

Attachment 3

GVEA True North Power Line Right-of-way PROPOSED SPECIAL STIPULATIONS

1. **Authorized Representative.** The Authorized Representative for the Department of Natural Resources is the Northern Regional Manager, or designee. The Authorized Officer may be contacted at 3700 Airport Way, Fairbanks, Alaska 99709 or 907-451-2740. The Authorized Representative reserves the right to modify these stipulations or use additional stipulations as deemed necessary.
2. **Indemnification.** *Standard Stipulation No. 4 is hereby amended to read:* Permittee assumes all responsibility, risk and liability for all activities of Permittee, its employees, agents, invitees, contractors, subcontractors, or licensees directly or indirectly conducted in connection with this permit, including environmental and hazardous substance risks and liabilities, whether accruing during or after the term of this permit. Permittee shall defend, indemnify, and hold harmless the State of Alaska, its employees, and agents from and against any and all suits, claims, actions, losses, costs, penalties, and damages of whatever kind or nature, including all attorney's fees and litigation costs, arising out of, in connection with, or incident to any act or omission by Permittee, its employees, agents, invitees, contractors, subcontractors, or licensees, unless the sole proximate cause of the injury or damage is the negligence or willful misconduct of the State or anyone acting on the State's behalf. Within 15 days Permittee shall accept any such cause or action or proceeding upon tender by the State. This indemnification shall survive the termination of the permit.
3. **Valid Existing Rights.** This authorization is subject to all valid existing rights in and to the land under this authorization. The State of Alaska makes no representations or warranties whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.
4. **Reservation of Rights.** The Division reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this authorization.
5. **Performance Guaranty.** The permittee shall provide a surety bond or other form of security acceptable to the Division in the amount of \$ 5000.00 payable to the State of Alaska. Such performance guaranty shall remain in effect for the term of this authorization and shall secure performance of the permittee's obligations hereunder. The amount of the performance guaranty may be adjusted by the Authorized State Representative upon approval of amendments to this authorization, changes in the development plan, upon any change in the activities conducted or performance of operations conducted on the premises. If Permittee fails to perform the obligations under this permit within a reasonable time, the State may perform Permittee's obligations at Permittee's expense. Permittee agrees to pay within 20 days following demand, all costs and expenses reasonably incurred by the State of Alaska as a result of the failure of the permittee to comply with the terms of this permit. The provisions of this permit shall not prejudice the State's right to obtain a remedy under any law or regulation. If the authorized officer determines that the permittee has satisfied the terms and conditions of this authorization the performance guaranty may be released. The performance guaranty may only be released in a writing signed by the Authorized State Representative. GVEA has placed on file a \$5,000 Certificate of Deposit No. 0096213. This Certificate of Deposit is used as a perpetual performance guaranty to cover all of their authorizations.

6. **Insurance** The permittee shall secure or purchase at its own expense, and maintain in force at all times during the term of this permit, the following policies of insurance to protect both the permittee and the permittor (the State, its officers, agents and employees). Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the permittee's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Authorized State Representative prior to occupancy. The certificate must provide for a 60-day prior notice to the State in the event of cancellation, non-renewal or material change of conditions. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, are material breaches of this permit and shall be grounds, at the option of the State, for termination of the permit. All insurance policies shall comply with, and be issued by, insurers licensed to transact the business of insurance under Alaska Statute, Title 21.

Commercial General Liability Insurance: Such policy shall have minimum coverage limits of \$1,000,000 with a \$2,000,000 annual aggregate combined single limit per occurrence. The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Department of Administration. The State must be named as an additional named insured on the policy with respect to the operations of the permittee on or in conjunction with the permitted premises, referred to as ADL 416477.

7. **Preference Right.** No preference right for use or conveyance of the land is granted or implied by this authorization.
8. **Alaska Historic Preservation Act.** The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation (907) 269-8720 and shall be notified immediately.
9. **Assignment.** This permit may be transferred or assigned with prior written approval from the Authorized State Representative.
10. **Termination.** This permit does not convey an interest in state land and as such is revocable immediately, with or without cause.
11. **Maintenance.** The State assumes no responsibility for maintenance of improvements constructed on state land nor liability for injuries or damages attributable to that construction.
12. **Destruction of Markers.** All survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed lease corner posts shall be protected against damage, destruction, or obliteration. The permittee shall notify the Authorized State Representative of any damaged, destroyed, or obliterated markers and shall reestablish the markers at the permittee's expense in accordance with accepted survey practices of the Division of Mining, Land and Water.

13. **Fuel and hazardous substances.** No fuel or hazardous substances may be stored on the right-of-way. The use and storage of hazardous substances by the permittee must be done in accordance with existing federal, state, and local laws, regulations, and ordinances. Hazardous substances must be removed from the site and managed in accordance with state and federal law. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the site and managed and disposed of in accordance with state and federal law. The site shall be protected from leaking or dripping hazardous substances or fuel during construction and maintenance of the right-of-way. The permittee shall place drip pans or other surface liners designed to catch and hold fluids under the parked equipment and vehicles, or the permittee shall develop an area for storage using an impermeable liner or other suitable containment mechanism.
14. **Notification.** The permittee shall immediately notify DNR and DEC by phone of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported. The DNR 24 hour spill report number is (907) 451-2678; the Fax number is (907) 451-2751. The DEC spill report number is (800) 478-9300. DNR and DEC shall be supplied with all follow-up incident reports.
15. **Survey.** The permittee shall submit an as-built survey acceptable to the standards of the Division of Mining, Land and Water prior to the expiration of this early entry authorization.
16. **Reclamation.** A Reclamation Plan must be approved by the Authorized Officer at least 30 days prior to expiration, completion, or termination of this authorization, whichever is sooner.
17. **Compliance with Governmental Requirements; Recovery of Costs.** Permittee shall, at its expense, comply with all applicable laws, regulations, rules and orders, and the requirements and stipulations included in this authorization. Permittee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.
18. **Other Authorizations.** The issuance of this authorization does not alleviate the necessity of the permittee to obtain authorizations required by other agencies for this activity.
19. **Amendments.** To proceed in areas other than approved by the DMLW's Final Decision, the applicant must have prior authorization from the DMLW.
20. **Inspection.** Authorized representatives of the State of Alaska shall have reasonable access to the subject parcel for purposes of inspection. The permittee may be charged fees under 11 AAC 05.010(a)(7)(M) for routine inspections of the subject parcel, inspections concerning non-compliance, and a final closeout inspection.
21. **Term.** The term for this right-of-way shall be 10 years.
22. **Use Fee.** The use fee of 10 cents per lineal foot shall be submitted upon completion of the as-built survey.

23. **Late Payment Penalty Charges.** The permittee shall pay a fee for any late payment. The amount is the greater of either the fee specified in 11 AAC 05.010 or interest at the rate set by AS 45.45.010(a) and will be assessed on a past-due account until payment is received by the state.
24. **Returned Check Penalty.** A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment. Late payment penalties shall continue to accumulate.
25. **Change of Address.** The permittee shall maintain a current address with the DMLW. Any change of address must be submitted in writing to the Authorized Officer.
26. **Forest Resources.** Timber less than six inches in diameter, brush, and slash shall be disposed of to minimize the risk of fire and disease. To determine proper disposal methods, the permittee shall contact the Division of Forestry at 907-451-2600.
27. **Fire Prevention, Protection, and Liability.** The permittee shall take all reasonable precautions to prevent and suppress forest, brush, and grass fires and shall assume full liability for any damages to state land resulting from the negligent use of fire. The State of Alaska is not liable for damage to the permittee's personal property and is not responsible for forest fire protection of the permittee's activity.