-lifetime opportunity for long-term contracts to develop and sell clean energy from Navajo and Hopi land. And they are throwing away our ability to finally secure permanent rights to water that rightfully belongs to the Navajo and Hopi.

Now is the time for bold vision, not begging.

Once the utilities finalize their plans for retiring NGS this summer, we will lose all ability to bargain with SRP and the plant's other owners. The longer we wait to get firm commitments on cleanup, transition assistance for communities, water and clean energy, the less bargaining power we have.

But it shouldn't just be Begaye, Bates, and other tribal leaders demanding these things. The state and federal government have a moral and ethical responsibility, too. After all, it was the Department of Interior, back in the 1960s, that coerced the Navajo into giving up both land and water for NGS. Since the plant began operating in the mid-1970s, the federal government, SRP and the plant's other owners have enjoyed rights of way and water from the Colorado River for next to nothing, and subsidized coal prices. Arizona's economy wouldn't be possible without the power from NGS that pumps water to Phoenix, Tucson, and other parts of the state.

After decades of profiting from the exploitation of Navajo resources, it's time to look out for the health, welfare and economic wellbeing of all Arizonans – including the Navajo and Hopi.

*Editor's Note: Nicole Horseherder is a lifetime resident of Black Mesa. Nicole is a graduate from the University of Arizona with a bachelor's degree in family and consumer resources and a masters in linguistics at the University of British Columbia, Vancouver, Canada. Nicole is a farmer and a water advocate.*

# Guest Column: Coal-fueled electricity has reached the tipping point

NAVAJO TIMES
DINÉ BI NAALTSOOS

May 4, 2017

***By Edward K. Dee***
***Special to the Times***

What are the plans Navajo leaders? Now that coal market and technology made the ultimate decision, which the owners of Navajo Generating Station recognize, but not the Navajo Nation.

Time is neither on Navajo Nation's side in developing a "comprehensive and large-scale economic plan" at this 11th hour nor is the notion of being a "coal man" a coherent policy strategy moving forward. Either of these positions, as expressed by Navajo leaders, is simply ill prepared. The writing has been on the wall for quite some time now.

While Navajo officials were amending the "1980 energy policy" in 2013, dubbed as Navajo Nation Energy Policy of 2013, the International Energy Agency issued its "Coal, Medium-Term Market Report 2013," which clearly spelled out coal being oversupplied and lower-than-expected demand has driven coal prices down to a three-year low.

One would think the powers that be in Navajo government were working on a comprehensive and large-scale energy-water-economic nexus plan since 2013.

Even Donald Trump is late to the game with his bizarre rhetoric: "(We're) bringing back jobs, big leagueÉWe're bringing them back at the plant levelÉwe're bringing them back at the mine levelÉthe energy jobs are coming back."

Over-the-top promises to keep in contrast to the harsh economic realities, while experts and mine owners agree that those jobs are not coming back. Listening to Donald Trump to heal the coal industry is like taking his advice to heal a skin rash with a blowtorch.

The great Austrian economist Schumpeter (1942) comes to mind; the Shumpeterian "creative destruction" refers to the incessant product and process innovation mechanism by which new production units replace outdated ones.

With the advent and subsequent conquest of technology, we no longer have rotary phones, cassette tapes, and typewriters or see a travel agent.

Coal-fueled electricity generation has reached that critical tipping point. Its end of life is as predictable as the dawn of a new day.

When will Navajo leaders realize and accept that concerns about climate change are driving policy that favors cleaner energy sources and increases the price of fossil fuels?

Eleventh-hour and emotionally charged decision in pursuit of a comprehensive and large-scale economic plan to offset NGS closure is flawed and reactionary at best.

Highly trained professionals are taught to make decisions without an emotional impulse. It appears this is exactly what Navajo leadership is doing in its efforts to cling on short-term jobs and declining revenues, while forgoing a more robust national-decision approach.

What are missing from the current discussion involving NGS and Kayenta Mine are scientific facts and academic studies.

There is a tier-one-research university no more than four and a half hours south of Navajo Nation at Arizona State University, which is the nation's first School of Sustainability. Its mission is to educate a new generation of scholars and practitioners in developing practical solutions.

One only wonders why Navajo leadership has not tapped ASU or the Julie Ann Wrigley Global Institute of Sustainability professionals and their signature programs and solutions. Programs filled with broad spectrum of expertise and resources from the university and external partners to revolutionize the use of energy and the large-scale conversion of sunlight, so to transition toward a more sustainable energy system.

In fact, ASU scientists have been reaching out to Navajo officials from across its campuses in the past several months with little to no acknowledgment. This is the very academic institution the Navajo Nation have invested millions of dollars over the decades.

I would not underestimate if Northern Arizona University or the University of Arizona has not already expressed similar interest to Navajo officials in offering their support regarding energy transformation, future strategies beyond the Navajo's addiction to coal.

I suspect other universities and institutes from New Mexico are equally expressing interest to Navajo leaders given the likely demise of San Juan Generating Station.

When will Navajo leaders begin reading the same coal industry trend charts and acknowledge a shifting global market for cleaner energy economic promises in renewables?

Scholars write that the Navajo Nation has more developable solar energy than any tribe, amounting to 100 times the installed capacity of California, the leading state. In addition, the Navajo Nation has an estimated wind generating capacity as large as the installed capacity of Texas, the leading state for wind development.

Faculty and scientists from nearby universities have been expressing interest for Navajo and its 110 chapters, so the nation can put itself in the best possible position to replace lost jobs and to explore a sustainable economic development as surrounding coal-fired power plants closes. Energy scientists all point to eventual closures of power plants, the order in which they will go down around the Four Corners region, surrounding Navajo Nation, is anybody's guess.

Navajo's path dependency on coal in this era of the 2017 digital revolution has been part of the problem and positively not part of the solution. We stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and sustain.

Here are three pressing questions: Navajo leadership, are you poised for this transformation? At what point will nation leaders mobilize and plan toward a more strategically focused sustainable energy transition? What narrative do you write for our children and their children, one that is emotionally hooked on fossil-based fuels or one that embraces innovative renewable energy solutions?

*Dee is a Ph..D candidate at Arizona State University. His hometown is Teec Nos Pos, Ariz.*

# Navajo Generating Station's power lines could benefit solar and wind development, energy experts say

THE ARIZONA REPUBLIC

Ryan Randazzo , The Republic | azcentral.com
Published 6:03 m. T pril 26, 2017 Updated 9:21 a.m. MT April 26, 2017

*(Photo: Mark Henle/The Republic)*

Large transmission lines used to move electricity from the Navajo Generating Station could be a major advantage for developing solar or wind projects in the Four Corners region should the coal plant close, energy experts said Tuesday.

The coal plant near Page could close as early as this year or stay open through 2019, when the current owners have said they will no longer operate it. There is a remote chance new buyers could run the plant beyond then, but so far no proposal along those lines has been made public.

When the 2,250-megawatt coal plant shuts down, it will leave major power lines in the region underused, and utilities that own the lines would have the opportunity to take power from renewable-energy projects that could be built in the area, officials said.

"This is clearly a historic opportunity," said Jessie Audette Muniz, senior director of project development for Apex Clean Energy, which has worked on solar and wind projects in the West. "It is certainly an interesting opportunity for the industry and for supporters of clean energy in general."

Audette Muniz participated in a conference call on the subject sponsored by Interwest Energy Alliance, Northern Arizona University and Utah Clean Energy.

Many opponents of coal-fired power plants have suggested renewable-energy projects to help replace the jobs, lease payments and economic contributions the coal plant and Kayenta Mine make to the northern Arizona communities, which is substantial. More than 800 people work at the plant and mine, mostly members of the Navajo and Hopi tribes.

While it is unlikely a single solar, wind or combination development could replace the money that the tribes and employees earn from the coal operations, officials said such developments should not be ignored.

When the coal plant eventually retires, renewable energy offers the best alternative in the region, Audette Muniz said.

"It would also create revenue from lease payments, community benefits, and has a low-resource impact in a region that has been very severely impacted by coal generation," she said. "There is no water use and no waste production."

**RESOURCES AND DEVELOPMENT COMMITTEE**
**23rd NAVAJO NATION COUNCIL**

**THIRD YEAR 2017**

**COMMITTEE REPORT**

Mr. Speaker,

The **RESOURCES AND DEVELOPMENT COMMITTEE** to whom has been assigned:

> **Legislation # 0194-17:** An Action Relating to Health, Education and Human Services, Resources and Development; Budget and Finance, Naabik'Iyati Committees and the Navajo Nation Council; Approving the Replacement Lease Between the Navajo Nation and Salt River Project Agricultural Improvement and Power District, Arizona Public Service Company, Tucson Electric Power Company, Nevada Power Company D/B/A NV Energy, and Department of Water and Power Of City of Los Angeles; Lease Amendment No. 1 to Existing Lease; Approving of Restrictive Covenants Related to Ash Disposal Area and Solid Waste Landfill and Pond Solids; Waiver of Sovereign Immunity. *Sponsor: Honorable LoRenzo C. Bates*

Has had it under consideration and report the same with a **DO PASS** with the following amendments:

1. On **page 2, line 28** insert the following: (NGS Partners, NGS Owners, or Lessess)

2. On **page 3, strike lines 12 - 28**, and insert the following as new paragraph F:

   Remediation means the remediation, closure, monitoring and other related activities required to take place on the NGS Site pursuant to the Lease and all Applicable Law. NGS Site Remediation includes, but is not limited to, monitoring and remediation of the perched water on the NGS Site as necessary; closure in place and monitoring of the Ash Landfill, solid waste landfill, and specified retention and stormwater ponds; interim maintenance of repurposed and new ponds; monitoring to protect groundwater outside the Leased Premises; remediation of solid waste, pond solids, and coal combustion residuals as necessary; remediation of specified structures and materials through closure in place; and continuation of remediation and monitoring begun during the NGS Retirement Period, as identified pursuant to Section 11 (NGS Retirement).

3. On **page 4, line 5**, insert the following: Retirement of NGS and the NGS Site…

4. On **page 4, line 15**, insert the following:

   …retirement process. The following programs serve on the joint Consultation Group on behalf of the Nation: the Navajo Nation Environmental Protection Agency, the Navajo Nation Department of Water Resources, the Navajo Nation Minerals Department and the Navajo Nation Department of Fish and Wildlife.

5. On **page 5, strike lines 3 – 8**, and insert the following:

1. A railroad track and related facilities valued at $12,000,000;
2. Lake Pump Facility, electrical distribution lines from the 230kV switchyard and the 230kV switchyard valued at $41,000,000;
3. The equipment making up the Air Monitoring Station;
4. Fences located at the NGS Site; and,
5. $18,132,500 to be paid in equal installments over three (3) years beginning January 1, 2020.

6. On **Page 6, strike lines 13-17**, and insert the following as a new paragraph 5:

The Navajo Nation agrees, should any NGS Partner default on rental payments or other monies due the Navajo Nation, or should the Navajo Nation default for nonpayment of monies owed to the NGS Partners, either party may bring suit collect payment of monies due, and get enforcement of compliance from the defaulting party in a federal or state court. *See* Section 17.

7. On **Page 6, strike lines 23 – 25**, and insert the following as new paragraph 7:

"The Parties agree that, to the extent allowed by law, preference will be given to Navajo-owned business registered with the Navajo Nation Business Regulatory Department and any contractor hired in association with the work contemplated under the Replacement Lease will agree to give preference when hiring for the work at NGS to qualified local Navajos."

8. On **page 6, strike lines 26 – 28**:

~~The Navajo Nation agrees that the Navajo Nation will not directly or indirectly regulate or attempt to regulate the NGS Partners relative to the leased premises or activities that are the subject of the Replacement Lease. *See* Section 26.~~

9. On **page 7, strike lines 1 – 3**:

~~The Navajo Nation consents to a waiver of sovereign immunity for any action in any court of the United States or in any Arizona court for default or other claims or disputes. *See* Section 19.~~

10. On **page 7, line 21**, strike "~~Supplemental Agreement~~" and insert "Amendment No. 1 to Existing Lease…"

11. **On page 7, line 23**, insert new paragraph:

P. Any Navajo Nation enterprise shall be required to obtain insurance to address the Navajo Nation's commitment in Section 23 of the Replacement Lease to indemnify the NGS Partners for the actions of the enterprise.

12. On **page 7, line 25**, insert new language:

"The Existing Lease is amended to delete Section 12 (b) of the Existing Lease and to replace that section with a provision stating..."

13. On **page 15, strike lines 7 and 8**, and insert the following:

The Navajo Nation authorizes the Navajo Nation President to execute any and all document related to the following: (1) Replacement Lease; (2) Amendment No. 1 to Existing Lease; (3) Restrictive Covenant for the Ash Disposal Area; and (4) Restrictive Covenant for the Solid Waste Landfill and Pond Solids.

14. **Renumber or re-letter succeeding paragraphs or sections accordingly**, if necessary. This amendment shall supersede inconsistent language contained in any other committee amendment, which shall be conformed to the intent or language of this amendment. The Office of Legislative Services, with notice to the sponsor(s) of the Legislation, is hereby authorized to make necessary grammatical changes.

15. **Replace Exhibit A** with revised Exhibit A;

16. **Replace existing Attachment F** to Exhibit A with revised Attachment F.

17. **Replace existing Attachment to Exhibit A** with revised Attachment F-2.

(**AMENDMENT MOTION**: Davis Filfred Second: Leonard Pete Vote: 3-2-0 (Presiding Vice Chairman Benjamin Bennett voted to break the tie vote.)

And thereafter matter was referred to Budget and Finance Committee.

Respectfully submitted,

Benjamin Bennett, Presiding Vice-Chairperson
Resources and Development Committee
the 23rd Navajo Nation Council

**Date:** **June 6, 2017**
Main Motion: Honorable Davis Filfred
Second: Honorable Leonard Pete
Vote: 3-2-0 (Presiding Vice-Chairman Benjamin Bennett voted to break the tie vote)

Exh. A



**REPLACEMENT LEASE**

**BETWEEN**

**THE NAVAJO NATION**

**AND**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

## TABLE OF CONTENTS


1. DEFINITIONS ..... 5
2. LEASED PREMISES. ..... 10
3. APPLICABLE LAW. ..... 12
4. PURPOSE; PERMISSIBLE USES; RESTRICTED USES. ..... 13
5. LEASE TERM. ..... 14
6. SURRENDER. ..... 15
7. RENTAL AND RENTAL PAYMENTS ..... 19
8. FURTHER COMPENSATION AND TERMS AND CONDITIONS RELATED TO TRACT B ..... 22
9. LIST OF NAVAJO NATION RETAINED ASSETS AND THE TABLE OF SAVINGS AND COSTS ..... 24
10. PAYMENT IN LIEU OF TAXES. ..... 25
11. NGS RETIREMENT. ..... 26
12. OPERATION AND MAINTENANCE ..... 29
13. UTILITY SERVICE AGREEMENTS. ..... 29
14. WATER USE. ..... 29
15. LIENS; UTILITY CHARGES. ..... 30
16. MORTGAGE TRANSFERS, ASSIGNMENTS AND SUBLEASES ..... 30
17. DEFAULT FOR NONPAYMENT; REMEDIES; JURISDICTION ..... 31
18. OTHER BREACHES AND DEFAULTS. ..... 32
19. WAIVER OF SOVEREIGN IMMUNITY ..... 34
20. REEVALUATION UPON REQUEST. ..... 35
21. GENERAL LIABILITY INSURANCE. ..... 35
22. NAVAJO PREFERENCE IN EMPLOYMENT AND NAVAJO BUSINESS OPPORTUNITY. ..... 36
23. INDEMNIFICATION, NON-LIABILITY ..... 37
24. MINERALS. ..... 38
25. EXPIRATION OF LEASE AND DELIVERY OF LEASED PREMISES. ..... 39
26. NATION'S AGREEMENT NOT TO REGULATE LESSEES. ..... 39
27. REPORTING. ..... 40
28. OBLIGATIONS TO THE UNITED STATES. ..... 40
29. NOTICES AND DEMANDS. ..... 40
30. SUCCESSORS AND ASSIGNS. ..... 41
31. EFFECTIVE DATE; VALIDITY. ..... 41

32. COOPERATION....42
33. MEMORANDUM OF LEASE; RECORDATION. ....42
34. MUTUAL ESTOPPEL STATEMENTS....42
35. NAVAJO NATION AUTHORIZATION APPROVING THE LEASE AND ADDRESSING SPECIFIC ACTIONS UNDER THIS LEASE....43
36. WAIVER AND RELEASE OF CLAIMS; COVENANT NOT TO SUE....44
37. APPLICATION AND WAIVER OF REGULATIONS OF DEPARTMENT OF INTERIOR....46
38. ADDITIONAL BIA REQUIREMENTS....46
39. EXECUTION IN COUNTERPARTS....47
40. ESTOPPEL CERTIFICATES....47
41. QUIET ENJOYMENT. ....47
42. FORCE MAJEURE....47
43. INDEPENDENT COVENANTS....48
44. SEVERAL RIGHTS LEASED. ....48
45. WAIVER OF JURY TRIAL....48
46. RECITALS. ....48
47. ENTIRE AGREEMENT. ....48
48. AMENDMENTS....49

Exhibit A The NGS Site (Tract A)
Exhibit A The Transmission Site (Tract B)
Exhibit A-2 The NGS Power Facility Located on a Portion of the NGS Site
Exhibit B List of Navajo Nation Retained Assets and the Table of Savings and Costs
Exhibit C Navajo Project Retirement Guidelines
Exhibit D Amendment No. 1 to the Indenture of Lease
Exhibit E Ash Disposal Area
Exhibit E-2 Solid Waste Landfill and Pond Solids Area
Exhibit F Ash Landfill Restriction
Exhibit F-2 Solid Waste Landfill and Pond Solids Restriction
Exhibit G Memorandum of Replacement Lease
Exhibit H Conveyor and Coal Loading Silo Areas
Schedule 7 Rental Payment Schedule
Schedule 29 Navajo Nation and Lessees Addresses

**REPLACEMENT LEASE**

**BETWEEN**

**THE NAVAJO NATION**

**AND**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**THIS REPLACEMENT LEASE** ("Lease") is made and entered into by and between THE NAVAJO NATION ("Nation"), as lessor, and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY d/b/a NV Energy, AND THE DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES (hereinafter collectively, together with their successors and assigns, referred to as "Lessees", and singly referred to as "Lessee"), as lessees, and is approved by the Secretary of the Interior on this __ day of _____, 2017. The Nation and Lessees hereinafter are referred to collectively as the "Parties" or individually as "Party."

**RECITALS**

**WHEREAS**, the Nation and the Lessees are parties to that certain Indenture of Lease – Navajo Units 1, 2 and 3 – between the Navajo Nation, as lessor, and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company d/b/a NV Energy, Salt River Project Agricultural Improvement and Power District, and Tucson Electric Power f/k/a Tucson Gas and Electric Company, as lessees, effective as of December 23, 1969, and continuing through December 22, 2019, which is to be amended by Amendment No. 1 thereto on the Effective Date hereof (as amended, the "Existing Lease").

**WHEREAS,** the Parties desire to enter into this Lease to replace the Existing Lease upon its expiration and to address matters related to (i) the Navajo Project, (ii) NGS Retirement and NGS Site Remediation of the Navajo Generating Station and related buildings, structures, and facilities located on the Leased Premises, (iii) the Parties' agreement to remediate coal combustion residuals, pond solids, solid waste, and other mutually agreed upon and specifically identified structures and materials through closure in place on the Navajo Project in compliance with the Retirement Guidelines, the NGS Retirement

Plan, and all applicable federal environmental laws, and (iv) operation and maintenance of transmission facilities on the Leased Premises.

**WHEREAS**, it is intended that under this Lease, the Nation shall lease to the Lessees undivided interests as tenants in common in the Leased Premises with their respective undivided interests in the said real property in accordance with the Lease Percentages as defined in Section 2(A) (Leased Premises).

**WHEREAS**, pursuant to other agreements related to the Navajo Project, Salt River Project owns 23.2 percent of the NGS Site for its own use and benefit and owns 24.3 percent of the NGS Site for the use and benefit of the United States of America.

**WHEREAS**, pursuant to other agreements related to the Navajo Project, Salt River Project owns 32.3 percent of the STS Site portion of the Transmission Site for its own use and benefit and owns 23.9 percent of said STS Site portion of the Transmission Site for the use and benefit of the United States of America, and Salt River Project owns 25.0 percent of the WTS Site portion of the Transmission Site for the use and benefit of the United States of America and thereby owns zero percent (0%) of the WTS Site for its own use and benefit.

**WHEREAS**, the Nation has, as evidenced by Resolution #_____ dated _____, 2017, approved this Lease upon the terms and conditions set forth in the Resolution, which the Nation has deemed to be in the best interests of the Nation.

**WHEREAS**, the Lessees have applied or will apply for the grant from the Secretary of one or more §323 Grants and the Nation has consented pursuant to Resolution #_____ to the issuance by the Secretary of such §323 Grants on terms and conditions substantially the same as the terms and conditions of this Lease, and the rights-of-way and easements granted to the Lessees by the Secretary under each §323 Grant are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon, the leasehold rights leased to the Lessees under this Lease.

**NOW THEREFORE,** the Nation and Lessees desire to enter into this Lease, the purpose of which will not include any coal combustion by the Lessees during any term of this Lease provided for in Section 5 (Lease Term).

## 1. DEFINITIONS.

Capitalized terms in this Lease have the meanings defined in Section 1 (Definitions). All other terms have their customary meanings unless indicated otherwise.

(A) "Amendment No. 1 to the Indenture of Lease" means the Amendment No. 1 to the Indenture of Lease among the Parties effective simultaneously with the Effective Date and which addresses certain matters between the Parties regarding operation of the Navajo Project for the remainder of the Existing Lease term. While not incorporated into this Agreement by reference, an unsigned copy of the Amendment No. 1 to the Indenture of Lease is attached as Exhibit D.

(B) "Applicable Law" means all laws specified in Section 3 (Applicable Law) as applying to the Leased Premises for purposes of NGS Retirement, NGS Site Remediation, and operation, maintenance and removal of the Transmission Facilities.

(C) "APS" means Arizona Public Service Company, an Arizona corporation.

(D) "Ash Disposal Area" means that portion of the NGS Site legally described on Exhibit E. A description of the Ash Disposal Area is included in Exhibit E.

