

MEMORANDUM OF AGREEMENT  
AND RIGHT OF ENTRY

THIS AGREEMENT is made as of the 6<sup>th</sup> day of December, 2007, by and between Alaska Village Electric Cooperative, Inc. (AVEC) whose address is 4831 Eagle Street, Anchorage, AK 99503 and Togiak Natives Limited (CORPORATION) whose address is P.O. Box 150, Togiak, AK 99678.

NOW THEREFORE, in consideration of mutual agreements and covenants contained in this Agreement, AVEC and CORPORATION hereby agree and covenant as follows:

1. Property Description: AVEC will construct a power plant, tank farms (AVEC and Corporation) and related facilities on the surface estate of the land identified as Lot 6C, Block 11, Plat No. 99-7, located with Section 12, Township 13 South, Range 67 West, Seward Meridian, Alaska, in the Bristol Bay Recording District as shown in Exhibit A.
2. Land Status: CORPORATION represents and warrants there are no liens, encumbrances, charges, or claims affecting the surface rights to the land identified in this Agreement which were created by or are the result of any action taken by CORPORATION.
3. Right of Entry for Construction: The CORPORATION hereby grants a Right of Entry to allow for construction of the project subject to the stipulations in Exhibit B. The Right of Entry allows AVEC to enter the property described as Lot 6C, Block 11, Plat No. 99-7, for the construction on the AVEC facilities as well as the construction of the CORPORATION facilities.
4. Conveyance of Surface Estate: CORPORATION agrees to convey to AVEC, and AVEC agrees to receive from CORPORATION a parcel of land for the AVEC power plant, tank farm and related facilities. After construction, the size of the parcel will be determined as is appropriate for the AVEC facilities and buffer areas. The conveyance to AVEC under this agreement by CORPORATION shall be by quitclaim deed and shall be executed within 60 days after the plat of survey is recorded.
5. Survey: The parties acknowledge and agree that the subject property will be subdivided by survey by AVEC and the survey plat will be recorded in the Bristol Bay Recording District. The survey will determine the boundaries for the AVEC parcel.
6. Termination: This Agreement shall terminate upon conveyance of the AVEC parcel by CORPORATION and acceptance by AVEC as provided for in paragraph 4 of this Agreement.

7. Force Majeure: If any party to this Agreement is prevented from or caused delay in performing any of the obligations on its part under this agreement or from exercising any of its rights hereunder by reasons that include, but are not restricted to, acts of God or the public enemy, acts of the United States, fire, flood, epidemics, quarantine restrictions, or strike, which are beyond the control of the party and which cannot be overcome by the party through the exercise of normal means at a reasonable expense, then in such event any failure to perform shall be suspended during the period of disability and time for performance of an obligation shall be extended for a period equal to the period or periods of disability. The parties agree to use reasonable diligence to remove any cause of disability described above that may occur.
8. Assignment: The rights and obligations of each party to this Agreement may be assigned in whole or in part at any time. No assignment by one party shall be binding upon any other party unless and until a written notice is delivered to such non-assigned party. This Agreement shall inure to the benefit of and bind the parties hereto, and their respective successors, assigns, heirs, administrator, executors, and personal representatives.
9. Notices and Delivery: All notice contemplated by this Agreement shall be in writing. Any notice or other document contemplated by this Agreement shall be deemed delivered if mailed by United States certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

(a) If to AVEC

President  
Alaska Village Electric  
Cooperative, Inc.  
4831 Eagle Street  
Anchorage, Alaska 99503

(b) If to the Corporation:

President  
Togiak Natives Limited  
P.O. Box 150  
Togiak, Alaska 99678

(c) Any notice or other document contemplated by this Agreement may be delivered by personal service of the notice or other document upon a corporate officer or designated agent of the party at the address indicated above. In the event of delivery by personal service, no mailing of the notice or other document is necessary and delivery shall be effective and complete on the date of personal service.

(d) The address, to which a party desires that notice and other documents be delivered, may be changed at any time by giving written notice to the other party.

10. General Provisions:

- (a) Modification of Agreement: This Agreement and the leases hereunder may only be modified by a document in writing executed by both parties to this Agreement.
- (b) Entire Agreement: This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter.
- (c) No Waiver: The failure of any party to this Agreement to insist upon the strict performance of any provisions of this Agreement or to exercise any right, power, or remedy consequent upon a breach shall not constitute a waiver by the party of any such provision, breach, or subsequent breach of the same or any other provision.
- (d) Remedies: Except as otherwise provided in this Agreement, the parties hereto shall be entitled to any or all remedies provided by law.
- (e) Severability: If any provision in this Agreement or any application of a provision shall be invalid or unenforceable, the remainder of this Agreement and any other application of the provision shall not be affected.
- (f) Headings: Descriptive paragraph headings throughout this Agreement are for convenience and reference only; the words contained therein shall not be held to expand, modify, amplify, or aid in the interpretation, construction, or meaning of this Agreement.



