

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

Statewide Abatement of Impaired Land Section

Preliminary Decision

ADL 422526

Alaska Department of Family and Community Services (DFCS)-Finance & Management Services (FMS) Facilities Section: Fairbanks Pioneer Home

DNR Consent to Environmental Covenants

AS 38.05.035 and AS 38.05.020

Executive Summary

This Preliminary Decision (PD) is the State's preliminary best interest finding regarding a proposed disposal of interest in state land. The public is invited to comment on this PD. The deadline for commenting is 5:00 pm January 5, 2026. Please see the Public Notice section of this decision for requirements related to submitting comments for consideration. Only the applicant and those who comment have the right to request reconsideration of the Final Decision (FD).

Requested Action

The Alaska Department of Family and Community Services (DFCS)-Finance & Management Services (FMS) Facilities Section ("applicant") submitted an Application for DNR Consent to Environmental Covenants to the Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Statewide Abatement of Impaired Land Section (SAIL) on February 20, 2025. The applicant has requested that DNR consent to the placement of an environmental covenant, which would include activity and use limitations (AULs), on approximately 0.03 acres of DNR managed lands. The environmental covenant and associated AULs are proposed to limit the use of soil and groundwater adjacent to the Fairbanks Pioneer Home facility's underground storage tank (UST) at 2221 Eagan Avenue in Fairbanks. No engineering controls, terrain/groundcover modifications, or changes to site access are proposed.

Proposed Action

DMLW proposes to provide DNR consent to the environmental covenant, as both grantor and grantee, to limit the use of soil and groundwater within the Site identified in the draft environmental covenant, adjacent to the Fairbanks Pioneer Home facility's underground storage tank. The proposed AULs are included in the draft environmental covenant, which is attached to this PD (Attachment 1). The environmental covenant, including the AULs, will create an encumbrance that runs with the land and is perpetual, unless amended or terminated pursuant to AS 46.04.325 or 46.04.330.

Scope of Decision

The scope of this decision is limited to the determination of whether it is in the State's best interest to consent to the environmental covenant, which involves disposing of certain land interests and imposing restrictions on the Site's future uses, as both grantor and grantee. The administrative review for this authorization is defined by AS 38.05.035(e)(1)-(2) and is limited

to (1) reasonably foreseeable, significant effects of the uses to be authorized; (2) applicable statutes and regulations; (3) facts pertaining to the land or resources; and (4) issues that are material to the determination.

Authority

This proposed environmental covenant is being adjudicated pursuant to AS 38.05.020, Authority and Duties of the Commissioner; AS 38.05.035(e) Powers and Duties of the Director; and AS 38.05.945 Notice. The FD and, if approved, the environmental covenant will be signed by the DNR Commissioner.

Administrative Record

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act, as amended; applicable statutes and regulations referenced herein, the Eastern Tanana Area Plan (ETAP, 2015) and other classification references described herein, and the casefile for the application serialized by DNR as ADL 422526.

Location Information

Geographic Location:

The site is located on state-owned and DNR-managed land at 2221 Eagan Avenue, Fairbanks.

Property Description:

The proposed environmental covenant is located within Section 16, Township 001 South, Range 001 West, Fairbanks Meridian, and more particularly located at the Fairbanks Pioneer Home within a portion of Tract B of Alaska State Land Survey No. 80-64, according to the plat recorded in the Fairbanks Recording District on August 22, 1980, as Plat No. 80-149, and more specifically identified as the Proposed Restricted Use Area on the map of Appendix A of the draft environmental covenant, containing approximately 1,300 square feet, more or less.

Other Land Information:

Municipality: Fairbanks, Fairbanks North Star Borough

Regional Corporation: Doyon Ltd.

Village Corporation: None identified

Approximate Coordinate Location: Latitude 64.83399 Longitude 147.77129

Title

The State of Alaska holds fee title to the subject land under U. S. Patent No. 1232157 dated June 6, 1963. A DNR Title Report from DMLW's Realty Services Section will be obtained before issuing a final decision.

Adjacent Landowners

The site proposed to be encumbered under the environmental covenant is within an approximately 73-acre property owned by DNR.

Third Party Interests

Third-party interests identified adjacent to the Fairbanks Pioneer Home will be directly sent the public notice announcement:

- Alaska Department of Administration (DOA) Management Agreement ADL 414386
- Department of Transportation and Public Facilities (DOT & PF) Public Easement for Airport Way frontage road ADL 32161 and Management Agreement ADL 30431
- Golden Valley Electric Association (GVEA) Public Easement for electric and telephone pole line ADL 32972
- City of Fairbanks
- Fairbanks North Star Borough

Planning and Classification

The Fairbanks Pioneer Home is located within the Eastern Tanana Area Plan (ETAP). The site is located within the Fairbanks Region and within classification unit F-55. Classified as Reserved Use Land, Designated as Public Facilities-Retain- “will be retained in state ownership”. These sites are for specific infrastructure to serve state interests (ETAP p. 3-10) and are to be managed consistent with authorizations that affect the site.