(E) "Ash Landfill Restriction" means the notice/restriction required by Applicable Law and attached as Exhibit F.

(F) "Ash Landfill" means that portion of land on the Ash Disposal Area that contains the coal combustion residuals from operation of the Navajo Generating Station, as further depicted in Exhibit E. The terms "ash," "coal ash," and "coal combustion residuals ("CCR")," when used in this Lease or its Exhibits, are synonymous.

(G) "BIA" means the United States Bureau of Indian Affairs.

(H) "Credit Rating" means, with respect to Lessees, on any date of determination, the rating then assigned to Lessee's (i) unsecured debt, or for SRP, its revenue bonds (such debt not supported by third-party credit enhancement) or (ii) if such rating in clause (i) is unavailable, its corporate credit rating, in each case as issued by S&P or Moody's.

(I) "Downgrade Event" means, with respect to a Lessee, that (i) its Credit Rating falls below BBB- by S&P and Baa3 by Moody's; or (ii) it has no Credit Rating by both S&P and Moody's.

(J) "Effective Date" means the date that the Secretary has approved this Lease. This Lease shall be submitted to the Secretary for approval immediately after it has been fully executed by the Parties other than the signature by Salt River Project for the use and benefit of the United States. The Effective Date shall be set forth on page four (4) hereof upon the Secretary's approval.

(K) "Extension Period" means the additional Lease Term for Tract B and the related §323 Grant set forth in Sections 5(B) (Lease Term) and 8 (Further Compensation and Terms and Conditions Related to Tract B).

(L) "Lease Percentages" has the meaning given it in Section 2(A) (Leased Premises).

(M) "Lease Term" means the term of this Lease set forth in Section 5(A) (Lease Term) which applies to both Tract A and Tract B of the Leased Premises, but may be extended only for Tract B.

(N) "Leased Premises" means, as of the Effective Date, those lands (which are not all contiguous) legally described as Tract A (the NGS Site) and Tract B (the Transmission Site) on Exhibit A. A reduced survey map or plat of the Leased Premises is included in Exhibit A. Further, for ease of reference the diagrams (not to scale) of those portions of the Leased Premises constituting the NGS Site, the STS Site, and the WTS Site are the first page of Exhibit A (Tract A) and Exhibit A (Tract B) and a diagram of the NGS Power Facility is included in Exhibit A-2. The Leased Premises will be modified from time to

time after the Effective Date pursuant to Surrender as set forth in Section 6 (Surrender), and the definition of "Leased Premises" shall be modified accordingly.

(O) "Los Angeles" means the Department of Water and Power of the City of Los Angeles, a Department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California.

(P) "Memorandum of Replacement Lease" means that certain memorandum of this Lease recorded in the official records of the Navajo Nation Land Department Administration, GIS Section, the Land Titles and Records Office of the Department of the Interior Bureau of Indian Affairs, the Navajo Nation Environmental Protection Agency, LeChee Chapter and the Navajo and Coconino, Arizona, County Recorders.

(Q) "Moody's" means Moody's Investors Service, including its successor agencies, if any.

(R) "Navajo Generating Station" or "NGS" means the facilities and improvements located on the NGS Site, including, but not limited to, the NGS Power Facility, the railroad, the communication stations, the conveyor, the Lake Pump Facility, and the Ash Landfill, all of which are located on the NGS Site.

(S) "Navajo Nation" or "Nation" means the Navajo Nation (formerly known as The Navajo Tribe of Indians as stated in the Existing Lease), and includes any political subdivision, including but not limited to any Chapter, Township, Township Commission or taxing authority of the Navajo Nation.

(T) "Navajo Generating Station Participants" means Arizona Public Service Company, the Department of Water and Power of the City of Los Angeles, Nevada Power Company d/b/a NV Energy, Salt River Project Agricultural Improvement and Power District, Tucson Electric Power Company, and the United States of America.

(U) "Navajo Nation Retained Assets" means the Exhibit B list of improvements existing on the NGS Site as of the Effective Date from which the Nation may select, pursuant to Section 11 (NGS Retirement), the improvements that it desires to keep for its own purposes.

(V) "Navajo Project" means the Leased Premises, NGS, and the Transmission Facilities.

(W) "Navajo Project Retirement Guidelines" or "Retirement Guidelines" means the document attached as Exhibit C setting forth the key activities and procedures for the NGS Retirement and NGS Site Remediation, and serving as the basis for the preparation of the more comprehensive NGS Retirement Plan. The Retirement Guidelines~~, which also address Transmission Removal and Remediation,~~ shall also serve as the basis for the preparation of ~~the~~a more comprehensive retirement plan related to Transmission Removal and Remediation~~,~~ which shall be developed at a reasonable time prior to retirement, removal and remediation activities associated with Tract B.

(X) "Nevada" means Nevada Power Company, a Nevada corporation, d/b/a NV Energy.

(Y) "NGS Power Facility" means the facilities shown on Exhibit A-2.

(Z) "NGS Retirement" means removal of NGS ~~in accordance with the Navajo Project Retirement Guidelines and this Lease~~ and restoration of the surface of the NGS Site, pursuant to the provisions of this Lease in accordance with the Navajo Project Retirement Guidelines, as implemented through the ~~Lessees'~~ NGS Retirement Plan.

(AA) "NGS Retirement Period" means the period during the Lease Term commencing on **December 23, 2019** and continuing up to and through **December 22, 2024.**

(BB) "NGS Retirement Plan" means the plan to be developed by Lessees setting forth the exclusive scope of work and the work specifications for NGS Retirement in accordance with the Navajo Project Retirement Guidelines, as provided in Section 11 (NGS Retirement), as said plan is amended from time to time by Lessees in a manner consistent with the Navajo Project Retirement Guidelines.

(CC) "NGS Site" means, as of the Effective Date, those lands (which are not all contiguous) legally described as Tract A on Exhibit A.

(DD) "NGS Site Remediation" means the remediation, closure, monitoring and other related activities required to take place on the NGS Site pursuant to this Lease and all Applicable Law. NGS Site Remediation includes, but is not limited to, monitoring and remediation of the perched water on the NGS Site as necessary; closure in place and monitoring of the Ash Landfill, solid waste landfill, and specified retention and stormwater ponds; interim maintenance of repurposed and new ponds; monitoring to protect groundwater outside the Leased Premises; remediation of solid waste, pond solids, and coal combustion residuals as necessary; remediation of specified structures and materials through closure in place; and continuation of remediation and monitoring begun during the NGS Retirement Period, as identified pursuant to Section 11 (NGS Retirement).

(EE) "NGS Site Remediation Period" means the period during the Lease Term commencing not later than **December 23, 2024** and continuing through **December 22, 2054.** Notwithstanding this period, some NGS Site Remediation may occur during the NGS Retirement Period.

(FF) "Replacement Lease" or "Lease" means this document, together with all referenced exhibits and attachments.

(GG) "Reservation Lands" means the lands of the Nation located within the exterior boundaries of the formal Navajo Indian Reservation.

(HH) "Salt River Project" means the Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized under the laws of the State of Arizona.

(II) "Secretary" means the Secretary of the Interior, his or her authorized representative, such person or agency as he or she may expressly designate to perform the Secretary's functions specified in this Lease, or any federal agency succeeding to the duties of the Secretary under the Lease.

(JJ) "Solid Waste Landfill and Pond Solids Area" means those portions of the Leased Premises legally described on Exhibit E-2.

(KK) "Solid Waste Landfill and Pond Solids Restriction" means the notice/restriction attached as Exhibit F-2.

(LL) "STS Site" means that portion of the Transmission Site that is the area occupied by the STS, as more fully depicted in Exhibit A, Tract B.

(MM) "S&P" means Standard & Poor Financial Services LLC, including its successor agencies, if any.

(NN) "Surrender" or "Surrendered" means the surrender to and the Nation's corresponding acceptance of portions of the NGS Site pursuant to Section 6 (Surrender). Upon Surrender: (1) the leasehold interest of the Lessees in the Surrendered Lands is extinguished; and (2) possession thereof by Lessees is relinquished, subject to and reserving rights of reasonable access by both the Nation and Lessees, all as provided in this Lease. To the extent any portion of the Surrendered Lands contains monitoring and related areas requiring post-closure access as described in Section 6 (Surrender), a general description or map of said areas shall be included in the documentation establishing the Surrender.

(OO) "Surrender Outside Date" means **December 22, 2024**, which is the date that all portions of the NGS Site, to the extent not previously Surrendered, except for the conveyor and the coal-loading silo areas shown on Exhibit H, must be Surrendered pursuant to Section 6(C) (Surrender). The conveyor and coal-loading silo areas shall be surrendered by **December 31, 2035**.

(PP) "Surrendered Lands" means those portions of the NGS Site Surrendered from time to time by Lessees to the Nation pursuant to Section 6 (Surrender).

(QQ) "Table of Savings and Costs" or "List of Navajo Nation Retained Assets and the Table of Savings and Costs" means that portion of Exhibit B named as such and which sets forth stipulated NGS Retirement savings and costs.

(RR) "Term Commencement Date" means **December 23, 2019** at 12:01 a.m. MST, as set forth more fully in Section 5(A) (Lease Term).

(SS) "Transmission Facilities" mean those facilities for transmitting electrical generation commonly known as the Southern Transmission System, including the Navajo 500kV Switchyard (collectively, "STS"), the Western Transmission System ("WTS"), and all related facilities located on the Transmission Site.

(TT) "Transmission Removal and Remediation" means the retirement of the Transmission Facilities and the remediation of the Transmission Site.

(UU) "Transmission Site" means that portion of the Leased Premises on which the "STS" and "WTS" and the related rights-of-way are located, including the STS Site and the WTS Site. The Transmission Site consists of the lands legally described as Tract B on Exhibit A.

(VV) "Tucson" means Tucson Electric Power Company, an Arizona corporation, f/k/a Tucson Gas & Electric Company.

(WW) "WTS Site" means that portion of the Transmission Site that is the area occupied by the WTS, as more fully depicted on attached Exhibit A, Tract B.

(XX) "2-Year Extension Period" shall have the meaning set forth in Section 8(D)(iii) (Further Compensation and Terms and Conditions Related to Tract B).

(YY) "35-Year Extension Period" shall have the meaning set forth in Section 8(D)(i) (Further Compensation and Terms and Conditions Related to Tract B).

(ZZ) "§323 Grant" means, singularly or collectively, one or more grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §§323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such current regulations promulgated thereunder as are applicable, including 25 C.F.R. §1.2 and Part 169, to Lessees pursuant to which they will use, maintain, relocate, remove, remediate, and monitor NGS and the NGS Site, and also operate, maintain, remove and remediate the Transmission Facilities located on the Transmission Site. The §323 Grant is intended to be co-terminous with the Lease Term and the Nation's consent thereto is for said time period.

## 2. LEASED PREMISES.

(A) Leased Premises. For and in consideration of the rents, covenants, agreements, terms and conditions contained herein, the Nation hereby leases to Lessees, as tenants in common in the percentage of undivided interests set forth below, all of those tracts or parcels of land situated within the Navajo Nation, State of Arizona, legally described on Exhibit A and by this reference made a part hereof, containing approximately 7,500 acre(s), more or less, together with the right of reasonable ingress and egress.

The Lessees shall have an undivided interest in the leasehold rights leased to Lessees under this Lease in the Lease Percentages as follows:

| | NGS Site/Tract A | Transmission Sites/Tract B | |
|---|---|---|---|
| Lessee | NGS and Related Property | Western Transmission System | Southern Transmission System (see note 1) |
| APS | 14.0% | 0.0% | 20.5% |
| Los Angeles | 19.7% | 48.9% | 7.8% |
| Nevada | 11.3% | 26.1% | 4.5% |
| Salt River Project | 47.5% | 25.0% | 56.2% |
| Tucson | 7.5% | 0.00% | 11.0% |
| Note 1: Ownership values are based on acres equivalent and not on transmission capacity. | | | |

Notwithstanding the foregoing or anything in this Lease to the contrary, Lessees reserve

the right to readjust and reallocate undivided interests in this Lease from time to time. Said readjustment shall be effective on a written notification by all Lessees to the Nation containing an effective date of the amended undivided tenant-in-common interests. No individual Lessee that owns a lesser co-tenant percentage as a result of an adjustment shall be relieved of its prior higher percentage tenant-in-common ownership liability for matters that arise prior to the effective date of the amended co-tenant percentages. Nor shall any individual Lessee that becomes an owner of a greater co-tenant percentage as a result of an adjustment be liable for additional liability through said greater co-tenant percentage until on and after the effective date of the amended co-tenant percentages.

(B) Road Access.

(i) Lessees are permitted to use for the Lease Term, for purposes of the operation, maintenance, repair, retirement and remediation of the Transmission Facilities and NGS, all access roads located outside the Leased Premises on Reservation Lands and recognized as a portion of the Navajo Nation road system by the Navajo Department of Transportation or in consultation with the U.S. Bureau of Indian Affairs ("BIA"), if necessary; provided, however, that the Lessees are not obligated to maintain such roads, except for maintenance made necessary by Lessees' use of such roads.

(ii) During the NGS Retirement Period and for the Transmission Removal and Remediation on Tract B during either the 2-Year Extension Period or the 35-Year Extension Period, as applicable, the Lessees are permitted a right to reasonable access across Reservation Lands to and from the Leased Premises for heavy haulage, but only in consultation with the Navajo Department of Transportation, and with the BIA, if necessary, and to the extent use of access roads is not practicable for NGS Retirement or the Transmission Removal and Remediation, and provided that said access roads and all property affected shall be restored by Lessees to substantially their original condition upon completion of heavy haulage.

(C) Consent to Grant of Rights-of-Way by Secretary.

(i) The Lessees shall have the right to obtain, by grant from the Secretary, one or more §323 Grants for the Leased Premises. By Resolution #_____ of the Navajo Nation Council dated _____, 2017, the Nation gives its consent to the grant by the Secretary of these §323 Grants (such rights-of-way and easements being herein sometimes called "rights-of-way") for the Leased Premises. The terms and conditions of the §323 Grants as approved by the Secretary shall be consistent with the terms and conditions of the Lease.

(ii) Other similar rights-of-way, additions to, or changes in rights-of-way previously procured, which may be found necessary for the use, maintenance, relocation, removal, remediation and monitoring of the NGS Site, may be procured from the Secretary, subject to the Nation's prior consent. This includes, but is not limited to, rights-of-way for access roads to the boundary of Reservation Lands or main roads and highways.

(iii) The §323 Grants shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease. Under no conditions shall any leasehold rights under this Lease merge with the §323 Grant(s). A termination of this Lease for any reason shall not terminate the §323 Grant(s), and a termination of the §323 Grant(s) for any reason shall not terminate this Lease.

(D) Access to Surrendered Lands.

(i) The Nation shall provide reasonable access to Lessees and their authorized representatives, at all reasonable times and upon compliance with the Nation's safety and security rules, to Surrendered Lands. Such access to Surrendered Lands shall be solely for the purposes of conducting NGS Site Remediation, and post-closure maintenance and monitoring, and shall terminate with respect to applicable portions of the Surrendered Lands when those activities are complete.

(ii) Lessees shall provide reasonable access to the Leased Premises to the Nation and its authorized representatives, at all reasonable times and upon compliance with the safety and security rules established by Lessees, to enable the Nation to: (a) make full use of all Surrendered Lands and any improvements thereon; and (b) enter upon the Leased Premises, or any part thereof, to confirm Lessees' compliance with this Lease, including adherence to the Retirement Guidelines and provisions of Applicable Law. Nothing in this Section 2(D)(ii) shall limit Lessees' obligations under this Lease and Applicable Law.

(E) Other Requirements.

(i) Lessees agree that there will not be any unlawful conduct, illegal activity, or negligent use or waste of the Leased Premises.

(ii) If historic properties, archeological resources, human remains, or other cultural items not previously reported are encountered during the course of any activity associated with the Lease, all activity in the immediate vicinity of the properties, resources, remains, or items will cease and the Lessees will contact the BIA and the Nation to determine how to proceed. Such a delay will be considered a force majeure delay as defined in this Lease.

## 3. APPLICABLE LAW.

(A) Notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, 25 C.F.R. §§162.014(a)(2) and 162.014(b), or relevant federal, state or tribal case law precedent, any activities of the Lessees under this Lease, including, but not limited to, NGS Retirement, NGS Site Remediation, Transmission Removal and Remediation and other activities contemplated in this Lease, shall be governed exclusively by federal law or, if federal law does not apply, the laws of the State of Arizona.

(B) Any and all matters or claims in dispute between the Parties to this Lease, whether arising from or relating to the Lease itself, or arising from alleged extra-contractual facts prior to, during, or after the Effective Date, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the contract, shall be governed by, construed, determined and enforced exclusively in accordance with federal law or, if federal law does not apply, the laws of the State of Arizona, regardless of the legal theory upon which the matter is asserted and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, 25 C.F.R. §§162.014(a)(2) and 162.014(b), or relevant federal, state or tribal case law precedent. Where federal law incorporates or applies the substantive law of the state in which the dispute or activities at issue occurred or in which the federal court is located, this Lease should be construed and enforced to require incorporation of the laws of the State of Arizona.

(C) This Section 3 shall survive any termination of this Lease or the expiration of the Lease Term in perpetuity.

**4. PURPOSE; PERMISSIBLE USES; RESTRICTED USES.**

(A) NGS Site. Lessees shall use the NGS Site for the primary purposes of NGS Retirement, NGS Site Remediation, and post-closure activities in accordance with this Lease. Permissible uses include, but are not limited to, the following:

(i) All activities required by permits, licenses, orders, approvals, or applicable federal law.

(ii) Activities required to obtain applicable permits, licenses, orders or approvals.

(iii) Remediation through closure in place on the Navajo Project, in compliance with the Retirement Guidelines, the NGS Retirement Plan, and all applicable federal environmental laws, of coal combustion residuals, pond solids, solid waste, and structures and materials specifically agreed upon by the Parties and identified in Appendix 3 to Exhibit C, Exhibit E and Exhibit E-2.

(B) No Coal Combustion. Coal combustion is not a permissible use after the Term Commencement Date.

(C) Transmission Site. Lessees shall use the Transmission Site for the primary purpose of operations, maintenance, removal and remediation of the Transmission Facilities in accordance with this Lease.

(D) Closure in Place. The Parties intend that the Ash Landfill, solid waste landfill, specified retention and stormwater ponds, and certain subgrade structures, pipes, and conduit will be closed in place. Closure in place of these facilities and structures, and any others mutually agreed to by the parties in accordance with this Lease, is a permissible use that has been mutually agreed upon by the Parties. The Rental Payments (Section 7 Rental and Rental Payment) are, in part, consideration paid by Lessees for the Nation's consent to closure in place and the Lease Term is based, in part, on Lessees' need for access to conduct monitoring and maintenance activities after closure. All closure in place shall comply with this Lease, the Retirement Guidelines, the NGS Retirement Plan, and all applicable federal environmental laws.

(E) Restricted Uses. Residential, multifamily, school, child care, farm, hospice and other uses that ~~could~~would reasonably be expected to pose ~~a~~an unacceptable human health risk or disturb the integrity of capped closures in place, whether commercial, for profit or non-profit, are prohibited on the Leased Premises for the Lease Term. The Leased Premises are not suitable for unrestricted use and Lessees shall have no obligation to achieve standards suitable for unrestricted use. Warehouse~~ and~~, office, and other commercial and industrial uses are permissible uses if they ~~do~~would not reasonably be expected to pose ~~a~~an unacceptable human health risk or disturb the integrity of any capped closure in place. The Nation agrees that after expiration of the Lease no residential, multifamily, school, child care, farm, hospice or other use~~ that could pose a human health risk~~, whether commercial, for profit or non-profit, that would reasonably be expected to pose an unacceptable human health risk shall be permitted on the Leased Premises unless the Nation conducts additional remediation to render the Leased Premises suitable for the proposed use. If the Nation allows use of any portion of the Leased Premises in

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any manner ~~that could pose a human health risk or disturb the integrity of any capped closure in place.~~contrary to this Section 4(E), the Nation shall indemnify and hold harmless the Lessees for any such use. This Subsection shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

(F) Capped Areas. Lessees shall cap the solid waste landfill and pond solids closure areas~~.~~. Prior to Surrender pursuant to Section 6 (Surrender), Lessees shall make repairs to any capped areas located on the Leased Premises that are necessary to correct the effects of settlement, subsidence, and erosion and to prevent run-on and run-off from eroding or otherwise damaging the cover. Without limitation, prior to Surrender pursuant to Section 6 (Surrender), Lessees shall have the right to place whatever fencing, signage, and barriers they deem necessary to provide notice or restrict access. After Surrender, the Nation shall maintain any fencing, signage, or barriers for so long as the Nation deems them to be necessary. Any use by the Nation of the capped areas shall not disturb the integrity of the cap or of any sentinel monitoring well that is still in use. This Subsection shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

(G) Monitoring and Response Activities. The Lessees shall monitor the water quality in existing groundwater monitoring well(s) downgradient of the solid waste landfill to confirm that materials and structures remediated through closure in place do not pose a threat to groundwater outside the Leased Premises. Lessees shall ~~meet~~consult with the Navajo Nation EPA ("NNEPA") and will establish a monitoring plan that lists the constituents to be tested~~ and~~, the acceptable concentration limits~~. Lessees~~, the wells to be sampled and the frequency of sampling, which sampling shall ~~sample one or two wells once every six months commencing~~commence on the Term Commencement Date and ~~continuing~~continue during the Tract A Lease Term for so long as the Lessees and the NNEPA agree that sampling is necessary to confirm that the closures pose no threat to groundwater outside the Leased Premises. If sampling indicates that groundwater concentrations in the ~~sentinel~~ well(s) exceed the limit established in agreement with the NNEPA for any constituent, the Lessees shall notify the NNEPA and work cooperatively to develop an investigation plan. If this investigation plan results in verification that the groundwater contamination originated on the Leased Premises and poses a threat to groundwater outside the Leased Premises, the Lessees and the Nation shall cooperatively develop an action and response plan. The Nation shall provide any access necessary for the action and response plan as provided for in Section 2(D) (Leased Premises). If Lessees and the Nation cannot agree on an appropriate response plan, the Parties will institute dispute resolution under Section 18 (Other Breaches and Defaults).

