

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND

[] Northern Region
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2705

[x] Southcentral Region
PO Box 107005
Anchorage, AK 99510-7005
(907) 762-2284

[] Southeast Region
400 Willoughby, #400
Juneau, AK 99801
(907) 465-3400

INTERAGENCY LAND MANAGEMENT ASSIGNMENT

ADL 226285

The Division of Land, Department of Natural Resources of the State of Alaska assigns to the Alaska Aerospace Development Corporation, or its successors in function, hereinafter called Assignee, jurisdiction and management of the land described on the attached Exhibit "A".

Jurisdiction and management includes the authority to manage the surface and so much of the subsurface as specified in the development plan approved by the Division of Land, attached and made part of this document as Exhibit "C", in order to make use of the land for an orbital launch facility, or other aerospace related activities, within the jurisdiction of the Assignee.

The right of the Assignee or Assignee's contractor(s) to construct, maintain, or improve and remove buildings, roads, airports, and works of other description, and to use or remove sand, gravel, timber or other materials on or near the surface for purposes directly related to the project is limited to those expressly stated in the approved development plan, and is subject to the stipulations attached and made part of this document as Exhibit "B".

The right to grant or permit the creation of third party interests for utilities or other public works (such as roads, pipelines, etc.) that are extensions of improvements from adjoining lands and do not interfere with the approved use of the tract is subject to the written approval of the Division of Land. The assignment, grant or any other creation of third party interest for any use other than those specified is not permitted unless such uses are specified on Exhibit "B" attached to this document or are specifically authorized in writing by the Division of Land. The Division of Land reserves jurisdiction and management of all minerals including oil and gas in the above described land. Lands that are in excess of the Assignee's needs shall be returned to the management jurisdiction of the Division of Land upon a finding that the site has been rehabilitated to the satisfaction of the Director of the Division of Land.

The term of this assignment is 30 years from the date of issuance and will expire at midnight on 17th day of May, 2024. The assignment may be renewed under the same terms and conditions provided the subject property continues to be used for any orbital launch facility or other aerospace related activities.

Dated this 18th day of MAY, 1994, RWM
RWM Commissioner, Department of Natural Resources

UNITED STATES OF AMERICA)
State of Alaska) ss.

Judicial District)

THIS IS TO CERTIFY that on this 18th day of May, 1994 before me personally appeared Richard A. Lefebvre of the Department of Natural Resources of the State of Alaska, who executed the foregoing Interagency Land Management Assignment and acknowledged voluntarily signing the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, on the day and year shown above.

Sharon Tumacder
Notary Public in and for the State of Alaska
My commission expires: February 12, 1997

EXHIBIT A
INTERAGENCY LAND MANAGEMENT ASSIGNMENT

ADL 226285

Containing approximately 3077 acres
near Narrow Cape on Kodiak Island

LEGAL DESCRIPTION

All state lands within sections 31-34, Township 31 South Range 19 West Seward Meridian
All state lands within sections 3-6 and 9, Township 32 South Range 19 West Seward Meridian

EXHIBIT B

INTERAGENCY LAND MANAGEMENT ASSIGNMENT
STIPULATIONS

ADL 226285

1. Term of Assignment and Condition of Returned Land. The term of this assignment is 30 years. If, upon expiration of the ILMA, the assignee desires a renewal under the same terms and conditions, and provided the ILMA parcel continues to be used for an orbital launch facility or other aerospace related activities, by the assignee, a written request for renewal must be submitted within 60 days prior to the expiration of this agreement. A renewal may be issued under the same terms and conditions for a period not to exceed 30 years.

Land returned to the Division of Land shall be returned in a condition acceptable to the Director, which may include rehabilitation of the site (to a similar condition as of the date of this assignment) and/or removal of any improvements, equipment, and materials. The assignment may be cancelled for non-use or violation of the terms and conditions of the assignment.

