

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

ADL 109466
Private Non-Exclusive Easement
GPG Alaska Resources Inc.

This easement is granted this 18th day of August, 2026, by the State of Alaska, acting by and through the Department of Natural Resources, Division of Mining, Land and Water, whose address is P.O. Box 111020, Juneau, AK, 99811-1020, hereinafter referred to as the Grantor. This easement is granted to GPG Alaska Resources Inc., whose address is 1050-1090 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3V7, hereinafter referred to as the Grantee.

In accordance with the provisions of AS 38.05.850, and the rules and regulations promulgated thereunder, a private non-exclusive easement is hereby granted until 11:59 p.m. on August 17, 2051, for an access road and two staging areas. This easement is located adjacent to Glacier Highway Milepost 27.1, within the Eagle and Herbert River watersheds, approximately 21 miles northwest of Juneau, Alaska, over and across the following described state lands:

A 60-foot wide easement approximately 6,839.4 feet long and two approximately 1-acre parcels, within U.S. Survey No. 1197, according to the Plat of Homestead Entry Survey No. 104 in the Tongass National Forest, approved by the U.S. Surveyor General's Office in Juneau, Alaska, on December 13, 1919, and within Lots 4, 5, 7, and 8 of Section 35 and the S½ NW¼ of Section 36, Township 38 South, Range 64 East, Copper River Meridian, according to the plat accepted by the United States Department of the Interior, General Land Office in Washington, D.C., on June 30, 1928, containing 11.20 acres, more or less.

Legal description is subject to change once As-Built Survey EPF # _____, recorded concurrently as Plat # _____, _____ Recording District, is approved by DMLW Survey Section.

This easement is subject to the terms and conditions contained herein.

In the event that this easement shall in any manner conflict with or overlap a previously granted easement or right-of-way, the Grantee shall use this easement in a manner that will not interfere with the peaceful use and enjoyment of the previously issued easement or right-of-way. The Grantor reserves the right to set or modify stipulations governing the use of the conflicting or overlapping area.

Any lands included in this easement that are conveyed from state ownership shall be subject to this easement.

This easement shall terminate at the end of the stated term, if any, when the Grantor determines that the easement is no longer in use for the purpose(s) authorized, or the easement is revoked as a result of violation of the terms and conditions contained herein. The State of Alaska shall be forever wholly absolved from any liability for damages that might result if this easement is terminated for any reason.

Now therefore, in accordance with the conditions of this easement including all attachments and documents that are incorporated by reference, the Grantee is authorized to operate and maintain said easement over and across lands herein described. In witness whereof, the Grantor and the Grantee have affixed their signatures on the date(s) specified herein.

[SIGNATURE PAGE FOLLOWS]

GRANTOR

Mason Auger, Natural Resource Manager 2
Division of Mining, Land and Water; Southeast Regional Land Office

STATE OF ALASKA)
) ss
____ Judicial District)

THIS IS TO CERTIFY THAT ON THIS ____ day of _____, 20____, before me personally appeared _____ known by me to be the person named in and who executed said document and acknowledged voluntarily signing the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Notary Public in and for the State of Alaska
My commission expires with office

GRANTEE

Ian Klassen, Director and President
GPG Alaska Resources Inc.

STATE OF ALASKA)
) ss
____ Judicial District)

THIS IS TO CERTIFY THAT ON THIS ____ day of _____, 20____, before me personally appeared _____ known by me to be the person named in and who executed said document and acknowledged voluntarily signing the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