**5. LEASE TERM.**

(A) Term. The term of this Lease will commence on **December 23, 2019** at 12:01 a.m. MST ("Term Commencement Date"), the date on which the Existing Lease ends and is fully extinguished.

(i) Tract A. The Lease Term for Tract A is for thirty-five (35) years and expires on **December 22, 2054**, without the right of extension.

(ii) Tract B. The Lease Term for Tract B is for thirty-five (35) years and expires on **December 22, 2054**, with one (1) right of extension as referenced below.

(B) Extension of the Lease Term for Tract B. The Lease Term for Tract B shall be extended once for either a 2-Year Extension Period or a 35-Year Extension Period, all as provided for in Section 8 (Further Compensation and Terms and Conditions Related to Tract B) below. The Lease Term, as it relates solely to Tract B and the related §323 Grants, will be extended for the applicable time period provided for in Section 8 (Further Compensation and Terms and Conditions Related to Tract B), commencing on the day immediately following the expiration date of the Lease Term for Tract B, being an expiration date of **December 22, 2054** (the "Extension Period"), on the same terms and conditions provided herein, with the exception that the aggregate Lease rental and §323 Grant payments from the Lessees for the entire Extension Period shall be $10.00 per annum, which may be prepaid or paid in a lump sum at any time by the Lessees. No Extension Period shall apply to Tract A.

(C) Right of Access for Activities after End of Lease Term. Applicable Law currently requires groundwater monitoring and other post-closure care of the Ash Landfill for thirty (30) years and possibly longer from the date of closure of the Ash Landfill. Other remediation or monitoring activities may continue past the end of the Lease Term. In the event that any such activities, at the Ash Disposal Area or elsewhere on the Leased Premises, are required to take place after the end of the Lease Term, the Nation shall provide reasonable access to Lessees and their authorized representatives, at all reasonable times and upon Lessees' compliance with the Nation's safety and security rules, to the Ash Disposal Area or other areas. Such right of access shall be solely for the purpose of conducting the required activities, shall commence on the applicable end of the Lease Term for Tract A and Tract B, respectively, and shall terminate when those activities are complete or no longer required under Applicable Law. No charge or fee shall be incurred by Lessees for this access. Section 26 (Nation's Agreement Not to Regulate Lessees) applies to access and the activities which take place after the end of the Lease Term. The provisions of this Lease providing that the rental and other consideration of this Lease are in full substitution of taxes shall continue to apply to the post-Lease Term rights of the Lessees. This Section 5(C), the insurance provisions contained in Section 21 (General Liability Insurance), and the indemnity provisions contained in Section 23 (Indemnification, Non-Liability) shall specifically survive the expiration of the Lease Term and the latter two Sections shall be applicable to the access. Lessees shall provide a timely copy to the Nation, in accordance with Section 29 (Notices and Demands), of Lessees' notice to the U.S. Environmental Protection Agency that the Ash Landfill is "closed" pursuant to Applicable Law and the U.S. Environmental Protection Agency's written response thereto.

## 6. SURRENDER.

(A) Certain Matters. Notwithstanding anything in this Lease to the contrary:

(i) Surrendered Area. Surrender of the NGS Site will occur during, or at the completion of, the NGS Retirement Period as provided in this Section 6. During the Lease Term, no portion of the Transmission Site will be Surrendered.

(ii) NGS Site. No express or implied covenant or obligation exists for Lessees to operate or preserve all or any portion of NGS or the NGS Site or appurtenant operations, except for Lessees' obligation to preserve those Navajo Nation Retained Assets selected by the Nation pursuant to Section 9(A)(ii) (List of Navajo Retained Assets and the Table of Savings and Costs) until Surrendered (subject to the casualty provisions of Sections 6(A)(iii) and 11(H) (NGS Retirement)).

(iii) Casualty or Damage. The Parties acknowledge that no obligation exists for the Lessees to restore any portion of the Navajo Project subject to casualty (insured or uninsured), damage, breakage and events of force majeure.

(B) Surrender During the NGS Retirement Period.

(i) Warehouse.

(a) The existing NGS Site warehouse includes a building of approximately 52,200± square feet and an abutting parking lot south of the building (collectively, the "Warehouse" and shown on Exhibit A-2). The parking lot shall be shared with project contractors. The Warehouse, together with a reasonable right of access thereto, shall be made available to the Nation, and the underlying land will be Surrendered to the Nation. If the Nation elects to accept the Warehouse by **December 22, 2018**, the transfer and Surrender dates for the accepted Warehouse and underlying land shall be within 180 days after the Term Commencement Date.

(b) AS IS. The Warehouse will be Surrendered AS IS as set forth in Section 11(G) (NGS Retirement).

(c) Limited Purpose. The Warehouse shall be used exclusively for industrial, warehouse, office, and any other non-retail, non-residential purposes that do not interfere with NGS Retirement during the NGS Retirement Period and for no other purposes.

(d) Utilities. All utilities servicing the Warehouse after Surrender shall be the responsibility of the Nation.

(e) Personal Property Removal. Lessees shall have the right to remove their existing inventory and other personal property currently located in the Warehouse for a period of up to 180 days after the Term Commencement Date. Any personal property left by Lessees in the Warehouse after that date shall be deemed abandoned without claim by Lessees, unless the Nation requests its removal by Lessees within 240 days after the Term Commencement Date.

(f) Rules. During the NGS Retirement Period, the rights of the Nation to use the Warehouse and any other Surrendered Lands shall be subject to safety and security rules that the Lessees may adopt in their reasonable discretion.

(ii) The Nation and the Lessees may elect, acting in good faith, to enter into further Surrenders of areas of the NGS Site during the NGS Retirement Period.

(C) Mandatory Surrender on Surrender Outside Date.

(i) Full Surrender of NGS Site. Except as provided in the definition of Surrender Outside Date, on said Surrender Outside Date any remaining portion of the NGS Site shall be Surrendered by Lessees and said NGS Site shall be accepted as Surrendered by the Nation on the conditions contained in this Section 6. The Surrender on the Surrender Outside Date shall be self-operative and fully executed through this provision without further act by any Party, subject to Section 6(D).

(ii) Monitoring and Remediation Areas Within Surrendered Lands. Lessees may reserve in any Surrendered Lands delineated areas that are reasonably required for monitoring and remediation activities. These activities may include operation, maintenance, replacement, removal and land restoration. These areas may be fenced or unfenced. Lessees shall have the right to exclusively control these areas, together with a reasonable right of access over designated rights-of-way and private service drives to such areas, at all reasonable times and upon compliance with the Nation's safety and security rules. In accordance with Section 10 (Payment in Lieu of Taxes), no taxes, fees, assessments, levies, imposts, exactions or charges of any kind shall be incurred by Lessees. Section 26 (Nation's Agreement Not to Regulate Lessees) shall continue to be applicable to the monitoring and remediation areas located within Surrendered Lands. The Lessees shall also permit a modification of the applicable portion of the §323 Grant to limit the §323 Grant on Surrendered Lands for the purposes set forth in this Section 6(C). Lessees' rights of control and access shall terminate when monitoring and remediation activities are complete or no longer required under Applicable Law.

(D) Surrender Conditions. No portion of the NGS Site shall be Surrendered (whether consensually before or as mandated on the Surrender Outside Date) unless the following conditions are satisfied: all NGS Retirement has been completed pursuant to the Retirement Guidelines (subject to any continued on-site monitoring or other activities required for NGS Site Remediation); the entire co-tenant interest of all of the Lessees in the Surrendered Lands must be Surrendered (except for monitoring areas reserved in accordance with this Section); and possession must be Surrendered free of any sublease or occupants and free of any mortgages. Any portion of the Surrendered Lands not complying with the foregoing Surrender conditions may be rejected by the Nation by written notice from the Nation to Lessees given within one hundred twenty (120) days after the Surrender Outside Date or other applicable earlier Surrender date. Lessees shall take commercially reasonable actions within a reasonable timeframe to Surrender any rejected Surrendered Lands, consistent with the Retirement Guidelines. If the Nation does not deliver notice of a rejection on the 121st day after Surrender the Surrendered Lands shall be deemed to have satisfied the foregoing Surrender conditions.

(E) Surrendered Lands Status. Upon Surrender, the following shall apply and govern the Surrendered Lands: (1) all of the Lessees' right, title, interest and estate shall be extinguished and terminated; Lessees shall have no further duty, obligation or liability with respect to said Surrendered Lands, provided, however, that Lessees are not relieved of obligations to comply with all applicable federal environmental law; (2) the Nation shall have all obligations of ownership, maintenance and operation of the Surrendered Lands first arising after the Surrender Date; and (3) the Nation shall be free to use the Surrendered Lands for any purpose except as specifically limited by this Lease, including but not limited to, the limitations and prohibitions of Section 4 (Purpose; Permissible Uses; Restricted Uses).

(F) Ash Disposal Area - New Landfill Cell. The Nation and Lessees agree that through **December 22, 2018**, the Nation shall have the right to request of Lessees the Nation's participation in a possible new landfill located within a portion of the Ash Disposal Area that is not currently subject to use as a landfill area (the "New Cell"). Lessees may at their option create the New Cell for a landfill to accept certain NGS Retirement material as set forth in the Navajo Project Retirement Guidelines. The Parties acknowledge that subject to further study and review by the Nation, said New Cell may provide a commercial opportunity for the Nation after the NGS Retirement Period is complete and the use of the New Cell by the Lessees ceases. The Nation may exercise its option to commit to participation in the New Cell by no later than **December 22, 2018**. If the Nation does not exercise its option by that date, the

Nation's participation right will cease. If the Nation elects to participate in the New Cell, the Parties shall negotiate in good faith with respect to matters such as size, capacity, access, and type of materials that may be located within the New Cell by the Nation, financial matters and other material terms subject to the following: (i) The construction of a New Cell shall not and may not adversely impact the scope of work and timeline for the NGS Retirement; and (ii) Lessees will undertake to construct or expand the New Cell based on the following parameters mutually agreed to by the Parties: (a) The Nation shall be required to contribute no more than $1,207,000.00 for a New Cell that can contain approximately 170,000 tons of waste; (b) if the New Cell is smaller than set forth in (a), then the Nation shall contribute a commensurate smaller amount, and if the New Cell is larger than set forth in (a), then the Nation will pay for any increase in cost that results from the landfill being larger. The Nation acknowledges that the New Cell will be constructed in accordance with the legal and industry practices set forth in Section 1.1 of the Navajo Project Retirement Guidelines and said practices shall establish the costs involved in the Nation's participation.

(G) Surface Ponds. The Parties acknowledge that through the adoption of the Navajo Project Retirement Guidelines they have mutually established a series of pond closure types with respect to the NGS Site Remediation. The types and methodology of pond closures are primarily set forth in Section 1.4 of the Navajo Project Retirement Guidelines. The Parties acknowledge and agree that the pond closure categories set forth in the Retirement Guidelines and the exhibits thereto shall control over any other term or provision of this Lease, including the references to or definitions of surface and NGS Site Remediation herein.

(H) Surrendered Lands Use Limitations. When portions of the NGS Site become Surrendered Lands pursuant to this Section 6, the following covenants and restrictions shall apply to the Nation and those occupants obtaining or claiming an interest through the Nation, including any entity owned or controlled by the Nation:

(i) Except by mutual agreement between the Nation and Lessees, Surrendered Lands are restricted to commercial non-residential use (including governmental, industrial, warehouse, office and commerce) until all lands on the NGS Site have been Surrendered.

(ii) No residential activity is permitted on the Surrendered Lands. Multifamily, school, child care, farm, hospice and other uses ~~with similar~~that would reasonably be expected to impose unacceptable human health risks, whether commercial, for profit or non-profit, are prohibited for the Lease Term pursuant to Section 4 (Purpose; Permissible Uses; Restricted Uses).

(iii) No surface or subsurface mining activity may occur on or in the Surrendered Lands until the NGS Site Remediation Period has commenced, and then only provided such activities do not disturb or impair any required NGS Site Remediation or facilities or materials closed in place as contemplated by the Retirement Guidelines; provided, however, no mining activity may occur in the tracts containing the Warehouse or any other Navajo Nation Retained Asset.

(iv) The Nation shall make no claim and fully releases, on behalf of itself, successors and assigns, the Lessees with respect to any nuisance or similar claims during the NGS Retirement Period.

(I) As Is. All Surrendered Lands are subject to the "AS IS" provisions contained in Section 11(G) (NGS Retirement); except as provided in Sections 36(B) and (C) (Waiver and Release of Claims; Covenant Not to Sue).

(J) Indemnity. All Surrendered Lands are subject to the indemnity provisions contained in Section 23(B) (Indemnification; Non-Liability) below.

(K) Required Surrender Modifications to this Lease and Related Documents.

(i) The Parties shall update the Memorandum of Replacement Lease to memorialize each Surrender pursuant to this Section 6.

(ii) The Parties shall use commercially reasonable efforts to also update, to the extent required and permitted by Applicable Law, any NGS Site §323 Grant accordingly.

(L) Non-Merger. No merger or extinguishment of any interest in the remaining Leased Premises shall occur by any Surrender of Surrendered Lands. Without limitation, this Lease shall not be impaired, merged or extinguished by the creation of Surrendered Lands; no interest of the Nation as lessor under this Lease shall be merged or impaired by the creation of Surrendered Lands; no interest of Lessees as lessees under this Lease shall be merged or impaired by the creation of Surrendered Lands; and no lesser estate in the remaining Leased Premises shall be merged into any superior interest of the Nation or Lessees.

(M) No Cross Default. No event or condition of default by either the Nation or Lessees with respect to Surrendered Lands shall cause a breach or constitute an event of default under this Lease by either the Nation or Lessees as to the remaining Leased Premises. In no event shall any breach by any Party with respect to Surrendered Lands relieve any other Party of its performance under this Lease. Further, for clarity, the §323 Grant is separate and apart from the status of former Leased Premises as Surrendered Lands.

## 7. RENTAL AND RENTAL PAYMENTS.

(A) Additional Rental/Inducement. To induce and in consideration of the Nation entering into this Lease in full substitution of the Existing Lease, and for the further purposes of inducing and in consideration of the Nation executing and delivering Amendment No. 1 to the Indenture of Lease, and for the Nation's permanent waiver of taxation in any form or manner, together with the estoppel statements and waivers and relinquishment of claims, if any, of the Nation as set forth in this Lease, and to consent to and permit the Lessees to enter into certain §323 Grants and obtain certain Secretary waivers for this Lease and said §323 Grants, all of said grants and waivers for no additional consideration or rent/fees paid to the Nation, the Secretary or others, the Nation acknowledges and agrees that in addition to the base rental payments set forth in Section 7(B) each of the Lessees under this Lease have agreed to significant monetary payments and other material inducements to the Nation for its benefit. Such additional monetary consideration and other material inducements include, without limitation, the following:

(i) The obligation to pay full base rental for all of the Leased Premises in the sum of $110,040,989.00 as set forth in Section 7(B) for the entire Lease Term notwithstanding that significant, valuable and developable portions of the Leased Premises shall be Surrendered by the Lessees to the Nation from time to time and in all events by no later than the Surrender Outside Date;

(ii) That without previous obligation to do so the Lessees have agreed to provide certain transmission use to the Nation and related transmission and Transmission Facilities opportunities and matters as set forth in Section 8 (Further Compensation and Terms and Conditions Related to Tract B) of this Lease which have not heretofore existed as an opportunity for the Nation; and further as to that transmission use, the Owners (as defined in Section 8(A)(ii) below) have agreed to voluntarily incur significant O&M Costs for a time period that they would not otherwise have incurred with respect to Tract B and the Transmission Facilities located thereon but for the arrangements with the Nation for transmission as set forth in said Section 8 (Further Compensation and Terms and Conditions Related to Tract B);

(iii) That significant additional assets have been made available and shall become the property of the Nation including and beyond those physical buildings set forth currently on Exhibit 9 to the Existing Lease;

(a) Including a railroad track and related facilities having a recognized replacement value of approximately $120,000,000;

(b) The Lake Pump Facility, its suction piping, discharge piping to the plant metering pit, electrical distribution lines from the 230kV switchyard and the 230kV Switchyard having a recognized replacement value of $41,000,000;

~~(c) The Warehouse having a stipulated value of approximately $2,000,000;~~

~~(d)~~(c) ~~Fences and the~~The equipment making up the Air Monitoring Station;

(d) Fences at the NGS Site; and

(e) The sum of $18,132,500 to be paid in equal installments over three (3) years with the first payment due **January 1, 2020**, as further inducement to the Nation by sharing the agreed-to savings the Lessees believe they will realize by not demolishing the above facilities.

The foregoing being further specific inducements and consideration to the Nation for the base rental set forth below being in lieu of any and all taxes or right of taxation however arising and the commitment of the Nation to agree that the Retirement Guidelines shall exclusively govern the retirement of the entire Leased Premises, as said retirement is more particularly provided for in this Lease;

(iv) Further substantial monetary consideration in the form of payments pursuant to the Table of Savings & Costs attached as Exhibit B will be made from time to time during this Lease Term, as more particularly provided for therein, with the Parties agreeing such cash payments may be approximately $1,656,810.00;

(v) And, further, that certain "Generation Lessees" as defined in the Amendment No. 1 to Indenture of Lease have agreed to provide certain minimum fuel purchase revenue to the Nation with respect to coal fuel matters, taking into account that no coal fuel royalties need be paid from this date forward;

(vi) Additionally, certain of the Lessees have made independent arrangements with the Nation to support the Nation with respect to the Nation's efforts to secure water permits that are currently

exclusively controlled by the Lessees in other situations to the material benefit of the Nation and its economic development.

(B) Payments.

(i) Lessees shall pay to the Nation the annual rent for the Leased Premises set forth on Schedule 7 hereto. The annual rent shall be paid in advance commencing on **December 23, 2019** and on December 23rd of each year thereafter of the Lease Term through and including **December 23, 2053**. No late payment interest shall accrue on any payment unless delinquent past the respective due date.

(ii) Lessees shall also pay to the Nation the NGS Retirement savings payment set forth on Schedule 7 hereto. The Retirement Savings payment shall be due and paid in three (3) equal installments on **January 1, 2020**, **January 1, 2021** and **January 1, 2022**. No late payment interest shall accrue on any payment unless delinquent past the respective due date.

(C) How Payments Are Made. The Lessees shall severally be responsible and shall timely make their proportional rental payments as required by Section 7(B). For administrative purposes only the Lessees shall arrange for one aggregate annual rent payment of the total rental payment then due and payable. Accordingly, payments of rental under this Lease may be made through Salt River Project, in its capacity as the operating agent of NGS, and the Nation shall accept such single payment. The Parties acknowledge the single payment is conditioned on the prior timely receipt of the funds by Salt River Project from all of the Lessees. On receipt by Salt River Project of rental payments, Salt River Project, as operating agent, shall then deliver the annual rental payment required by the terms of this Lease to the Nation. The Nation shall accept a lesser or partial payment from Salt River Project from those Lessees identified in a written notice from Salt River Project to the Nation of what Lessees are fully paying their respective proportional share. The Nation reserves its rights and remedies against any partially paying or non-paying Lessee notwithstanding the Nation's acceptance of a lesser rental payment through Salt River Project as operating agent.

(D) Credit. Each Lessee severally agrees that in the event that it has a Downgrade Event during the Lease Term of this Lease, then the Nation shall be entitled to demand credit support. Acceptable forms of credit support shall be limited to a cash deposit, an irrevocable standby letter of credit, a surety bond, an escrow trust account, or a guaranty. Lessee may select the form of the credit support in its sole discretion. If Lessee elects to provide a guaranty, the guarantor must have a credit rating of at least BBB- from S&P or Baa3 from Moody's. If Lessee elects to provide a letter of credit, such letter of credit must be from a United States Bank or a foreign bank with a United States branch, with United States based assets of at least $10,000,000,000.00 and a rating of "A-" or better from S&P or a rating of "A3" from Moody's. If the Lessee provides a cash deposit, an irrevocable standby letter of credit, or a surety bond, the initial amount of the credit support shall be equal to the net present value of the payments then due under this Lease by Lessee to the Nation, with the net present value being determined using a discount rate of seven percent (7%). The amount of the credit shall be updated annually to reflect the amount then due by recalculating and updating the net present value calculation. Notwithstanding the foregoing, the amount of credit support to be provided by Lessee shall be reduced by any amounts then owing to Lessee by the Nation under the terms of this Lease and/or pursuant to any other agreement between the Nation and Lessee, whether such amounts are owed in the ordinary course of business, or based on an event of default or other breach of any such agreement. Any such credit

support must be delivered no more than thirty (30) days following the receipt by Lessee of demand for the same by the Nation, after giving effect to the setoff and netting provisions of the foregoing sentence.

(E) No Reduction. The rental payments set forth in Section 8(B)(i) are established and paid by Lessees to induce the Nation to enter into this Lease for the entire Leased Premises and to consent to one or more §323 Grants for portions of or for the entire Leased Premises at the discretion of the Lessees, all for the entire Lease Term. Accordingly, the Surrender of portions of the Leased Premises over time pursuant to this Lease shall not diminish or reduce the rental payments hereinabove reserved to be made by Lessees to the Nation. Without limitation, even if all of the NGS Site is Surrendered to the Nation pursuant to Section 6 (Surrender) of this Lease excepting only the access rights provided in said Section, the full amount of the rental hereinabove stated in this Section shall nevertheless be due and payable for the remainder of the Lease Term.

(F) Several Shares. Each Lessee shall be individually responsible and liable to the Nation for the payment of a part of the total rental under this Lease. No Lessee shall be responsible or liable to the Nation for the payment of any portion of the rental of any other Lessee.

(G) Payments; Late Payment Interest. Payments under this Lease shall be addressed to: Navajo Nation, Accounts Receivable Section, Post Office Box 3150, Window Rock, Arizona 86515. Any Lessee that fails to pay its rental reserved in Section 7(B)(i) within fourteen (14) days after the due date shall pay per diem late payment interest to the Nation on said delinquent rental sum at a fluctuating interest rate equal to JP Morgan Chase Bank's publically-announced prime rate plus three percent (3.0%) until paid to the Nation.

