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

PRELIMINARY DECISION

ADL 213145
Northward Bound, LLC
Amendment No. 3 to Lease and
Solicitation of Competitive Interest
AS 38.05.070(c-d)

This combined Agency Review and Preliminary Decision (PD) is the initial determination on a proposed disposal of interest in state land and is subject to comments received during the public notice period. The public is invited to comment on this PD. The deadline for commenting is **11:59 PM March 25, 2026**. Please see the Competitive Interest and Comments section of this decision for details on how and where to send comments for consideration. Only the applicant and those who comment have the right to appeal the FFD.

Proposed Action:

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Office (SCRO) has received a request from Northward Bound, LLC (NBL) to amend their current 55-year lease, serialized as ADL 213145, by increasing the acreage from 9 acres to approximately 15 acres of land, more or less, for the purpose of commercial recreation located approximately 90 miles west of Beluga, Alaska. The location of the project area is further described as being within Section 29, Township 14 North, Range 25 West, Seward Meridian. NBL is proposing to use this site for the continued development and operation of a lodge providing a reuniting retreat for families after a child has been through a prolonged illness and recovery in association with the non-profit Lexi's Legacy. Additional private/corporate retreats and guided hunts are provided later each season.

NBL is requesting an increase in acreage to add a boardwalk and wildlife viewing area.

SCRO is considering amending an existing 55-year commercial recreation land lease to NBL for the expansion and construction, operation, and maintenance of their commercial recreational lodge. SCRO would issue an Entry Authorization (EA) for survey and appraisal of the expanded lease site prior to issuing a lease amendment.

Scope of Review:

The scope of this decision is to determine if it is in the State's best interest to issue a lease amendment for the requested activity. The administrative review for this authorization is defined by AS 38.05.035(e)(1)–(2) and limited to (1) reasonably foreseeable, significant effects of the uses to be authorized; (2) applicable statutes and regulations; (3) the facts pertaining to the land or resources; and (4) any issues that are material to the determination. The scope of this decision is also to determine if competitive interest exists from other companies in developing the proposed additional acreage.

Authority:

This lease application is being adjudicated pursuant to AS 38.05.035(b)(1) and AS 38.05.035(e) Powers and Duties of the Director; AS 38.05.070(c) and AS 38.05.070(d) Generally; and AS 38.05.945 Notice.

The authority to execute a PD, FFD, EA, and an amended lease has been delegated to the Regional Managers of DMLW.

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 1988 Kuskokwim Area Plan (KUAP) and other classification references described herein, and the casefile for the application serialized by DNR as ADL 213145.

