

Attachment B
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

ADL No. 422229
FEDERAL LEASE AGREEMENT

This lease agreement (“Lease”) is entered into by the State of Alaska Department of Natural Resources (“Lessor,” also “DNR”) and the United States Army Corp of Engineers (“Lessee,” also “USACE”) whose addresses for purposes of notification under this Lease agreement are listed below in Section 25.

The Lessor and the Lessee agree that this Lease, including all appendices and with any documents incorporated into this Lease by reference, contains the entire agreement between the parties, and each of the covenants and conditions in this Lease including any attachments will be binding upon the parties and upon their respective successors and assigns. The Lessor and the Lessee further agree that this Lease is conditioned upon each parties’ good faith, satisfactory performance of all terms, conditions, and covenants described herein.

This Lease is subject to all applicable state, federal, and municipal laws, statutes, regulations, and ordinances in effect on the effective date of this Lease, and insofar as is legally permissible, all applicable laws, statutes, regulations, and ordinances placed in effect after the effective date of this Lease. A reference to a law, statute, regulation, or ordinance in this Lease includes any change in that law, statute, regulation, or ordinance, whether by amendment, repeal and replacement, or other means. This Lease does not limit the power of the State of Alaska, its political subdivisions, or the United States of America to enact and enforce legislation or to adopt and enforce regulations or ordinances affecting, directly or indirectly, the activities of the Lessee or its agents in connection with this Lease or the value of the interest held under this Lease. Applicable laws, statutes, regulations, and ordinances take precedence over conflicting provisions of this Lease. This Lease shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized.

- 1. Grant:** This Lease is issued under the authority of **AS 38.05.810(a)**, for a term of 25 years beginning the X day of July, 2024, and ending at 11:59:59 p.m. on the X day of July X, 2049, unless sooner terminated according to the terms described herein. This Lease applies to the following parcel of state land, hereafter referred to as the "leasehold":

Township 001 North, 001 East, Section 6, Fairbanks Meridian, consisting of approximately 67 acres, as shown on Appendix A.

Subject to platted easements and restrictions, and any general reservations to the Lessor that are required by law or that may be stated elsewhere in this Lease. The State of Alaska makes no representations or warranties either expressed or implied, as to the existence, number, or nature of such valid existing rights.

Additionally subject to Appendix B, Approved Development Plan, described in Section 4, below, and Appendix C, Additional Lease Stipulations, attached and made part of this Lease.

2. **Compensation:** There is no Lease fee. The Lessor reserves the right to condition any approval for new or different activities or uses of the leasehold (including activities or uses in connection with an approved sublease) upon payment of a Lease fee.

3. Denial of Warranty; Inspection by Lessee:

- (a) The Lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the leasehold, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the profitability or fitness of the leasehold for any use. Further, the Lessor makes no representations and no warranties, express or implied, concerning the existence or absence of hazardous substances, hazardous waste, contaminants, or pollutants on the leasehold property.
- (b) The Lessee has inspected the leasehold and determined that the leasehold is suitable for the use intended, or has voluntarily declined to do so, and accepts the leasehold "as is" and "where is."

4. Use of Leasehold; Development Plan:

- (a) In accordance with 11 AAC 58.510, within 90 days of Lease signature exchange as described below Section 34(i), the Lessee shall submit a Development Plan (Plan) the leasehold to the Lessor for approval. The Development Plan, upon approval, shall be attached hereto as Appendix B and shall become integrated into this Lease. The Plan must describe all activities and improvements within the leasehold. Development and use of the leasehold, or any portion of it, must be consistent with the approved Plan. Failure to submit an approvable Plan or use of the leasehold for purposes other than those specified in the Plan constitutes a breach of the Lease and may result in termination. Throughout the Lease term, any failure to develop and/or utilize the Lease site for a period of two years or more will, at the discretion of the Lessor, constitute grounds for termination of the Lease. The Lessee shall use and occupy the leasehold in compliance with all applicable laws, regulations, ordinances, and public agency orders. The Lessee shall not permit any unlawful occupation, business, or trade on the leasehold.
- (b) The Lessee shall submit proposed amendments to the Plan to the Lessor for approval prior to implementation. The Lessor reserves the right to re-evaluate the Lease terms and conditions prior to approval of any proposed Plan amendments. Based upon the extent of the proposed Plan amendments, the Lessee may be required to submit a new survey and/or appraisal, the cost of which will be borne by the Lessee.
- (c) No modifications or updates to the Plan are authorized unless specifically approved in writing by the Lessor. The Lessor will not unreasonably withhold approval of proposed Plan amendments. All approved Plan amendments shall be reflected in an amended version of Appendix B, which shall be affixed to this Lease. Amended, approved versions of Appendix B shall supersede prior versions.
- (d) The Lessee shall properly locate all activities and improvements within the leasehold. Furthermore, within the leasehold, the Lessee shall reasonably protect all survey