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

Stipulations

1. **Authorized Officer:** The Authorized Officer (AO) for the State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), is the Regional Manager or designee.
2. **Change of Contact Information:** The Grantee shall maintain current contact information with the AO. Any change of contact information must be submitted in writing to the AO.
3. **Proper Location:** This authorization is for activities on state lands or interests managed by DMLW. It does not authorize any activities on private, federal, native, and municipal lands, or lands which are owned or solely managed by other offices and agencies of the State. The Grantee is responsible for proper location within the authorized area.
4. **Development Plan:** Development shall be limited to the authorized area, improvements, and maintenance activities specified in the approved development plan or subsequent modifications approved by the AO. The Grantee is responsible for accurately siting development and operations within the authorized area. Any proposed revisions to the development plan must be approved in writing by the AO before the change in use or development occurs.
5. **Directives:** Directives may be issued for corrective actions that are required to correct a deviation from design criteria, project specifications, stipulations, State statutes or regulations. Work at the area subject to the Directive may continue while implementing the corrective action. Corrective action may include halting or avoiding specific conduct, implementing alternative measures, repairing any damage to state resources that may have resulted from the conduct, or other action as determined by DNR.
6. **Violations:** This authorization may be revoked upon violation of any of its terms, conditions, stipulations, nonpayment of fees, or upon failure to comply with any other applicable laws, statutes and regulations. A revocation may not become effective until 60 days after the Grantee has been notified in writing of the violation during which time the Grantee has an opportunity to cure any such violation.

No public access easement may be terminated without the prior written approval of DMLW.

7. **Public Access:** The construction, operation, use, and maintenance of the authorized area shall not interfere with public use of roads, trails, waters, landing areas, and public access easements. The ability to use or access state land or public waters may not be restricted in any manner. However, if a specific activity poses a safety concern, the AO may allow the restriction of public access for a specific period of time. The Grantee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.

8. **Public Trust Doctrine:** 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 authorization is subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The AO reserves the right to grant other interests consistent with the Public Trust Doctrine.
9. **Valid Existing Rights:** This authorization is subject to all valid existing rights and reservations in and to the authorized area. The State makes no representations or warranties, whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.
10. **Site Maintenance:** The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized herein. Nothing may be stored that would be an attractive nuisance to wildlife or create a potentially hazardous situation.
11. **Maintenance of Improvements:** The Grantor is not responsible for maintenance of authorized improvements or liable for injuries or damages related to those improvements. No action or inaction of the Grantor is to be construed as assumption of responsibility.
12. **Removal of Improvements and Site Restoration:** Upon termination of this authorization, whether by abandonment, revocation or any other means, the Grantee shall within 30 days remove all improvements from the area herein granted, except those owned by the State, and the site shall be restored to a condition acceptable to the AO. Should the Grantee fail or refuse to remove said structures or improvements within the time allotted, they shall revert to and become the property of the State; however, the Grantee shall not be relieved of the cost of the removal of the structures, improvements and/or the cost of restoring the area.
13. **Amendment or Modification:** The Grantee may request an amendment or modification of this authorization; the Grantee's request must be in writing. Any amendment or modification must be approved by the AO in advance and may require additional fees and changes to the terms of this authorization.
14. **Concurrent Use:** The DMLW reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this authorization. Authorized concurrent users of State land, their agents, employees, contractors, subcontractors, and licensees shall not interfere with the operation or maintenance activities of each user.

The DMLW may require authorized concurrent users of State land to enter into an equitable agreement regarding concurrent use.

15. **Assignment:** This authorization may not be transferred or assigned without the prior written consent of the AO. The grantor reserves the right to modify and/or add stipulations for the authorization prior to approving the assignment.

Assignment: In the event the grantee desires to transfer their interest in this authorization to another party the grantee shall submit in writing to the AO a request for assignment. The grantor reserves the right to modify and/or add stipulations for the authorization prior to approving the assignment. The grantor reserves the right to require an assignment between the grantee and another party in the event of a change in corporate ownership, LLC/LLP membership or name change. Notwithstanding other requirements described in this authorization, assignments shall be restricted to those entities that are also eligible to obtain an authorization under the same statutory authority in which this authorization was issued.

