

EXHIBIT J-3a

EXHIBIT J-3a - MEMORANDUM OF AGREEMENT BETWEEN THE ARIZONA GAME AND FISH COMMISSION AND SOUTHLINE TRANSMISSION, L.L.C.

This Memorandum of Agreement (MOA) is entered into between the Arizona Game and Fish Commission ("Commission") and Southline Transmission, L.L.C. ("Southline") (collectively "Parties" and singularly "Party").

WHEREAS, the Commission is authorized to enter into this MOA pursuant A.R.S. § 17-231(B)(7);

WHEREAS, the Commission has statewide responsibility for wildlife management;

WHEREAS, the Arizona Game and Fish Department ("Department") acts under the authority of the Commission;

WHEREAS, Southline is developing the Southline Transmission Project, a proposed transmission line designed to collect and transmit electricity across southern New Mexico and southern Arizona which would enable the bidirectional use of power both west and east along its route, relieve congestion, strengthen the existing electrical system, and improve transmission access for local renewable and other energy sources;

WHEREAS, the Commission owns the Willcox Playa Wildlife Area (WPWA) as identified in Exhibit A through special warranty deed recorded December 18, 1969; Land Patent docketed as Patent No. 02-72-0039 on December 15, 1971 pursuant to the Recreation and Public Purposes ("R&PP") Act of June 14, 1926 ("R&PP Patent"), and a Right of Way Lease No. 16-26101 issued by the State Land Department July 26, 1977;

WHEREAS, Southline, proposes to install a section of the 345-kilovolt (kV) double-circuit electric transmission lines on a single set of structures ("Southline Transmission Project" or "Project") across the R&PP patented portion of the WPWA in the vicinity of Crane Lake;

WHEREAS, the Commission believes the placement of the Project will cause adverse impacts to wildlife and habitat in Arizona;

WHEREAS, mitigation measures to be implemented by Southline for federally-protected species and habitat are identified within the Bureau of Land Management and Western Area Power Administration Southline Transmission Project Final Environmental Impact Statement (FEIS) and Record of Decision (ROD);

WHEREAS, the Parties commit to implementing the plans, deliverables, activities and funding identified in the attached work plan, attached as Exhibit B to this MOA (the

“Work Plan”) ¹ to further enhance state trust wildlife species and habitat as compensation for identified impacts from the Southline Transmission Line Project.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

I. The Commission agrees to:

A. Secure the written consent of the Secretary of the Interior or his delegate to the Commission’s grant of a license to Southline to construct and maintain a portion of the Project on and across the R&PP Patent portion of the WPWA.

B. Grant to Southline, subject to all existing easements, rights-of-way, restrictions, conditions, covenants and liabilities as may appear of record, a non-exclusive Right-of-Way License, with Terms and Conditions to be set forth in a Work Plan as an exhibit to the License, and a License to construct and maintain the Project on and across the R&PP Patent portion of the WPWA for a term of not less than 50 years.

C. Authorize Southline to conduct limited vegetation management on the R&PP Patent portion of the WPWA consistent with good utility practice and all applicable Federal Energy Regulatory Commission, Western Electric Coordinating Council, and North American Electric Reliability Corporation requirements.

D. Secure any necessary special land use permits or other authorizations from the State Land Department as necessary to implement the Work Plan.

E. Work cooperatively with Southline in developing and implementing the Work Plan.

F. Coordinate any media inquiries or press statements regarding the activities contained in the Work Plan with Southline.

II. Southline agrees to:

A. Work with the Department to develop a final Work Plan. The final Work Plan shall be attached as an exhibit to the license issued by the Commission to Southline.

¹ While the parties are still negotiating the Work Plan, it will be finalized prior to the hearing on November 29, 2016.

B. Fully fund and implement the Work Plan in accordance with its terms and conditions, including the construction of a comparable replacement lake for migratory cranes, and other elements described in the attached Work Plan. Completion of construction of the replacement lake will take place prior to the decommissioning of the existing lake, and as a condition precedent to commencement of construction of transmission line facilities on the R&PP portion of the WPWA.

C. Fund projected operation and maintenance of all constructed improvements for the 50-year term of the license as set forth in the final Work Plan.

D. Comply with all Arizona laws protecting archeological, paleontological, and cultural resources as directed by the Department's Cultural Resources Compliance Manager. All reasonably and necessary costs of cultural compliance, including costs of surveying, identification and protection of cultural resources, including the Department's costs of review and oversight, shall be the responsibility of Southline as defined in the final Work Plan.