monuments, witness corners, reference monuments, mining claim posts, and bearing trees against damage, destruction, or obliteration. The Lessee shall notify the Lessor of any damaged, destroyed, or obliterated markers and shall re-establish the markers in accordance with accepted survey practices of DNR.

- (e) The leasehold must be kept clean, neat, and organized at all times. The Lessee may not commit waste of the leasehold. The Lessee may not commit waste of the parcel. The Lessee shall maintain and repair all of its improvements within the Leasehold
- (f) The Lessee agrees to take all reasonable precautions to prevent or suppress grass, brush, or forest fires, and to prevent water pollution, erosion, sedimentation, deterioration, or destruction of the leased land, improvements, and surrounding area. In the event of fire, Lessor assumes no responsibility for protecting the leasehold property or the improvements or chattels thereon.
- (g) Site disturbance shall be kept to a minimum to protect local habitats. All activities at the site shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems. Any ground disturbances shall be contoured to blend with the natural topography to protect human and wildlife health and safety. Particular attention must be paid to preventing pollution and siltation of any waterways and to preventing disturbances to fish and wildlife populations and habitats.
- (h) The Lessee agrees not to place any aboveground or underground fuel or chemical tanks on the leasehold without the prior written approval of the Lessor.
- (i) On-site waste disposal is prohibited. All waste generated during the construction, operation, maintenance, or termination of this Lease shall be removed and properly disposed of, such as at an off-site Alaska Department of Environmental Conservation (DEC) approved disposal facility. Waste, in this Section (4) means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, ashes, and discarded equipment.

5. Encumbrance of Leasehold: The Lessee may not encumber or cloud the Lessor's title to the leasehold, or any portion of the leasehold. The Lessee may not enter into any Lease, easement, or other obligation affecting the leasehold or the Lessor's title without the prior written approval of the Lessor.

6. Assignment of Interest:

- (a) The Lessee may not assign or sublease any interest held under this Lease without the prior written approval of the Lessor. The Lessor may approve such assignment or sublease if the Lessor finds it to be in the best interest of the state. No such assignment or sublease will be effective until approved by the Lessor in writing, and until the assignee or sub-Lessee agrees to be subject to and governed by the provisions of this Lease, any subsequent amendments to this Lease, any additional stipulations, or reappraisal as deemed appropriate by the Lessor, and all applicable laws, regulations, and ordinances in the same manner as the original Lessee.

In accordance with Section 2, above, Lessor reserves the right to condition approval of any assignment or sublease upon the payment of annual compensation to Lessor.

In the event of a sublease for which Lessee receives compensation, Lessee's annual compensation to Lessor will not be less than 25% of all compensation paid annually to the Lessee by the sub-Lessee.

- (b) The term "sublease" shall include, in addition to the terms described above, any rental, storage, or accommodation agreement between the Lessee and another person or entity pertaining to the leased parcel. "Assignment" shall include any transfer due to change in the original Lessee's status including but not limited to corporate or business name change, restructuring, ownership change, or other circumstance.
- 7. **Section Line Rights-of-Way:** If the leasehold borders on or includes one or more Section lines, the Lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way or rights-of-way pursuant to AS 19.10.010.
- 8. **Navigable and Public Waters:**
 - (a) Pursuant to AS 38.05.127, the Lessor reserves a public access easement to and along all public or navigable water bodies that border on or are included within this leasehold. No public access easement may be obstructed or otherwise rendered incapable of reasonable use for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without the prior written approval of the Lessor.
 - (b) The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This Lease is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The Lessor reserves the right to grant other interests to the leasehold consistent with the Public Trust Doctrine.
- 9. **Condemnation of Leasehold or Improvements:** If the whole or any part of the leasehold is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:
 - (a) Taking of the entire leasehold. If all of the leasehold is taken by condemnation, this Lease and all rights of the Lessee will immediately terminate, and the compensation will be adjusted so that it is due only until the date the Lessee is required to surrender possession of the leasehold. The Lessor is entitled to all of the condemnation proceeds, except that the Lessee will be paid the portion of the proceeds attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned leasehold by the Lessee in accordance with the approved development plan.
 - (b) Taking of substantial part of the leasehold. If the taking is of a substantial part of the leasehold, the following rules apply:

- (i) If the taking by condemnation reduces the ground area of the leasehold by at least 30 percent or materially affects the use being made by the Lessee of the leasehold, the Lessee has the right to elect to terminate the Lease by written notice to the Lessor not later than 180 calendar days after the date of taking.
 - (ii) If the Lessee elects to terminate, the provisions in subsection (a) of this Section govern the condemned portion of the leasehold and the covenants and conditions of the Lease govern disposal of the remainder of any buildings or improvements made by the Lessee in accordance with the approved development plan.
 - (iii) If the Lessee does not elect to terminate, the Lease continues and the Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned portion of the leasehold by the Lessee in accordance with the approved development plan. Compensation at the existing rate will terminate on the date the Lessee is required to surrender possession of the condemned portion of the leasehold. Except as it may be adjusted from time to time under the covenants and conditions of the Lease and applicable statutes, compensation for the balance of the term will be adjusted by the Lessor to reflect the taking.
- (c) Taking of insubstantial part of the leasehold. If the taking by condemnation reduces the ground area of the leasehold by less than 30 percent and the Lessor determines that the taking is of such an insubstantial portion that the Lessee's use of the Leasehold is not materially affected, the Lessee may not elect to terminate the Lease and the compensation provisions of subsection (b)(3) of this Section will govern.

10. Valid Existing Rights: This Lease is subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land in existence on the date of execution of this Lease.

11. Inspection:

- (a) The Lessor will, at the Lessor's expense, have reasonable access to the leasehold for purposes of inspecting the leasehold, the improvements, and activities conducted thereon. The Lessor may obtain samples of soil, water, gravel, or other solids or liquids on the Leasehold, including from within buildings, as long as the taking of such samples does not unreasonably disrupt the activities of the Lessee on the leasehold.
- (b) Non-compliance determinations resulting from leasehold inspections may subject the site to re-inspection. Such re-inspections shall be at Lessee's expense in the amount of \$500 per re-inspection under 11 AAC 05.160(d)(1)(C). However, prior to re-inspection Lessor will provide written notice to Lessee, whereupon Lessee may provide evidence of correction obviating the need for inspection. The decision to re-inspect upon receipt of such notice rests with Lessor. xx

12. Mineral Reservations: This Lease is subject to the reservations required by AS 38.05.125

and the rights and obligations imposed by AS 38.05.130.

- 13. Concurrent Use:** This Lease is subject to reasonable concurrent uses of the leasehold property as provided under Article VIII, § 8 of the Constitution of the State of Alaska. Lessor reserves the right to grant authorizations to third parties for compatible uses on or adjacent to the land covered under this Lease. In the event of concurrent use by one or more third parties, such third party use shall not interfere with Lessee's authorized activities, rights, or remedies under this Lease. Concurrent use by one or more third parties will mean that Lessee shall likewise be deemed a concurrent user. Authorized concurrent users of state land, their agents, employees, contractors, subcontractors and licensees shall not interfere with the operation or maintenance activities of other authorized concurrent users.
- 14. Surface Resources:** Unless otherwise provided by this Lease or other written authorization, the Lessee may not sell or remove from the leasehold any timber, stone, gravel, peat moss, topsoil, or any other material valuable for building or commercial purposes. Material required for the development of the leasehold may be used only in compliance with the approved development plan.
- 15. Appropriation or Disturbance of Waters:** During the term of this Lease, the Lessee will have the right to apply for an appropriation of ground or surface water on the leasehold in accordance with AS 46.15 and 11 AAC 93.060.
- 16. Acquisition of Rights or Interests:** Any right or interest acquired during the term of this Lease and accruing to the benefit of the leasehold will remain appurtenant to the leasehold, and may not be severed or transferred from the leasehold without the prior written approval of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest will vest in the Lessor.
- 17. Land Alterations Due to Natural or Artificial Causes:** The interest described in this Lease constitutes the entire leasehold. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the leasehold, the Lessee has no right to occupy or use the accreted land unless a separate Lease is entered with the Lessor with respect to such lands. The rules of law usually applicable to accretion or reliction of land do not apply to this Lease, nor to the interest described in this Lease.
- 18. Waiver or Forbearance:** The receipt of compensation by the Lessor, with or without knowledge of any default on the part of the Lessee, is not a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a covenant or condition of this Lease, nor the waiver of any right under this Lease by the Lessor, unless in writing, will discharge or invalidate the application of such covenant or condition. No forbearance or written waiver affects the right of the Lessor to enforce any covenant or condition in the event of any subsequent default. The receipt of compensation by the Lessor after termination or any notice of termination will not reinstate, continue, or extend this Lease, or destroy, or in any manner impair the validity of any notice of termination that may have been given prior to receipt of the compensation, unless specifically stated by the Lessor in writing.