- 16. Request for Information:** The AO, at any time, may require the Grantee to provide any information directly or indirectly related to this authorization, in a manner prescribed by the AO.
- 17. Inspections:** The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the Grantee is found to be in noncompliance the authorized area may be subject to reinspection. The Grantee may be charged for actual expenses of any inspection.
- 18. Waste Disposal:** On-site refuse disposal is prohibited, unless specifically authorized. All waste generated during operation, maintenance, and termination activities under this authorization shall be removed and disposed of at an off-site DEC approved disposal facility. Waste, in this paragraph, means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, petroleum products, ashes and discarded equipment.
- 19. Wastewater Disposal:** No pit privies are authorized. Chemical toilets, or a comparable substitute are required and must be operated in conformance with DEC requirements.
- 20. Operation of Vehicles:** Vehicles shall be operated without disturbing the vegetative mat and underlying substrate.
- 21. Batteries:** Batteries which contain hazardous liquids should be completely sealed valve regulated, spill proof, leak proof and mounted in steel containers. Batteries lacking the preceding properties must have a metal drip pan designed to hold 110% of the total liquids held by the battery/batteries. Batteries, new or used, may not be stored or warehoused. Any battery/batteries that are not in use must be removed and disposed of in accordance with existing laws, regulations and ordinances.
- 22. Surface Drainage:** Adequate culverts shall be installed to maintain surface drainage and to prevent ponding and/or erosion.
- 23. Site Disturbance:**
 - a. 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.

- b. Brush clearing is allowed, but shall be kept to the minimum necessary to conduct or complete the authorized activity. Removal or destruction of the vegetative mat outside of the authorized area is not allowed.
- c. Establishment of, or improvements to, tidal, submerged, shoreland or riparian landing areas (e.g., leveling the ground, bank cutting or removing or modifying a substantial amount of vegetation) is prohibited without the prior written consent of the AO.
- d. The Grantee shall conduct all operations in a manner which will prevent unwarranted pollution, erosion, and siltation. Any pollution, erosion, or siltation shall be repaired/remediated in a manner and time frame satisfactory to the AO at the Grantee's expense.

24. Destruction of Markers: The Grantee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed corner posts against damage, destruction, or obliteration. The Grantee shall notify the AO of any damaged, destroyed, or obliterated markers and shall reestablish the markers at the Grantee's expense in accordance with accepted survey practices of the DMLW.

25. Fuel and Hazardous Substances: During equipment maintenance operations, the site shall be protected from leaking or dripping hazardous substances or fuel. The Grantee shall place drip pans or other surface liners designed to catch and hold fluids under the equipment or develop a maintenance area by using an impermeable liner or other suitable containment mechanism. a) "Surface liner" means any safe, non-permeable container (e.g., drips pans, fold-a-tanks, etc.) designed to catch and hold fluids for the purpose of preventing spills. Surface liners should be of adequate size and volume based on worst-case spill risk.

26. Signs: Upon approval of the Grantor, grantee may post signage within easement corridor.

27. Fees: The Grantee shall pay an annual rental fee of \$2,880.00. This fee is subject to adjustment based on changes in DNR's fee regulations.

28. Returned Check Penalty: A returned check penalty of \$50.00 will be charged for any check on which the bank refuses payment. Late payment penalties shall continue to accrue.

29. Late Payment Penalty Charges: The Grantee shall pay a fee for any late payment. The amount is the greater of either \$50.00 or interest accrued daily at the rate of 10.5% per annum and will be assessed on each past-due payment until paid in full.

30. Performance Guaranty: The Grantee shall provide a surety bond or other form of security acceptable to the AO in the amount of \$469,748.00 payable solely to the State of Alaska, DNR. Such performance guaranty shall remain in effect for the term of this authorization and any subsequent authorizations under ADL 109466 to secure performance of the Grantee's obligations hereunder. The amount of the performance guaranty may be adjusted by the AO upon approval of amendments to this authorization, changes in the development plan or

changes in the activities conducted on the premises. The guaranty may be utilized by the Division of Mining, Land and Water, at the discretion of the AO, to cover costs incurred by the State of Alaska to pay for any necessary corrective actions in the event the Grantee does not comply with site utilization and restoration guidelines. The provisions of this authorization shall not prejudice the State's right to obtain remedy under any law or regulation. The performance guaranty may only be released in writing by the AO.