E. Seek review of all plans, specifications and on-site construction by the Department's Development Branch Engineering Section. Review shall be conducted to determine compliance with state laws, standard specifications, applicable building codes, local ordinances and federal guidelines such as the Americans with Disabilities Act. The Department's review shall not supersede or conflict with federally-mandated requirements applicable to the construction or operation of interstate transmission line facilities. With the exception of the Project facilities (including tower, conductors and any related equipment), which shall remain the property of Southline, all improvements placed or affixed upon the Special Warranty deed portion of the WPWA shall become the property of the Commission.

F. Comply with all applicable federal, state, and local environmental laws during the term of the license.

G. Obtain the prior written permission of the Arizona Commission of Agriculture and Horticulture for the removal of any plants protected by the Arizona Native Plant Law.

H. Assume liability for all injury, loss, or damage, including fire suppression, prevention and control of invasive species, releases or threatened releases of hazardous materials, pollutants or contaminants or other costs arising directly out of the construction and operation of the Project on the WPWA, during the term of the license.

I. Procure and maintain in full force and effect for the duration of the license commercial general liability, business automobile liability, and Workers' Compensation and Employers' liability insurance for the construction and operation of the Project as reasonably directed by the Arizona Department of Administration, Risk Management Division.

J. Indemnify, save and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses for bodily injury or personal injury or loss or damage to tangible or intangible property of the Commission caused, or alleged to be caused directly by the negligent or willful acts or omissions of Southline or any of its owners, officers, directors, agents, employees, contractors subcontractors, heirs, successors and assigns.

K. Furnish a surety bond or other form of financial assurance in a form acceptable to the Department to ensure performance of any long-term obligation of the Southline as identified by the Department. The nature of the surety bond or other form of financial assurance will be defined in the final Work Plan.

L. The requirements described in this Section II shall be more fully described as Terms and Conditions in the Right-of-Way license issued to Southline.

III. The Parties mutually agree:

A. The License shall be binding and enforceable upon Southline and its heirs, successors, and assigns. Any change in ownership or corporate or other legal status of Southline including, but not limited to, any transfer of assets or real or personal property shall in no way alter Southline's responsibilities under the License. The laws of the State of Arizona will govern its enforcement and interpretation. Venue shall be Maricopa County, State of Arizona.

B. The Work Plan in draft or final form shall be submitted to the Bureau of Land Management as determined necessary to facilitate the Southline Transmission Project Record of Decision (ROD), and made a term and condition of BLM's Right-of-Way grant to Southline Transmission, LLC.

C. The Work Plan shall be submitted to the Arizona Line Siting Committee as the joint recommendation of the Parties as conditions to a Certificate of Environmental Compatibility to be issued by the Arizona Corporation Commission, as required. In the event the Department is required to intervene as a party to the proceedings before the Arizona Line Siting Committee, the

Department's legal costs, not to exceed the sum of \$5000 shall be assumed by Southline.

D. To cooperate with each other to ensure the successful implementation of the agreed-upon responsibilities as set forth in this MOA.

E. Effective Date and Duration. This MOA is effective as of the last signature date and expires upon the date of issuance of a Right-of-Way licensee to Southline or unless mutually agreed to terminate in writing by both parties..

F. All terms of this MOA are contingent upon Southline obtaining all necessary federal, state and local permits, licenses, agreements for the construction of the Project and actually constructing the Project on the WPWA.

G. Termination for Conflict of Interest. This MOA is subject to termination pursuant to A.R.S. § 38-511.

H. Notices. All written notices concerning this MOA shall be delivered in person or sent by certified mail, return receipt requested, to the Parties as follows:

1. For the Commission:

Joyce Francis
5000 W Carefree Highway
Phoenix, Arizona 85086
jfrancis@azgfd.gov

2. For Southline :

Enrique J. Marroquin
1900 North Akard Street
Dallas, TX 75201
emarroquin@huntpower.com

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date below:

SOUTHLINE TRANSMISSION, L.L.C.

Enrique J. Marroquin
Sr. Vice President, Southline Transmission, L.L.C.

Date

ARIZONA GAME AND FISH COMMISSION

Larry D. Voyles
Secretary to the Commission
Director, Arizona Game and Fish Department

Date