19. Default and Remedies:

- (a) If the Lessee defaults on the performance of any of the covenants or conditions of this Lease, Lessor shall provide written notice of default to the Lessee and to any holder of a security interest in the leasehold approved by the Lessor. If the default is not remedied within 60 calendar days after the Lessor issues written notice of default (or within an additional amount of time if Lessor agrees in writing), the Lease shall terminate automatically without the need for further notice or action by the Lessor.
- (b) Upon termination of the Lease for default, the Lessor shall have an immediate right to possession of the leasehold and Lessee shall not have any contractual right to possession of the leasehold. Unless otherwise agreed in writing, Lessee shall remove all tools, fixtures, equipment, and chattels not belonging to Lessor from the leasehold within thirty days (or within an additional amount of time if Lessor agrees in writing) of termination in accordance with AS 38.05.090.
- (c) It is specifically agreed that no judicial action shall be necessary to terminate this Lease for default or to allow the Lessor to retake possession in the event of default by the Lessee. If this Lease is terminated for default, any compensation paid by the Lessee is forfeited to the Lessor. The Lessor is not liable for any expenditures made or undertaken by the Lessee in connection with the termination.
- (d) The rights, if any, of third-party security interest holders or lienholders are controlled solely by AS 38.05.103 and 11 AAC 58.590. If the Lessee fails to remedy the default within the time allowed in subsection (a) of this Section, the holder of an approved security interest who has received notice under subsection (a) of this Section may remedy the default according to the time limits described in subsection (a).
- (e) If this Lease is terminated for default, or if all or any portion of the leasehold is abandoned by the Lessee, and if the Lessee fails to remove its, tools, fixtures, equipment, and chattels in accordance with subsection (b) of this Section, Lessor may enter or re-enter the former leasehold to remove all persons and property from the premises. Lessor may, if necessary, use summary proceedings or an action at law. The words "enter" and "re-enter" as used are not restricted to their technical legal meaning. Any entry, re-entry, possession, repossession, or dispossession by the Lessor, whether taken with or without judicial action, does not absolve, relieve, release, or discharge the Lessee, either in whole or part, of any liability under the Lease.
- (f) The Lessor, upon or at any time after giving written notice of any default, may enter or re-enter the leasehold to remedy any default by the Lessee or exercise any right given under this Lease, all without the intervention of any court being required. The curing of such default shall not be deemed for any purpose to be for the benefit of the Lessee.
- (g) At any time after termination of this Lease for default, the Lessor may re-let the leasehold, or any part thereof, in the name of the Lessor for such term and on such conditions as the Lessor may determine, and may collect and receive the compensation therefor. The Lessor shall not be responsible or liable for failure to re-let the leasehold or for any failure to collect any compensation due upon such re-letting, nor shall the Lessor be required to account for or pay

to the Lessee any excess compensation received because of such re-letting.

- (h) No right or remedy conferred upon the Lessor in this Section (19) of this Lease is intended to be exclusive of any other right or remedy conferred upon Lessor elsewhere in this Lease, or by statute, other law, or equity. Each right shall be cumulative.