- 31. Insurance:** Consistent with 11 AAC 96.065 the Grantee shall secure or purchase at its own expense, and maintain in force at all times during the term of this permit, liability coverage and limits consistent with what is professionally recommended as adequate to protect the Grantee (the insured) and Grantor (the State, its officers, agents and employees) from the liability exposures of ALL the insured's operations on state land. Certificates of Insurance must be furnished to the AO prior to the issuance of this permit and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. The Grantee must provide for a 60-day prior notice to the State before they cancel, not renew or make material changes to conditions to the policy. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, are material breaches of this permit and shall be grounds, at the option of the State, for termination of the permit. All insurance policies shall comply with, and be issued by, insurers licensed to transact the business of insurance under Alaska Statute, Title 21. The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Department of Administration, Division of Risk Management. The State must be named as an additional named insured on the policy with respect to the operations of the Grantee on or in conjunction with the permitted premises, referred to as ADL 109466.
- 32. Incurred Expenses:** The Grantor shall in no way be held liable for expenses incurred by the Grantee connected with the activities directly or indirectly related to this authorization.
- 33. Indemnification:** Unless specified herein, Grantee assumes all responsibility, risk and liability for all activities of Grantee, its employees, agents, invitees, contractors, subcontractors, or licensees directly or indirectly conducted in connection with this authorization, including environmental and hazardous substance risks and liabilities, whether accruing during or after the term of this authorization as stated herein. Grantee shall defend, indemnify and hold harmless the State of Alaska, its employees and agents, from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatever kind or nature, including all attorney's fees and litigation costs, arising out of, in connection with, or incident to any act or omission by Grantee, its employees, agents, invitees, contractors, subcontractors, or licensees, unless the sole proximate cause of the injury or damage is the negligence or willful misconduct of the State or anyone acting on the State's behalf. Within 15 days Grantee shall accept any such cause or action or proceeding upon tender by the State. This indemnification shall survive the termination of the authorization.
- 34. Preference Right:** No preference right for subsequent authorizations is granted or implied by this authorization.

- 35. Alaska Historic Preservation Act:** 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 written approval from the DNR Commissioner. Should any sites be discovered, the Grantee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in the Division of Parks and Recreation.
- 36. Compliance with Government Requirements:** The Grantee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this authorization. The Grantee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.
- 37. Waiver of Forbearance:** Any failure on the part of the AO to enforce the terms of this authorization, or the waiver of any right under this authorization by the Grantee, unless in writing, shall not discharge or invalidate the authorization of such terms. No forbearance or written waiver affects the right of the AO to enforce any terms in the event of any subsequent violations of terms of this authorization.
- 38. Severability Clause:** If any clause or provision of this authorization is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the Grantor and the Grantee agree that the remainder of this authorization will not be affected, and in lieu of each clause or provision of this authorization that is illegal, invalid, or unenforceable, there will be added as a part of this authorization a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.
- 39. Fire Prevention, Protection, and Liability:** The Grantee shall take all reasonable precautions to prevent and suppress forest, structure, brush and grass fires, and shall assume full liability for any damage to state land and structures resulting from the negligent use of fire. The State is not liable for damage to the Grantee's personal property and is not responsible for forest fire protection of the Grantee's activity. To report a wildfire, call 911 or +1 (800) 237-3633.
- 40. Notification of Discharge:** The Grantee shall immediately notify the Department of Environmental Conservation (DEC) and AO of any unauthorized discharge of any amount of oil to water, a discharge of any amount of a hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported immediately.

If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the Grantee shall report the discharge within 48 hours. Any discharge of oil greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

Notification of discharge must be made to DEC online at reportspills.alaska.gov or by phone at +1 (800) 478-9300.

Notification of discharge must be made to the appropriate DNR Office, preferably by e-mail: Anchorage email dnr.scro.spill@alaska.gov, (907) 269-8528; Fairbanks email dnr.nro.spill@alaska.gov, (907) 451-2739; Juneau email dnr.sero.spill@alaska.gov, (907) 465-3513. The Grantee shall supply the AO with all incident reports submitted to DEC.

41. Track-Out Mats: The Grantee shall use track-out mats along the first 50 feet of the easement nearest to Glacier Hwy. The mats shall be installed, maintained, and conform to current State of Alaska, Department of Transportation & Public Facilities (DOT&PF) standards.

42. Storage Containers: During each calendar year, no more than six storage containers shall be present within the easement during the following periods:

1. From 12:00 a.m. on January 1st through 11:59 p.m. on June 15th; and
2. From 12:00 a.m. on November 1st through 11:59 p.m. on December 31st.