ALASKA VILLAGE ELECTRIC COOPERATIVE, INC.

By:

Meera Kohler  
Meera Kohler, President & CEO

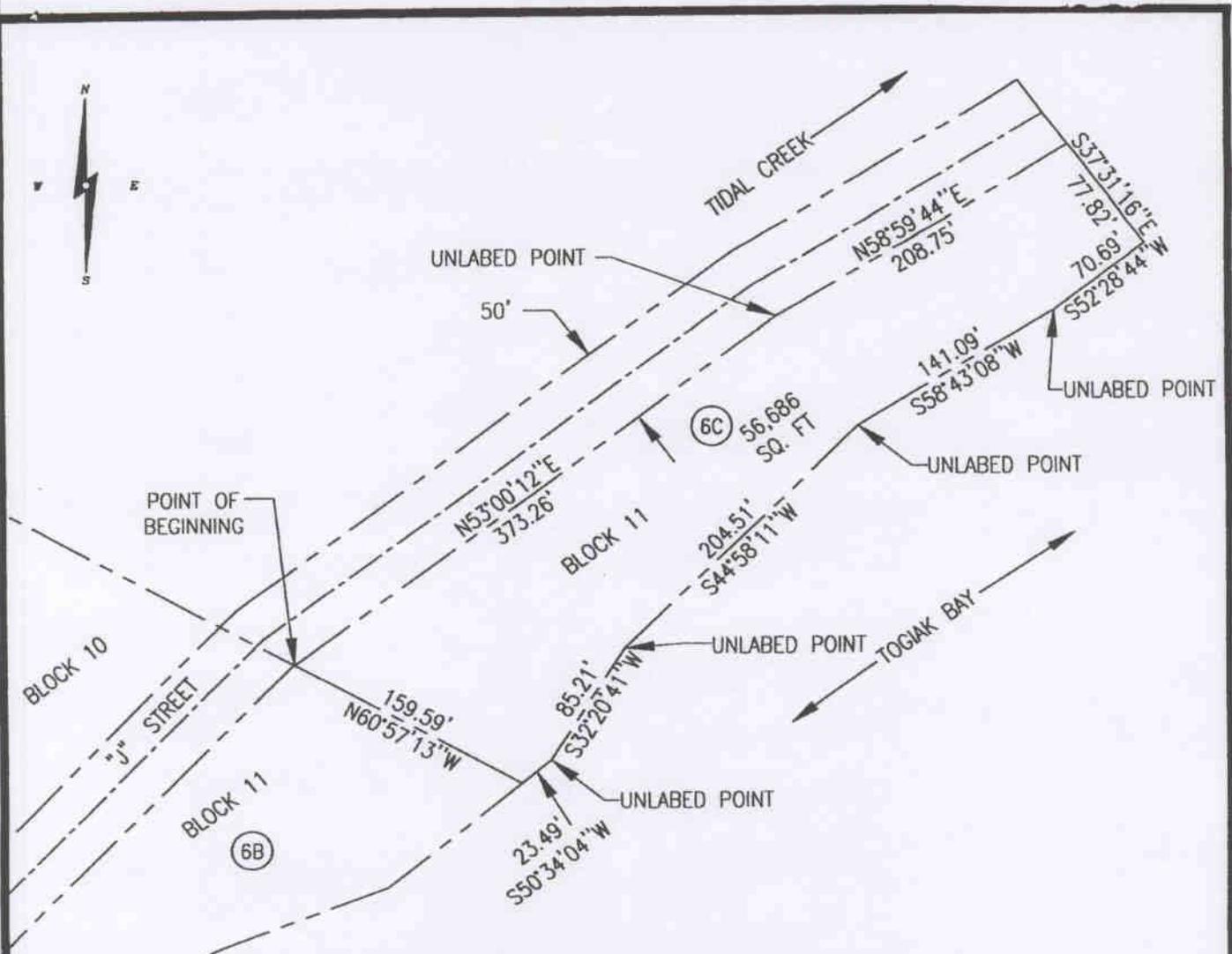
ACKNOWLEDGEMENT

STATE OF ALASKA )  
 )ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the 14th day of December 2007, before me, the undersigned Notary Public for the State of Alaska, duly commissioned and sworn as such, personally came Meera Kohler, the PRESIDENT & CEO of ALASKA VILLAGE ELECTRIC COOPERATIVE, INC., whose name is subscribed to the foregoing instrument, and she acknowledged to me that she is authorized to and did execute the same freely and voluntarily for the uses and purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

(SEAL) Molly M. Sheldon  
STATE OF ALASKA Notary Public for Alaska  
NOTARY PUBLIC My Commission expires: 07-04-2010  
Molly M. Sheldon  
My Commission Expires July 4, 2010