The proposed environmental covenant aligns with the ETAP and its designated classification, as the public facility operation will not be impacted, and the land will remain in state ownership. The proposed AULs, which restrict the use of soil and groundwater on less than one-tenth of an acre of land, will not impact the function of the existing infrastructure and will allow the Pioneer Home to continue operating without needing to close or impact the utilities and services used by the residents. Future changes in facility use of the site restricted under the environmental covenant may require approval from the Alaska Department of Environmental Conservation (DEC) and additional remediation efforts.

Traditional Use Finding

This finding is not required since the proposed environmental covenant is located within an organized borough (AS 38.05.830). The Fairbanks North Star Borough will be notified of this Preliminary Decision.

Access

The physical and legal access to the proposed environmental covenant is from the paved street, Eagan Avenue, in Fairbanks.

Access Along Public Waters:

The site is not located on or adjacent to any water body; therefore, an access easement to a water body will not be reserved.

Reservation of Mineral Estate

In accordance with section 6(i) of the Alaska Statehood Act and AS 38.05.125, the state, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing and producing the reserved mineral resources. Exploration and development, if any, which could occur, would be consistent with AS 38.05.130 and other applicable statutes and regulations.

Mineral Orders

The proposed environmental covenant does not fall within the areas delineated in an Administrative Mineral Closing Order (MCO). Neither an MCO nor a leasehold location order is necessary or appropriate for this environmental covenant.

Agency Review

An agency review was conducted on March 20, 2025. The deadline for agency comments was April 18, 2025.

The following agencies were included in the review:

- ADF&G – Access Defense
- DEC – Contaminated Sites
- DEC – Drinking Water
- DOT&PF – Right-Of-Way and Utilities
- Alaska Mental Trust Land Office
- DOA – Risk Management

Agency Review Comment and Response

Agency Comment: DOT&PF responded with no comment at this time.

DNR-DMLW-SAIL Response: Thank you for your review.

Background

The contamination and proposed EC are located on the grounds of the Fairbanks Pioneer Home. The Fairbanks Pioneer Home is operated by the Alaska Department of Family and Community Services (DFCS) as a licensed long-term care and assisted living home. The Alaska Department of Administration (DOA) issued an Interagency Land Management Assignment (ILMA- ADL 414386) by DNR-DMLW in 1990 that gives jurisdiction and management of the Fairbanks Pioneer Home to DOA. This ILMA is limited to the surface and so much of the subsurface as may be required to make use of the land for the Fairbanks Pioneer Home. As stated in the ILMA, this includes the right 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. The ILMA expires May 31, 2045 and does not remain in effect on the property indefinitely, while the environmental covenant and its restrictions are permanent unless

amended or terminated in accordance with AS 46.04.325 and AS 46.04.330. Furthermore, the ILMA does not cover the proposed actions mentioned in this decision. Therefore, this decision is necessary, as it involves a new disposal of state interest that requires DNR approval and public notice.

Diesel-related contamination was discovered in October 2018 during a site assessment conducted for a change-in-service closure of the facility's underground storage tank (UST). The UST is located near the northeast corner of the building. Piping from the UST runs south into the basement of the facility. DEC Contaminated Sites Program added the site to their database naming it Fairbanks Pioneer Home UST 1, Hazard ID 27080, file number 102.26.182. DEC requested site characterization and this was conducted between 2020 and 2023 to delineate the extent of the soil and groundwater contamination and to investigate the presence of volatile chemicals in soil gas. It is not clear whether the contamination is connected to a previous 6,000-gallon UST that was removed from the site in 1995, or if it stems from a more recent release. DEC identifies the 1995 site as Fairbanks Pioneer Home, Hazard ID 24992, file number 102.26.125. This site was administratively closed by the DEC, as cleanup completed in 2006.

Environmental sampling activities at the Fairbanks Pioneer Home since 2018 have included soil sampling, sediment sampling, groundwater sampling, and soil gas sampling. Three groundwater monitoring wells were installed at the site. Soil gas sample results, collected to investigate the potential risk of vapor intrusion to the building, were less than DEC residential soil gas target levels. A sample collected from the facility's cooling well indicated that the groundwater used for the cooling process is also not contaminated. The groundwater interface is present at approximately 10 feet to 15 feet below ground surface at the site with a northwest groundwater-flow direction. The Fairbanks Pioneer Home and downgradient properties are connected to the municipal drinking water supply and sanitary sewer is serviced by Golden Heart Utilities.

An environmental covenant is required because residual contamination remains on the site, which is safe for some, but not all activities and uses. Residual contamination remaining at the site includes DRO and naphthalene in soil and DRO and polyaromatic hydrocarbons (PAHs) in groundwater. The remaining soil contamination is impractical to excavate due to the proximity of the UST, buried utilities, and the building foundation. Soil contamination has been effectively delineated to the extent practicable. Soil gas sample results were less than the DEC residential target levels in multiple sampling events performed under differing temperature and groundwater elevation conditions. Therefore, according to DEC, the vapor intrusion pathway appears to be incomplete, and soil gas sampling locations were decommissioned in 2023.