2. Review of Assignment and Cancellation of Assignment. Pursuant to AS 38.04.060 (b), this assignment is subject to review by the Division of Land for possible utilization other than for the purposes assigned when considered in the best interest of the state. The assignee must file by certified mail, return receipt requested, or equivalent, a Notice of Continued Use with the Division of Land not later than December 31 of 1998, and December 31 every fifth year thereafter. Failure to file the notice may be construed as non-use/abandonment and after investigation by the Div. of Land, may result in a formal non-use or abandonment determination. The Alaska Aerospace Development Corporation will be supplied a copy of any such determination and will be allowed a minimum of 30 days to comment on and respond to this determination before final action is taken. Appeal rights under 11 AAC 02.010 are not affected by this stipulation.

In the event the ILMA parcel is inspected by the Division of Land to determine compliance with the terms and conditions of the agreement, the Alaska Aerospace Development Corporation may be charged \$100.00 or the Division's actual expenses, as determined by the director.

3. Project Development Plan. The assignee shall submit a development plan to the Division of Land for approval prior to construction of improvements on the ILMA parcel. Any significant additions or corrections to the development plan must be submitted to (and approved by) the Division of Land prior to construction of the new improvements.

4. Use of Subsurface. This assignment does not authorize the use of the subsurface estate or any materials on the site unless specifically authorized by these stipulations, the use is included in the development plan, or authorized in writing by the Division of Land. The assignee shall have the right to drill such wells as are approved by the Division and are depicted on the project development plan.

5. Material. Pursuant to 11 AAC 71.015, the assignee shall not sell, transfer, or donate material including gravel, sand, rock, or peat to a third party except as necessary to construct and maintain the facility when the material is used within the confines of this assignment. The assignee shall have the right to take all soil borings and to conduct all other tests necessary for the design of an orbital launch facility.

6. Timber. If clearing timber on the site is required, clearing will be conducted only in accordance with the development plan, and any useable timber shall be made available to the public. Assignee must coordinate with the Division of Forestry, DNR prior to

clearing of any timber.

7. Project Construction and Survey. Pursuant to AS 38.95.160, a professional architect, engineer, or surveyor shall supervise the location and design of any improvements on the tract and shall be responsible for preparing a plat for recording in the appropriate recording district if the costs of such improvements are more than \$100,000. Each registered professional shall be responsible for that part of the project to which his or her license pertains. The assignee is responsible for compliance with AS 38.95.160.

8. Indemnity. In connection with the entry on or use of lands assigned to the Alaska Aerospace Development Corporation by the Department of Natural Resources, the Alaska Aerospace Development Corporation shall ensure that its contractors, subcontractors, and their employees shall indemnify, save harmless, and defend the state, its agents and its employees from and against any and all claims or actions for injuries or damages sustained by any person or property arising directly or indirectly from the construction or the contractor's performance of the contract, except when the sole proximate cause of the injury or damage is the state's negligence.

9. Notification of Unauthorized Discharge. The assignee shall immediately notify the Department of Environmental Conservation and the Division of Land of any unauthorized discharge, leak, or spill involving two or more barrels of hydrocarbons, and all fires, explosions, or discharges of toxic substances. The Southcentral Region shall be supplied with all followup reports.

10. Fuel and Hazardous Substances. Secondary containment shall be provided for fuel or hazardous substances.

a. Exception for short-term storage of small volumes. The requirement for secondary containment is waived for those fuels and hazardous substances in containers with a volume of 55 gallons or less which are in place for 7 days or less, provided that the total combined volume in place without containment on a pad or work area does not exceed 660 gallons for fuel, hydraulic fluid, or lubricants or 55 gallons of other hazardous substances.

b. Container Marking. All independent fuel and hazardous substance containers shall be marked with the contents and the assignee's name.

c. Fuel or hazardous substance transfers. Secondary containment or drip pans must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends during fuel or hazardous substance transfers. Appropriate spill response equipment must be on hand during any transfer or handling of fuel or hazardous substances to respond to a spill of up to five gallons.

d. Storing container near waterbodies. Containers with a volume larger than 55 gallons which contain fuel or hazardous substances shall not be placed within 100 feet of a waterbody.

e. Exceptions. The Division of Land may under unique or special circumstances grant exceptions to these stipulations on a case by case basis. Requests for exceptions should be made to the Southcentral Regional Office at (907) 762-2270.

f. Definitions.