20. Claims for property damage, personal injury or death.

- (a) As an agency of the United States, the Lessee is limited by Federal laws as to the assumption of liability for its acts or omissions. The Lessee agrees to promptly consider any claims that may arise out of the Lease resulting from the actions of Lessee, duly authorized representatives of Lessee, or contractors of Lessee, and to adjudicate any damage or injury in accordance with the Federal Tort Claims Act, 28 U.S.C. § 2671 *et seq.* (the Act), or such other legal authority as may be pertinent.
- (b) The foregoing shall not be deemed to extend the Lessee's liability beyond that existing under the Act at the time of such act or omission would preclude the Lessee from using any defense available at law or equity. Similarly, the foregoing shall not be deemed to prohibit the Lessor from pursuing remedies beyond those described in the Act to the extent such remedies are available under state or federal law. Both parties reserve all rights, remedies, and defenses that may exist in the event of damage, injury, or loss.
- (c) The Lessee shall give the capital lessor reasonable notice of any claims, notices of claim, or causes of action asserting a right, remedy, or demand against Lessor or Lessee arising out of Lessee's use of the leasehold.

21. Bonding and Insurance: As the Lessee is a Federal agency that is self-insured and bonded, no performance guarantee or insurance will be required. The Lessee is responsible for requiring any of its non-Federal duly authorized representatives, invitees, contractors, or licensees operating within the leasehold to carry adequate liability and worker's compensation insurance for their activities. In the event the Lessee becomes aware of a claim against any of its liability coverage, the Lessee shall notify, and provide documentation and full disclosure of the claim to the Lessor within 20 calendar days.

22. Environmental Compliance:

- (a) The Lessee shall comply with all federal, state, and local laws applicable to Lessees' use or occupancy of the property, including laws pertaining to environmental planning, protection, and contamination remediation. During or subsequent to the Lease term, if any municipal, state, or federal authority requires that a remedial action be planned or undertaken due to the disposal, release, spill, or discharge, or threatened disposal, release, spill, or discharge of hazardous materials or hazardous substances, or other environmental contaminants at the leasehold arising out of or in connection with the Lessee's use or occupancy of the leasehold, then the Lessee shall be responsible to plan and undertake such remedial action.
- (b) The Lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, hazardous materials, or hazardous

substances into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water at or appurtenant to the leasehold. Should any discharge, leakage, spillage, emission or pollution of any occur in connection with the Lessee's use or occupancy with the leasehold, Lessee shall be responsible to undertake cleanup.

- (c) This Section (22) of this Lease does not in any way modify, abridge, or alter Lessor's or Lessee's obligations, rights, remedies, or defenses available under state or federal law.
- (d) For purposes of this Lease, "hazardous materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government. "Hazardous substances" has the meaning stated in AS 46.03.826(5).
- (e) The storage of hazardous waste on the leasehold is prohibited. For purposes of this Lease, "hazardous waste" has the meaning stated in AS 46.03.900(9).
- (f) The use of herbicides and pesticides by the Lessee is prohibited.

23. Fuel: The storage of fuel on the leasehold is authorized under the following conditions: When fuel storage containers exceed a total combined capacity of 110 gallons, the containers must be stored within either, a DEC-approved double walled-tank, or an impermeable diked area, or a portable impermeable containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be clearly marked with the contents and the Lessee's name. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up spills from any transfer or handling of fuel. All fuel storage containers and associated materials must be removed by the Lease expiration date.

24. Surrender of Leasehold; Disposition of Improvements and Chattels After Termination:

- (a) Upon the expiration, termination, or cancellation of this Lease, the Lessee shall peacefully leave and deliver the leasehold in good, sanitary, order and repair. At least 30 days prior to expiration, termination, or cancellation, Lessee shall submit a restoration plan to Lessor for Lessor's approval. In accordance with AS 38.05.090(b), Lessee shall, at Lessee's sole expense, restore the leasehold to good and marketable condition within 120 days after termination.

25. Notices:

- (a) Any notice or demand by the Lessee shall be in writing, and shall be made by hand delivery to the Director, Division of Mining, Land and Water, or by certified mail, postage prepaid, addressed as follows (or to a new address that the Lessee or its successor in interest designates in writing), with delivery occurring upon receipt by the Lessor:

To the Lessor:

Department of Natural Resources Division of
Mining, Land and Water

3700 Airport Way
Fairbanks, AK 99709

- (b) Any notice or demand by the Lessor shall be in writing, and shall be made by certified mail, postage prepaid, addressed as follows (or to a new address that the Lessee or its successor in interest designates in writing), with delivery occurring upon receipt by the Lessee:

To the Lessee:

US Army Corp of Engineers

PO Box 6898
JBER, AK 99506

- 26. Modification:** This Lease may be modified or amended only by a document signed by both parties.
- 27. Compliance with Applicable Law:** The Lessor shall comply with all Federal, State, and local laws applicable to its ownership and leasing of the property, provided that nothing in this Lease shall be construed as a waiver of the sovereign immunity of the State of Alaska. The Lessee shall comply with all Federal, State, and local laws applicable to and enforceable against it as a tenant under this Lease, provided that nothing in this Lease shall be construed as a waiver of the sovereign immunity of the United States Government. This Lease shall be construed under the laws of the state of Alaska and, as applicable, Federal law.
- 28. Severability:** If any clause or provision of this Lease is, in a final judicial proceeding, determined to be illegal, invalid, unenforceable, or in conflict with any current or then-existing law, regulation, directive, or policy of the State of Alaska, the United States, DHS or CBP the remainder of this Lease will not be affected. The parties will amend the Lease to conform to the applicable law, regulation, directive, or policy.
- 29. Historic Preservation:** The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any State-owned historic/prehistoric archaeological or paleontological site without a Lease from the Commissioner. Should any sites be discovered during the course of field operations, activities that may cause damage will cease and the Office of History and Archaeology in the Division of Parks and Recreation (907) 269-8721/8720/8722 and the appropriate coastal district shall be notified immediately.
- 30. Incurred Expenses:** Lessor shall not be responsible for expenses incurred by the Lessee in connection with Lessee's use of the property.
- 31. Additional Provisions.**
- (a) **Contingent Funding.** In accordance with 31 U.S.C § 1341, nothing in this Lease shall constitute an obligation of funds of the United States in advance of an appropriation thereof.

(b) **No Waiver of Sovereign Immunity.** Nothing in this Lease constitutes or may be construed as a waiver of the sovereign immunity of the United States or of the State of Alaska.

(c) **Dispute Resolution.**

(i) The parties agree to address disputes arising under this Lease using progressive levels of dispute resolution. Level I requires good faith discussions between the signatories or equivalent staff level personnel. Level II requires elevation to the Alaska DNR Commissioner and the US Army Corp of Engineers Level III will reserve for the parties any remedies available under the law. Any legal proceedings initiated due to a dispute arising out of this Lease shall be venued in Alaska.

(ii) This provision is without prejudice to Lessor's termination rights under section 19, above. Dispute resolution efforts may continue concurrently with termination processes.

(d) **No Third Party Rights.** The Lease is not intended and should not be construed to create any right or benefit, substantive or procedural, enforceable at law by any person or entity other than the parties hereto.

(e) **No Preference Right.** This Lease does not create a right of preference in favor the Lessee over any prior or subsequent leaseholder. Nor does it create a right of preference in favor of any prior or subsequent leaseholder.

(f) **Integrated agreement.** This Lease and appendices hereto shall constitute a single, integrated agreement. All terms and provisions shall be construed to compliment and support one another. In the event of any perceived inconsistency between the body of the Lease and the appendices, the Lease shall be given precedence.

(g) **Lease not to be Construed Against Either Party.** Because both parties to this Lease, through their respective counsel, have been involved in the negotiations and drafting of this Lease, the rule that an agreement is construed against the drafting party is inapplicable.

(h) **Signatories' Authority.** The parties and signatories hereto represent, agree, and affirm that all persons signing on that party's behalf are fully authorized to do so, and have full and complete authority to sign this Lease.

(i) **Lease effective upon signature.** This Lease may be signed in counterparts. Signatures exchanged or sent via electronic mail (PDF format showing hand signature) will be considered effective to bind the signing party or parties. This Lease shall become effective, retroactively to the beginning of the Lease term, upon both party's receipt of the Lease signed by the other party. By signing this Lease, the Lessor and the Lessee agree to be bound by its provisions, and all attachments hereto.

LESSEE:

Lessee or Authorized Representative

STATE of _____)
) ss.
 _____Borough)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, known to me to be the person named and who signed the foregoing Lease and acknowledged voluntarily signing the same.

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

LESSOR:

Regional Manager, Northern Regional Office

STATE OF ALASKA)
) ss.
 _____Judicial District)

THIS IS TO CERTIFY THAT ON THIS _____ day of _____, _____, before me personally appeared _____, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing Lease on behalf of the State of Alaska, and who is fully authorized by the State to do so.

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