Proposed AULs include administrative controls to limit the use of soil and groundwater within the restricted area (Attachment 1). No engineering controls or changes to terrain/groundcover or site access are proposed.

Proposed Activity and Use Limitations

1. The Owner shall not take any action that may negatively impact or interfere with either the response action or any operation, maintenance, inspection or monitoring of that response action without prior written approval from DEC (18 AAC 75.395). “Response action” means “any action taken to respond to a release or threatened release of a Contaminant, including mitigation, cleanup, or removal.”

2. The Owner shall not take any action that may increase the risks to human health, safety, welfare, or the environment at the Site without prior written approval from DEC. This includes, but is not limited to, any activity that results in the release of residual contamination that was contained as part of the remedial action or that creates a new exposure pathway for residual contamination.
3. No groundwater wells shall be installed on the Site without prior DEC approval.
4. Excavation, drilling, and other intrusive activities below a depth of 12 feet or under utility lines are prohibited within the Site, without prior review and approval from DEC.
5. In the event that contaminated soil at the Site becomes accessible in the future, the Owner shall notify DEC, characterize the contamination, and, if determined necessary by DEC, cleanup the soil pursuant to DEC's Site Cleanup Rules.
6. DEC must be notified in advance of any subdivision or replat of the Property. This Covenant must be included as part of future Property transactions and attached to subsequent associated parcels, as determined applicable by DEC.
7. DEC approval is required prior to moving soil or groundwater where contamination remains above applicable cleanup levels. If DEC approval for movement is granted, any moved soil or groundwater must still be characterized and managed following regulations applicable at that time.
8. Movement or use of contaminated material in a manner that results in a violation of 18 AAC 70 Water Quality Standards is prohibited.
9. Groundwater throughout Alaska is protected for use as a water supply for drinking, culinary and food processing, agriculture including irrigation and stock watering, aquaculture, and industrial use. Contaminated site cleanup complete determinations are based on groundwater being considered a potential drinking water source. In the event that groundwater from this Site is to be used for other purposes in the future, such as aquaculture, additional characterization and treatment may be required to ensure the water is suitable for its intended use.

Discussion

DNR's consent to the environmental covenant would enable DFCS to move forward with seeking closure of the contaminated site through the DEC regulatory closure process. As the underlying title holder for the property DNR is considered a joint and severally liable party for the pollution that exists on site. Consenting to the environmental covenant helps DNR limit our potential contamination liability on the site through the AULs, which ensures that no activities are allowed that could disturb the contaminated soil and groundwater, potentially worsen the site conditions, or spread the contamination further.

DFCS will report compliance with the environmental covenant to DNR-DMLW-SAIL every five years. Reporting will consist of an email, letter, or similar written communication documenting the status of compliance with the activity and use limitations detailed in the environmental covenant including photographs. DFCS plans to decommission groundwater wells as required by DEC for site closure. The environmental covenant can be amended or terminated in compliance with AS 46.04.325 and AS 46.04.330.

It is in the best interest of the state to provide written consent to the proposed AULs and implement an environmental covenant under UECA to limit DNR's pollution liability as a joint and severally liable party and to provide a practical and feasible path for DEC regulatory closure. We understand that DEC does not have concerns for human health or the environment and is agreeable to site closure with the proposed AULs. Choosing not to consent to the proposed AULs and implement this covenant would necessitate the complete removal of contaminated soil. This process would require additional funding to hire a contractor to develop and execute a work plan, which includes excavation and further sampling of soil and groundwater. Moreover, this would disrupt utilities, leading to reduced functionality or even shutdown of the facility for an undetermined period while the contaminated soil is removed, the site is backfilled, and utilities are restored. Such a situation would be impractical and unacceptable for the residents of Fairbanks Pioneer Home.

Survey

The proposed environmental covenant lies entirely on state land, has been reasonably delineated, and will be entered into the Recorder's Office with an adequate legal description to ensure it appears in the appropriate land records. As such, no survey will be required.

Compensation

DNR does not yet have specific statutes, regulations, or policies setting fees for the permanent encumbrance of a site via an environmental covenant, which restricts future land uses of the site. Thus, DMLW has determined that no fees will be required.

Public Notice

Pursuant to AS 38.05.945, this PD will be noticed for a 30-day public comment period, starting on December 4, 2025. In addition, the 315 Barnette Street and 755 Fairbanks Street post offices located near the proposed environmental covenant will be requested to post the notice pursuant to AS 38.05.945(b)(3)(C). The notice will also be posted on the State of Alaska Online Public Notice website pursuant to AS 38.05.945(b)(3)(B) located at:

<https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>. In accordance with AS 38.05.946, a municipality or a corporation entitled to receive notice under AS 38.05.945(c) may hold a hearing within 30 days after the receipt of the notice.