"Containers" is defined as any item which is used to hold fuel or hazardous

May 16, 1994
Special Stipulations
ILMA 226285
Page 3

substances. This includes tanks, drums, fuel tanks on small equipment such as light plants and generators, flow test holding tanks, slop oil tanks, bladders, and bags. Manifolded tanks must be considered as a single independent container. Vehicles are not intended to be included under this definition.

"Hazardous substance" is defined under AS 46.03.825(5) as (a) an element or compound which, when it enters the atmosphere, water, or land, presents an imminent and substantial danger to the public health or welfare, including fish, animals, or vegetation, (b) oil, or (c) a substance defined as a hazardous substance under 42 U.S.C.9601(14).

"Secondary containment" is defined as an impermeable diked area or portable impermeable containment structure capable of containing 110 percent of the volume of the largest independent container. Double-walled tanks do not qualify as secondary containment unless an exception is granted for a particular tank.

11. Alaska Historic Preservation Act. The Alaskan Historic Preservations Act (AS 41.35.000) prohibits the appropriation, excavation, removal or injury or destruction of any historic prehistoric, or archaeological resources of the State. No historic site, archaeological site, or camp, either active or abandoned, shall be disturbed in any manner, nor shall any item be removed therefrom. Should any sites be discovered during the course of field operations, activities which would disturb such resources should be stopped and the Department of Natural Resources, Division of Parks and Outdoor Recreation, Office of History and Archaeology be contacted immediately at (907) 762-2622.

12. National Historic Preservation Act. If a grant or other funding for construction of facilities is received by the assignee from the Air Force or another federal agency, compliance with Section 106 of the National Historic Preservations Act and its implementing regulations, 36 CFR 800, is required prior to authorizing construction.

13. Facility Funding. If funds are not available for the proposed orbital space launch facility or other site-related aerospace activities within 10 years from date of approval of this authorization, the authorization will automatically terminate.

14. Valid Existing Rights. This assignment is subject to all valid existing rights easements, rights of way, and reservations of record. Additional easements may be dedicated or granted by the Division of Land with the written concurrence of the assignee.

15. Public Access. Public access to state lands, tidelands and waterways shall not be blocked or restricted in any way on state land. The assignee may restrict public access through the ILMA parcel to protect public safety and the assignee's improvements.

16. Reservations. This ILMA is subject to the following:

Grazing Lease ADL 221677

*Public and Charitable Lease Application ADL 67915--*Upon expiration of the term in ADL 67915 or the earlier termination of ADL 67915 for any reason, the real property subject to ADL 67915 shall become part of this ILMA and AADC shall enjoy the use thereof pursuant to the terms of this ILMA.

17. Amendments. Any request to amend the ILMA by the Alaska Aerospace Development

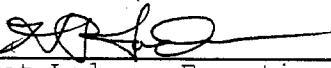
May 16, 1994
Special Stipulations
ILMA 226285
Page 4

Corporation may result in a fee being charged as determined by the director. The fee may not exceed the lesser of \$3,000.00 or seven percent of the fair market value added as a result of the amendment.

18. Responsibility. Issuance of this ILMA does not relieve the Alaska Aerospace Development Corporation of the responsibility of obtaining any other permits, approvals or licenses as may be required by other duly authorized state, local or federal agencies. This includes the Alaska Department of Transportation and Public Facilities who maintain and manage the Narrow Cape/Pasagshak road.

19. Radio Interference. The Alaska Aerospace Development Corporation will cooperate and work with the US Coast Guard to ensure that all communication and electronic equipment are compatible.

The Alaska Aerospace Development Corporation has read the above terms and conditions and agrees to comply with them.

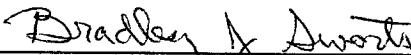
 7 June 94
Pat Ladner, Executive Director Alaska Aerospace Development Corporation Date

UNITED STATES OF AMERICA)
State of Alaska) ss.

Judicial District)

94 THIS IS TO CERTIFY that on the 8th day of June, 1994, before me personally appeared Pat Ladner, known to me to be the person described in and who executed this document and acknowledged voluntarily signing the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, on the day and year shown above.



6-8-94

Notary Public in and for the State of Alaska
My commission expires: _____

My Commission Expires:
January 31, 1995