43. Core Sample Storage: During each calendar year, core samples shall not be stationed, stored, or left within the easement during the following periods:

1. From 12:00 a.m. on January 1st through 11:59 p.m. on June 15th; and
2. From 12:00 a.m. on November 1st through 11:59 p.m. on December 31st.

44. Mineral Haulage: The movement or transport of ore or other mineral product shall be prohibited during the following periods:

- a. **Weekend Prohibition:** From May 15th through September 15th of each calendar year, the haulage of ore or other mineral product shall not occur from 3:00 p.m. on Fridays through 11:59 p.m. on Sundays.
- b. **Holiday Prohibition:** The haulage of ore or other mineral product shall not occur from 12:00 a.m. through 11:59 p.m. on the following holidays of each calendar year:
 1. **Memorial Day** (the last Monday in May);
 2. **Juneteenth** (June 19th);
 3. **Independence Day** (July 4th); and
 4. **Labor Day** (the first Monday in September).

45. Environmental Liability:

a. Definitions:

1. **Affected Property:** Any property adjacent to the Easement that contains Contamination in, on, or under the surface, including groundwater.
2. **Contamination:** The unpermitted presence of any Released Hazardous Substance.
3. **Environmental Assessment:** An assessment of property, prepared in a manner consistent with generally accepted professional practices, that is supported by reports and tests that determine the environmental condition of a property and the presence, type, concentration, and extent of any Contamination in, on, and under the surface of the property.
4. **Environmental Law:** Any federal, state, or local statute, law, regulation, ordinance, code, permit, order, decision, or judgment from a governmental entity relating to environmental matters. It includes, but is not limited to, AS 46 (Alaska Water, Air, Energy, and Environmental Conservation Acts); 18 AAC (Environmental Conservation) implementing AS 46; 42 U.S.C. §§ 7401-7671 (Clean Air Act); 33 U.S.C. §§ 1251-1387 (Federal Water Pollution Control Act); 42 U.S.C. §§ 6901-6992 (Resource Conservation and Recovery Act); 42 U.S.C. §§ 9601-9657 (Comprehensive Environmental Response, Compensation, and Liability Act); and 15 U.S.C. §§ 2601-2692 (Toxic Substances Control Act).
5. **Environmental Liability Baseline:** A description, accepted by the Grantor and documented by one or more Environmental Assessments and any other relevant documents, of the existence, location, level, and extent of Contamination in, on, or under the surface of the Easement that was neither caused nor Materially Contributed To by the Grantee, nor otherwise assumed by the Grantee.
6. **Easement:** The real property defined on Page 1 of this document.
7. **Materially Contribute To:** To significantly add to or make worse, including by inaction, the Release or migration of a Hazardous Substance.
8. **Release:** Means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in the environment, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance, but excluding
 - A. any release that results in exposure to a person solely within a workplace, with respect to a claim that those persons may assert against the persons' employer; and
 - B. emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, or vessel.