## 8. FURTHER COMPENSATION AND TERMS AND CONDITIONS RELATED TO TRACT B.

(A) Further Compensation. Commencing on **December 23, 2019** and for a period of thirty-five (35) years, the Nation shall be further compensated for Tract B in the following manner:

(i) Receipt by the Nation or its assignee(s) of 300 megawatts of 500kV transmission use and capacity on the STS and 200 megawatts of 500kV transmission use and capacity on the WTS. The delivery of the transmission use and capacity shall be through a separate agreement between the Nation and the United States Department of Interior's Bureau of Reclamation ("USBR"). The separate agreement between the Navajo Nation and USBR shall state for the benefit of the Lessees that the Nation shall be allocated 500kV transmission use and capacity on terms that are comparable and not dissimilar to the allocation of 500kV transmission use and capacity to any other holder of 500kV transmission use and capacity on the Transmission Facilities, with the exception of Section 8(A)(ii) below. The separate agreement between the Navajo Nation and USBR shall state for the benefit of the Lessees that the Nation's allocation of 500kV transmission use and capacity shall not be limited in any manner such that the allocation is not, or is no longer, comparable and not dissimilar to the allocation of transmission use and capacity to any other holder of 500kV transmissions use and capacity. Notwithstanding the foregoing, however, the Nation shall be subject to the same restrictions as any other holder of 500kV transmission use and capacity (*e.g.* curtailment of transmission capacity or any other limitations or restrictions, as the same are set forth in the ownership and operating agreements for the STS and WTS ("STS and WTS Operating Agreements"), as they may be amended or replaced.

(ii) For a ten (10) year period, beginning at 12:01 a.m. on **December 23, 2019** and ending at midnight on **December 22, 2029**, the Lessees shall fund the operation and maintenance costs ("O&M Costs") due under the STS and WTS Operating Agreements and attributable to the Nation's use of the 500kV transmission use and capacity provided by the USBR to the Nation. At no time shall the Lessees have an obligation to fund any other costs due under the STS and WTS Operating Agreements that are attributable to the Nation's use of the 500kV transmission use and capacity provided by the USBR to the Nation. It is understood that the Lessees, each an owner of the STS and/or the WTS (each an "Owner" or collectively the "Owners") agree to fund the O&M Costs associated with the Nation's use of the 500 megawatts of USBR's share of 500kV transmission use and capacity on the STS and the WTS, respectively. The USBR will continue to pay the remainder of the USBR share of the O&M Costs under the STS and WTS Operating Agreements for transmission use not associated with the Nation's 500kV transmission use described in this Section 8.

(a) For a ten (10) year period, beginning on **December 23, 2019** and ending on **December 22, 2029**, the Lessees shall be responsible for and allocate the O&M Costs among each other with respect to the STS and WTS, based on their ownership responsibilities in the then current STS and WTS Operating Agreements.

(b) For purposes of this Section 8, O&M Costs is further defined to mean only those STS and WTS costs paid by the Owners of the STS and WTS that are, in the ordinary course, budgeted as, booked as or accounted for by the Owners as operations and maintenance costs.

(c) After the aforementioned ten (10) year period, the Owners shall have no further O&M Cost obligations as described herein under this Section 8(A)(ii).

(d) The separate agreement between the Nation and USBR shall state that the Nation shall be responsible for all other USBR costs of any kind due under the STS and WTS Operating Agreements that are attributable to the Nation's use of the 500kV transmission use and capacity provided by USBR to the Nation, and shall also address the payment of such costs by the Nation to USBR.

(B) Operation and Maintenance. The STS and WTS Owners shall operate and maintain the Transmission Facilities for so long as valid §323 Grants are in place and the Lease Term of this Lease is effective as to Tract B. In no event shall the STS and WTS Owners have any obligation to operate and maintain the Transmission Facilities beyond the Lease Term of this Lease as to Tract B. The STS and WTS Owners shall extend the respective STS and WTS Operating Agreements and, as necessary, any other ownership and operating agreements, or any successor documents, to comply with their obligations under this Lease.

(C) No Reduction. The compensation – in the form of the 500 megawatts of 500kV transmission use and capacity supplied by the USBR and the funding of the O&M Costs – set forth in this Section 8 and in Section 7(B) (Rental and Rental Payments), are established and paid by the Lessees to induce the Nation to enter into this Lease for the entire Leased Premises (Tract A and Tract B) and to consent to one or more §323 Grants for areas of or for the entire Leased Premises all for the entire Lease Term, as may be extended for various periods of time pursuant to Section 8(D) below. Accordingly, the Surrender of portions of the Leased Premises over time pursuant to this Lease shall not diminish or reduce the rental payments hereinabove reserved to be made by Lessees to the Nation. Without limitation, even if

all of Tract A is Surrendered to the Nation pursuant to Section 6 (Surrender) of this Lease excepting only the reserved entry right provided in said Section, the full amount of the rental hereinabove stated in this Section shall nevertheless be due and payable for the remainder of the Lease Term.

(D) Extension of Lease Term.

(i) The Lease Term, as it relates to Tract B and the related §323 Grants, and further with respect to the STS and WTS, will be automatically extended for a period of thirty-five (35) years commencing on the day immediately following the expiration date of the initial Lease Term (the "35-Year Extension Period"), on the same terms and conditions provided herein, with the exception that the aggregate annual Lease rental and §323 Grant payments from Lessees for the Extension Period shall be $10.00 per annum (which may be paid in advance in full or partial lump sum) and otherwise be only in the form of the continuation of the 500 megawatts 500kV transmission use and capacity allocated to the Nation in this Section 8 and in the Nation's separate agreement with the USBR. Lessees may perform Transmission Removal and Remediation during the last two (2) years of the 35-Year Extension Period.

(ii) Notwithstanding anything in this Lease to the contrary, the 35-Year Extension Period and the automatic extension thereof are subject to revocation, termination and extinguishment so as to be null and void, as follows: The 35-Year Extension Period will not become effective or commence, if, on or before **January 1, 2049**, any individual Lessee or the Nation, each acting in their sole and absolute discretion, delivers a unilateral written notice to the other Parties to this Lease that it objects to the 35-Year Extension Period. Such objection notice, in and of itself, shall revoke, terminate and extinguish the 35-Year Extension Period effective on delivery to the first other Party to this Lease and cause the 2-Year Extension Period to automatically commence on **December 23, 2054**.

(iii) In the event there is no 35-Year Extension Period, there will be in lieu thereof a two (2) year automatic extension of this Lease ("2-Year Extension Period") in order to conduct removal, remediation, and restoration activities during that 2-Year Extension Period so as to allow the Lessees to perform their Transmission Removal and Remediation and to otherwise shut down transmission on all or any portions of the STS and WTS from **December 23, 2054** to **December 22, 2056**. Notwithstanding Section 8(B), no operation or maintenance of the Transmission Facilities will be permitted or required during the 2-Year Extension Period. Such 2-Year Extension Period shall be automatic and occur without any required notice. Such 2-Year Extension Period may not be revoked, terminated or extinguished.

## 9. LIST OF NAVAJO NATION RETAINED ASSETS AND THE TABLE OF SAVINGS AND COSTS.

(A) Lessees will share any net savings with the Nation resulting from elections made by the Nation according to the following process:

(i) A List of Navajo Nation Retained Assets and the Table of Savings and Costs ("Table of Savings and Costs") is attached to this Agreement as Exhibit B. Similar to the Navajo Nation Retained Assets, no personal property including transmission equipment is a portion of the property referenced in the Table of Savings.

(ii) The Nation may select those items on the Table of Savings and Costs that the Nation desires to acquire during the NGS Retirement Period by providing written notice to Salt River

Project, as operating agent. This selection must be received by the Lessees no later than **December 22, 2018**, or the right to acquire items identified on the Table of Savings and Costs by the Nation is forfeited.

(iii) Lessees incur no present or future duty or liability, express or implied, to maintain any structure or property in any manner to assure any item may be selected by the Nation.

(iv) If the Nation is owed compensation in accordance with this Section 9, the Lessees shall make a one-time payment of any amount owed to the Nation no later than January 1, 2020. If the Nation owes the Lessees compensation in accordance with this Section 9, the Nation will make any payments owed to the Lessees no later than January 1, 2020.

(B) Stipulated Value. The Parties acknowledge and agree that the sums set forth on the Table of Savings and Costs attached as Exhibit B are good faith estimates based on the projected costs and other considerations with respect to the creation of the Table of Savings and Costs. The Parties agree that the values set forth in the Table of Savings and Costs are, nevertheless fixed and stipulated values not subject to change, except as noted above or unless otherwise determined by the Lessees. The only modification to the Table of Savings and Costs and the payment calculation will be in the event the Nation elects to acquire fewer than all of the items set forth on the Table of Savings and Costs. Any recalculation will be made prior to the payment date set forth above.

**10. PAYMENT IN LIEU OF TAXES.**

Notwithstanding any provision of 25 C.F.R. §162.017 or 25 C.F.R. §162.429(a):

The payments and portions of the additional consideration and inducements set forth herein for this Lease are to be in lieu of all taxes, fees, assessments, levies, imposts, exactions or charges of any kind made or imposed by the Nation, and the Nation covenants that it will not tax or assess, in any manner whatever, directly or indirectly, any rights, property or activity associated with the past generation of electricity at the NGS Site, and its transmission to the electric systems of Lessees, including, but not limited to the present or prior Leased Premises, any §323 Grant, the leasehold interests of the Lessees in the Lease, or the property of the Lessees located on the Leased Premises or located on Reservation Lands pursuant to prior related lease rights, or any transmission or communications facilities, any retirement or remediation, any construction activity or any construction or supplier contract at any level or by any party, any Transmission Facilities, the transactions evidenced or completed by Section 8 (Further Compensation and Terms and Conditions Related to Tract B) above, any construction sales tax at any level, or Lessee's activities under the Lease, or their ownership, construction operation, removal, Surrender, retirement or remediation, and demolition of the NGS Site or the Transmission Site and other areas of the Leased Premises by Lessees, pursuant to the Lease, or the power previously generated thereon or the transmission sale, or disposal of such power, their income, or otherwise, or the railroad §323 Grant, or any improvements or property located thereon, or any railroad and related facilities and equipment used, or the diversion or use of water. The foregoing prohibition regarding taxation of the property and activities of Lessees shall extend to any property or activity located on the Leased Premises or located on Reservation Lands pursuant to §323 Grants or prior related lease rights or located pursuant to the rights-of-way and easements. Any prior agreement or understanding to pay real or personal taxes on improvements located on the Transmission Site, including Transmission Facilities or any other assets or improvements, are hereby agreed to be of no further force or effect.

## 11. NGS RETIREMENT.

(A) Retirement Guidelines. Lessees have developed Retirement Guidelines, after consulting with and addressing comments from the Nation, which Retirement Guidelines are attached hereto as Exhibit C. The Parties acknowledge and agree that the Retirement Guidelines have been prepared to document the key requirements and procedures for, and shall govern, the NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation, and to serve as the basis for the preparation of a more comprehensive NGS Retirement Plan based on said guidelines. The Retirement Guidelines shall also serve as the basis for the preparation of a more comprehensive retirement plan related to Transmission Removal and Remediation, which shall be developed at a reasonable time prior to the retirement, removal and remediation activities related to Tract B. The Retirement Guidelines as implemented by and through the NGS Retirement Plan for NGS and the NGS Site shall exclusively define and govern the removal of improvements, restoration and resulting condition of the surface of the Leased Premises, as said improvements and surface of the Leased Premises existed on the Effective Date. "Surface" is used in its most comprehensive sense including all topography, grade, contours, condition, surface, subsurface, and other like terms and concepts. The Parties agree that the coal combustion residuals and related material located in the Ash Landfill shall remain within said existing Ash Landfill and closed in place, and the area shall remain fenced for the time period required by Applicable Law. The existing solid waste landfill and pond solids shall be closed in place and capped. In addition, Lessees shall restore and, if warranted, remediate the NGS Site consistent with the Retirement Guidelines. The Nation may monitor and confirm that the Retirement Guidelines and the then-current NGS Retirement Plan are being followed. Lessees shall use commercially reasonable efforts to cause the NGS Retirement to be implemented and executed in accordance with the NGS Retirement Plan.

(B) NGS Retirement Plan. Lessees will prepare an initial NGS Retirement Plan, which shall be consistent with the Retirement Guidelines, and Lessees may update and revise that plan from time to time in their sole discretion, provided that the NGS Retirement Plan shall remain consistent with the Retirement Guidelines. The Parties acknowledge that the NGS Retirement is a complex project and that the NGS Retirement Plan is subject to evolution, modification, deviation, change order(s) and amendment(s). A copy of the initial NGS Retirement Plan and copies of revisions thereto will be provided to the Nation in a timely manner. -

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(C) Priorities. The Retirement Guidelines set forth that the hierarchy of interpreting and implementing said Retirement Guidelines is, in order of priority, first, Applicable Law, second, this Lease, and third, best industry practices. The Parties acknowledge and agree to the foregoing priority (which may not be modified during the term of the NGS Retirement Period). Further, the Parties acknowledge that the Retirement Guidelines and the provisions of this Lease fully implement the relevant provisions of the Existing Lease with respect to NGS Retirement, NGS Site Remediation, and Transmission Removal and Remediation. The Existing Lease shall be wholly inapplicable as to all matters arising out of or related to the NGS Retirement, NGS Site Remediation, and Transmission Removal and Remediation. If it is finally determined by a federal or Arizona court of competent jurisdiction that the Retirement Guidelines are in conflict with the Applicable Law or if the Parties reach a settlement regarding the same, the Retirement Guidelines shall continue to govern the Retirement Plan but will be modified in the most precise manner such that the offending provisions, language or requirements are modified so as not to conflict with Applicable Law.

(D) Enforcement. Through the mutually approved and binding Retirement Guidelines and related provisions of this Lease, this Lease is intended to fully and exclusively govern all of the Parties' NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation rights and obligations. All of NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation rights and obligations under the Existing Lease are fully and completely satisfied and enforced through the performance and enforcement of this Lease. Accordingly, the Existing Lease shall not be enforced during any time period by any Party as to NGS Retirement or NGS Site Remediation or for the Transmission Removal and Remediation.

(i) Lessees have the exclusive right in their commercially reasonable discretion to process the NGS Retirement in accordance with the Retirement Guidelines and the resulting NGS Retirement Plan. The Nation shall not have a right of entry to participate in the NGS Retirement or related activities except for general monitoring of NGS Retirement in accordance with Sections 11(A) and (D) and the Retirement Guidelines.

(ii) Lessees shall provide the Nation with timely good faith updates and reasonable information regarding the NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation to enable the Nation to monitor and confirm that the NGS Retirement, NGS Site Remediation and Transmission Removal and Remediation is proceeding consistent with the Retirement Guidelines; however, the foregoing shall not imply that the Nation has any governmental or regulatory oversight or authority over the Lessees and the Leased Premises or other matters arising out of or related to this Lease.

(iii) The Retirement Guidelines are binding on the Parties, as provided in Section 11(A). However, neither the Nation's approval of the Retirement Guidelines nor any reference to that approval in this Lease creates any obligation that the Nation implement or complete any actions required under the Retirement Guidelines or gives rise to any liability by the Nation for actions taken by Lessees under the Retirement Guidelines.

(E) Transmission Site. Transmission Removal and Remediation of the Transmission Site will be completed in accordance with Retirement Guidelines and Applicable Law by the date of expiration of the Lease Term as to Tract B.

(F) Navajo Nation Retained Assets.

(i) The Navajo Nation Retained Assets listed on Exhibit B are subject to acquisition by the Nation from the Lessees in accordance with the provisions of this Lease. The Nation shall be required to identify, in writing and with specificity, those Navajo Nation Retained Assets which the Nation wishes to acquire, on or before **December 22, 2018.** Those identified assets shall be released by the Lessees to the Nation by not later than **December 22, 2024.** The Nation, along with any consultant retained by the Nation as the Nation may deem appropriate, shall have the right to inspect any Navajo Nation Retained Asset prior to **December 23, 2018**, upon any reasonable request made to Lessees. The Nation shall abide by Lessees' safety and security rules during any inspection of any Navajo Nation Retained Asset. Lessees shall agree to work cooperatively with the Nation to provide access to the Navajo Nation Retained Assets and shall not unreasonably withhold such access.

(ii) The "Retained Asset Release Date" is the actual date that a Navajo Nation Retained Asset is released to the Nation pursuant to Section 11(F)(i).

(iii) As part of the NGS Retirement Plan, Lessees shall demolish all improvements on the NGS Site not conveyed to the Nation as Navajo Nation Retained Assets or from the Table of Savings and Costs pursuant to Section 11(F).

(iv) Unless otherwise agreed to by the Nation and all Lessees, no tools, equipment, trade fixtures, other fixtures, cranes, furniture or other personal property will be included with the Retained Assets. However, all buildings to be acquired by the Nation pursuant to this Section 11(F) will be retired in a water tight condition including with roll-up or other similar doors or structures.

(v) The Navajo Nation Retained Assets provisions of this Lease fully implement the terms and provisions of Exhibit 9 (Buildings) attached to the Existing Lease, as referenced in Section 12(f) (Removal of Improvements; Restoration) and the other related provisions of the Existing Lease.

(G) AS IS. THE NATION ACKNOWLEDGES AND AGREES, WITH RESPECT TO ANY PROPERTY THAT THE NATION ACQUIRES FROM LESSEES PURSUANT TO THIS LEASE, INCLUDING BUT NOT LIMITED TO THE NAVAJO NATION RETAINED ASSETS AND PROPERTY LISTED ON THE TABLE OF SAVINGS AND COSTS, AND ANY OTHER PERSONAL PROPERTY THAT ARE CONSENSUALLY AGREED TO BE ACCEPTED BY THE NATION PURSUANT TO A SURRENDER, THAT: THE NATION AS LANDLORD IS FAMILIAR WITH THE PROPERTY; NEITHER LESSEES NOR ANY OF THEIR AGENTS, REPRESENTATIVES, OFFICERS, DIRECTORS, PARTNERS, MEMBERS, OR EMPLOYEES HAS MADE OR WILL MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, WITH RESPECT TO THE ACQUIRED PROPERTY; NO EMPLOYEE OR OTHER PURPORTED REPRESENTATIVE OF ANY LESSEE HAS ANY AUTHORITY TO BIND THE LESSEES; THE NATION HAS THE FULL RIGHT TO INVESTIGATE AND INSPECT THE ACQUIRED PROPERTY AND AGREES TO DO SUCH; AND THE ACQUIRED PROPERTY IS BEING RELEASED TO THE NATION IN ITS PRESENT CONDITION ON THE EFFECTIVE DATE HEREOF AS-IS, WHERE-IS, WITH NO WARRANTY OF MERCHANTABILITY OR HABITABILITY, AND SUBJECT TO ALL ENCUMBRANCES, LIENS, RESTRICTIONS, OBLIGATIONS, LIABILITIES, CLAIMS AND CO-OWNERSHIP INTERESTS, WHETHER OR NOT THE SAME APPEAR AS RECORD. THE NATION WILL RELY SOLELY ON ITS DUE DILIGENCE AND INVESTIGATIONS IN ACQUIRING SUCH PROPERTY. FURTHER, "AS IS" INCLUDES WITHOUT LIMITATION THAT LESSEES SHALL BE RELIEVED, AS OF THE RETAINED ASSET RELEASE DATE OR OTHER APPLICABLE RELEASE DATE, OF ALL DUTIES, OBLIGATIONS AND LIABILITIES, IF ANY, ARISING OUT OF OR RELATED TO NGS RETIREMENT OR NGS SITE REMEDIATION IN RESPECT TO THOSE RELEASED IMPROVEMENTS. The transfer to the Nation or its nominee shall be via a bill of sale instrument without representation or warranty by each Lessee on a several not joint basis.

(H) Casualty. The improvements to be released to the Nation pursuant to Section 10 (List of Navajo Nation Retained Assets and the Table of Savings and Costs) and this Section 11 are subject to casualty (insured or uninsured), damage, breakage and events of force majeure. If such an event occurs that makes the restoration or repair economically unfeasible to Lessees as determined in the sole and

absolute discretion of each Lessee, Lessees shall give written notice to the Nation of Lessees' intent to raze or demolish said improvements per the standards contained in the Retirement Guidelines. The Nation shall within thirty (30) days advise Lessees whether the Nation nevertheless elects to take a release of said improvements and the Surrender of any associated land. If an item on the Table of Savings and Costs is significantly damaged, an equitable adjustment may be made by mutual agreement of the Parties as to such item's Table value notwithstanding anything in this Lease to the contrary.

## 12. OPERATION AND MAINTENANCE.

The Parties acknowledge a primary purpose of this Lease is the Retirement of NGS and the NGS Site, which will involve substantial demolition on the NGS Site. After the Term Commencement Date, Lessees are not obligated to operate any component of NGS, the NGS Site, or the remainder of the Leased Premises. Additionally, the Nation shall assume all operation, maintenance, and repair obligations, and make any needed alterations, to any Navajo Nation Retained Assets and any item listed on the Table of Savings and Costs after Surrender. Lessees shall be responsible for all work set forth in the NGS Retirement Guidelines for the retirement and remediation of the NGS Site as it existed on the Effective Date.

## 13. UTILITY SERVICE AGREEMENTS.

To the extent necessary and as determined by the Lessees, Lessees, at their sole cost and expense and in addition to the required rental payments hereunder, will enter into utility service agreements with the Navajo Tribal Utility Authority for electric, communications and water services, including wastewater, during the Lease Term.

## 14. WATER USE.

(A) The Nation agrees that during the Lease Term, water out of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31), in an amount not greater than 1,500 acre-feet of water per year, shall be available for consumptive uses by Lessees for the tasks under this Lease during the NGS Retirement Period. The Nation agrees the use of water on Reservation Lands within the Upper Colorado River Basin of Arizona (as said Upper Colorado River Basin is defined in the Upper Colorado River Basin Compact) shall not reduce or diminish the availability of water required by the Lessees for such purposes. During the Lease Term, the Lessees will not object to Navajo uses of water in the Upper Colorado River Basin in Arizona from the 50,000 acre-feet available to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact in excess of the quantity of water actually used on an annual basis by (1) Lessees for such purposes, and (2) other contractors with existing contractual entitlements to such water. The United States approval of this Lease does not constitute and should not be construed as a position regarding the use of water out of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31).

(B) Salt River Project holds certificates of water right from the State of Arizona (Certificate Nos. 4050.0001 and 4050.0003), on behalf of itself and the Navajo Generating Station Participants, for the use of a portion of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31) for power purposes, including NGS Retirement ("NGS Water Allotment"). Once the NGS Water Allotment is no longer necessary for the

NGS Retirement, Salt River Project will request on behalf of the Navajo Generating Station Participants that the Arizona Department of Water Resources terminate the certificates of water right (Certificate Nos. 4050.0001 and 4050.0003).