Comments

The public is invited to comment on this PD. All comments received during the public comment period will be considered in the FFD. If public comments result in significant changes to the PD,

additional public notice may be given. A copy of the FFD, along with instructions on filing for reconsideration, will be sent to all persons who comment on the PD. To be eligible to request reconsideration, a person affected by the FFD must provide written comments during the public comment period per AS 38.05.035(i).

Written comments about this project must be received in this office no later than 5:00 PM on January 5, 2026 to be considered.

To submit comments please choose one of the following methods:

Mail: Department of Natural Resources
 DMLW-SAIL
 ATTN: Alyssa Millard
 3700 Airport Way
 Fairbanks, AK 99709

Email: alyssa.millard@alaska.gov

Signature page follows:

Adjudicator Recommendation

Based on the information provided by the applicant and other agencies, as well as review of planning documents, statutes, and regulations, I recommend consenting to the placement of an environmental covenant on the DNR lands described here-in, as both grantor and grantee. I recommend proceeding to public notice for the purpose of providing the members of the public and those entities identified in AS 38.05.945 an opportunity to review and submit comments.

Alyssa Millard

Alyssa Millard, Natural Resource Manager

11/28/2025

Date

Preliminary Decision

It is the determination of the Division of Mining, Land and Water that it may be in the State's best interest to consent to the placement of an environmental covenant, as described above. This preliminary decision shall now proceed to public notice.

Aaron Timian

Aaron Timian, SAIL Section Chief

11/28/2025

Date

ATTACHMENTS:

Attachment 1. Draft Environmental Covenant

Attachment 1. Draft Environmental Covenant



Alaska Department of Environmental Conservation

Environmental Covenant

Instructions and Covenant Template (Rev. August 2024)

INSTRUCTIONS FOR USE

- 1. Track Changes:** Please keep this document in Microsoft Word® format and track any changes **until final revisions are agreed upon** between the Grantor and the Alaska Department of Environmental Conservation (DEC).
- 2. Identify the Parcel(s) and Legal Description(s):** Identify the parcels subject to the covenant and a sufficient legal description for conducting a title search. Note: the boundaries of a contaminated site subject to an environmental covenant may encompass more than one parcel of real property. Therefore, a covenant will need to be filed for every parcel of real property with a sufficient legal description for each parcel. If multiple parcels are impacted by the contamination, you are responsible for coordinating with the landowners and ensuring that each contaminated parcel has a covenant.
- 3. Title Search:** You must have a professional title search (often called a Limited Liability Report) performed by a title company for each parcel that will be subject to the covenant. The title search is necessary to verify the ownership of each parcel and any relevant property interests held by other parties or other encumbrances. A copy of the title report must be provided to DEC.
- 4. Identify the Grantor(s) and Grantee(s):** The owner(s) of a parcel subject to the covenant is named as the grantor(s). The holder is named as the grantee. The holder may be the grantor, a third party, a municipality or other unit of government, or another person that expressly has the power to enforce the environmental covenant.
- 5. Identify who will sign the covenant.** The Commissioner of DEC (or delegated department representative), every holder, and, unless waived by DEC, every owner of the fee simple real property subject to the covenant must sign. For an environmental covenant affecting a land or mineral interest of the Alaska Department of Natural Resources (DNR), the signature of the Commissioner of the DNR (or delegated department representative) may not be waived. In addition, DEC may require a specified person who has an interest in the real property that is the subject of the covenant to sign.
- 6. Identify who will receive a copy of the covenant.** A copy of the recorded covenant must be provided to:
 - each signer of the covenant;

- b. each entity holding a recorded interest in the property;
- c. each owner of the property;
- d. the municipal government(s), if any part of the property is located within the boundaries of a city or borough; and
- e. any other party stipulated by DEC.

7. **DEC Documentation.** If not already listed on the DEC Contaminated Sites Database, the property that is the subject of the covenant will be added to the DEC Contaminated Sites Database in “Informational” status after the covenant is recorded, and the property will be displayed on the Contaminated Sites Program (CSP) webmap.

8. **Recording the covenant.** When the covenant has been signed by all parties, the Grantor must record the entire covenant, but not these instructions, with the DNR Recorder’s office. Some requirements for recording documents there are below. For more details please visit <http://dnr.alaska.gov/ssd/recoff/preparingDocs.cfm>.