- b. Compliance with Laws:** Grantee shall comply with all Environmental Laws relating to the handling, use, generation, accumulation, storage, transportation, disposal, release, treatment or sale of Hazardous Substances in, on, or under the Easement.
- c. Easement Site Condition/Potential Contaminants:** Grantee has the sole responsibility under this easement to ascertain the environmental condition and presence of Contamination in, on, or under the surface of the Easement. Grantor makes no representations and no warranties, express or implied, concerning the existence or absence of any Hazardous Substances or Contamination on the Easement. Grantor does not assume any liability for the removal of Hazardous Substances, nor for the remediation of the Easement and any Affected Property should such substances be found.
- d. Environmental Liability Baseline:** Grantee is conclusively presumed to have caused or to have Materially Contributed To any Contamination of, or originating on, the Easement. Grantee may establish an Environmental Liability Baseline that will serve as a benchmark for the condition of the Easement as of the effective date of the easement and as a reference for the Clearance Assessment in Subsection H, below. Grantee will not be presumed to have caused or to have Materially Contributed To any Contamination of, or originating on, the Easement identified in the Environmental Liability Baseline. Grantee is responsible for the acts or omissions of its employees, agents, invitees, subgrantees, contractors and guests on the Easement, and Contamination caused or Materially Contributed To by activities of the Grantee's employees, agents, invitees, subgrantees, contractors and guests on the Easement are deemed to be caused by or Materially Contributed To by the Grantee. Grantee shall be solely responsible for any and all costs associated with conducting the Environmental Assessment and/or establishment of the Environmental Liability Baseline.
- 1. Notice of Environmental Assessment:** If the Grantee decides to add to or establish an Environmental Liability Baseline for all or any portion of the Easement or Affected Property during the term of the easement, or any renewal or assignment, if applicable, thereof, the Grantee shall notify the Grantor of the intent to conduct an Environmental Assessment for that portion of the Easement or Affected Property. The Grantee shall provide a description of activities for conducting the Environmental Assessment. The Grantee shall provide Grantor with the final Environmental Assessment report.
- 2. Establishing an Environmental Liability Baseline:**
- A.** If the Grantee discovers Contamination in, on, under the surface of or emanating from the Easement, for any portion of the Contamination to be considered for inclusion in the Environmental Liability Baseline, the Grantee must demonstrate to the satisfaction of the Grantor that the Contamination proposed for inclusion was not caused or Materially Contributed To by the Grantee or the Grantee's operations or activities, nor otherwise assumed by the Grantee. Contamination caused or

Materially Contributed To by activities of the Grantee's employees, agents, invitees, subgrantees, contractors and guests on the Easement are deemed to be Materially Contributed To by the Grantee.

- B. Only that portion of Contamination not caused or Materially Contributed to by the Grantee or the Grantee's operations or activities, nor otherwise assumed by the Grantee, shall be included in the Environmental Liability Baseline.
- C. Grantee is responsible for inspecting the Easement and reporting, in writing, any evidence of conditions on the Easement as of the effective date of the easement, which differ from the conditions reported in the Environmental Liability Baseline. By entering into the easement, Grantee expressly accepts the Easement and acknowledges that notwithstanding the provisions of the Environmental Liability Baseline, the Easement may contain Hazardous Substances not mentioned in the Environmental Liability Baseline.

3. Adding to an Existing Environmental Liability Baseline:

- A. If, after an Environmental Liability Baseline is established for any portion of the Easement or Affected Property, the Grantee discovers Contamination in, on, under the surface of, or emanating from, that portion of the Easement having an Environmental Liability Baseline, which Contamination the Grantee or the Grantee's operations or activities did not cause or Materially Contribute To, and which the Grantee did not otherwise assume, the Grantee may, at its own cost, submit an additional Environmental Assessment reflecting that information to the Grantor for the Grantor's consideration to add to the Environmental Liability Baseline. The Grantee's additional Environmental Assessment must demonstrate to the satisfaction of the Grantor which portion of the additional Contamination on the Easement or Affected Property was not caused or Materially Contributed To by the Grantee or the Grantee's operations or activities nor otherwise assumed by the Grantee.
- B. Only that portion of Contamination not caused or Materially Contributed To by the Grantee or the Grantee's operations or activities, nor otherwise assumed by the Grantee, may be added to the existing Environmental Liability Baseline.

4. Grantor's Acceptance or Rejection of Grantee's Environmental Assessment:
When the Grantor receives the Grantee's Environmental Assessment to establish an Environmental Liability Baseline or to add to an existing Environment Liability Baseline, the Grantor, in its sole discretion, will do one of the following:

- A. Accept the findings of the Grantee's Environmental Assessment and any other relevant documents to establish an Environmental Liability Baseline for that portion of the Easement or Affected Property being assessed or to add to the existing Environmental Liability Baseline;