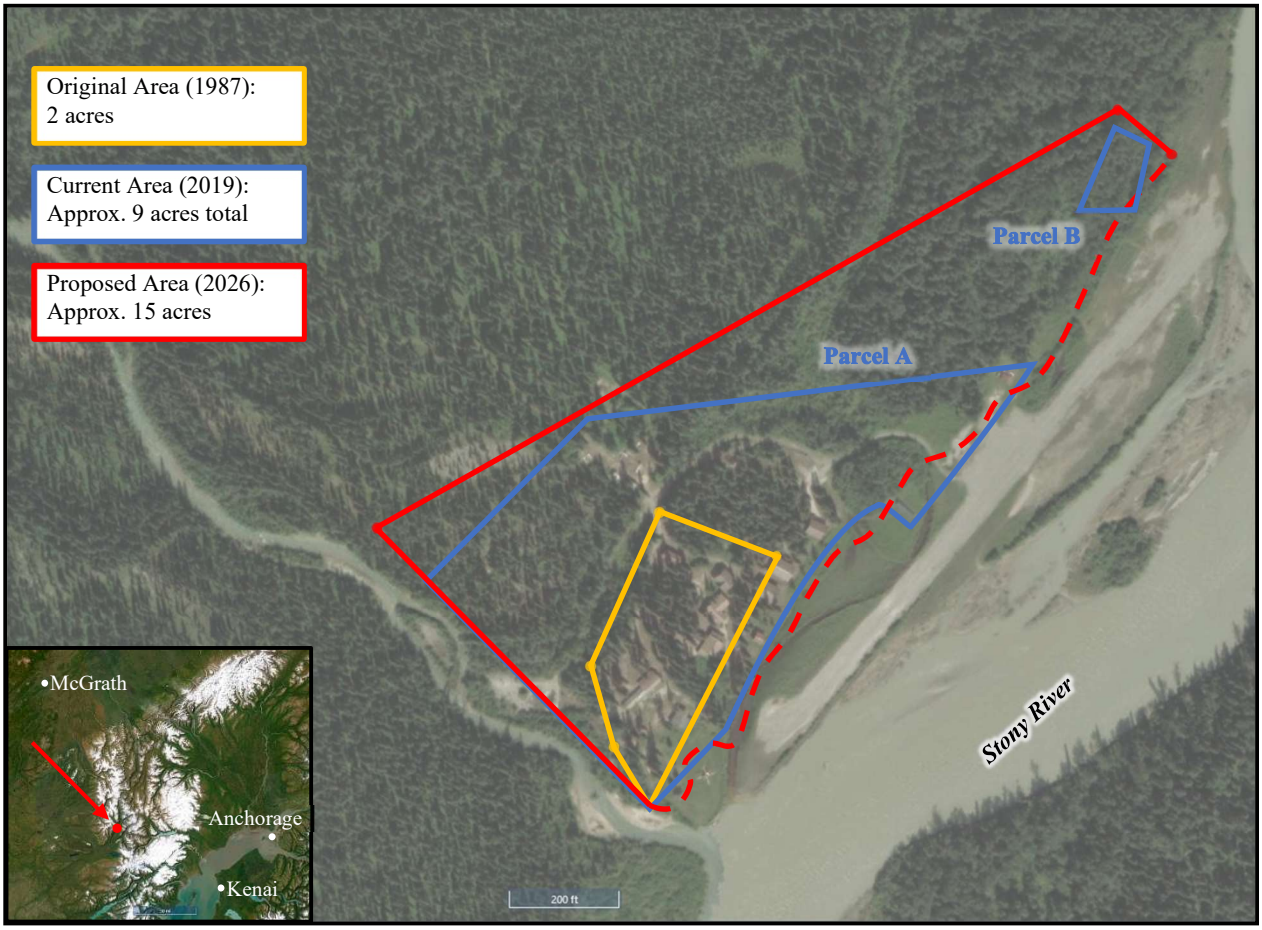
Legal Description, Location, and Geographical Features:

The State land where this proposed lease amendment is located is described as follows:

- **Legal description:** That portion of Tract A, Township 14 North, Range 25 West, Seward Meridian, Alaska according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Anchorage, Alaska, on June 11, 2007, and located within the unsurveyed Section 29 and northwesterly of the left bank of the Stony River: containing approximately 15 acres, more or less.
- **Geographical location:** Upper Stony River south of Tired Pup Creek, Alaska Range
- **Approximate Lat/Long:** 61° 16.3804' N, 153° 48.0747' W

- **Area geographical features:** Spruce and mixed deciduous forest on flat terrain adjacent to the Stony River
- **Existing surveys:** ASLS 86-75
- **Municipality/Borough:** None
- **Native Corporations/Federally Recognized Tribes:** Cook Inlet Region, Inc. (CIRI)
- **Size:** 15 acres, more or less

Figure 1: Overview Map of Project Area



Title:

The State of Alaska holds fee title to the subject land and mineral estates under U. S. Patent No. 50-2008-0394 dated August 25, 1981. A DNR Title Report (RPT-23289) issued on March 14, 2025 from DMLW's Realty Services Section attests that aside from the usual reservations for ditches, canals, railroads, telegraph and telephone lines, and water rights, there are no other reservations within the proposed lease site.