(C) Salt River Project will support the Nation's efforts to acquire the use of a portion of the 50,000 acre-feet annually allocated to the State of Arizona pursuant to Article III(a)(1) of the Upper Colorado River Basin Compact (63 Stat. 31) once the NGS Water Allotment is no longer necessary for the NGS Retirement and the certificates granted to Salt River Project by the State of Arizona (Certificate Nos. 4050.0001 and 4050.0003) on behalf of the Navajo Generating Station Participants are terminated.

(D) Salt River Project will provide technical assistance to the Nation to assist the Nation with the diversion of up to 950 acre-feet per year from Lake Powell for the benefit of LeChee and other Navajo communities in the vicinity of NGS, provided, however, that such technical assistance shall be at no cost to Salt River Project or the Lessees and such offer of assistance shall terminate five (5) years after the date the certificates are terminated under Section 14(B).

(E) Nothing in this Lease shall be interpreted as the Navajo Nation waiving its water rights or claims to water in the Upper Colorado River Basin

## 15. LIENS; UTILITY CHARGES.

(A) Lessees shall not permit any liens arising from any work performed, materials furnished, or obligations incurred by Lessees to be enforced against the Leased Premises (including any improvements thereon) or any interest therein. Lessees shall discharge all such liens before any action is brought to enforce them.

(B) Lessees agree to protect and hold harmless the Nation, the Leased Premises (including any improvements thereon), and all interests therein from any and all such delinquent taxes, assessments and like lawful charges and from any lien therefor, any sale or other proceedings to enforce payment thereof, and all costs in connection therewith.

(C) Lessees shall pay, before becoming delinquent, all charges for utility services, including electricity, communications and water services, including wastewater, supplied to the Leased Premises.

## 16. MORTGAGE TRANSFERS, ASSIGNMENTS AND SUBLEASES.

(A) The Lessees, and each of them, shall have the right at any time and from time to time to mortgage all their respective rights leased to them hereunder, including but not limited to interests in the Leased Premises and in all property of Lessees located on the Leased Premises, and on any rights-of-way and easements referred to in this Lease, and to transfer, convey or assign this Lease to a trustee or trustees under deeds of trust, mortgages or indentures, regardless of whether or not said deeds of trust, mortgages or indentures have been, are or will be for the purpose of borrowing capital for the development and improvement of the Leased Premises, and to any successors or assigns thereof, or any receiver, referee or trustee in bankruptcy or receivership or reorganization of any of the Lessees or any successor by action of law or otherwise, or any purchaser, transferee or assignee of any thereof, without need for consent by the Nation or the Secretary related to any transfer or assignment; and any mortgagee or trustee of any of the Lessees, and any successor or assignee thereof, or any receiver, referee or trustee in bankruptcy or receivership or reorganization of any of the Lessees or any successor by action of law or otherwise or any

purchaser, transferee or assignee or any thereof, may without need for consent of the Nation, succeed to and acquire all the rights of any of the Lessees hereunder, and in any of said property of Lessees located on the Leased Premises, or on such rights-of-way and easements, and may take over possession of said property, rights and interests of any Lessee or Lessees, subject to all such Lessee's or Lessees' obligations under the Lease. Federal law shall apply in the event of any foreclosure under this Section.

(B) In addition, notwithstanding any provision of 25 C.F.R. §162.449(b), each Lessee shall have the right to transfer or assign its rights and interests in the Lease without need for consent of the Nation or Secretary at any time: (i) to any corporation or other entity acquiring all or substantially all of the property of such Lessee; (ii) to any corporation or entity into which or with which such Lessee may be merged or consolidated; (iii) to any other Lessee or Lessees; (iv) in the case of a transfer by Salt River Project, to the Salt River Valley Water Users' Association, an Arizona corporation; or (v) in the case of a transfer by Nevada to an entity as required to implement pending energy choice legislation; provided that any such successor or assign shall become subject to all such Lessee's rights and obligations hereunder, and provided that such successor or assign shall notify the Nation and the Secretary of such transfer, assignment or merger and shall furnish to the Nation and the Secretary evidence of such transfer, assignment or merger.

(C) Further, Lessees shall have the right to sublease portions of the Leased Premises comprising coal transportation areas to other persons or entities required to carry out the Retirement Guidelines or to satisfy the requirements of Applicable Law; provided, such subleases are subordinate to this Lease and the Nation shall not be required to recognize such subtenants if this Lease terminates and, provided further, any Surrendered Lands shall be free of any subtenant(s).

## 17. DEFAULT FOR NONPAYMENT; REMEDIES; JURISDICTION.

(A) For the purpose of this Lease, any Lessee hereto shall be deemed in default for nonpayment if the Lessee shall fail to pay rental payments or other sum certain monies owed to the Nation within thirty (30) days after delivery and receipt of written notification from the Nation that such payment is past due. The Nation shall provide notice of nonpayment to all Lessees as provided in Section 29(B) (Notices and Demands). Any Lessee shall have the right within thirty (30) days after delivery and receipt of such notice to make such payment for and on behalf of the Lessee failing to pay the same.

(B) Notice to Lessees not in Default; Remedy for Failure to Cure.

(i) If a Lessee fails to cure a default for nonpayment within the 30-day period described in Section 17(A), the Nation may pursue the remedy set forth in Section 17(B)(ii) by giving not less than sixty (60) days' advance written notice to any Lessee or Lessees, not in such default, of the Nation's intent to pursue the remedies set forth below. Such notice shall be provided in the manner set forth in Section 29(B) (Notices and Demands) and shall contain the date on which the Nation intends to pursue the remedies set forth below against the Party in default. Notwithstanding the foregoing, the Nation may not pursue any of the remedies set forth in this Section 17(B) if, within the 60-day period described in this Section 17(B), any Lessee or Lessees, not in default, cure(s) the default.

(ii) If any Lessee or Lessees fails to cure the default within the 60-day period described in Section 17(B)(i), the Nation may exercise only the following exclusive remedy, and none other: Collect,

by suit in any federal court or in any Arizona court of competent jurisdiction, and in no other courts, all amounts due under Section 17(A).

(C) Notwithstanding anything in this Lease, 25 C.F.R. § 162.466, 25 C.F.R. § 162.467, 25 C.F.R. § 162.469, or any other law to the contrary, any default by any Lessee under this Section 17 shall not permit a termination of this Lease as to the defaulting Lessee or any other Lessee, or the extinguishment, termination or impairment of possession or right of possession by any Lessee. The foregoing shall not limit any other Party's permitted claims for damages pursuant to Section 17(B)(ii).

(D) Notwithstanding any provisions of this Section 17, 25 C.F.R. § 162.466, 25 C.F.R. § 162.467, 25 C.F.R. § 162.469, or any other law to the contrary, no relief granted the Nation pursuant to Section 17(B)(ii) shall affect the right of the Lessees to remove removable property located on the Leased Premises or the Lessees' right to continue monitoring in accordance with Applicable Law. All such removal and monitoring rights of the Lessees shall nevertheless continue for the full period or periods provided for in Section 5 (Lease Term).

(E) For the purpose of this Lease, the Nation shall be deemed in default for nonpayment if the Nation fails to pay to all Lessees all sum certain monies owed to the Lessees or any of them within thirty (30) days after delivery and receipt of written notification that such payment is past due.

(F) If the Nation fails to cure the default for nonpayment within the 30-day period described in Section 17(E), each or all Lessees may exercise only the following exclusive remedy and none other: Collect, by suit in any federal court or in any Arizona court of competent jurisdiction, and in no other courts, the amounts due under Section 17(E).

(G) Notwithstanding anything in this Lease or any law ~~or regulation~~ to the contrary, any default by the Nation under this Section shall not permit a termination of this Lease as to the Nation. The foregoing shall not limit any other Party's permitted claims for damages pursuant to Section 17(F).

(H) In order to effectuate the legal remedies contemplated by this Section 17, the Parties submit to the jurisdiction of the federal and state courts located in the State of Arizona.

## 18. OTHER BREACHES AND DEFAULTS.

(A) For any claims, disputes, or other matters in question or dispute between the Parties arising out of or relating to this Lease or a Party's action or inaction under this Lease ("Disputes"), other than defaults for nonpayment addressed in Section 17 (Default for Nonpayment; Remedies; Jurisdiction), the Parties must follow the notice and dispute resolution process provided in this Section 18. Although a complaining Party may elect to pursue each stage of the following process at its discretion or terminate pursuit of a resolution of the Dispute at any time, the Parties intend that the resolution of Disputes under this Lease, other than failures to pay sum certain monies owed under this Lease, will proceed in order and in good faith through the following stages until resolved: notice, right to cure, informal consultation, mediation, and litigation. The dispute resolution process will terminate, at any stage, upon mutual agreement between the parties named in the dispute or the failure of the complaining party to comply with any notice requirement. If a dispute is terminated by failure to comply with a notice requirement or by mutual agreement, the dispute may not be raised again.

(B) <u>Notice, Right to Cure, and Informal Consultation</u>. If a Party believes that a Dispute exists,

the complaining Party must deliver written notice, as required in Section 29 (Notices and Demands), to all other Parties that specifies with particularity the nature of the alleged breach or default, the particular provisions of this Lease that are at issue, the Parties against whom the Dispute is alleged (referred to in this Section, together with the complaining Party, as the "Involved Parties"), and the proposed relief sought.

(i) Upon delivery and receipt of the notice, the Involved Parties will have thirty (30) days to cure the Dispute or commence cure. A Party that commences cure within thirty (30) days may continue in good faith to fully cure the breach or default as long as is reasonably necessary to complete the cure. Any Lessee may cure the breach or default of another Lessee within the times provided in this Section 18. If an Involved Party denies that a basis for a Dispute exists, it may request informal consultation.

(ii) If cure is not accomplished or commenced within thirty (30) days, or if the existence of a Dispute is denied, an Involved Party may request informal consultation. If cure has commenced, but the complaining Party believes that cure has not been completed within a reasonable time, it may request informal consultation. The Involved Parties must first seek to resolve all remaining Disputes promptly, equitably, and in good faith through informal consultation.

(iii) A Party requesting informal consultation must deliver written notice, as required in Section 29 (Notices and Demands), to all other Parties. The notice must specify with particularity the nature of the Dispute, the particular provisions of this Lease that are at issue, and the proposed relief sought.

(iv) Delivery of the notice begins a 30-day consultation process for any Involved Parties to discuss the Dispute in good faith and seek its amicable resolution. The consultation process may continue for not more than thirty (30) days, except upon mutual written agreement of the Involved Parties.

(C) Mediation. If the Involved Parties do not resolve the Dispute through informal consultation, then any Involved Party may provide written notice, as required in Section 29 (Notices and Demands), to the other Involved Parties that it intends to submit the matter to mediation for resolution before a neutral mediator.

(i) The Involved Parties must attempt to agree upon a mediator within ten (10) days of delivery of the notice. If possible, the Involved Parties will select a mediator with experience in commercial real estate matters, federal tribal leasing regulations, federal environmental law matters, or energy projects, depending upon the nature of the Dispute.

(ii) If the Involved Parties are unable to agree upon a mediator within the 10-day period, then they must request that the American Arbitration Association select a mediator pursuant to its rules for commercial mediation.

(iii) The costs of the mediation process must be split equally between the Nation, on the one hand, and the Lessees that are parties to the Dispute on the other hand.

(iv) The Involved Parties shall endeavor to hold the mediation within thirty (30) days after the mediator is selected. Unless the Involved Parties agree otherwise, the mediation process shall not exceed one hundred eighty (180) days from the date of the first mediation session to completion.

(D) Confidentiality. The informal consultation and mediation processes in this Section 18 shall be confidential. Any discussions, statements, or documents relating to, used, or occurring in the informal consultation and mediation processes shall be considered confidential and may not be used as evidence in any other judicial or administrative proceedings except as may be permitted by Federal or State Rules of Evidence. No statements of, or findings by, the mediator may be used as evidence in any other judicial or administrative proceedings, except as may be permitted by Federal or State Rules of Evidence~~.~~, and the mediator may not be called as a witness.

(E) Judicial Review. If a Dispute is not resolved through informal consultation or mediation, then any Involved Party may exercise only the following exclusive remedies and no others:

(i) Any Involved Party may provide thirty (30) days advance written notice, as required in Section 29 (Notices and Demands), to the other Involved Parties that it intends to pursue its remedies through the filing of suit in a federal court of competent jurisdiction or in an Arizona court if federal laws do not apply or federal courts lack jurisdiction. As used in this Section 18(E), the term "action" includes the assertion of any claim, counterclaim or cross-claim.

(ii) After the 30-day notice period described in Section 18(E)(i) has expired, the Party who provided the notice may bring suit in a federal court of competent jurisdiction, or in an Arizona court if federal laws do not apply or federal courts lack jurisdiction, and in no other courts, seeking only declaratory or injunctive relief, recovery of monies due, or enforcement of compliance with the Lease as the exclusive remedies from the court.

(iii) Notwithstanding anything in this Lease, 25 C.F.R. §162.466, 25 C.F.R. §162.467, 25 C.F.R. §162.469, or any other law ~~or regulation~~ to the contrary, the Parties agree that a Party's default under this Lease shall not result in termination of this Lease as to the defaulting Party or any other Party, or the extinguishment, termination or impairment of possession or right of possession by any Party. The foregoing shall not limit any Party's right to injunctive relief or damages.

(iv) Notwithstanding any other provisions of this Section 18, 25 C.F.R. §162.466, 25 C.F.R. §162.467, 25 C.F.R. §162.469, or any other law ~~or regulation~~ to the contrary, no injunctive relief shall prohibit the Lessees' right to remove any removable property located on the Leased Premises, remediate and close facilities, or continue monitoring in accordance with Applicable Law and this Lease, which activities shall nevertheless continue for the full period or periods provided for in Section 5 (Lease Term).

(F) To effectuate the remedies set forth in this Section 18(E), the Parties submit to the jurisdiction of the federal and state courts located in the state of Arizona.

(G) The requirements of this Section shall survive any termination of this Lease or the expiration of the Lease Term in perpetuity.

**19. LIMITED WAIVER OF SOVEREIGN IMMUNITY.** If any Party brings an action in any federal court or in any Arizona state court as provided in Section 17 (Default for Nonpayment; Remedies; Jurisdiction) or Section 18 (Other Breaches and Defaults) and names the Nation as a party in that action: (1) the Nation may be joined in any such action; and (2) the Nation expressly waives any claim to sovereign immunity from that action. As used in this Section 19, the term "action" includes the assertion of a claim, counterclaim or cross-claim. ~~The requirements of this~~This limited waiver of

sovereign immunity is enforceable only by the Lessees and their successors and assigns; provided, however, that Salt River Project, its successors and assigns may enforce this limited waiver of sovereign immunity on behalf of the United States of America. This Section shall survive any termination of this Lease or the expiration of the Lease Term in perpetuity.

## 20. REEVALUATION UPON REQUEST.

(A) Every five (5) years, beginning with the Effective Date, the Parties shall, upon request of the Nation, evaluate whether to amend the Lease to provide for any of the following:

(i) An agreement that claims under this Lease may be brought in Navajo Nation court or under the Navajo Nation Arbitration Act, 7 N.N.C. §§1101-1119, instead of Arizona court, when a federal court lacks jurisdiction.

(ii) An agreement that the Navajo Nation may regulate one or more of Lessees' activities under the Lease.

(B) No Party is required to agree to any amendment to the Lease as a result of this evaluation.

(C) Any amendment to this Lease shall require the mutual written agreement of the Parties.

## 21. GENERAL LIABILITY INSURANCE.

Notwithstanding any provision of 25 C.F.R. §162.437:

(A) Lessees shall obtain and maintain a commercial general liability insurance policy, from an insurance company having an AM Best's Rating of A- VIII or better, or be allowed to self-insure, in whole or in part, in an amount of no less than:

$1,000,000 each occurrence for bodily injury and property damage
$1,000,000 each occurrence for personal and advertising injury
$1,000,000 each occurrence for products/completed operations
$1,000,000 each occurrence for employers liability/worker's compensation
$1,000,000 each occurrence for auto liability
$10,000,000 products/completed operations aggregate
$10,000,000 general aggregate
$10,000,000 employers' liability aggregate
$10,000,000 auto liability aggregate
$10,000,000 workers' compensation aggregate

The Nation and the United States shall be named as additional insureds for the limits not provided through self-insurance with respect to this Lease. All polices shall waive subrogation against the Nation and the United States. This coverage shall be primary to the additional insureds, and not contributing with any other insurance or similar protection available to the additional insureds, whether said other available coverage shall be primary, contributing or excess. Lessees shall provide for notification to the Nation prior to any material change in said policy or any cancellation or non-renewal of said policy for any reason including non-payment of premium. A Certificate of Insurance or self-insured letter evidencing the above coverage shall be furnished to the Nation annually, or upon written request. Any certificate of

insurance provided shall disclose the amount of any self-insured retention or deductible. The Lessees recognize that the Lessees are responsible for paying any self-insured retentions or deductibles, not the Nation or the United States. Further, any certificate of insurance provided shall provide that if the liability coverage is on a claims-made basis, any retroactive date shall precede the Effective Date of this Lease and either continuous coverage will be maintained or an extended discovery period will be exercised for a period of at least five (5) years beginning at the time this Lease expires.

(B) For the sole purpose and use of the Surrendered Lands, as described herein, the Nation shall obtain and maintain a commercial general liability insurance policy or be allowed to self-insure, in whole or in part, in an amount of no less than $1,000,000.00 for personal injury to one person and $10,000,000.00 per occurrence and $1,000,000.00 for damage to property. Each Lessee shall be named as additional insureds for the limits not provided through self-insurance with respect to this Lease. This coverage shall be primary to the additional insureds, and not contributing with any other insurance or similar protection available to the additional insureds, whether said other available coverage shall be primary, contributing or excess. The Nation shall provide for notification to Salt River Project on behalf of the Lessees prior to any material change in said policy or any cancellation or non-renewal of said policy for any reason including non-payment of premium. A Certificate of Insurance or self-insured letter evidencing the above coverage shall be furnished to each Lessee annually, or upon written request. Such insurance for Tract A may be discontinued by the Nation on the second anniversary of the Surrender Outside Date provided for in this Lease.

(C) The insurance policies required by this Section may be increased if, both the Nation and the Lessees mutually agree that such increase reasonably is necessary for the protection of the Nation, the United States or the Lessees. No such adjustment shall be made unless in a mutual written agreement of the Parties.

(D) In no event shall the amount of the procuring Party's insurance policy limit said Party's liability or its duty to indemnify as provided under this Lease.

## 22. NAVAJO PREFERENCE IN EMPLOYMENT AND NAVAJO BUSINESS OPPORTUNITY.

(A) All persons employed or contracting for the Leased Premises will be selected based on qualifications and, if applicable, responsible price.

(B) Employment at the NGS Site will be based on qualifications without regard to race, color, creed, religion, national origin, disability, sex, or age, except that to the extent allowed by law preference will be given to qualified ~~Navajos.~~enrolled members of the Navajo Nation, as tribal membership is a political classification. In the event that federal law prohibits Lessees from providing employment preference based on tribal affiliation, Lessees will follow Indian preference, as described in this Lease.

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(C) Selection of contractors and sub-contractors for conducting NGS Retirement and NGS Site Remediation in accordance with this Lease will be based on a multi-factor competitive bid without regard to race, color, creed, religion, national origin, disability, sex, or age. To the extent allowed by law preference will be given to Navajo-owned business registered with the Navajo Nation Business Regulatory Department. In cases where multiple contractors have equal qualifications, preference will be given to Navajo-owned businesses registered with the Navajo Nation Business Regulatory Department.

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(D) Lessee shall cause the following provision to be included in each prime construction contract for the NGS Retirement~~,~~ and NGS Site Remediation. Further, Lessees shall use commercially reasonable efforts to cause each contractor to comply with the provisions set forth below:

> "Contractor agrees to give preference when hiring for the work at NGS to qualified local Navajos. Navajo means being a member of the Navajo Nation and having an assigned census number. Qualified means an employee that has the knowledge, skills and abilities to perform the job in question as determined by the Contractor. In the event that the Contractor is unable to find a qualified Navajo candidate for a particular position – the Contractor is allowed under this agreement to hire a qualified non-Navajo for the position. Navajo Preference is required pursuant to certain agreements between the Lessees and the Navajo Nation. To the extent those agreements change during the life of this agreement – and the change affects the practice of Navajo Preference – the Contractor will revise its Navajo Preference policy as directed by the Salt River Project acting on behalf of the Lessees. If the Contractor fails to fulfill its obligation regarding Navajo Preference, the Salt River Project acting on behalf of the Lessees reserves the right to terminate its agreement without further obligation to the Contractor."

(E) Lessees shall maintain or cause to be maintained proper documentation of all recruiting, hiring and employment activities during the NGS Retirement~~,~~ and NGS Site Remediation. Lessees shall provide or cause to be provided a monthly report to the Nation, including a copy of said report to the Office of Navajo Labor Relations, commencing on the date of mobilization, which report indicates the number of Navajos employed on the NGS Retirement and NGS Site Remediation and the percentage of the total labor force that is represented by Navajos for the duration of the work comprising said NGS Retirement and NGS Site Remediation.

## 23. INDEMNIFICATION, NON-LIABILITY.

(A) Possession Indemnity Benefiting Nation. Lessees agree to indemnify, hold harmless, and defend the Nation from and against any and all claims by unaffiliated third parties of damages, liabilities or expenses which the Nation may incur, or to which the Nation may be subjected, resulting from the exercise by Lessees of the leasehold rights leased to them under this Lease or from the exercise by Lessees of rights granted under the §323 Grant.

(B) Nation Indemnity of Lessees. Notwithstanding 25 C.F.R. §162.413(d)(i) and (ii)~~:~~, to the fullest extent allowed by law:

> (i) The Nation agrees to indemnify, hold harmless, and defend Lessees from and against any and all claims by ~~unaffiliated~~ third parties of damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, resulting from the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents arising out of or related to the use or possession of Surrendered Lands and any improvements made to Surrendered Lands from

the Surrender Date and thereafter except for damages, costs or liabilities reserved by the Nation under Section 36(B) (Waiver and Release of Claims; Covenant Not to Sue).