- B.** Reject the findings of the Grantee's Environmental Assessment for that portion of the Easement being assessed and offer the Grantee the opportunity to perform additional environmental testing if the Grantor determines, in writing, that the findings of the Environmental Assessment are inadequate to establish an Environmental Liability Baseline or to add to an existing Environmental Liability Baseline. The Grantor's written rejection of the Grantee's Environmental Assessment will be based on failure of the Grantee's Environmental Assessment to either
- i.** follow generally accepted professional practices in determining the environmental condition of the Easement or the Affected Property and the presence of Contamination in, on, under the surface of, or emanating from, the Easement; or
 - ii.** demonstrate to Grantor's satisfaction the portion of the Contamination that was not caused or Materially Contributed To by the Grantee or the Grantee's operations or activities, nor otherwise assumed by the Grantee; or
- C.** Perform additional environmental testing at the Grantor's expense to verify the environmental condition of that portion of the Easement being assessed. If the results of the Grantor's tests conflict with the Grantee's Environmental Assessment, the Grantor and the Grantee will negotiate in good faith an Environmental Liability Baseline or an addition to the existing Environmental Liability Baseline for the portion of the Easement or Affected Property being assessed.
- 5. Amending the Environmental Liability Baseline to Delete Contamination Caused, Materially Contributed To or Assumed by Grantee:** If, after the Environmental Liability Baseline for any portion of the Easement or Affected Property is established, it is discovered that the presence of Contamination identified in the Environmental Liability Baseline was caused or Materially Contributed To by the Grantee or the Grantee's operations or activities, or otherwise assumed by the Grantee, the Environmental Liability Baseline will be amended to delete that portion of the Contamination that was caused or Materially Contributed To by the Grantee or the Grantee's operations or activities or otherwise assumed by the Grantee.
- e. Notice of Hazardous Substance Release:** Grantee shall give notice to Grantor promptly after learning of any Release of any Hazardous Substance on or at the Easement or surrounding environment. This notice shall include a description of the Release, measures taken or proposed to be taken by Grantee to contain and/or remedy the Release, and any resulting damage to property, persons or the environment. At Grantee's own expense, Grantee shall promptly take all steps necessary to contain and remedy any Release of Hazardous Substances in, on or under the Easement or surrounding environment, and all resultant damage or injury to property, persons and the environment (the "Response Action"). Grantee shall be responsible for reporting and coordinating the Response Action

with the Alaska Department of Environmental Conservation and/or any other federal, state, or local agency with jurisdiction (collectively, the “Regulator”). Grantee shall provide Grantor with not less than seven days to review and comment on any submittal to a Regulator made as part of a Response Action prior to submission. Upon request by Grantor, Grantee shall provide Grantor copies of any and all documents arising from or related to the Response Action including, but not limited to, any and all communications by Grantee to a Regulator.

- f. Grantor’s Right to Perform Testing:** At any time, and from time to time, prior to the expiration of the Easement, Grantor shall have the right, but not obligation, to conduct appropriate tests of the Easement or any portion thereof to determine whether Contamination has occurred provided, however, that
1. all such testing shall be conducted at Grantor’s sole cost and expense except as set forth in the next clause;
 2. Grantor shall coordinate testing activities with the Grantee and shall, to the extent practicable, minimize the impact of testing on the Grantee;
 3. Grantor shall promptly repair any physical damage caused by such testing and restore the Easement to substantially the same physical condition it was in immediately prior to such testing; and
 4. the Grantor shall not be held liable for any damages, whether direct or indirect, incurred by Grantee as part of the testing. Grantee shall pay all reasonable costs of such tests if such tests reveal that Hazardous Substances exist on the Easement due to the acts or omissions of Grantee in violation of state or federal Environmental Laws.
- g. Financial Responsibility for Contamination on the Easement and on Any Affected Property:** The Grantee assumes financial responsibility to the Grantor for any Contamination in, on, and under the Easement and any Affected Property, except for Contamination that is identified in an Environmental Liability Baseline. Grantee shall be responsible for all costs incurred by Grantor to enforce these environmental provisions, including but not limited to action(s) to force Grantee to address a Release of Contamination at the Easement or Affected Property, and all attorneys’ fees and other costs of such action(s). This is without prejudice to the Grantee’s right to seek contribution or indemnity from either prior grantees of the Easement and Affected Property, or other potentially responsible parties except for the Grantor.
- h. Environmental Indemnification:** Grantee shall indemnify, defend and hold Grantor harmless from any and all claims, demands, damages, costs, fees, penalties, and charges asserted against, imposed upon, and incurred by Grantor (including fees and costs of attorneys, consultants, laboratory testing charges and personal injury claims) as a result of