Visitor Day Use Fee:
All commercial recreation authorizations are subject to a $4.00/day "Visitor Day" fee under 11 AAC 96.250(18), for each client using state land. *A Visitor Day is defined as meaning all or any part of a calendar day which a commercial recreation client is present, with each client representing a separate visitor day if multiple clients are present at any time during a calendar day.* This fee is collected once a year and will be due on the same day as the annual fee.

Third Party Interests:
There are no known third-party interests.

Classification and Planning:
The project area is subject to the 1988 Kuskokwim Area Plan (KUAP), Management Unit 12: South Alaska Range, Subunit 12a: Revelation Mountains-Swift Valleys (3-101). The land use designation for the proposed lease is Public recreation and Wildlife habitat which converts to a classification of Public Recreation Land and Wildlife Habitat Land (4-7).

The proposed amendment to the existing lease is consistent with the KUAP and classification as it will be retained in state ownership and managed for multiple use, including wildlife habitat and harvest, guiding, and public recreation (3-101).

NBL will be required to meet the conditions outlined in Chapter 2 of the KUAP, Permanent Commercial Recreation Facilities on State Land (2-26), summarized below:

1. Development will add or enhance public recreation opportunities.
2. Generated use will not adversely affect important fish and wildlife populations.
3. Area of generated use will not exceed carrying capacity, based on:
    a. Number of preexisting commercial recreation leases and permits in that unit and amount of generated use.
    b. Management unit intent and guidelines of this or subsequent plans.
    c. Management objectives for nearby non-state lands (as practible).

    This information will be gathered as part of the leasing process and the public notice regulations described in guideline I, Public Notice to Help Avoid Conflicts with Traditional Uses of Fish and Game (2-11).
4. Facility siting, design, construction, and operation should avoid conflict with natural values and traditional uses as described in guideline H, Avoid Conflicts with Traditional Uses of Fish and Game (2 11) and as required by AS 38.05.830.

5. Maintenance and/or additional development will be sited and designed in accordance with stream corridor, access, wetlands, and other guidelines of this plan. Final lease approval requires consultation with the Department of Fish and Game and the Division of Parks and Outdoor Recreation.

Traditional Use Findings:

The proposed lease parcel is not located within an organized borough. Due to its remote location and limited access, it is unlikely to impact regional and trapping or hunting. Additional traditional uses may be identified during the public notice period. If further traditional uses become known, they will be discussed in the FFD.

Access:

Access to the authorized site is by aircraft.

Access Along Navigable and Public Waters:

Nearly all shore and tide lands in the State of Alaska are subject to a To and Along easement (AS 38.05.127 and 11 AAC 51.045). The purpose of this easement is to uphold the constitutional right of the public to have free access to, and use of, the State's waterways. At this site, the Along easement is 50 feet above ordinary high water of the Stony River.

Public Trust Doctrine:

Pursuant to AS 38.05.126, all authorizations for this site will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for navigation, commerce, fishing, hunting, protection of areas for ecological studies, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, DMLW is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

Agency Review:

Agency Review is being conducted at the same time as Public Notice. Pursuant to AS 38.05.945, this decision will be advertised for 30 days during a combined agency and public comment period.

Lease Discussion:

On March 12, 1982, SCRO received an application from Jim and Delores Harrower to lease 2 acres of land for a hunting and recreation guide camp located on the Stony River. SCRO issued a 55-year lease effective April 2, 1987 for the site, ADL 213145. On June 28, 2004, Delores Harrower assigned all interest to Jim Harrower.

On September 30, 2004, the lease was amended to assign the lease from Jim Harrower to NBL and update the lease stipulations (Amendment No. 1).

On August 14, 2019, a Final Finding and Decision was issued to add approximately 7 acres to the lease site after a request from NBL to expand the leasehold. The expansion split the lease into two parcels, A and B. Parcel A encompassed the lodge and associated buildings and infrastructure, incorporating two existing permits (LAS 24835 and LAS 24836), additional proposed cabins, and the southern aircraft parking area. The non-contiguous Parcel B encompassed the northern aircraft parking area. On September 9, 2019, a 5-year Entry Authorization was issued to allow NBL to start the proposed improvements, and complete surveys and an appraisal. On September 16, 2024, an Entry Authorization Extension was issued for an additional two years.