(ii) The Nation agrees to indemnify, hold harmless and defend Lessees from and against any and all claims of the Nation or parties claiming through the Nation for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, resulting from the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents arising out of or related to the Nation's possession or use of the Leased Premises or any improvements made to the Leased Premises from the earlier of the date the Nation obtains control of Surrendered Lands or the expiration of the Lease Term, except for damages, costs or liabilities reserved by the Nation under Section 36(B) (Waiver and Release of Claims; Covenant Not to Sue).

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(iii) The Nation agrees to indemnify, hold harmless and defend Lessees from and against any and all claims by Lessees and parties claiming through the Lessees for damages, liabilities or expenses which any Lessee or its interest in any improvements may incur, or to which any Lessee or its improvements may be subjected, arising out of or related to the exercise of any mineral rights referenced in Section 24 (Minerals) below with respect to minerals located on the Surrendered Lands, including any damage to the remaining Leased Premises and any improvements thereon.

(iv) The Nation agrees to indemnify, hold harmless and defend Lessees from and against any and all claims by third parties for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected arising out of or related in any manner to the use of the Leased Premises at any time by the Navajo Nation~~or third parties~~, tribal enterprises, tribal businesses and tribal corporate entities for any purpose prohibited by Section 4 (Purpose; Permissible Uses; Restricted Uses), the Ash ~~Land Fill~~Landfill Restriction, or the Solid Waste Landfill and Pond Solids Restriction. After the end of the Lease Term, the Nation agrees to extend this indemnification to cover any use by third parties and tribal members and residents related to the Leased Premises that is contrary to Section 4(E), except that, for the Ash Landfill only, such extension to third parties and tribal members and residents shall become effective only after Lessees have notified the Nation in writing that Lessees are relinquishing the authority to place fencing, signage and barriers on the Ash Landfill. Expenses shall include, without limitation, any additional remediation costs imposed upon any Lessee as a result of that prohibited use by any government entity or administrative or judicial action or decision.

(C) Survival. This Section shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

## 24. MINERALS.

(A) Mineral Reservation. All minerals, except soil, sand and gravel, contained in or on the Leased Premises are reserved for the use of the Nation. Such use shall be without the occupancy, use or destruction of the surface estate. The Nation may begin or allow sand and gravel operations commencing

with the NGS Site Remediation Period, provided such activities shall not impair, disturb or adversely impact any landfill, closed or opened surface pond, or Lessee's activities under this Lease.

(B) Remediation Period. This Section 24 is supplemented by certain restrictions on mining activity on Surrendered Lands during the NGS Retirement Period, as provided in Section 6 (Surrender).

## 25. EXPIRATION OF LEASE AND DELIVERY OF LEASED PREMISES.

On a Lease Term's expiration, Lessees shall peaceably and without legal process deliver up possession of the Leased Premises, subject to any continuing access rights provided in this Lease.

## 26. NATION'S AGREEMENT NOT TO REGULATE LESSEES.

(A) Notwithstanding any provision of 25 C.F.R. §162.014(a)(2) and 25 C.F.R. §162.014(b), the Nation covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees with respect to any activity or absence of activity related to this Lease, including, but not limited to, NGS Retirement, NGS Site Remediation, Transmission Removal and Remediation, the ownership or operation of the Transmission Facilities and related activities, post-closure access, or any other activities or uses of Reservation Lands subject to this Lease.

(B) For purposes of this Lease, "Regulate" is defined as any act or process by the Nation, including any current or future law ~~or regulation~~ imposed by the Nation, that would seek to control by requirement, restriction, limitation, condition or prohibition the actions or inactions of Lessees in relation to this Lease or that would impose different or additional requirements, restrictions, limitations, conditions or prohibitions beyond the terms of this Lease.

(C) For the purposes of this Section, "Lessees" includes the Lessees, their affiliates, subtenants, licensees, officers, employees, agents, contractors, subcontractors, successor and assigns.

(D) Nothing in this Section prevents the Parties from mutually agreeing in writing to allow the Nation to Regulate the Leased Premises, retirement, remediation or activities occurring after the end of the Lease Term or to enter into other agreements, such as voluntary compliance agreements, regarding the Leased Premises, retirement, or remediation or activities occurring after the end of the Lease Term. In such event, the provisions of Section 3 (Applicable Law) shall be modified, as necessary, notwithstanding Section 3(C) (Applicable Law).

(E) This agreement not to regulate is not a waiver of whatever rights the Nation may have to Regulate retail distribution of electricity on Reservation Lands. Retail distribution of electricity shall not be deemed to mean or include any activity referenced in Section 8 (Further Compensation and Terms and Conditions Related to Tract B) of this Lease. Nothing in this Agreement conveys to the Lessees, or any of them, any rights to engage in retail distribution of electricity on Reservation Lands.

(F) The provisions of this Section 26 shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

## 27. REPORTING.

Lessees shall use commercially reasonable efforts to provide the Navajo Nation's Environmental Protection Agency with a clear and legible courtesy copy of all applications, notices and reports concerning permits, environmental assessments, releases of hazardous or regulated substances, testing, monitoring, or remediation occurring on the Leased Premises, or any other relevant notice that Lessees are required by Applicable Law to provide to the United States Environmental Protection Agency. Delivery shall be to the Navajo Nation Environmental Protection Agency by first class mail to the following (or their respective institutional successors):

Waste Regulatory and Compliance Program
Navajo Nation Environmental Protection Agency
Post Office Box 339
Window Rock, Navajo Nation (Arizona) 86515

and,

Executive Director
Navajo Nation Environmental Protection Agency
Post Office Box 339
Window Rock, Navajo Nation (Arizona) 86515

## 28. OBLIGATIONS TO THE UNITED STATES.

It is understood and agreed that while the Leased Premises are in trust status, all of Lessees' obligations under this Lease and the obligations of its sureties are to the United States as well as to the Nation.

## 29. NOTICES AND DEMANDS.

(A) Any notices, demands, requests or other communications to or upon any of the Parties, as provided for in this Lease, or given or made in connection with this Lease (hereinafter referred to as "Notices,") shall be in writing and shall be addressed to the Nation and Lessees as described in Schedule 29 attached.

(B) All Notices shall be given by personal delivery, by registered or certified mail, postage prepaid, or by facsimile transmission or e-mail, followed by surface mail. Notices shall be effective and shall be deemed delivered and received: (1) if by personal delivery during normal business hours, on the date of delivery; or (2) if by personal delivery but not during normal business hours, on the next business day following delivery; or (3) if by registered or certified mail, by facsimile transmission or by e-mail (followed by first-class mail), on the next business day following actual delivery of the registered mail, certified mail or e-mail.

(C) The Nation and any Lessee may at any time change its address for purposes of this Section by Notice.

## 30. SUCCESSORS AND ASSIGNS.

The terms and conditions contained herein shall extend to and be binding upon the successors and assigns of the Parties. Except as the context otherwise requires, the term "Lessees," as used in this Lease, shall be deemed to include all such Lessees' respective successors and assigns.

## 31. EFFECTIVE DATE; VALIDITY.

(A) None of the Parties is bound or benefitted by this Lease until all of the Parties have executed and delivered this Lease and the Effective Date has occurred. Notwithstanding anything in this Lease to the contrary, each Party that executes and delivers its signature on this Lease prior to the Effective Date to one or more of the Parties will be deemed to have delivered this instrument in escrow.

(B) This instrument is void if:

(i) Either this Agreement or Amendment No. 1 to the Indenture of Lease is not executed by the Nation on or before **July 1, 2017**, or

(ii) Either this Agreement or Amendment No. 1 to the Indenture of Lease is not executed by Nevada, Salt River Project, on its own behalf, Tucson, and APS on or before **July 1, 2017**, or

(iii) Either this instrument or Amendment No. 1 to the Indenture of Lease is not executed by Los Angeles on or before **December 1, 2017**, or

(iv) If the Secretarial approval attached hereto is not executed and delivered by the Secretary and the United States to the Parties on or before **December 1, 2017**, or

(v) The Lessees extend the lease term of the Existing Lease as provided below in Section ~~29~~31(C), or

(vi) The United States, in its capacity as a participant in the Navajo Project, has not consented to the execution of this instrument and Amendment No. 1 to the Indenture of Lease by Salt River Project on its behalf on or before **December 1, 2017**; or

(vii) If a plant asset sale agreement is fully executed, delivered and the transaction closed prior to **July 1, 2019**.

(C) The Lessees may extend the lease term of the Existing Lease at any time prior to the Term Commencement Date, in accordance with the terms and provisions of extension presently contained in the Existing Lease.

## 32. COOPERATION.

The Nation shall reasonably support and cooperate with Lessees regarding the NGS Retirement, NGS Site Remediation, and Transmission Removal and Remediation, and the Nation shall perform acts reasonably requested by the Lessees to fully effectuate the purposes of this Lease. The Lessees shall likewise reasonably support and cooperate with the Nation to ensure full effectuation of the purposes of this Lease.

## 33. MEMORANDUM OF LEASE; RECORDATION.

The Parties shall execute and deliver a memorandum of this Lease in the form of Exhibit G ("Memorandum of Replacement Lease"), together with the Ash Landfill Restriction set forth on Exhibit F, and Solid Waste Landfill and Pond Solids Restriction set forth in Exhibit F-2, for recording and filing in the required and appropriate public records.

## 34. MUTUAL ESTOPPEL STATEMENTS.

(A) The Nation hereby covenants, represents, warrants and confirms that, as of the Effective Date, Lessees are not in default under the Existing Lease and no event or condition has occurred or exists that with the giving of notice or passage of time would constitute a default by Lessees under the Existing Lease or any document or agreement arising out of or related to the Leased Premises. The Nation hereby acknowledges and agrees that it may not assert any claim contrary to the foregoing statement. Lessees hereby covenant, represent, warrant and confirm that, as of the Effective Date, the Nation is not in default under the Existing Lease and no event or condition has occurred or exists that with the giving of notice or passage of time would constitute a default by the Nation under the Existing Lease or any document or agreement arising out of or related to the Leased Premises. Each Lessee hereby acknowledges and agrees that it may not assert any claim contrary to the foregoing statements.

(B) When the Existing Lease term expires, all rights and obligations under the Existing Lease and the documents related thereto, other than perhaps the remaining term of any previous §323 Grant, shall cease and be of no further force or effect, and the relationship between the Nation and the Lessees shall be governed exclusively by this Lease.

(C) In the event of any conflict between this Lease and the Existing Lease with respect to the possession and operation of the Leased Premises and related activities prior to the Term Commencement Date, the terms and provisions of the Existing Lease shall control the conduct and relationship of the Parties; provided, however, the Retirement Guidelines shall control over any conflicting provision contained in the Existing Lease. Consistent with the purpose of this Lease, after the Effective Date, no retirement or restoration provisions of the Existing Lease shall be enforced by any Party during the remaining term of the Existing Lease.

(D) No default under the Existing Lease shall constitute a default under this Lease. Similarly, no default under this Lease shall constitute a default under the Existing Lease.

(E) For the purposes of this Section, the term "default" means any default, breach, or event of default or breach, however denominated in any instrument, regardless of whether the default is subject to any right of cure period or whether the default has been noticed.

## 35. NAVAJO NATION AUTHORIZATION APPROVING THE LEASE AND ADDRESSING SPECIFIC ACTIONS UNDER THIS LEASE.

(A) As authorized by Resolution #_____ of the Navajo Nation Council dated ____, ___, the Navajo Nation has approved this Lease and is authorized to enter into this Lease, in its entirety, including all exhibits hereto.

(B) As authorized by Resolution # ___ of the Navajo Nation Council dated _____, ____, and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, 25 C.F.R. §§162.014(a)(2) and 162.014(b), or relevant federal, state or tribal case law precedent:

(i) The Navajo Nation affirmatively waives the application of the laws of the Navajo Nation, and agrees to the application of federal law and, where federal law does not apply, the laws of the State of Arizona, as provided in Section 3 (Applicable Law) of this Lease.

(ii) The Navajo Nation affirmatively waives the jurisdiction of the Navajo Nation courts and agrees that: (1) the remedies set forth in Sections 17 (Default for Nonpayment; Remedies; Jurisdiction) and 18 (Other Breaches and Defaults) of this Lease are the exclusive remedies to address Disputes among the Parties and claimed breaches of this Lease; and (2) the federal courts, and, where federal law does not apply, the Arizona state courts, and no other courts, shall have exclusive jurisdiction to consider and decide Disputes or claimed breaches of this Lease, as provided in Sections 17 (Default for Nonpayment; Remedies; Jurisdiction) and 18 (Other Breaches and Defaults) of this Lease.

(iii) The Navajo Nation affirmatively waives and consents to the waiver of sovereign immunity from suit by the Lessees as provided in Section 19 (Waiver of Sovereign Immunity) of this Lease.

(iv) The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees, as provided in Section 26 (Nation's Agreement not to Regulate Lessees) of this Lease.

(C) As authorized by Resolution #___ dated ____, _____, of the Navajo Nation Council, the Nation hereby gives its consent to the Secretary's waiver and making of exceptions to the application of any of the following Existing Regulations (as defined in Section 37 (Application and Waiver of Regulations of Department of Interior)):

(i) The waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 162: 162.014 (a)(2); 162.014(b); 162.413(d)(1); 162.413(d)(2); and 162.449(b).

(ii) The making of exceptions by the Secretary to the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 162: 162.413(a)(9); 162.417(c); 162.420(a); 162.428(a); 162.434(f)(2); and 162.437(c).

(D) As authorized by Resolution #___ dated ____, _____, of the Navajo Nation Council, the Nation hereby gives its consent to the Secretary's waiver and making of exceptions to the application of

the following Existing Regulations (as defined in Section 37 (Application and Waiver of Regulations of Department of Interior)):

(i) The waiver by the Secretary, pursuant to 25 C.F.R. §1.2, of the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 169: 169.9(b); 169.120(b); 169. 125(c)(5)(iii); 169.125(c)(5)(xii); 169.125(c)(6)(i); and 169.125(c)(6)(ii).

(ii) The making of exceptions by the Secretary to the application of the following Existing Regulations in Title 25, Code of Federal Regulations, Part 169: –169.102(b)(3); 169.102(b)(6); 169.103(f)(2); 169.105(c); and 169.110(a).

(E) This Section 35 survives any termination of this Lease or the expiration of the Lease Term in perpetuity.

**36. WAIVER AND RELEASE OF CLAIMS; COVENANT NOT TO SUE.**

(A) To the fullest extent allowed by law, the Nation covenants and agrees not to sue or take administrative action against Lessees and further waives and releases all the claims listed in this Section 36(A), which include legal and equitable claims of any nature, claims for actual compensatory, consequential, punitive, special, multiple or other damages of any kind, whether known or unknown as of the Effective Date, under federal, state, or tribal law, that the Nation may currently have, has ever had, or may have in the future against each of the Lessees. The Nation covenants and agrees not to bring these claims on behalf of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or on behalf of its tribal members, residents, or any other person, in a representative, agent, or trustee capacity or otherwise. This waiver and release shall apply whether or not the action or the basis therefore are known to the Nation on the Effective Date, so that it waives and releases all rights to any provision of law stating that a general release does not extend to any claims that the person does not know or suspect to exist in the person's favor at the time of executing the release, and which if known to the person would have materially affected the settlement.

(i) Any claims arising out of or relating in any manner to the Existing Lease or the Lessees' activities under the Existing Lease. This includes, without limitation, claims for interpretation or enforcement of the Existing Lease, claims for default under the Existing Lease, claims for any other breach of the Existing Lease, claims for personal injury or personal property damage arising out of or relating in any manner to the Lessees' activities, and claims for violations of federal, state, or tribal law under the Existing Lease, except the environmental claims in Section 36(C) below.

(ii) Any claims under tribal environmental law against any Lessee arising from or relating in any manner to the Lessee's activities under the Existing Lease or this Lease, or to the remediation through closure in place on the Navajo Project, in compliance with the Retirement Guidelines, the NGS Retirement Plan, and all applicable federal environmental laws, of coal combustion residuals, pond solids, solid waste, and other structures and materials specifically agreed upon by the Parties and identified in Appendix 3 to Exhibit C, Exhibit E and Exhibit E-2.

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(iii) Any claims under federal or state environmental law, including but not limited to natural resource damages claims, against any Lessee arising out of or relating in any manner to the materials and structures remediated through closure in place on the Navajo Project, except the environmental claims in Section 36(B) below.

(iv) Any claims arising out of or relating in any manner to the negotiation, execution, or adoption of this Lease.

(B) Notwithstanding Section 11(G) (NGS Retirement), as to claims arising from or relating in any manner to materials and structures remediated through closure in place on the Navajo Project, the Nation expressly reserves and retains its right to bring claims under CERCLA (42 U.S.C. §9601, et seq.) or RCRA (42 U.S.C. §6901, et seq.) in federal court against Lessees for response costs or equitable relief, but not for natural resource damages, to the extent that the closure in place is not in compliance with the Retirement Guidelines or federal environmental law, or poses a threat to groundwater outside the boundaries of the Leased Premises that is not fully addressed by a response plan developed by the Lessees and the Nation under the groundwater monitoring and response provisions of Section 4(G) (Purpose; Permissible Uses; Restricted Uses).

(C) Notwithstanding Section 11(G) (NGS Retirement), as to claims not arising from or relating in any manner to materials or structures remediated through closure in place on the Navajo Project, the Nation expressly reserves and retains its right to bring claims in federal court under federal environmental law for response costs, equitable relief, or damages including natural resource damages against the Lessees pertaining to or resulting from any hazardous waste (as defined under RCRA, 42 U.S.C. §6903, and implementing regulations) or hazardous substance (as defined in CERCLA, 42 U.S.C. §9601(14), and implementing regulations) discovered after Surrender to be on or emanating from the Leased Premises as a result of the Lessees' activities.

(D) For purposes of this Section 36, Lessees' activities include all activities related to the operation or ownership of the Navajo Generating Station during the term of the Existing Lease, including, without limitation: (i) the construction, reconstruction, installation, reinstallation, maintenance, operation and ownership of the Navajo Generating Station, the water intake facilities, the pumping station, the transmission systems, the communication facilities, the coal conveyor, the rail loading site, the ash disposal site, and the Black Mesa & Lake Powell Railroad; (ii) the decommissioning, and retirement and remediation of those facilities, including the removal of all improvements and land restoration activities; and (iii) any other activities contemplated by the Existing Lease.

(E) For purposes of this Section 36, Lessees includes their respective owners, directors, managers, officers, employees, agents, successors, and assigns.

(F) To the fullest extent allowed by law, Lessees covenant and agree not to sue the Nation and further waive and release all the claims listed in this Section 36(F), which include legal and equitable claims of any nature, claims for actual compensatory, consequential, punitive, special, multiple or other damages of any kind, whether known or unknown as of the Effective Date, under federal, state, or tribal law, that Lessees may currently have, have ever had, or may have in the future against the Nation. This waiver and release shall apply whether or not the action or the basis therefore are known to Lessees on the Effective Date, so that they waive and release all rights to any provision of law stating that a general release does not extend to any claims that the person does not know or suspect to exist in the person's favor at the time of executing the release, and which if known to the person would have materially affected the settlement.

(i) Any claims arising out of or relating in any manner to the Existing Lease or the Nation's activities under the Existing Lease. This includes, without limitation, claims for interpretation or

enforcement of the Existing Lease, claims for default under the Existing Lease, claims for any other breach of the Existing Lease, claims for personal injury or personal property damage arising out of or relating in any manner to the Lessees' activities, and claims for violations of Navajo Nation or federal law, except as provided in Section 36(G).

(ii) Any claims under federal, state or tribal environmental law against the Nation arising out of or relating in any manner to the Nation's activities under the Existing Lease or this Lease, except as provided in Section 36(G).

(iii) Any claims arising out of or relating in any manner to the negotiation, execution, or adoption of this Lease.

(G) Lessees expressly reserve and retain their legal and equitable rights in responding to or defending themselves from claims brought by the Nation or third parties, including but not limited to the right to bring claims, counterclaims, crossclaims, or defenses under federal environmental law in response to claims brought against the Lessees.

(H) The Parties' covenants, waivers, and releases in this Section 36 are not altered, amended, or modified by the start or end of the NGS Retirement or NGS Site Remediation Periods or by any Surrender Date.

(I) The provisions of this Section 36 shall survive termination of this Lease or the expiration of the Lease Term in perpetuity.

## 37. APPLICATION AND WAIVER OF REGULATIONS OF DEPARTMENT OF INTERIOR.

(A) Except for regulations waived by the Secretary pursuant to 25 C.F.R. §1.2 or excepted from application, with the consent of the Nation, as provided in this Lease, this Lease is made and entered into subject to the regulations in Title 25, Code of Federal Regulations, that are in effect on the Term Commencement Date ("Existing Regulations"). Any amendments or other changes to the Existing Regulations after the Term Commencement Date shall not affect the rights and obligations of the Parties as set forth in this Lease.

## 38. ADDITIONAL BIA REQUIREMENTS.

(A) BIA has the right, at any reasonable time during the Lease Term and upon reasonable notice in accordance with 25 C.F.R. §162.464, to enter into the Leased Premises for inspection and to ensure compliance. BIA shall comply with any safety and security rules that Lessees may have adopted for the NGS Site.

(B) BIA may, at its discretion, treat as a lease violation any failure by the Lessees to cooperate with a BIA request to make appropriate records, reports, or information for BIA inspection or duplication.

(C) Upon BIA's request, Lessees must provide BIA with any proof of payment of any compensation paid to the Nation under the terms of the Lease.

## 39. EXECUTION IN COUNTERPARTS.

The Lease may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. A signature page of any counterpart may be detached therefrom without impairing the legal effect of the other signature(s), if that signature page is attached to any other counterpart that is identical to the first except for having additional attached signature pages executed by other parties to this Lease.

## 40. ESTOPPEL CERTIFICATES.

Each Party shall deliver appropriate estoppel certificates to one or more other Parties within forty-five (45) days of a written request.

## 41. QUIET ENJOYMENT.

The Nation shall provide Lessees with quiet enjoyment and peaceful and exclusive possession of the Leased Premises, subject to any existing leases, easements, or other encumbrances. The Nation acknowledges that, to its knowledge, no existing leases, easements or other encumbrances affect the Leased Premises other than the Existing Lease. This covenant is limited to the Leased Premises as reduced from time to time by Lessees' Surrender to the Nation of Surrendered Lands.

