

SETTLEMENT AGREEMENT

For and in consideration of the sum of \$365,000 to be paid through the judgment bill as set forth below, and other good and valuable consideration, the receipt of which is hereby acknowledged, plaintiff Morris O. Johnson, Jr. on behalf of himself, his heirs, beneficiaries, assigns, successors in interests, and agents (collectively Mr. Johnson) hereby releases and forever discharges defendant the State of Alaska, Department of Transportation and Public Facilities and its agencies, agents, representatives, employees, former employees, servants, successors in interest, and assigns (collectively the State) from any and all actions, causes of actions, suits, controversies, claims and damages of every kind and nature accrued, or to accrue arising in any way out events related to and more particularly described in the complaint in *Morris O. Johnson, Jr. v. State of Alaska, Department of Transportation and Public Facilities, et al.*, 3AN-20-05612 CI (the litigation).

For the monetary consideration, the State agrees to pay to Mr. Johnson the sum of \$365,000 (Three Hundred and Sixty-Five Thousand Dollars) due and payable upon enactment into law of a legislative appropriation expressly for the purpose of satisfying this settlement, which amount shall be submitted for inclusion in the judgment and claims bill during the 2026 legislative session. Interest on the principal sum shall be paid at the 2026 post-judgment interest rate of 6.75% from February 12, 2026 through August 1, 2026, or if this settlement is not paid in full by August 1, 2026, then post-judgment interest shall continue to accrue until paid in full.

For the other consideration, the State will work with Mr. Johnson in good faith to approve a driveway permit for reasonable access to his property for his over-sized cranes at Mr. Johnson's sole cost and expense. In an effort to avoid future misunderstandings, Mr. Johnson and the State understand and agree that during this process they will put all agreements, contracts, or other promises in writing, and will not enter into any oral agreements/contracts or make any oral contract-like promises. To be enforceable, all agreements/contracts must be in writing and signed by both parties and any contract-like promise must be in writing and signed by at least the party to be charged with

A handwritten signature in black ink, appearing to be the initials 'MJ' followed by a long, sweeping horizontal line that extends to the right.

performance. Mr. Johnson understands that he must submit a driveway permit application supported by engineer stamped and sealed designs for his proposed new driveway from the north lot at 7150 Homer Drive, Anchorage, Alaska (Lot 1, Morton Estates #1) and any use of the south access previously constructed by Mr. Johnson pursuant to the Memorandum of Agreement for Access Approach effective October 2, 2019 (Exhibit A). Mr. Johnson understands that while the State will work with him in good faith through the driveway application process, the State cannot guarantee any driveway or driveway modifications will be approved. Mr. Johnson understands and agrees that he is responsible for all costs and expenses associated with this process, including but not limited to: design costs, permit application fees, ~~costs for the State's internal reviews,~~ construction costs, and maintenance and snow removal costs. *See* 17 AAC 10.020-080. Mr. Johnson understands and agrees that his proposal must meet local, state, and federal standards (*see* 17 AAC 10.020.040), and that, if approved, he cannot block the right-of-way or encroach in/on the right-of-way. Mr. Johnson shall defend, indemnify, and hold the State harmless from any and all claims asserted by a third party that are based, in whole or in part, on any breach of law, trespass, or negligent act attributed to him, his employees, contractors, lessees, guests, invitees, or tenants that arise from or relate to the design, construction, maintenance, or use of a proposed new or revised access. *See* 17 AAC 10.020. Mr. Johnson shall also indemnify and hold the State harmless for any damage to the right-of-way or the adjacent retaining wall as a result of his actions. Additionally, Mr. Johnson is solely responsible for any cost associated with any requirements imposed by the Municipality of Anchorage, and shall obtain any licenses or permits mandated by the Municipality.

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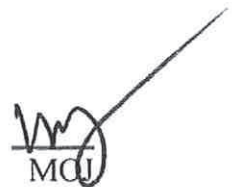
By virtue of this agreement, Mr. Johnson unequivocally releases the State from any and all claims stemming from or related to the State's reconstruction of Homer Drive as part of the Seward Highway between Dimond Boulevard and Dowling Road project, including all claims stemming from meetings and discussions in 2015, the increased elevation of Homer Drive after project completion, and the litigation, whether raised or not raised in the litigation, whether currently known or unknown, whether mature or to

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mature in the future, including but not limited to damages arising out of any and all economic loss, property damage, legal expenses, and any and all other expenses and damages stemming from or relating in any way to the litigation. In executing this document, Mr. Johnson understands that he is settling all claims against the State.