After assessing survey costs for the two non-contiguous parcels, NBL requested an increase in acreage to approximately 15 acres in the fall of 2020. This would encompass both parcels and the area between the two, allowing NBL to reduce survey costs and add additional development.

This preliminary decision will amend ADL 213145 into one parcel, increasing the acreage from approximately 9 acres to 15 acres, thereby reducing survey costs, and providing an additional area for the development of an approximately 30-foot by 40-foot boardwalk and wildlife viewing area with concrete pile / wood construction.

Based on a review of the administrative record, the lease is in compliance and there are no monetary defaults.

Development Plan:

The Development Plan (DP) attached to this decision (Attachment A) and dated December 9, 2025 was approved by SCRO. The proposed addition of a boardwalk and wildlife viewing area is within the scope of the previous development plan. Should the proposed lease be granted, it is anticipated that the DP will need to be updated throughout the life of the lease as activities and/or infrastructure are added or subtracted. All updates must be approved, in writing, by SCRO before any construction, deconstruction, replacement of infrastructure, or change in activity. SCRO reserves the right to require additional agency review and/or public notice for changes that are deemed by SCRO to be beyond the scope of this decision.

Hazardous Materials and Potential Contaminants:

There is an authorized 2,500-gallon, double-walled diesel fuel tank on site for the storage of fuel used for the back-up generator. A maximum of 200 gallons of aviation gas is stored in 95-gallon

spill-proof overpack poly drums per 55-gallon metal drum. Waste and grey water will continue to be plumbed into an existing septic system. All trash is removed to a local landfill.

The use and storage of all hazardous substances must be done in accordance with existing federal, state, and local laws. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance, and must be removed from the lease site and disposed of in accordance with state and federal law.

Lease Performance Guaranty (bonding):

In accordance with the terms of the preexisting authorization, the existing performance bond of $20,000.00 will be sufficient to satisfy 11 AAC 96.060 for this land lease. This bond will remain in place for the life of the proposed lease. The bond amount is based upon the level of development, amounts of hazardous material/substances on site, and the perceived liability to the State. This bond will be used to ensure the applicant's compliance with the terms and conditions of the lease issued for their project. This bond amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments, assignments, reappraisals, changes in the development plan, changes in the activities conducted, or changes in the performance of operations conducted on the authorized premises, and as a result of any violations to one or more of the authorizations associated with this project.

SCRO is reserving the right to require a reclamation bond due to noncompliance issues during the term of the lease or near the end of the life of the project.

Insurance:

NBL will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. NBL will be responsible for maintaining such insurance throughout the term of the EA and the lease.

Survey:

In accordance with AS 38.04.045, NBL must complete an approved survey according to the requirements and standards of DMLW's Survey Section prior to lease issuance. The draft survey must be submitted for review to the Survey Section within **one year** of issuance of the survey instructions. If the submitted survey is accepted by DMLW, the measurements identified will be used to accurately calculate the total acreage.

Entry Authorization:

SCRO is proposing to authorize NBL entry onto state land through the issuance of an EA while they are completing the required survey and appraisal for the lease site. The proposed EA would be

issued after the FFD goes into effect. The lease term dates of April 3, 1987 through April 2, 2042 will remain the same.

The current annual fee is set at $5,600. For this amended decision SCRO requested a Minimum Rent Determination (MRD) for the proposed leasehold from DMLW's Appraisals Section on February 13, 2026, which has not been received at the time of this decision. Should the MRD result in changes to the annual fee amount, they will be addressed in the FFD.

Compensation and Appraisal:

In accordance with AS 38.05.840, state-owned land may only be leased if it has been appraised within two years before lease issuance. SCRO has coordinated with DMLW's Appraisal Unit, and NBL will be required to provide an appraisal of the lease site before the proposed lease will be issued. Once the appraisal has been approved by DMLW, the annual lease fee will be set at the fair market value of the proposed lease site. Furthermore, in accordance with AS 38.05.105, the proposed EA and lease will be subject to reappraisal at five-year intervals after the issuance of the proposed authorization.