- **Legibility:** Document text must be of consistent clarity (no broken characters, or severe light and dark zones in text) to ensure that the camera can measure a strong light and dark contrast between text and background.
- **Fee:** The appropriate fee should be submitted based on the charges identified on the current fee schedule. (See http://dnr.alaska.gov/ssd/recoff/fees_RO.cfm).
- **“Return To” Name and Address:** “Return To” information must contain the name and complete mailing address (including zip code) of the person to whom the document may be returned after recording. If “Return To” information is in a cover letter, the letter may be recorded with the document (becoming part of the public record), provided the requisite fee is included. Failure to clearly identify the “Return To” information will result in non-acceptance. Please do not put “Return To” information in the margin area of the document.
- **Signatures/Acknowledgment:** Document must be signed, and all signatures present must be originals (unless the document is a copy authorized to be recorded by other law). Conveyances, powers of attorney, contracts for sale or purchase of real property, and options for the purchase of real property must also be acknowledged. Please Note: Recording staff have no authorization to notarize documents.
- **Mailing Addresses:** Environmental Covenant documents must contain complete mailing addresses of all persons who grant or acquire an interest.
- **Book and Page or Serial Number Reference:** Any document that amends, corrects, extends, modifies, assigns, or releases a previously recorded document must contain the book and page or serial number reference of the prior recording.
- **Document size and Media:** Documents must be submitted on OPAQUE WHITE paper stock no larger than 8.5" x 14" in size.

- **Legal Description:** On a document where a legal description is present, the legal description must be complete enough that a particular parcel can be geographically located and identified. A legal description is sufficient for purposes of recording if it contains, at a minimum, a section, township, range and meridian designation, or in the case of subdivided property the lot, block, and subdivision name, or plat number of the parcel.
- **Margins, Type Size, Paper:** Document must have a two-inch margin at top of first page, with one-inch margins on all remaining sides and on all subsequent pages of the same document. A \$50.00 non-standard document fee can be paid in addition to the appropriate recording fee if a document can't meet these margin requirements. Please note: Taping, gluing or stapling one page onto a bigger page to meet margins requirements is not acceptable and you will be charged the non-standard document fee if submitted in this fashion. The non-standard fee will also be charged for documents with two-hole punches at the top of any page. Type size must be no smaller than 10-point font.

For more information on recording requirements, fees, or office locations, please visit the DNR Recorder's Office at: www.recorder.alaska.gov

DRAFT



**This Property is subject to an Environmental Covenant
approved by the Alaska Department of Environmental Conservation**

ENVIRONMENTAL COVENANT

Grantor(s): Alaska Department of Natural Resources
3700 Airport Way
Fairbanks, Alaska 99709

Grantee(s): Alaska Department of Natural Resources
3700 Airport Way
Fairbanks, Alaska 99709

Check the following:

Original Covenant
 Amendment of Covenant

RECITALS

- I. This document is an environmental covenant (hereafter "Covenant") executed pursuant to Alaska Statute (AS) 46.04.300–46.04.390, the Alaska Uniform Environmental Covenants Act (hereafter, "the Act"), and Title 18 of the Alaska Administrative Code (AAC) 75.325–390, (the "Site Cleanup Rules").
- II. The Property that is the subject of this Covenant is situated in Fairbanks, Alaska, is shown on the map attached as Appendix A, and is legally described as follows:

*A portion of Tract B of Alaska State Land Survey No. 80-64, according to the plat recorded in the Fairbanks Recording District on August 22, 1980, as Plat No. 80-149, and more specifically identified as the Proposed Restricted Use Area on the map of Appendix A, containing approximately 1,300 square feet, more or less.
(the "Property").*

- III. Hazardous substances, pollutants, and/or contaminants are present on or within the Property. As a result, all or part of the Property is a DEC-listed contaminated site. The contaminated site here is commonly known as follows:

DEC Site Name: *Fairbanks Pioneer Home UST 1*

DEC Hazard ID: *27080*

Site Address: *2221 Eagan Avenue, Fairbanks, Alaska 99701*

The current boundaries of the contaminated site are shown in the map attached as Appendix A (the

“Site”). In the event the contamination moves, the Site boundaries will shift as needed to encompass the contamination in accordance with the definition of “site” in 18 AAC 75.990(115) or 18 AAC 78.995(134), as applicable.

IV. This Covenant subjects the Site to certain activity and use limitations and requires the owner (for purposes of this covenant, “owner” means the current owner) to comply with those limitations as set forth herein and in accordance with the Act. The applicable activity and use limitations described in this Covenant are necessary to protect human health, safety, welfare, or the environment and to ensure the integrity of the cleanup remedy conducted at the Site. Environmental documents pertaining to the cleanup are available from the Alaska Department of Environmental Conservation (DEC or “Department”) at the Contaminated Sites Program Website at <http://dec.alaska.gov/spar/csp/>.

V. The Site is the subject of an environmental response project under the Site Cleanup Rules (18 AAC 75.325–18 AAC 75.390), Underground Storage Tank regulations (18 AAC 78), the federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA), and/or the federal Resource Conservation and Recovery Act (RCRA). This Covenant is required because following completion of a cleanup, residual contamination remains on the Site, which is safe for some, but not all, activities and uses. Residual contamination remaining at the Site includes the following hazardous substances, pollutants, or contaminants (Contaminants):

<u>Media</u>	<u>Contaminants</u>
Soil	Diesel Range Organics Naphthalene
Groundwater	Diesel Range Organics
	Polyaromatic Hydrocarbons

VI. DEC enters into this Covenant as a “department” under the Act, with all attendant rights of a “department” under the Act, which include but are not limited to the right to enforce this Covenant. This is not an ownership interest and the rights of DEC under the Act are not an interest in real property.

