STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER
Southeast Regional Office, 400 Willoughby, P.O. Box 111020
Juneau, AK 99811-1020, (907) 465-3400

ENTRY AUTHORIZATION

ADL 108159

Kevin McNamee DBA McNamee Ventures ("Lessee") is issued this Entry Authorization by **DNR, Division of Mining, Land & Water** ("Lessor") to use state land approximately 5 miles north of Sitka, Alaska near the eastern shore of Sitka Sound.

The parcel can be more particularly described as follows:

Located within Section 9, Township 055 South, Range 063 East, Copper River Meridian and more particularly located seaward and adjacent to ATS 979, as described on Sitka Recording District Plat No. 86-06. The proposed leasehold contains approximately 0.2 acres, more or less.

This EA authorizes entry onto the above-referenced parcel for use, development, survey and appraisal for a term of three years, effective from _____ through _____, prior to lease issuance. The Development Plan, incorporated as **Attachment 1**, depicts the subject area and intended activity. Provided the lessee's compliance with all terms and conditions, the Standard Lease Agreement and Additional Stipulations, included in draft form as **Attachment 2**, will be made final upon receipt of a survey and appraisal completed to the satisfaction of the Lessor.

This Entry Authorization is issued subject to the following:

1. Acceptance of the terms and conditions of the Standard Lease Agreement and Additional Stipulations (Attachment 2), which will be executed once all of the requirements to lease issuance have been provided.
2. Payment of $1,000.00, the minimum annual use fee (11 AAC 58.410(b)), due on or before each annual anniversary of the effective date of this authorization. If the fair market value rent for the future lease as determined by the required appraisal is greater than $1,000.00, then the annual fee for the lease will be the greater amount and the applicant will be required to pay the difference from payments made during the term of the entry authorization.
3. Proof of insurance as required in Standard Lease Condition No. 24 & Additional Stipulation No. 12 (Attachment 2).
4. Maintenance of a performance guaranty as required by Condition No. 25 & Additional Stipulation No. 11 (Attachment 2).
5. Completion of an acceptable official cadastral survey plat of the prospective leasehold prepared to the DMLW standards. A Request for Survey Instructions (Attachment 3) along with the required fee must be submitted to the Southeast Regional Office by a hired surveyor to initiate the survey process. The area shown on the approved Development Plan is the basis for the survey.
6. Completion of a current Fair Market Value Appraisal acceptable to the DMLW Appraisal Unit. General Appraisal Requirements are included as Attachment 4.
7. An Authorization to Execute Contracts (Attachment 5) or other form of proof that the signer of the Entry Authorization has the authority to execute a lease and related documents on behalf of McNamee Ventures, LLC.

Entry Authorization Extensions: An extension of this Entry Authorization that is required because of the Lessee or its contractor's failure to meet or provide all prerequisites for the issuance of the lease on or before the expiration date will be

considered upon receipt of a written request and fee prescribed by 11 AAC 05. A prerequisite for such an extension may be the remittance of a deposit equal to the estimated cost of completing the required appraisal and survey. Any portion of said deposit not utilized for the purpose for which it was required will be refunded [AS 38.05.860(a)].

Termination of Leasehold Interest: Failure to provide the required deliverables as described above and within the timeframe identified for the Entry Authorization may be considered cause for termination of any leasehold interest.

Signature of Lessee or Authorized Representative of Lessee hereby accepting and agreeing to comply with the terms and conditions of this Entry Authorization:

_____

Printed Name Signature Title Date

Signature of Authorized DNR Representative:

_____

Lee V. Cole, Jr., Southeast Regional Manager Date

Advisory Regarding Violations of the Entry Authorization Guidelines: A person who violates a condition of an authorization is subject to any action available to the Department of Natural Resources (DNR) for enforcement and remedy, including revocation, civil action for forcible entry and detainer, ejectment, trespass, damages, and associated costs, or arrest and prosecution for criminal trespass in the second degree. DNR may seek damages available under civil action, including restoration damages, compensatory damages, and treble damages under AS 09.45.730 or AS 09.45.735, for violations involving injuring or removing trees or shrubs, gathering geotechnical data, or taking mineral resources.

If a person responsible for an unremedied violation or a condition of an authorization applies for a new authorization from DNR under AS 38.05.035, DNR may require the applicant to remedy the violation as a condition of the new authorization, or to begin remediation and provide security to complete the remediation before receiving the new authorization. If a person who applies for a new authorization under AS 38.05.035 has previously been responsible for a violation of a condition of an authorization issued under this chapter, whether remedied or unremedied, that resulted in substantial damage to the environment or to the public, DNR will consider that violation in determining the amount of the security to be furnished and may require the applicant to furnish three times the security that would otherwise be required.

The Regional Manager reserves the right to alter the above conditions before the authorization is issued, in which case Lessee will be so advised. If compliance with these conditions is not achieved, it may be sufficient cause for a monetary penalty for trespass, or the revocation of this authorization immediately and denial of subsequent authorizations. Direct all questions on this authorization to the Division of Mining, Land & Water, Southeast Region, 400 Willoughby Ave., P.O. Box 111020, Juneau, Alaska 99811-1020, telephone (907) 465-3400.

Attachment 1: Development Plan
Attachment 2: Standard Lease Agreement and Additional Stipulations
Attachment 3: Request for Survey Instruction
Attachment 4: Fair Market Value Appraisal
Attachment 5: Authorization to Execute Contracts

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