## 42. FORCE MAJEURE.

(A) No Party shall be deemed in default if it is prevented from fulfilling a Lease obligation by reason of uncontrollable forces. The term "uncontrollable forces" means, for purposes of the Lease, any cause beyond the control of the Party affected, including but not limited to, restraint by any court, governmental, administrative or regulatory authority; the need to comply with any applicable law, change in law, regulation, ordinance or resolution, or any governmental, regulatory, administrative or judicial proceeding; inadequacy of water; facilities failure; flood; earthquake; storm; lightning; fire; epidemic; war; riot; civil disturbance; labor disturbance; or sabotage, which by exercise of due diligence and foresight, the party could not reasonably have been expected to avoid. Any Party rendered unable to fulfill any obligation by reason of "uncontrollable forces" must exercise due diligence to remove the inability with all reasonable dispatch. It also includes discovery, during the course of any activity associated with the Lease, of historic properties, archeological resources, human remains, or other cultural items not previously reported, as provided in Section 2(E) (Leased Premises).

(B) A Party's failure to cure a default due to force majeure is not a basis for termination of this lease.

## 43. INDEPENDENT COVENANTS.

The covenants of the Lease are to be deemed to be independent covenants, not dependent covenants, and the obligation of any Party to perform all of its covenants is not conditioned on another Party's performance of all that Party's covenants. The existence of one Party's claim or cause of action against another, of whatever nature, is not a defense to the enforcement of the covenants contained in this Lease.

## 44. SEVERAL RIGHTS LEASED.

As between the Lessees and Nation, each Lessee hereunder shall have the several and individual right to exercise all rights of whatever kind leased to Lessees under the Lease, including all rights in and to the Leased Premises in accordance with this Lease.

## 45. WAIVER OF JURY TRIAL.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

## 46. RECITALS.

The Recitals are incorporated into this Lease.

## 47. ENTIRE AGREEMENT.

(A) This Lease, the Exhibits, schedules, and the other documents referenced herein or attached hereto constitute the entire Lease among the Parties, and replace and supersede any prior or contemporaneous agreements, drafts, amendments, correspondence, discussions or course of dealing, whether written or oral, in their entirety with respect to this subject matter.

(B) The Parties acknowledge that they have not relied upon, and have no remedies with respect to, any representations or warranties, including pre-contractual representations or warranties, whether made innocently or negligently, other than those set forth in this Lease.

(C) No party shall have any claim for innocent or negligent misrepresentation based upon any statement in this Lease.

(D) The Parties have participated jointly in negotiating this Lease and have been represented by counsel. If a question of interpretation arises, this Lease shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of this Lease.

(E) This Section ~~48~~47 is not intended to exclude any Party's liability for fraud.

## 48. AMENDMENTS.

No prior agreement, correspondence or understanding pertaining to any such matter shall be effective to interpret or modify the terms of this Lease. Oral commitments or promises are not enforceable and shall not be binding or made part of this Lease. Any revisions or modifications to this Lease must be in writing and mutually accepted by persons with full and complete authority to bind the party, as designated by this Lease. The Nation and each Lessee waive the right to claim or assert the existence of any other modifications to this Lease. This Lease may be amended or modified only in writing, executed and delivered by all of the Parties in interest to this Lease, at the time of modification. Each Party acknowledges that employees, contractors and other similar persons of the other Parties hereto do not have authority to modify this Lease or to waive any rights hereunder.

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____
Secretary

By: _____

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California )

County of _____ )

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

_____
Secretary or Assistant Secretary

By: _____
Paul Caudill
Its: President

Date: _____

STATE OF_____ )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____

Secretary

Its: _____

Date: _____

STATE OF ARIZONA )
) ss.
County of _Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____

Notary Public

My commission expires:

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____

Secretary

Its: _____

Date: _____

STATE OF ARIZONA )
) ss.
County of Maricopa )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____

Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Lease to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____
Secretary

By:_____

Its: Vice President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**REPLACEMENT LEASE BETWEEN THE NAVAJO NATION AS LESSOR AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES AS LESSEES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN REPLACEMENT LEASE between THE NAVAJO NATION as Lessor and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES as Lessees, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

By and through his or her approval of this Lease, pursuant to 25 C.F.R. §1.2, and upon request of the Navajo Nation Council, the Secretary waives the application of the following regulations in Title 25, Code of Federal Regulations, Part 162: 162.014 (a)(2); 162.014(b); 162.413(d)(1); 162.413(d)(2); and 162.449(b).

By and through his or her approval of this Lease, and upon request of the Navajo Nation Council, the Secretary makes exceptions to the application of the following regulations in Title 25, Code of Federal Regulations, Part 162: 162.413(a)(9); 162.417(c); 162.420(a); 162.428(a); 162.434(f)(2); and 162.437(c).

_____ _____ **Director** **Date of Approval**
**Bureau of Indian Affairs**
**Department of the Interior**

STATE OF_____ )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

_____

**Exhibit A**
**(Tract A)**

**The NGS Site**

**Legal Description and Survey Map of the NGS Site,**
**a portion of the Leased Premises**

**Exhibit A (Continued)**
**(Tract B)**

**The Transmission Site**

**Legal Description and Survey Map of the Transmission Site,**
**a portion of the Leased Premises**

**Exhibit A-2**
**(Diagram/Site Plan)**

**The NGS Power Facility Located on a Portion of the NGS Site**
**(not to scale)**

**Exhibit B**

**List of Navajo Nation Retained Assets and the Table of Savings and Costs**

**Exhibit C**

**Navajo Project Retirement Guidelines**

**Exhibit D**

**Amendment No. 1 to Indenture of Lease**

**Exhibit E**

**Ash Disposal Area**
**(Diagram/Site Plan)**
**(not to scale)**

**Exhibit E-2**

**Solid Waste Landfill and Pond Solids Area**
**(Diagram/Site Plan)**
**(not to scale)**

**Exhibit F-2**

**Solid Waste Landfill and Pond Solids Restriction**

**Exhibit G**

**Memorandum of Replacement Lease**

**Exhibit H**

**Conveyor and Coal Loading Silo Areas**

**Legal Description and Survey Map of the conveyor and coal loading silo areas, a portion of the NGS Site**

## Schedule 29

## Navajo Nation Addresses

Navajo Nation President
Office of the President and Vice President
P.O. Box 7440
Window Rock, Navajo Nation (AZ) 86515

Navajo Nation Attorney General
Navajo Nation Department of Justice
P.O. Box 2010
Window Rock, Navajo Nation (AZ) 86515

Division Director
Division of Natural Resources
P.O. Box 9000
Window Rock, Navajo Nation (AZ) 86515

Department Manager
Navajo Land Department
P.O. Box 2249
Window Rock, Navajo Nation (AZ) 86515

Department Manager
Minerals Department
P.O. Box 1910
Window Rock, Navajo Nation (AZ) 86515

Division Director
Division of Economic Development
P.O. Box 663
Window Rock, Navajo Nation (AZ) 86515

Executive Director
Navajo Nation Environmental Protection Agency
P.O. Box 339
Window Rock, Navajo Nation (AZ) 86515

**Lessee Addresses**

Arizona Public Service Company

David Hansen
Vice President, Fossil Generation
400 North 5th Street
Phoenix, AZ 85004
Ph. (602)250-4402
David.A.Hansen@aps.com

Los Angeles Department of Water and Power

Director of External Generation
Bradford Packer
Los Angeles Dept. of Water and Power (LADWP)
111 N. Hope St., Room 921
Los Angeles, CA 90012
Ph. (213) 367-2227
Email: Brad.Packer@ladwp.com

With a copy to:

Engineer of External Generation
Sam Mannan
Los Angeles Dept. of Water and Power (LADWP)
111 N. Hope St., Room 1263
Los Angeles, CA 90012
Ph. (213) 367-4984
Email: Sam.Mannan@ladwp.com

Nevada Power Company dba NV Energy

NV Energy
Attn: General Counsel
6226 W. Sahara Drive
Las Vegas, NV 89416
Email: dcannon@nvenergy

Salt River Project Agricultural Improvement and Power District

Salt River Project Agricultural Improvement and Power District
c/o Secretary
1500 North Mill Avenue
Tempe, AZ 85281
Email: $secoff@srpnet.com

With a copy to:

Salt River Project Agricultural Improvement and Power District
c/o Associate General Manager and Chief Legal Executive
1500 North Mill Avenue
Tempe, AZ 85281

Tucson Electric Power Company

Tucson Electric Power Company
Attn: Mark Mansfield, Vice President
88 E. Broadway Blvd., Mailstop HQE901
Tucson, AZ 85701
Ph. (520) 745-3232
Email: mmansfield@tep.com

With a copy to:

Tucson Electric Power Company
Attn: Todd Hixon, General Counsel and Vice President
88 E. Broadway Blvd., Mailstop HQE901
Tucson, AZ 85701
Ph. (520) 884-3667
Email: thixon@tep.com

Attachment F

When recorded, return to:
Salt River Project
Attention: Legal Services
Mail Station PAB4TA
P.O. Box 52025
Phoenix, Arizona 85072-2025

**RESTRICTIVE COVENANT**

**(ASH LANDFILL RESTRICTION)**

**BETWEEN**

**THE NAVAJO NATION**

**AND THE**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**THIS RESTRICTIVE COVENANT (ASH LANDFILL RESTRICTION)** ("Restriction") is made and entered into by and between THE NAVAJO NATION (or the "Nation") and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY d/b/a NV Energy AND THE DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES (hereinafter collectively, together with their successors and assigns, referred to as "Lessees", and singly referred to as "Lessee") and is approved by the Secretary of the Interior on this __ day of _____, 2017. The Nation and Lessees are hereinafter collectively referred to as the "Parties" or individually as "Party."

RECITALS

**WHEREAS**, the Nation and the Lessees are parties to that certain Replacement Lease of contemporaneous date herewith (the "Lease"), for which a Memorandum of Lease is recorded with the United States Department of the Interior Land Titles & Records Office at document no. _____. The Lease is for an electrical generation facility commonly known as the Navajo Generating Station located in portions of the Navajo Nation and Coconino County, Arizona (the "Leased Premises").

**WHEREAS**, pursuant to the Lease, the Lessees will close in place material on, in and under an Ash Disposal Area located within a portion of the Leased Premises.

**WHEREAS**, the Nation has evidenced by Resolution #_____ dated _____, 2017, approved this Restriction, which Restriction is an exhibit to or is referenced in the foregoing Lease upon the terms and conditions set forth in the Resolution, and in consideration for the Lease, as the Nation deems to be in the best interests of the Nation.

**WHEREAS**, the Lessees have applied or will apply for the grant of rights-of-way and easements for the Leased Premises, including the Ash Disposal Area defined hereinbelow, from the Secretary by one or more §323 Grants. The Nation has consented to said §323 Grants pursuant to Resolution #_____, subject to the approval of the terms and conditions of each §323 Grant by the Nation. Those rights-of-way and easements granted to the Lessees by the Secretary under each §323 Grant, including for the Ash Disposal Area, are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease, including as to this Restriction.

**WHEREAS**, this Restriction, when recorded with respect to the Leased Premises, is intended to comply with the United States environmental regulations 40 C.F.R. §257.102(i), relating to a notation in the real property records regarding these Restrictions with respect to the closure of coal combustion residual units ("CCR"), which is how the Ash Landfill has been and is being used, and 40 C.F.R. §257.104(d)(iii), with respect to the existence of these post-closure restrictions on the Ash Landfill and other portions of the Leased Premises as noted herein.

**WHEREAS**, the United States Department of the Interior, Bureau of Indian Affairs is approving this Restriction pursuant to its authority granted in 25 U.S.C. §84.

**NOW THEREFORE,** the Nation and Lessees desire to enter into this Restriction.

**1. DEFINITIONS.**

(A) "**Ash Disposal Area**" means that portion of the Leased Premises legally described on Exhibit A hereto.

(B) "**Ash Landfill**" means that portion of land on the Ash Disposal Area that contains the coal combustion residuals from operation of the Navajo Generating Station described on Exhibit A hereto.

(C) "**Ash Landfill Restriction**" means the restrictions, servitudes and prohibitions created by this Restriction.

(D) "**Effective Date**" means the date that the Secretary has approved this Restriction, which shall be inserted on page one of this Restriction.

(E) "**Lease Term**" means the 35-year term of the Lease as to the Ash Disposal Area, which shall expire on December 22, 2054.

(F) "**Secretary**" means the Secretary of the Interior or his or her authorized representative or such person or agency as he or she may expressly designate to perform the functions specified in this Restriction to be performed by the Secretary or such Federal agency as may succeed to the duties of the Secretary under the Lease and this Restriction.

(G) "**§323 Grants**" means, singularly or collectively, one or more grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §§323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such current regulations promulgated thereunder as are applicable, including 25 C.F.R. §1.2 and Part 169, to Lessees.

Ash, coal ash, coal combustion residuals and CCR when used in this Restriction are synonymous terms.

## 2. ASH DISPOSAL AREA RESTRICTION.

(A) There is hereby imposed upon the Ash Landfill in perpetuity a restriction, servitude, prohibition, burden and covenant running with the land as follows: The Ash Landfill is restricted by any and all use, occupancy, development and other similar and related restrictions and limits imposed by 40 C.F.R. Title 40, Part 257; §§257.102(d), (i) and (j) and all successor federal regulations thereto.

(B) In accordance with the Lease, but without limitation as to the Lease Term, Lessees shall have the right to place fencing, signage and other barriers and notices they deem necessary to comply with the restrictions and requirements in Section 2(A) until Lessees have notified the Nation in writing that Lessees are relinquishing the authority to place fencing, signage and barriers on the Ash Landfill. Signage and notices shall be posted in both English and Navajo.

(C) Use of the Ash Disposal Area shall not disturb the integrity of the final cover, liner(s), or any other component of the containment system, or the function of the monitoring systems.

(D) No other disturbance to the Ash Landfill shall be allowed unless it is first demonstrated to the satisfaction of the Lessees that disturbance of the final cover, liner, or other component of the containment system, including any removal of CCR, will not increase the potential threat to human health or the environment. The

demonstration must be certified by a qualified professional engineer, and Lessees shall provide notification to the Executive Director of The Navajo Nation Environmental Protection Agency that the demonstration has been placed in the operating record and on the owners or operator's publicly accessible Internet site, which after Surrender of the Ash Disposal Area shall be the Nation. Upon written request by the Nation, the Representative (defined below) however, shall maintain that website for the Nation after Surrender.

(E) No portion of the surface of the Ash Landfill other than designated and engineered storm water containment ponds approved by a registered professional engineer may be used for surface water or other liquid storage/retention, or any activity or structure that may affect the landfill or material/soil located under the surface, including without limitation, any building or other structure for which the landfill as closed is not designed to support or which may puncture or impair any environmental protection system such as a lining or barrier.

## 3. PERPETUAL TERM.

The term and effectiveness of the Ash Landfill Restriction and the other provisions of this Restriction shall be perpetual. Without limitation, this Restriction shall remain in effect longer than the Lease Term and shall survive the termination or extinguishment of the Lease or any §323 Grant.

## 4. INDEMNITY OF LESSEES.

(A) All or portions of the Ash Disposal Area may be surrendered to the Nation prior to the end of the Lease Term.

(B) The Nation agrees to indemnify~~ Lessees~~, hold ~~them~~ harmless and defend ~~them~~Lessees from and against any and all claims by~~ unaffiliated~~ third parties of damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, ~~as a result of~~resulting from the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents arising out of or related to the Ash Disposal Area after Surrender in accordance with the Lease and any future improvements placed thereon commencing on the earlier of the Surrender of any portion of the Ash Disposal Area or the date the Lease Term ends.

(C) The Nation agrees to indemnify~~ Lessees~~, hold ~~them~~ harmless and defend ~~them~~Lessees from and against any and all claims by third parties for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected arising out of or related in any manner to use of the Ash Disposal Area by the Navajo Nation or, after Surrender of the Ash Disposal Area third parties for any purpose prohibited by Section 2. Expenses shall include, without limitation, any additional remediation costs imposed upon any Lessee by any government entity or administrative or judicial action or decision.

(D) This indemnity shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

(E) Nothing in this Restriction shall limit any indemnity rights among the Parties set forth in the Lease.

**5. ENFORCEMENT.**

(A) Prior to Surrender of the Ash Disposal Area, and subject to the provisions of Section 5(B) below, the Lessees may enforce this Restriction in any manner provided for herein or by law or in equity, including, but not limited to:

(i) To seek legal action to prevent any person's right to occupy or use the Ash Landfill or any portion thereof in violation of this Restriction;

(ii) To take action (including pursuant to any legal means) to abate any violation of this Restriction;

(iii) requiring any person, at the person's expense, to remove any structure or improvement on the Ash Landfill in violation of this Restriction and to restore that affected portion of the Ash Landfill to its previous condition and, upon failure of that person to do so, the Lessee(s) or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass, so long as the Lessee(s) secure written permission from the Division Director of the Nation's Division of Natural Resources (or any successor division) prior to taking that action, which approval shall not be unreasonably withheld, conditioned or delayed;

(iv) prohibiting through any lawful means any person who fails to comply with the terms and provisions of this Restriction from continuing or performing any further activities in violation of Section 2 of this Restriction;

(v) filing a suit at law or in equity to enjoin a violation of this Restriction, to compel compliance with this Restriction, to recover money damages or to obtain other relief as to which the Lessees may be entitled.

(B) All rights and remedies of Lessees under this Restriction or at law or in equity are cumulative, and the exercise of one right or remedy by Lessees shall not waive Lessees' right to exercise another right or remedy. For purposes of this Restrictive Covenant, Lessees shall act as a group through a representative or committee of representatives (the "Representative"). Decisions and actions of the Representative shall be binding on the Lessees. Notwithstanding the provisions of Sections 5(A) or this 5(B), the Lessees shall provide the Nation with at least ninety (90) days' advance notice of the commencement of an action pursuant to Section 5(A) (except in the case of an action pursuant to Section 5(D), in which case no advance notice need be given) and shall provide the Nation with an opportunity to cure the default or breach, whether by the Nation or any other person or entity.

(C) Following Surrender of the Ash Disposal Area to the Nation in accordance with the Lease, the Nation shall use diligent efforts at the Nation's expense to assure compliance by it and any users or occupants of the Leased Premises (whether invited or uninvited, temporary or permanent) with the provisions of these Restrictions, including to exercise any of the remedies noted in this Section 5 against any users or occupants. After Surrender of the Ash Disposal Area, except as noted in Section 5(D) below, before the Lessees (acting through the Representative) may exercise any rights or remedies noted in Section 5(A) above, they must first provide the Nation with a written notice of the breach by the Nation or any other person or entity with these Restrictions, which notice shall specify with particularity the nature of the alleged breach or failure. The Nation shall have ninety (90) days to cure the breach or failure or to commence cure. If the Nation commences the cure within that ninety (90) day period, the Nation shall have as long as is reasonably necessary to diligently complete that cure. If the Nation does not cure the breach or failure in compliance with those obligations, Lessees may pursue all rights and remedies independently from the Nation, in accordance with the Section 18 of the Lease (Other Breaches and Defaults), which is herein incorporated into this Restriction via Section 11 (Incorporated Provisions), and any efforts of the Nation shall not limit or preclude the rights of any Lessee hereunder or restrict its right of indemnification by the Nation or others.

(D) The foregoing restrictions shall not limit the right of Lessees to seek or undertake immediate legal action to resolve any condition or situation that poses an imminent threat to health, safety or the environment.

(E) After expiration of the Lease Term, the Nation shall have exclusive right to enforce the provisions of this Restriction except to the extent that applicable United States federal law requires continued enforcement by the Lessees.

## 6. APPLICABLE LAW.

(A) Notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent, any activities of the Lessees under this Restriction shall be governed exclusively by federal law or, if federal law does not apply, the laws of the State of Arizona.

(B) Any and all matters or claims in dispute between the Parties to this Restriction, whether arising from or relating to this Restriction, or arising from alleged extra-contractual facts prior to, during, or after the Effective Date, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the contract, shall be governed by, construed, determined and enforced exclusively in accordance with federal law or, if federal law does not apply, the laws of the State of Arizona, regardless of the legal theory upon which the matter is asserted and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent. Where federal law incorporates or applies the substantive law of the state in which the dispute or activities at issue occurred or in which the federal court is located, this

Lease should be construed and enforced to require incorporation of the laws of the State of Arizona.

(C) This Section 6 shall survive any termination of the Lease or the expiration of the Lease Term in perpetuity.

**7. NAVAJO NATION AUTHORIZATIONS.**

(A) As authorized by Resolution #_____ of the Navajo Nation Council dated ____, ___, the Navajo Nation has approved this Restriction and is authorized to enter into this Restriction, in its entirety.

(B) As authorized by Resolution # ___ of the Navajo Nation Council dated _____, ____, and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent:

(i) The Nation affirmatively waives the application of the laws of the Navajo Nation, and agrees to the application of federal law and, where federal law does not apply, the laws of the State Arizona, as provided in Section 6.

(ii) The Nation affirmatively waives the jurisdiction of the Navajo Nation courts and agrees that: (1) the remedies set forth in Section 18 of Lease (and incorporated by reference herein in Section 9) are the exclusive remedies to address Disputes among the Parties and claimed breaches of this Restriction; and (2) the federal courts, and, where federal law does not apply, the Arizona state courts, and no other courts, shall have exclusive jurisdiction to consider and decide disputes or claimed breaches of this Restriction, as provided in Section 18 of the Lease.

(iii) The Nation affirmatively waives and consents to the waiver of sovereign immunity from suit by the Lessees, as provided in Section 8.

(iv) The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees, as provided in Section 26 of the Lease (Nation's Agreement not to Regulate Lessees), as incorporated by reference into this Restriction.

(C) This Section 7 shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

**8. LIMITED WAIVER OF SOVEREIGN IMMUNITY.**

If any Party brings an action as permitted in this Restriction and names the Nation as a party in that action: (1) the Nation may be joined in the action; and (2) the Nation waives any claim to sovereign immunity from that action. As used in this Section, the term "action" includes the assertion of any claim, counterclaim or cross-claim in any court permitted by this Restriction. This Section shall survive in perpetuity and be effective notwithstanding the termination of the Lease or

any §323 Grant. Provided, however, this waiver by the Nation does not extend to (1) any party other than the Lessees or (2) third parties bringing claims against the Nation.