VII. Unless otherwise indicated in this covenant, the holder of this covenant at any given time is the current owner of the Property.

VIII. For purposes of indexing in the Alaska Department of Natural Resources (DNR) Recorder’s office Grantor-Grantee index only, DNR shall be considered the **Grantor**, and DNR shall be considered the **Grantee(s)**.

IX. DNR, as Grantor-Grantee, must provide a copy of the recorded covenant to the Department of Administration (DOA). DNR entered into an Interagency Land Management Assignment (ILMA) for the Property, specifically to make use of the land for the Fairbanks Pioneer Home. The ILMA expires on May 31, 2045 (ADL 414386). The covenant falls outside the jurisdiction of the assignment so DOA is not a required signatory but DNR will provide a copy of the covenant as a courtesy.

COVENANT

Grantor hereby grants to the Grantee and its successors and assignees, the following requirements and restrictions and declares that the Property described in the legal description above shall hereinafter be bound by, held, sold, and conveyed subject to the activity and use limitations set forth in paragraphs 1 through 9 below, which shall run with the Property in perpetuity and be binding on the Owner and all parties now or subsequently having any right, title or interest in the Property, or any part thereof, and any persons using the land, as described herein. Furthermore, it is the intent of the Grantor that such requirements and restrictions shall supersede any prior interests in the Property.

Summary of Environmental Actions –

In 1995, a 6,000-gallon buried heating oil tank and associated piping were excavated and replaced with the current underground storage tank (UST) system on site. During the 1995 site closure assessment (Hazard ID 24992), contaminated soil was removed to the extent practicable; however, some remained close to the building foundation and under utility lines to the east. A UST site assessment performed in 2018 identified contaminated soil directly adjacent to the east side of the facility's underground storage tank (UST). Subsequent site characterization indicated contaminated groundwater at the same location. Explorations advanced to the north and east of the release area indicate the extent of soil and groundwater contamination is limited. Soil gas samples collected to investigate potential vapor intrusion risk indicate contaminant concentrations in soil gas are less than DEC residential soil gas target levels. A sample collected from the facility's cooling well indicated the groundwater used for the process is not contaminated.

Activity and Use Limitations - By acceptance and recordation of this Covenant, the Property is hereby subject to the following requirements and restrictions, now or at any time in the future:

1. The Owner shall not take any action that may negatively impact or interfere with either the response action or any operation, maintenance, inspection or monitoring of that response action without prior written approval from DEC (18 AAC 75.395). “Response action” means “any action taken to respond to a release or threatened release of a Contaminant, including mitigation, cleanup, or removal.”
2. The Owner shall not take any action that may increase the risks to human health, safety, welfare, or the environment at the Site without prior written approval from DEC. This includes, but is not limited to, any activity that results in the release of residual contamination that was contained as part of the remedial action or that creates a new exposure pathway for residual contamination.
3. No groundwater wells shall be installed on the Site without prior DEC approval.
4. Excavation, drilling, and other intrusive activities below a depth of 12 feet or under utility lines are prohibited within the Site, without prior review and approval from DEC.
5. In the event that contaminated soil at the Site becomes accessible in the future, the Owner shall notify DEC, characterize the contamination, and, if determined necessary by DEC, cleanup the soil pursuant to DEC’s Site Cleanup Rules.

6. DEC must be notified in advance of any subdivision or replat of the Property. This Covenant must be included as part of future Property transactions and attached to subsequent associated parcels, as determined applicable by DEC.
7. DEC approval is required prior to moving soil or groundwater where contamination remains above applicable cleanup levels. If DEC approval for movement is granted, any moved soil or groundwater must still be characterized and managed following regulations applicable at that time.
8. Movement or use of contaminated material in a manner that results in a violation of 18 AAC 70 Water Quality Standards is prohibited.
9. Groundwater throughout Alaska is protected for use as a water supply for drinking, culinary and food processing, agriculture including irrigation and stock watering, aquaculture, and industrial use. Contaminated site cleanup complete determinations are based on groundwater being considered a potential drinking water source. In the event that groundwater from this Site is to be used for other purposes in the future, such as aquaculture, additional characterization and treatment may be required to ensure the water is suitable for its intended use.

Included in Appendix A is a Diagram drawn to scale that shows the Property boundaries, locations of existing structures, the location and extent of remaining soil and/or groundwater contamination which is subject to the activity and use limitations described in this Covenant, alternative points of compliance for groundwater contamination, and the locations where confirmation soil samples were collected.