Subleasing:

Subleasing is permissible through AS 38.05.095, if the proposed lease is approved. A sublease is defined as improvements not owned by the lessee that are located within the leasehold on the land or located on structures owned by the lessee. A sublease pertaining to the proposed lease includes but is not limited to, user agreements, license agreements, communication site agreements, or any contracts between the lessee and other commercial entities. All potential subleases must first be approved in writing by SCRO. Depending on the activity of any potential subleases, SCRO is reserving the right to reevaluate the need for further agency review and/or public notice before making a determination on the appropriateness of the proposed sublease. Sublease compensation to the State will be determined by SCRO according to AS 38.05.073(m), under the authority of AS 38.05.075(a) Leasing Procedures. In any case, the sublease fee for commercial activities will not be less than 25% of the annual fee paid to leaseholder by the sublessee.

Assignment of Lease:

The proposed lease, if issued, may be transferred or assigned to another individual or corporation only with written approval from the DMLW. A lease will not be assigned to an entity if that entity does not meet the statutory requirements of the lease, or if the lessee is considered not to be in "good standing" with DMLW or any other agency authorization. DMLW reserves the right to amend the terms of the lease prior to assignment.

Reclamation:
In accordance with AS 38.05.090(b), all lessees must restore their lease site to a "good and marketable condition" within 120 days after termination of the lease. What level of reclamation constitutes as being "good and marketable" is at the discretion of SCRO.

Public Notice of the Preliminary Decision:
Pursuant to AS 38.05.945, this PD will be noticed for a 30-day public comment period**,** starting on **February 24, 2026**. The Stony River, Tyonek, and Port Alsworth post offices located near the proposed leasehold 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. Additionally, Public Notice will be sent to all third party interests.

The public is invited to comment on this PD. All comments received during the public comment period will be considered in the FFD. A copy of the FFD, along with instructions on filing an appeal, will be sent to all persons who comment on the PD. If public comments result in significant changes to the PD, additional public notice may be given. To be eligible to appeal, a person affected by the FFD must provide written comments during the public comment period.

During the 30-day Public Notice period, SCRO is soliciting interest under AS 38.05.070(d) to determine if there is interest from other persons in developing the site for a competing purpose. If there is a qualified competing interest, SCRO may proceed with a competitive auction. If no qualified interest is expressed, then SCRO will proceed with the amended lease to NBL.

Competitive Interest and Comment(s):
This decision is subject to both public and agency comments, and all comments received by the comment deadline will be considered in the FFD. Only those who comment and the applicant have the right to appeal the FFD.

To be considered a qualified potential bidder expressing competitive interest, a person must express interest in writing before the expiration of this 30-day Public Notice period and submit a complete application with a development plan within the 30 days after the end of the Public Notice period.

Written comments about this project must be received in this office no later than 11:59 PM on March 25, 2026 to be considered.

To submit comments, please choose one of the following methods:

Postal: Department of Natural Resources
Division of Mining, Land and Water
Southcentral Region Office
ATTN: Bren McIver
550 West 7th Avenue, Suite 900C
Anchorage, AK 99501-3577
Email: bren.mciver@alaska.gov
Fax: (907) 269-8913

Questions about the lease portion of this project can be directed to Bren McIver at (907) 269-8503.

If public comments result in significant changes to the Preliminary Decision, additional public notice will be given. To be eligible to appeal the Final Finding and Decision, a person must provide written comments during the Preliminary Decision comment period per AS 38.05.035(i)-(m).

Signature page follows

Recommendation:

SCRO has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found that this project is consistent with all applicable statutes and regulations. SCRO considered three criteria to determine if this project provided the best interest to the State and the development and enjoyment of its natural resources. The criteria include direct economic benefit to the State, indirect economic benefit to the State, and encouragement of the development of the State's resources. This authorization provides a direct economic benefit to the State with the collection of fees for ADL 213145 and an indirect economic benefit through the encouragement and development of the State's resources through eco-tourism and guided hunting, while promoting outdoor recreation opportunities for the public. The authorization of this lease amendment is in the State's best interest as it will continue to provide development and enjoyment of the Stony River area. It is recommended that the existing lease be amended to include the additional 6 acres. .