LEGAL DESCRIPTION OF BLOCK 11, LOT 6C U.S. SURVEY 4905

POINT OF BEGINNING IS THE COMMON NORTH EAST CORNERS OF BLOCK 11 LOTS 6B AND 6C, AND THE MOST WESTERLY POINT OF LOT 6C U.S. SURVEY 4905; THENCE N 53° 00' 12" E A DISTANCE OF 373.26' TO AN UNLABELED POINT; THENCE N 58° 59' 44" E A DISTANCE OF 208.75' TO THE MOST NORTHLY CORNER OF LOT 6C; THENCE S 37° 31' 16" E A DISTANCE OF 77.82' TO THE MOST EASTERLY CORNER OF LOT 6C; THENCE S 52° 28' 44" W A DISTANCE OF 70.69' TO AN UNLABELED POINT; THENCE S 58° 43' 08" W A DISTANCE OF 141.09' TO AN UNLABELED POINT; THENCE S 44° 58' 11" W A DISTANCE OF 204.51' TO AN UNLABELED POINT; THENCE S 32° 20' 41" W A DISTANCE OF 85.21' TO AN UNLABELED POINT; THENCE S 50° 34' 04" W A DISTANCE OF 23.49' TO THE MOST SOUTHERLY CORNER OF LOT 6C AND COMMON TO LOT 6B AND 6C; THENCE N 60° 57' 06" A DISTANCE OF 159.60' TO THE POINT OF BEGINNING.

ALASKA VILLAGE ELECTRIC CO-OP

TOGIAK TOWNSITE, U.S.S. 4905, BLOCK 11, LOT 6C  
 LOCATED IN SECT. 12 T 13 S, R 67 W SEWARD MERIDIAN

ALASKA VILLAGE ELECTRIC CO-OP				REV. DATE
TOGIAK TOWNSITE, U.S.S. 4905, BLOCK 11, LOT 6C LOCATED IN SECT. 12 T 13 S, R 67 W SEWARD MERIDIAN				SCALE 1" = 100'
APPLICATION	ACCT. NO.	SPEC. NO.	DWG. RIL ENGR. M.E.T.	DATE 10-26-06
			CAD# D2006-21	SHT 1 of 1

EXHIBIT B  
Right of Entry  
Stipulations

1. During the construction period only, a construction easement shall be allowed as necessary. This construction easement applies to the entire parcel identified as Lot 6C, Block 11, Plat No. 99-7.
2. The GRANTEE, its contractors, subcontractors and all personnel (herein-after referred to as the permittee) shall indemnify and hold harmless the GRANTORS against and from any and all demands, claims or liabilities of every nature whatsoever, arising directly or indirectly from, or in any way connected with, their actions or activities executed under the provisions of this right of entry.
3. It is the intent of the parties that, in performance of this right of entry, the following principles shall apply:
  - a. In the design, construction, operation and maintenance (including but not limited to a continuing and reasonable program of preventive maintenance) of the site, the permittee shall employ and use the best practicable means, methods and technology available to preserve and protect the environment, as provided in this right of entry.
  - b. The permittee shall protect environmental amenities and values within the practicable bounds of economic and technical feasibility and in accordance with applicable State laws, regulations and policies.
  - c. Areas having soils that are susceptible to slides and slumps, excessive settlement, severe erosion, and soil creep shall be avoided whenever possible. However, if these areas cannot be avoided, or are encountered unexpectedly, the permittee shall design its construction to ensure maximum soil stability.
  - d. The design of the site and associated structures shall include specifications for the construction of erosion control and drainage features that will minimize the concentration of water and avoid or minimize erosion effects.
4. All operations shall be conducted in such a manner so as not to block, pollute, or hinder any drainage system or change the character, or cause the pollution or siltation of, any streams, lakes, ponds, water holes, seeps and marshes, or damage fish and wildlife resources.
5. No toxic material or sediments shall be released in any lake, stream or other waterbody.
6. All debris, such as logs, chunks, and tops resulting from clearing operations and construction, which may block stream flow, delay fish migration, contribute to flood damage, or result in stream bed scour or erosion, shall be removed.
7. Fuels, lubricants, paints, and other potential pollutants shall be stored a minimum distance of 100 feet away from any river, stream, drainage system or water body.

8. All waste generated during construction and operation under this right of entry shall be removed or otherwise disposed of in a manner acceptable to the GRANTORS.
9. Fire Control
  - a. All existing roads and trails needed for fire protection shall be kept free of logs, slash and debris.
  - b. Every reasonable effort shall be made to prevent, control, or suppress any fire in the operating area. Uncontrolled fires shall be immediately reported.
  - c. Clearing and grubbing activities and methods shall separate trees and brush from organic material so that berm piles are not created.
  - d. Slash, culls, roots and other non-merchantable woody material shall be disposed of by controlled burning, burial or placement in fill areas.
10. This right of entry does not authorize any other activity other than that which is applied for. Other uses of the area including modifications, relocations and future expansion shall require additional permit approval prior to making any such modifications.
11. This right of entry, and the rights and privileges granted thereby, is subject to all valid existing rights.