Conveyance of Interest - The Owner, when conveying any interest in any part of the Property, including but not limited to title, easement, leases, or other interests must notify DEC at least 30 days prior to conveyance, and must include in any conveyance document a complete copy of this Covenant and Appendices.

Successors - The requirements, terms, conditions, and restrictions of this Covenant shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property. The term "Grantor", wherever used herein, and any pronouns used in place thereof, shall include the persons and/or entities named at the beginning of this document, identified as "Grantor" and their personal representatives, heirs, successors, and assigns. The term "Grantee", wherever used herein, and any pronouns used in place thereof, shall include the persons and/or entities named at the beginning of this document, identified as "Grantee" and their personal representatives, heirs, successors, and assigns. The rights of the Grantee under this instrument are freely assignable, subject to the notice provisions contained in this Covenant.

Prior Notification for Changes in Land Use, including Proposed Construction - No less than 30 days before taking action on the Property, the owner shall notify DEC of the following:

- Its intent to propose changes in use of the Property that may affect exposure to contaminants, and what those changes will be.

- Its intent to apply for a building permit for activities that may affect exposure to contaminants on the Property, and what those activities will be.
- Its intent to propose any work affecting the contamination on the Property, and what that work will be.

Notification of Foreclosure Proceedings - If, during ownership of the Property, any third party notifies the owner of the Property of the initiation of foreclosure proceedings on the Property, either orally or in writing, the Owner of the Property shall immediately notify DEC so that DEC can take actions to preserve this Covenant.

Notices and Reporting – The Owner shall report to DEC every 5 years to document the status of compliance with the activity and use limitations described in this Covenant. Such notice and the accompanying reports should be mailed to the DEC at:

Alaska Department of Environmental Conservation
Division of Spill Prevention and Response
Contaminated Sites Program
Attention: Institutional Controls Unit
P.O. Box 111800
Juneau, AK 99811-1800

Or be submitted electronically to CS.Submittals@alaska.gov.

Authorizations – The Owner shall restrict authorizations, including leases, for any portion of the Site to only those uses and activities consistent with this Covenant. Further, the Owner shall notify all authorized users of the Property of all requirements and restrictions on the use of the Property.

Access - The Department, including its authorized employees, agents, representatives and independent contractors, shall have the right of access to the Property granted in connection with the implementation or enforcement of this Covenant.

Enforcement - The Department and other parties, including parties to the Covenant, described in AS 46.04.335 are empowered to administer and enforce the terms of this Covenant using civil authority granted to them in AS 46.03. In addition, the Department may use administrative authority granted by AS 46.03.

Waiver of Certain Defenses - This Covenant may not be extinguished, limited, or impaired through issuance of a tax deed, foreclosure of a tax lien, or application of the doctrine of adverse possession, prescription, abandonment, waiver, lack of enforcement, acquiescence, or any similar doctrine as set forth in AS 46.04.325(f).

Representations and Warranties - Grantor hereby represents and warrants to DEC, holder(s), Grantor(s), Grantee(s), and any other signatories to this Covenant that, at the time of execution of this Covenant, the Grantor lawfully owns the Property in fee simple; that Grantor has a good and lawful right and power to sell and convey it or any interest therein; and that the Property is free and clear of encumbrances, except those noted in Appendix B.

Amendment or Termination - This Covenant runs with the land and is perpetual, unless amended or terminated pursuant to AS 46.04.325 or 46.04.330.

Change in Ownership – The holder of this Covenant, unless otherwise designated, is the current Owner of the property. DEC approves an amendment of the holder if the Owner provides notice to DEC of the reason for the amendment to the holder assignment, for example a change in ownership, and who the new holder is, and DEC does not object within 60 days.

Subsurface Rights - The activity and use limitations required by this environmental covenant apply to the Property shown in Attachment A. They are not intended to affect the rights of the subsurface estate under applicable state and federal law.

Controlling Law - This Covenant shall be construed according to and governed by the laws of the State of Alaska.

Liberal Construction - Any general rule of construction to the contrary notwithstanding, this Covenant shall be liberally construed in favor of the establishment of activity and use limitations that run with the land to effectuate the purpose of this Covenant and the policy and purpose of the environmental response project and its authorizing legislation. If any provision of this Covenant is found to be ambiguous, an interpretation consistent with the purpose of this Covenant that would render the provision valid shall be favored over any interpretation that would render it invalid.

Joint Obligation - If there are two or more parties identified as Grantor herein, the obligations imposed by this Covenant upon them shall be joint and several.

Effective Date - This Covenant is effective on the date it is recorded with the appropriate recorders' office.

List of Appendices:

Appendix A – Map of the Property and Diagram Showing Location of the Contamination

Appendix B – List of Recorded Encumbrances or Limited Liability Report

GRANTOR(S) SIGNATURE BLOCK

The undersigned Grantor warrants she/he holds the title to _____ [property] _____
OR _____ [easement, right-of-way or other on the property] _____ and has
authority to execute this instrument.