1. the handling, use, generation, accumulation, storage, transportation, disposal, treatment and/or sale of Hazardous Substances at or from the Easement;
 2. the release of any Hazardous Substance on, at, or from the Easement which is attributable to any act or omission of Grantee, or its employees, agents, invitees, subgrantees, contractors and guests;
 3. the failure of Grantee, or its employees, agents, invitees, subgrantees, contractors and guests, to comply with any Environmental Laws;
 4. Grantee's failure to remove all Hazardous Substances or decontaminate, decommission, or, if appropriate, sterilize all areas in the Easement and any Affected Property in which any of Hazardous Substances were generated, stored, handled, accumulated, or released;
 5. Grantee's failure to comply with any other requirement of this Stipulation. This environmental indemnification is in addition to the indemnification provided for under Stipulation 34 of the Easement.
- i. **Environmental Report Upon Expiration or Termination of Easement:** Two months prior to Grantee's surrender of possession of any part of the Easement, or the expiration or termination of this Easement, Grantee shall provide Grantor with copies of all environmental reports necessary for Grantor to determine whether the Easement may contain any Hazardous Substances other than those, if any, that were identified in the Environmental Liability Baseline. If reports indicate the presence of Hazardous Substances, then Grantee shall also provide Grantor with
1. a written assessment addressing any potential releases of Hazardous Substances handled on the Easement during the term of the Easement to the workplace, soils, sewers, drywells, surface water, or groundwater, and any threats to human health or the environment posed by Grantee's operations (the "Clearance Assessment"); the scope of the Clearance Assessment must be approved by Grantor, such approval not to be unreasonably withheld, and will include provisions complying with the standards for Phase I and II Environmental Site Assessment as specified by the ASTM standard in effect at the time or any successor standards published by ASTM International (formerly known as the American Society for Testing and Materials) or any successor organization (or, if ASTM International and its successors no longer exist, a similar entity publishing similar standards);
 2. written evidence that all appropriate governmental notifications have been made or releases requested as may be required by laws in effect at that time, including laws pertaining to releases of Hazardous Substances and the surrender of the Easement; and
 3. a plan to address any further easement requirements or Contamination which are Grantee's responsibility under this Section. In addition, Grantee agrees to remain

responsible after the surrender of the Easement for the remediation of any Contamination that Grantee is otherwise responsible for pursuant to this easement, to comply with any recommendations regarding such Contamination, and to continue to pay rent and insurance until the Grantee provides evidence acceptable to Grantor that all Contamination, if any, then present on the Easement and any Affected Property are below reportable levels under state and federal laws. Grantee's obligations under this Article shall survive the expiration or earlier termination of the easement.

- j. Removal of Hazardous Substances prior to Expiration or Termination of Easement:** At least 10 days prior to termination of this easement, Grantee shall remove all Hazardous Substances which have been stored, or released onto or from, the area to be vacated and shall decontaminate vacated areas in the Easement in which Hazardous Substances were generated, stored, accumulated, released, or otherwise present. If Hazardous Substances were stored in tanks or containers, Grantee shall decommission such equipment. Documentation of this removal and decommissioning shall be included in the Clearance Assessment.
- k. Action Against Potentially Responsible Parties:** This article does not restrict either the Grantor or the Grantee from seeking and obtaining cleanup efforts, costs, or damages from other potentially responsible parties.
- l. Authorities of the Alaska Department of Environmental Conservation:** These provisions do not in any way alter the State of Alaska, Department of Environmental Conservation's powers and rights under AS 46.03 or 18 Alaska Administrative Code (implementing AS 46.03) (or their successors) and specifically AS 46.03.822. It also does not affect Grantee's duties and liabilities under Title 46 (or its successor) of the Alaska Statutes or other state, federal, or municipal statutes, regulations, or ordinances. For example, notwithstanding the provisions of this easement, the State of Alaska shall not be precluded from claiming under AS 46.03.822 that Grantee is strictly liable, jointly and severally, for damages and costs incurred by the State for cleanup of Contamination on the Easement and any Affected Property. The obligations and provisions of this Section shall survive the termination of this easement.