## 9. SUCCESSORS AND ASSIGNS.

This Ash Landfill Restriction is a covenant running with the land pursuant to 40 C.F.R §257.102(i) and as an equitable servitude for the several benefit of each Lessee and their successors and assigns. Each person or party that presently has or in the future acquires any right, title or interest, whether legal, equitable or beneficial, in the Ash Disposal Area, or any part thereof, agrees to abide by all of the provisions of this Restriction. This Restriction shall not merge into the Lease, any §323 Grant or other instrument or estate in the Ash Disposal Area. The terms and conditions contained herein, including without limitation, the Nation's waiver of sovereign immunity in Section 8, shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, sublessees (at any level), employees and agents of any Party.

## 10. RECORDATION.

This Restriction shall be recorded in the applicable public records set forth in Schedule 1 to this Restriction.

## 11. INCORPORATED PROVISIONS.

The provisions of Sections 18 (Other Breaches and Defaults), except as noted in Section 5(D) above, 26 (Nation's Agreement Not To Regulate Lessees), 40 (Estoppel Certificates), and 45 (Waiver of Jury Trial) of the Lease are incorporated into this Restriction by this reference as if stated herein in full, and references in that incorporated language to the "Lease" shall mean this Restriction, and references to a Lessee or a Party to the Lease shall mean the Lessees or Parties to this Restriction, with other conforming changes as are appropriate, mutatis mutandis.

## 12. EXECUTION IN COUNTERPARTS.

This Restriction may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. Any signature page of this Restriction may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon, and may be attached to other counterparts of this Restriction identical in form hereto but having attached to it one or more additional signature pages.

## 13. ESTOPPEL CERTIFICATES.

During the original Lease Term on request of a Party hereto each of the Parties shall deliver appropriate estoppel certificates to one or more other Parties within forty-five (45) days of a written request.

## 14. RECITALS.

The Recitals are incorporated into this Restriction.

## Schedule 1

## RECORDING OFFICES

A duplicate original of this instrument shall be recorded or filed in the following records and each Party shall execute and deliver, in recordable form, such further documents, supplements, certifications and resolutions to cause the same to be recorded or renewed:

| | |
|---|---|
| US Department of the Interior, Land Titles and Records Office | Albuquerque, New Mexico |
| Navajo Nation Land Department Administration, GIS Section | Window Rock, Navajo Nation (Arizona) |
| Navajo Nation Environmental Protection Agency | Window Rock, Navajo Nation (Arizona) |
| Coconino County Recorder, Arizona | Flagstaff, Arizona |
| LeChee Chapter | LeChee, Arizona |

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____
Secretary

By: _____

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California )

County of _____ )

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

_____
Secretary or Assistant Secretary

By: _____
Paul Caudill
Its: President

Date: _____

STATE OF_____ )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____
Secretary

By: _____

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____
Secretary

By: _____

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____
Secretary

By:_____

Its: Vice President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**RESTRICTIVE COVENANT BETWEEN THE NAVAJO NATION AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN RESTRICTIVE COVENANT between THE NAVAJO NATION and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

_____ _____
**_____ Director** **Date of Approval**
**Bureau of Indian Affairs**
**Department of the Interior**

STATE OF ARIZONA )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

_____

# Exhibit A

## Legal Description of the Ash Disposal Area and Ash Landfill (Coconino County, Arizona)

Attachment F-2

When recorded, return to:
Salt River Project
Attention: Legal Services
Mail Station PAB4TA
P.O. Box 52025
Phoenix, Arizona 85072-2025

**RESTRICTIVE COVENANT**

**(SOLID WASTE LANDFILL AND POND SOLIDS RESTRICTION)**

**BETWEEN**

**THE NAVAJO NATION**

**AND THE**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ARIZONA PUBLIC SERVICE COMPANY**

**TUCSON ELECTRIC POWER COMPANY**

**NEVADA POWER COMPANY d/b/a NV Energy**

**DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**THIS RESTRICTIVE COVENANT (SOLID WASTE LANDFILL AND POND SOLIDS RESTRICTION)** ("Restriction") is made and entered into by and between THE NAVAJO NATION ("Nation") and SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY d/b/a NV Energy AND THE DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES (hereinafter collectively, together with their successors and assigns, referred to as "Lessees", and singly referred to as "Lessee") and is approved by the Secretary of the Interior on this __ day of _____, 2017. The Nation and Lessees are hereinafter collectively referred to as the "Parties" or individually as "Party."

RECITALS

**WHEREAS**, the Nation and the Lessees are parties to that certain Replacement Lease of contemporaneous date herewith (the "Lease"), for which a Memorandum of Lease is recorded with the United States Department of the Interior Land Titles & Records Office at document no. _____. The Lease is for an electrical generation facility commonly known as Navajo Generating Station located in portions of the Navajo Nation and Coconino County, Arizona (the "Leased Premises").

**WHEREAS**, pursuant to the Lease the Lessees will close in place material on, in and under the solid waste landfill and closed-in-place ponds located within a portion of the Leased Premises and referred to as the Solid Waste Landfill and Pond Solids Area.

**WHEREAS**, the Nation has evidenced by Resolution #_____ dated _____, 2017, approved this Restriction, which Restriction is an exhibit to or referenced in the foregoing Lease, upon the terms and conditions set forth in the Resolution and in consideration for the terms contained in the Lease as the Nation deems to be in the best interests of the Nation.

**WHEREAS**, the Lessees have applied or will apply for the grant of rights-of-way and easements for the Leased Premises, including the Solid Waste Landfill and Pond Solids Areas defined hereinbelow, from the Secretary by one or more §323 Grants. The Nation has consented to said §323 Grants pursuant to Resolution #_____, subject to the approval of the terms and conditions of each §323 Grant by the Nation. Those rights-of-way and easements granted to the Lessees by the Secretary under each §323 Grant, including for the Solid Waste Landfill and Pond Solids Areas, are intended to be and shall be additional and supplementary to, separate and independent from, and not conditioned upon the leasehold rights leased to the Lessees under the Lease, including as to this Restriction.

**WHEREAS**, the United States Department of the Interior, Bureau of Indian Affairs is approving this Restriction pursuant to its authority granted in 25 U.S.C. §84.

**NOW THEREFORE,** the Nation and Lessees desire to enter into this Restriction.

**1. DEFINITIONS.**

(A) "**Solid Waste Landfill and Pond Solids Area**" means those portions of the Leased Premises legally described on Exhibit A hereto.

(B) "**Solid Waste Landfill and Pond Solids Restriction**" means the restrictions, servitudes and prohibitions created by this Restriction.

(C) "**Effective Date**" means the date that the Secretary has approved this Restriction, which shall be inserted on page one of this Restriction.

(D) "**Lease Term**" means the 35-year term of the Lease as to the Solid Waste Landfill and Pond Solids Areas, which shall expire on December 22, 2054.

(E) "**Secretary**" means the Secretary of the Interior or his or her authorized representative or such person or agency as he or she may expressly designate to

perform the functions specified in this Restriction to be performed by the Secretary or such Federal agency as may succeed to the duties of the Secretary under the Lease and this Restriction.

(F) "**§323 Grants**" means, singularly or collectively, one or more grants of rights-of-way and easements under the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. §§323-328), the Act of March 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1832, and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. §2), and such current regulations promulgated thereunder as are applicable, including 25 C.F.R. §1.2 and Part 169, to Lessees.

## 2. SOLID WASTE LANDFILL AND POND SOLIDS RESTRICTION.

(A) Use of the Solid Waste Landfill and Pond Solids Areas shall not disturb the integrity of the final cover, liner(s), or any other component of the containment system, or the function of any monitoring systems. In accordance with the Lease, Lessees shall have the right to place fencing, signage and other barriers and notices they deem necessary to comply with the restrictions and requirements in this Section 2(A). Signage and notices shall be posted in both English and Navajo.

(B) No other disturbance shall be allowed unless it is first demonstrated to the satisfaction of the Lessees that disturbance of the final cover, liner, or other component of the containment system will not increase the potential threat to human health or the environment. The demonstration must be certified by a qualified professional engineer.

(C) No portion of the surface of the Solid Waste Landfill and Pond Solids Areas other than designated and engineered storm water containment ponds approved by a registered professional engineer may be used for surface water or other liquid storage/retention, or any activity or structure that may affect the landfill or material/soil located under the surface, including without limitation, any building or other structure for which the landfill as closed is not designed to support or which may puncture or impair any environmental protection system such as a lining or barrier.

## 3. PERPETUAL TERM.

The term and effectiveness of the Solid Waste Landfill and Pond Solids Areas Restriction and the other provisions of this Restriction shall be perpetual. Without limitation, this Restriction shall remain in effect longer than the Lease Term and shall survive the termination or extinguishment of the Lease or any §323 Grant.

## 4. INDEMNITY OF LESSEES.

(A) All or portions of the Solid Waste Landfill and Pond Solids Areas may be surrendered to the Nation prior to the end of the Lease Term.

(B) The Nation agrees to indemnify~~—Lessees~~, hold ~~them—~~harmless and defend ~~them~~Lessees from and against any and all claims by~~ unaffiliated~~ third parties of damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected, ~~as a result of~~resulting from the actions of the Nation, any political subdivision, any tribal enterprise, tribal business, tribal corporate entity, or its tribal members or residents~~,~~ arising out of or related to the Solid Waste Landfill and Pond Solids Areas after Surrender in accordance with the Lease and any future improvements placed thereon commencing on the earlier of the Surrender of any portion of the Solid Waste Landfill and Pond Solids Areas or the date the Lease Term ends.

(C) The Nation agrees to indemnify~~—Lessees~~, hold ~~them—~~harmless and defend ~~them~~Lessees from and against any and all claims by third parties for damages, liabilities or expenses which any Lessee may incur, or to which any Lessee may be subjected arising out of or related in any manner to use of the Solid Waste Landfill and Pond Solids Areas by the Navajo Nation or, after Surrender of the Solid Waste Landfill and Pond Solids Areas, third parties for any purpose prohibited by Section 2. Expenses shall include, without limitation, any additional remediation costs imposed upon any Lessee by any government entity or administrative or judicial action or decision.

(D) This indemnity shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

(E) Nothing in this Restriction shall limit any indemnity rights among the Parties set forth in the Lease.

**5. ENFORCEMENT.**

(A) Prior to Surrender of the Solid Waste Landfill and Pond Solids Areas, and subject to the provisions of Section 5(B) below, the Lessees may enforce this Restriction in any manner provided for herein or by law or in equity, including, but not limited to:

(i) To seek legal action to prevent any person's right to occupy or use the Solid Waste Landfill and Pond Solids Areas or any portion thereof in violation of this Restriction;

(ii) To take action (including pursuant to any legal means) to abate any violation of this Restriction;

(iii) requiring any person, at the person's expense, to remove any structure or improvement on the Solid Waste Landfill and Pond Solids Areas in violation of this Restriction and to restore that affected portion of the Solid Waste Landfill and Pond Solids Areas to its previous condition and, upon failure of that person to do so, the Lessees or their designee shall have the

right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass, so long as the Lessees secure written permission from the Division Director of the Nation's Division of Natural Resources (or any successor division) prior to taking that action, which approval shall not be unreasonably withheld, conditioned or delayed;

(iv) prohibiting through any lawful means any person who fails to comply with the terms and provisions of this Restriction from continuing or performing any further activities in violation of Section 2 of this Restriction;

(v) filing a suit at law or in equity to enjoin a violation of this Restriction, to compel compliance with this Restriction, to recover money damages or to obtain such other relief as to which the Lessees may be entitled.

(B) All rights and remedies of Lessees under this Restriction or at law or in equity are cumulative, and the exercise of one right or remedy by Lessees shall not waive Lessees' or another Lessee's right to exercise another right or remedy. For purposes of this Restriction, Lessees shall act as a group through a representative or committee of representatives (the "Representative"). Decisions and actions of the Representative shall be binding on the Lessees. Notwithstanding the provisions of Sections 5(A) or this 5(B), the Lessees shall provide the Nation with at least ninety (90) days' advance notice of the commencement of an action pursuant to Section 5(A) (except in the case of an action pursuant to Section 5(D), in which case no advance notice need be given) and shall provide the Nation with an opportunity to cure the default or breach, whether by the Nation or any other person or entity.

(C) Following Surrender of the Solid Waste Landfill and Pond Solids Areas to the Nation in accordance with the Lease, the Nation shall use diligent efforts at the Nation's expense to assure compliance by it and any users or occupants of the Leased Premises (whether invited or uninvited, temporary or permanent) with the provisions of these Restrictions, including to exercise any of the remedies noted in this Section 5 against any users or occupants. After Surrender of the Solid Waste Landfill and Pond Solids Areas, except as noted in Section 5(D) below, before the Lessees (acting through the Representative) may exercise any rights or remedies note in Section 5(A) above, they must first provide the Nation with a written notice of the breach by the Nation or any other person or entity with these Restrictions, which notice shall specify with particularity the nature of the alleged breach or failure. The Nation shall have ninety (90) days to cure the breach or failure or to commence cure. If it commences the cure within that ninety (90) day period, it shall have as long as is reasonably necessary to diligently complete that cure. If the Nation does not cure the breach or failure in compliance with those obligations, Lessees may pursue all rights and remedies independently from the Nation in accordance with the Section 18 of the Lease (Other Breaches and Defaults), which is herein incorporated into this Restriction via Section 11 (Incorporated Provisions), and any efforts of the Nation shall not limit or preclude the rights of any Lessee hereunder or restrict its right of indemnification by the Nation or others.

(D) The foregoing restrictions shall not limit the right of Lessees to seek or undertake immediate legal action to resolve any condition or situation that poses an imminent threat to health, safety or the environment.

(E) After expiration of the Lease Term, the obligation to enforce the provisions of this Restriction shall transfer to the Nation except to the extent that applicable United States federal law requires continued enforcement by the Lessees.

**6. APPLICABLE LAW.**

(A) Notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent, any activities of the Lessees under this Restriction shall be governed exclusively by federal law or, if federal law does not apply, the laws of the State of Arizona.

(B) Any and all matters or claims in dispute between the Parties to this Restriction, whether arising from or relating to this Restriction, or arising from alleged extra-contractual facts prior to, during, or after the Effective Date, including, without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the contract, shall be governed by, construed, determined and enforced exclusively in accordance with federal law or, if federal law does not apply, the laws of the State of Arizona, regardless of the legal theory upon which the matter is asserted and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent. Where federal law incorporates or applies the substantive law of the state in which the dispute or activities at issue occurred or in which the federal court is located, this Lease should be construed and enforced to require incorporation of the laws of the State of Arizona.

(C) This Section 6 shall survive any termination of the Lease or the expiration of the Lease Term in perpetuity.

**7. NAVAJO NATION AUTHORIZATIONS.**

(A) As authorized by Resolution #_____ of the Navajo Nation Council dated ____, ___, the Navajo Nation has approved this Restriction and is authorized to enter into this Restriction, in its entirety.

(B) As authorized by Resolution # ___ of the Navajo Nation Council dated _____, ____, and notwithstanding any provision of the Navajo Nation Code, any other Navajo Nation law, or relevant federal, state or tribal case law precedent:

(i) The Nation affirmatively waives the application of the laws of the Navajo Nation, and agrees to the application of federal law and, where federal law does not apply, the laws of the State of Arizona, as provided in Section 6.

(ii) The Nation affirmatively waives the jurisdiction of the Navajo Nation courts and agrees that: (1) the remedies set forth in Section 18 of Lease (and incorporated by reference herein in Section 9) are the exclusive remedies to address Disputes among the Parties and claimed breaches of this Restriction; and (2) the federal courts, and, where federal law does not apply, the Arizona state courts, and no other courts, shall have exclusive jurisdiction to consider and decide disputes or claimed breaches of this Restriction, as provided in Section 18 of the Lease.

(iii) The Nation affirmatively waives and consents to the waiver of sovereign immunity from suit by the Lessees, as provided in Section 8.

(iv) The Nation affirmatively covenants that it will not, directly or indirectly, Regulate or attempt to Regulate the Lessees, as provided in Section 26 of the Lease (Nation's Agreement not to Regulate Lessees), as incorporated by reference into this Restriction.

(C) This Section 7 shall survive in perpetuity and be effective notwithstanding the termination or expiration of the Lease or any §323 Grant.

## 8. LIMITED WAIVER OF SOVEREIGN IMMUNITY.

If any Party brings an action as permitted in this Restriction and names the Nation as a party in that action: (1) the Nation may be joined in the action; and (2) the Nation waives any claim to sovereign immunity from that action. As used in this Section, the term "action" includes the assertion of any claim, counterclaim or cross-claim in any court permitted by this Restriction. This Section shall survive in perpetuity and be effective notwithstanding the termination of the Lease or any §323 Grant; provided, however, this waiver by the Nation does not extend to (1) any party other than the Lessees or (2) third parties bringing claims against the Nation.

## 9. SUCCESSORS AND ASSIGNS.

This Solid Waste Landfill and Pond Solids Restriction is a covenant running with the land and as an equitable servitude for the several benefit of each Lessee and their successors and assigns. Each person or party that presently has or in the future acquires any right, title or interest, whether legal, equitable or beneficial, in the Solid Waste Landfill and Pond Solids Areas, or any part thereof, agrees to abide by all of the provisions of this Restriction. This Restriction shall not merge into the Lease, any §323 Grant or other instrument or estate in the Solid Waste Landfill and Pond Solids Areas. The terms and conditions contained herein, including, without limitation, the Nation's waiver of sovereign immunity in Section 8, shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, sublessees (at any level), employees and agents of any Party.

## 10. RECORDATION.

This Restriction shall be recorded in the applicable public records set forth in Schedule 1 to this Restriction.

## 11. INCORPORATED PROVISIONS.

The provisions of Sections 18 (Other Breaches and Defaults), except as noted in Section 5(E) above, 26 (Nation's Agreement Not To Regulate Lessees), 40 (Estoppel Certificates), and 45 (Waiver of Jury Trial) of the Lease are incorporated into this Restriction by this reference as if stated herein in full, and references in that incorporated language to the "Lease" shall mean this Restriction, and references to a Lessee or a Party to the Lease shall mean the Lessees or Parties to this Restriction, with other conforming changes as are appropriate, mutatis mutandis.

## 12. EXECUTION IN COUNTERPARTS.

This Restriction may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all of the Parties to the aggregate counterparts had signed the same instrument. Any signature page of this Restriction may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon, and may be attached to other counterparts of this Restriction identical in form hereto but having attached to it one or more additional signature pages.

## 13. ESTOPPEL CERTIFICATES.

During the original Lease Term on request of a Party hereto each of the Parties shall deliver appropriate estoppel certificates to one or more other Parties within forty-five (45) days of a written request.

## 14. RECITALS.

The Recitals are incorporated into this Restriction.

## RECORDING OFFICES

A duplicate original of this instrument shall be recorded or filed in the following records and each Party shall execute and deliver, in recordable form, such further documents, supplements, certifications and resolutions to cause the same to be recorded or renewed:

| | |
|---|---|
| US Department of the Interior, Land Titles and Records Office | Albuquerque, New Mexico |
| Navajo Nation Land Department Administration, GIS Section | Window Rock, Navajo Nation (Arizona) |
| Navajo Nation Environmental Protection Agency | Window Rock, Navajo Nation (Arizona) |
| Coconino County Recorder, Arizona | Flagstaff, Arizona |
| LeChee Chapter | LeChee, Arizona |

*[EXECUTION PAGES FOLLOW]*

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**THE NAVAJO NATION**

By: _____
Russell Begaye, President
Navajo Nation

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Russell Begaye, the President of the Navajo Nation, on behalf of the Nation.

_____
Notary Public

My commission expires:

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**LESSEES:**

**ARIZONA PUBLIC SERVICE COMPANY**

**ATTEST:**

_____
Secretary

By: _____

Its: President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the President of Arizona Public Service Company, an Arizona _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS

By _____

Title _____

Date _____

And: BARBARA E. MOSCHOS

Board Secretary_____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

| |
|---|
| A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document |

State of California )

County of _____ )

On _____ before me, _____ personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**NEVADA POWER COMPANY d/b/a NV Energy**

**ATTEST:**

_____
Secretary or Assistant Secretary

By: _____
Paul Caudill
Its: President

Date: _____

STATE OF_____ )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by Paul Caudill, the President of Nevada Power Company d/b/a NV Energy, a(n) _____, on behalf of the company.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT FOR THE USE AND BENEFIT OF THE UNITED STATES**

**ATTEST AND COUNTERSIGNED:**

_____ By: _____
Secretary

Its: _____
Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the _____of the Salt River Project Agricultural Improvement and Power District, on behalf of the district.

_____
Notary Public

My commission expires:

_____

**IN WITNESS WHEREOF**, the Parties have caused this Restriction to be executed as of the date first above written.

**TUCSON ELECTRIC POWER COMPANY**

**ATTEST:**

_____ By:_____

Secretary

Its: Vice President

Date: _____

STATE OF ARIZONA )
) ss.
County of _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____, the Vice President of Tucson Electric Power Company, an Arizona _____, on behalf of the company.

_____

Notary Public

My commission expires:

_____

**RESTRICTIVE COVENANT BETWEEN THE NAVAJO NATION AND THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, AND DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES**

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**Bureau of Indian Affairs**

THE WITHIN RESTRICTIVE COVENANT between THE NAVAJO NATION and THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, ARIZONA PUBLIC SERVICE COMPANY, TUCSON ELECTRIC POWER COMPANY, NEVADA POWER COMPANY, and DEPARTMENT OF WATER AND POWER OF CITY OF LOS ANGELES, for lands of the Nation located within the formal Navajo Indian Reservation is hereby approved pursuant to authority delegated from the Secretary of the interior to the _____ Secretary of Indian Affairs by _____ _____.

_____ _____
**_____ Director** **Date of Approval**
**Bureau of Indian Affairs**
**Department of the Interior**

STATE OF ARIZONA )
) ss.
COUNTY OF _____ )

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by _____, the authorized representative of the Secretary of the Interior, United States Department of the Interior, for and on behalf thereof.

_____
Notary Public

My Commission Expires:

_____

# Exhibit A

## Legal Description of the Solid Waste and Pond Solids Areas (Coconino County, Arizona)