It is Mr. Johnson's intent in executing this document to unequivocally release and discharge the State from any and all liability and not to make any further demands or claims for damages, regardless of when accruing, including subsequently discovered damages that relate in any way to the above-mentioned events. Mr. Johnson discussed this matter with his attorney as he deemed appropriate, has been advised of and is familiar with the case of *Witt v. Watkins*, 579 P.2d 1065 (Alaska 1978), and desires to settle this matter in accord with the settlement amount and terms set forth in this agreement. Likewise, Mr. Johnson acknowledges that he is aware of the decision by the Alaska Supreme Court in the case of *Young v. State*, 455 P.2d 889 (Alaska 1969), and that it is his true intent and desire hereby to each fully release any and all individuals, firms, corporations, or other entities liable or who at any future date might be claimed to be liable from any and all claims, liabilities, damages, or suits of any kind, on account of or in any way relating to the litigation, whether or not they are specifically named in this agreement.

Mr. Johnson affirms that he has carefully read and initialed each page of this agreement, and that he understands the terms of this agreement, which he voluntarily accepts for the purpose of making a full and final compromise and settlement of all claims disputed or otherwise, for or on account of the events described above. Mr. Johnson states that no promise or inducement that is not herein expressed has been made to secure this settlement. Mr. Johnson agrees that the settlement which led to the execution of this agreement was not secured under duress or in haste at the instigation of the State and that he is not, in agreeing to this Settlement Agreement, at a bargaining disadvantage because of the nature of the suit, or any injury, loss, or damage or for any other reason.



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It is understood that this agreement represents the final settlement and compromise of disputed claims and that by reason of this agreement no party admits any disputed issues relating to the litigation. Neither this agreement, nor any document executed pursuant to it, nor any act taken to negotiate it or carry it out, in part or in whole, shall be offered or received in evidence in any action or proceeding in any court, administrative agency, or other tribunal for any purpose whatsoever other than to enforce this agreement and any related agreement or Order of the Court.

Mr. Johnson expressly agrees that at the time of the signing of this agreement no assignment of any claim stated or otherwise has been made or executed to any other individual, firm, or corporation, or any other entity as a result of the litigation.

This Settlement Agreement shall be construed, enforced, and administered in accordance with the laws of the State of Alaska. Mr. Johnson acknowledges that he has participated or has been given the opportunity to participate in the negotiation and preparation of this agreement and agrees that any rule or rules of construction requiring ambiguities in an agreement to be construed and resolved against the drafting party shall not be employed in construction and enforcement of this agreement. Each party to the litigation shall bear its own attorney's fees and costs arising from the actions of its own counsel in connection with the case referenced herein, this agreement, the filing of a stipulation for dismissal, and all related matters.

Mr. Johnson declares that every term of this agreement has been carefully read and that the terms of this agreement are fully understood and voluntarily accepted for the purpose of making a full and final compromise of all claims. Mr. Johnson understands that the provisions of this agreement are contractual and are not merely recitals and that he has read the foregoing agreement, understands the terms of this agreement, and signs same as a voluntary act and deed.

DATED: 2/12/26

Morris O. Johnson Jr.
Morris O. Johnson, Jr.

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SUBSCRIBED AND SWORN to by Morris O. Johnson, Jr. before me, this 12th
day of February, 2026



[Signature]

Notary Public for Alaska

My Commission expires: 6.16.28

DATED: 2/13/2026

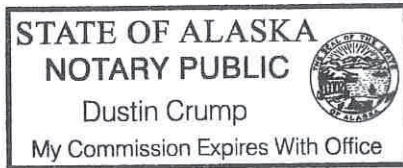
[Signature]

Luke Bowland

Central Region Preconstruction Engineer

Department of Transportation & Public Facilities

SUBSCRIBED AND SWORN to by Luke Bowland, Central Region
Preconstruction Engineer, Department of Transportation & Public Facilities, before me
this 13 day of February, 2026.



[Signature]
Dustin Crump

Notary Public for Alaska

My Commission expires: with office