02/23/2026

Bren McIver, Natural Resource Specialist 3 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 issue a lease amendment for the remainder of the lease term to NBL, as described above. Upon authorization of the lease amendment, the applicant will be required to pay the annual lease fee of $5,600.00 and provide proof of liability insurance. This Preliminary Decision shall now proceed to public notice.

Cinnamon Micelotta 02/23/2026

Cinnamon Micelotta, Natural Resource Manager 1 Date

Division of Mining, Land and Water, Southcentral Regional Office

Attachments

Attachment A – Development Plan

Attachment B – Location Map

Attachment A
Development Plan

Northward Bound Updated Development Plan
ADL 213145 Revised 02/20/2026

Northward Bound LLC is a company that owns and operates the Stony Mountain Lodge on the upper Stony River. The lodge has been in existence (formerly the Stony River Lodge) since the summer of 1980 under a state land use permit, and then under a state 55 year land lease which began in 1987 and expires on April 2, 2042. The lodge is located on the upper Stony River at the confluence of Tired Pup Creek. It is a "fly in only" lodge and is approximately 130 miles west of Anchorage in the Alaska Range. The closest full time neighbors to the lodge are in Port Alsworth (80 miles to the south) and in Lime Village (70 miles to the east). The lodge was founded by Jim Harrower and was primarily used to hunt the surrounding state land. Tom and Teri Gimple purchased the assets and assumed the lease of the lodge in 2004. The intended use was modified to primarily host groups for ecotourism and corporate retreats. Hunting is now a small part of services provided by the lodge.

The Stony Mountain Lodge currently consists of the following permanent structures:
The Whisky Jack- Cabin with 4 bedrooms and a seating area
The Stony River Diner- Kitchen and dining room
The Pantry
The Managers cabin
The Shop
The Generator /Battery shed
The Pole Barn
Two Seasonal Guest Cabins – Two bedrooms, 2 bathrooms and a seating area each
Seasonal Owners Cabin – Bedroom, bathroom, kitchen, and seating area
Seasonal Staff Cabin – Bedroom, bathroom, kitchen
Small Utility and Storage Cabin – Replacing the previous Cheechako building which included 4 guest rooms and 4 bathrooms and a loft

In addition, there is one 10'X10' tent cabin on plywood floors, two 4'X4' outhouses, and a small shed located next to the fuel tank.

The current land lease consists of two parcels: A larger parcel “A”, containing all of the lodge structures, sawmill, and a 2500 gal double wall fuel tank; and a smaller parcel “B”, to be used for airplane parking.

The lodge sits adjacent to a 1200' gravel strip that is not part of the existing lease. It was established when the lodge was opened as a tent camp in 1980 and improved when the current lodge was built in 1987. The strip was repaired and straightened in the spring of 2016 by Northward Bound with

permission from the DNR in order to increase safety when flying to and from the lodge and to provide a level activities area for guests.

This lease amendment request is being made to consolidate and expand the land leased by Northward Bound from approximately 9 acres to approximately 15 acres. The purpose for the consolidation and expansion is to incorporate the areas that are being used by the lodge into one parcel to reduce survey costs and improve/add existing/additional infrastructure as proposed below:

- Replace wall tent with small cabin for seasonal employees
- Add a boardwalk and wildlife viewing area (30'X40')
- Add additional cabins (30'X40')

Concrete pile foundation and stick frame construction would be used with no additional fuel or hazardous substances. Power would be provided with existing sources, primarily solar, and the existing centralized outhouse system used for human waste.

In addition to consolidating the area used by the lodge, the expansion of the lease would allow the lodge to better handle its current client base. Northward Bound partnered with Lexi's Legacy. A not-for-profit foundation dedicated to reuniting families after a child has been through a prolonged illness and recovery. It is similar to "Make a Wish" foundation but for the entire family. Summer retreat sessions included families from both Alaska and the lower 48.