EXECUTED this _____ day of _____, 20____.

Printed Name

Title

Signature

Date

-----INDIVIDUAL

THIS IS TO CERTIFY that on this _____ day of _____ 20____ the undersigned personally
appeared before me, acknowledged that she/he is the individual described herein and who signed and
executed the within and foregoing instrument at her/his free and voluntary act and deed pursuant to
AS 46.04.300-46.04.390 for the uses and purposes therein.

WITNESS my hand and official seal this _____ day of _____ 20____ at
_____, Alaska.

Notary Public in and for the State of Alaska

My Commission Expires: _____

DEC SIGNATURE BLOCK

Notice Approved by Authorized DEC Representative

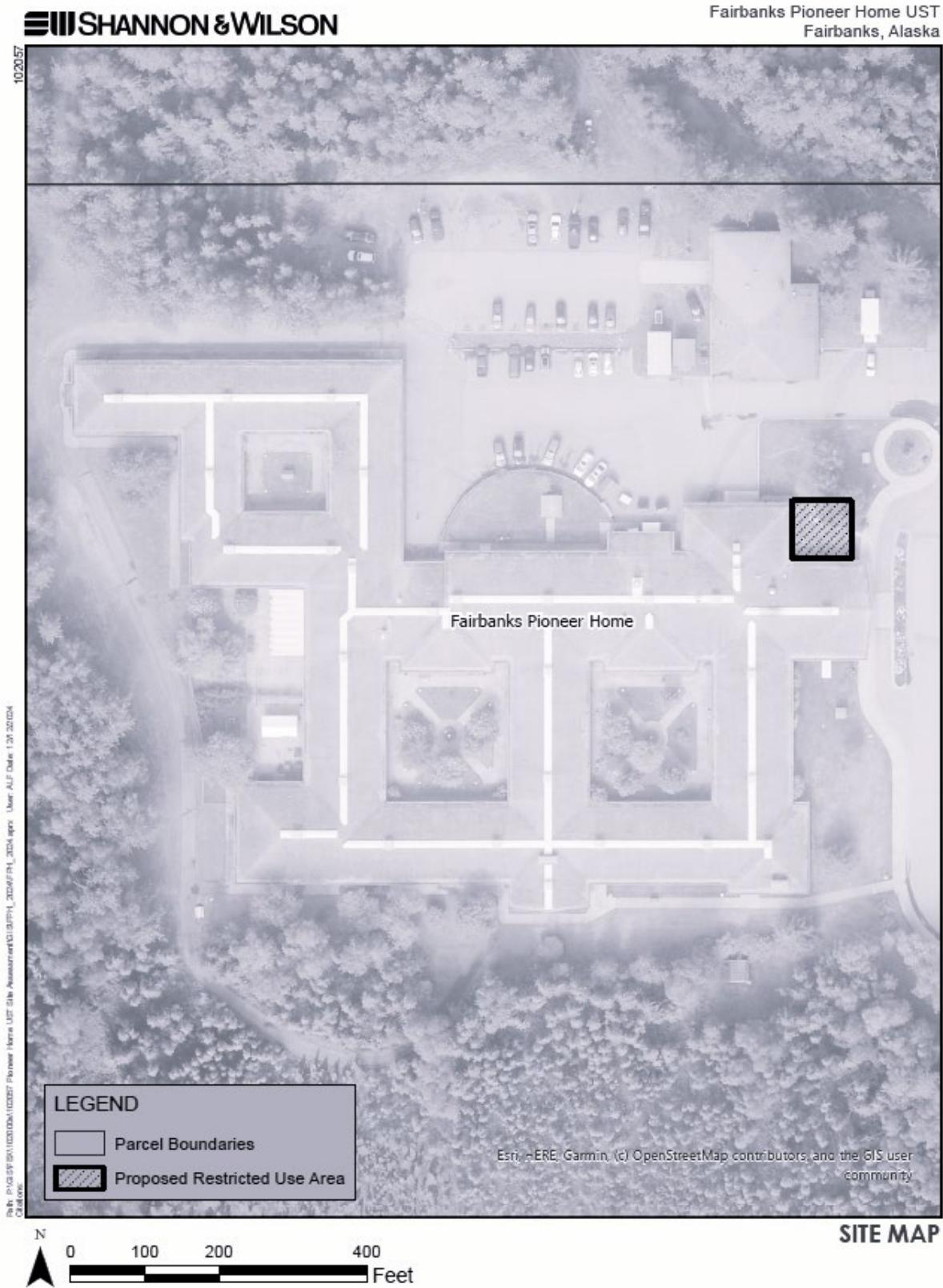
Date

Printed Name of Authorized DEC Representative

Title

Appendix A

Map of the Property and Diagram Showing Location of the Contaminated Site (drawn to scale)



Appendix B

List of Recorded Encumbrances or Limited Liability Report

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