Moving forward, the additional buildings would add the space necessary to accommodate an additional family per retreat session.

The expansion would allow another family per session, bringing the total number of people in each session from 8 to 12, plus the 2 clinical volunteers necessary to provide the necessary specific supervised care.

The activities during these sessions include arts and crafts, hiking, volleyball, gravel golf, bocce ball, campfires and other games and activities that families can enjoy together. June is primarily used to get the lodge ready for guest arrival in July, and to make any necessary repairs to buildings from the winter months. August and September are available for other private/corporate retreats and hunting. Northward Bound usually has one bear and one moose hunter per year. The balance of the year (October through May) is not used for clients due to the extreme winter for that part of the Alaska Range.

Northward Bound and the Stony Mountain Lodge would conduct the same uses and activities under the expanded lease as they currently do with the current lease.

Attachment A
Development Plan

Specific answers to the questions on the development plan form:

Terrain/Ground Cover: No tree cutting or other ground disturbance will be necessary (other than the new building locations and for foundation footings).

Access: The access would remain the same. This a "fly in only" lodge utilizing a gravel strip. All new structures would be accessed by current foot paths.

Buildings and other structures: The additional structures would be built to blend in with the current lodge look and feel. The foundations will be log piles on poured concrete pads. The buildings will be stick frame construction with a brown metal roof to match the existing structures.

Power source: The lodge is currently powered primarily with solar power that comes from an existing 16'X16' tracking solar panel and a solar array 10’X80’ located off of the seasonal owner’s cabin. Solar power is augmented by a wind generator and a backup diesel generator. No additional power is necessary for the expansion.

Waste types, waste sources and disposal methods: In each of the new bathrooms, the waste system is a macerator toilet which pumps waste to a central outhouse.

Hazardous substances: No additional hazardous substances would be added with this expansion. The existing fuel farm would be incorporated into the new lease, which is currently under a land use permit. FUEL STORAGE is via a double walled 2500 gal diesel fuel tank designed and built for remote applications. In addition, A maximum of 200 gal of aviation gas is stored in 95 gal spill proof overpack poly drums per 55 gal metal drum.

Water supply: Water to the new living structures will be via a 2" sand point well. The current well is 20' deep and we anticipate this will be the same. The water table at the site is approximately 8 feet deep. The water from the sand point is treated via a triple filter system (30 micron, 1 Micron and ½ Micron) to meet industry standards. The water use per day will not exceed 500 gal.

Parking areas and storage: The only additional parking area would be under the new proposed equipment shed. The floor will be gravel and easily cleaned if spilled on. The equipment that will be stored in the shed is already on site so there is no additional spill risk. There would be a transient tie down area for aircraft on the one acre site located on the north end of the runway.

Trash disposal: Combustible trash is incinerated within metal containment. Non Combustible trash is packaged and backhauled to Anchorage for safe disposal.

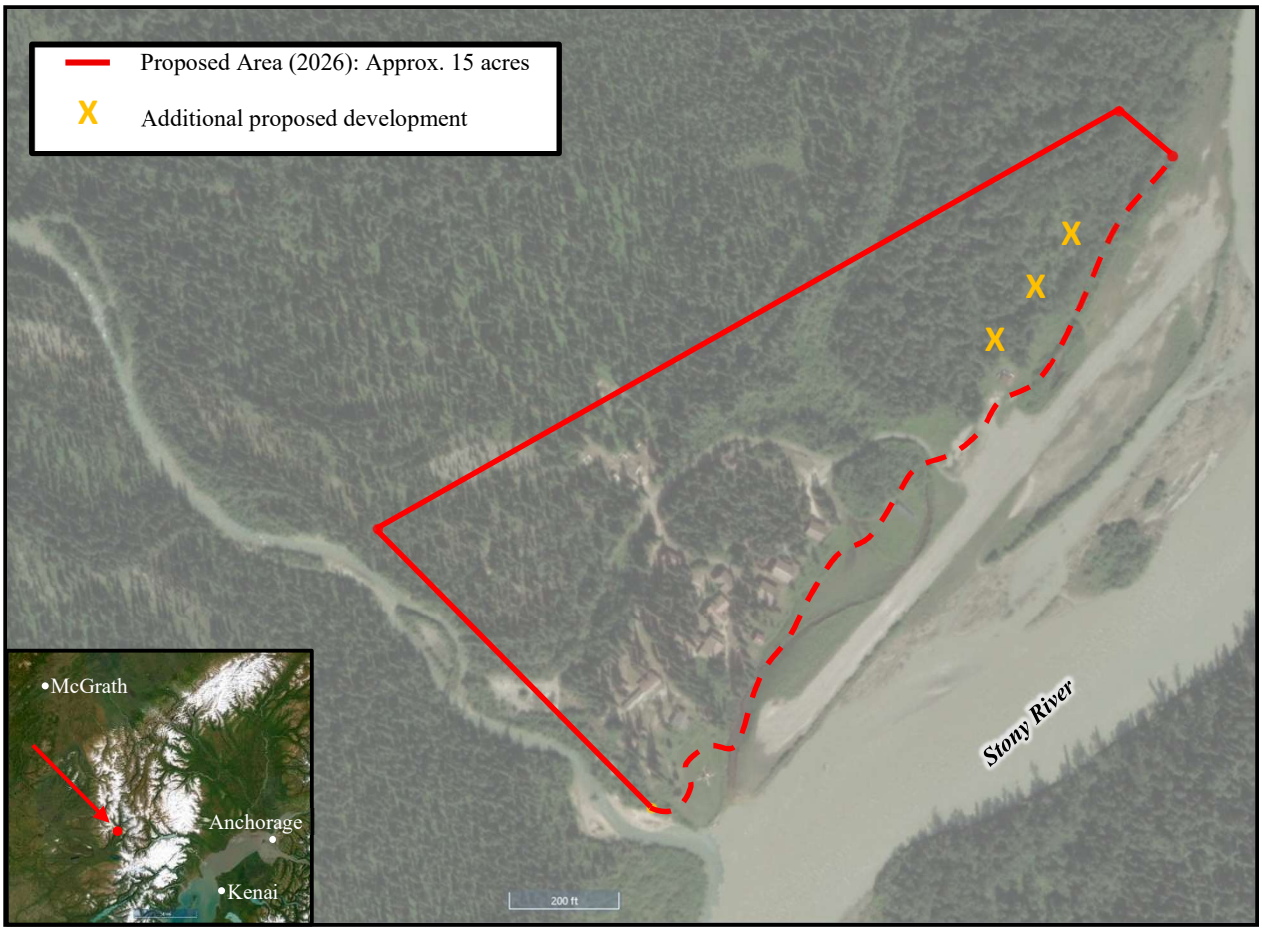
Attachment A
Development Plan

Number of people using the site: During the winter months, the site is home to one person ...and one dog. Arno Krumm has lived full time at the Stony Mountain Lodge for over 25 years. He is well known and respected by the Alaska DNR, the Alaska State Troopers and the National Parks Service. He is also the registered guide for the area across the Stony River valley in the U.S. Federal Preserve.

During the summer months, in addition to Arno, the expanded lodge would have 2 full time staff members and up to approximately 12 guests. Typically, 2 of the 12 guests are clinical volunteers. The total number of guests visiting the expanded lodge during a summer would be approximately 40.

Maintenance and operations: Maintenance and operations will be conducted as it is with the current lease. A full time manager is on site year round and seasonal staff help during the summer. Subcontractors are flown in as needed.

Closure/reclamation plan: Per the lease terms, Northward Bound intends to renew the lease during the lease renewal period.

In summary, the expanded lease requested would consolidate the area used by Northward Bound under the current lease and the land use permits. In addition, the additional lease area would accommodate the additional buildings that would help the lodge cater to its current client mix.
(See proposed development drawing)

Attachment B
Location Map