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

Southcentral Regional Land Office

Preliminary Decision
ADL 234834
PoleStar, LLC dba Barrowcliff Family Farms
Application for Lease
AS 38.05.070(b)

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 **11:59 pm December 4, 2026**. Please see the Public Notice section of this decision for requirements related to submitting comments for consideration.

Requested Action

PoleStar, LLC dba Barrowcliff Family Farms (BFF) (applicant) submitted an application to the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW), Southcentral Regional Land Office (SCRO) to lease approximately 22.25 acres of state land for agricultural use south of Anchor Point, Alaska. The site is located within the S1/2 of Section 24, Township 5 South, Range 15 West, Seward Meridian, Alaska. The applicant requested a 15-year land lease. A map showing the proposed location is included as Figure 1.

Requested Improvements:
Garden fencing: 1,800 feet
High tunnel: 30 feet by 60 feet

Existing Improvements:
One chicken coop: 8 feet by 8 feet, 64 square feet
Two garden sheds:
16 feet by 12 feet
8 feet by 12 feet
A portion of one garden shed: 20 feet by 24 feet
Garden fencing: 700 feet

Proposed Action

DMLW proposes to issue a 15-year negotiated lease to the applicant for agricultural purposes including the cultivation and propagation of produce. This project would seek to expand the existing small-scale organic family farm.

Background
The Barrowcliff family has owned property directly adjacent to the proposed leasehold for over 20 years, developing the property to accommodate a small-scale organic family farm. The Barrowcliff's became aware that they were inadvertently encroaching on state land and had unintentionally built and maintained infrastructure on state land related to their family farm. The Barrowcliff's contacted DMLW in good faith in an attempt to remedy the trespass. It was determined that the best course of action for remedying the trespass was to consider issuing the Barrowcliff's a 15-year long-term lease, under BFF, for agricultural purposes to expand the existing family farm. With this long-term lease, the Barrowcliff's would have the option to apply for a preference right to purchase the leased land if, after 10 years, they are determined to be in "good standing".

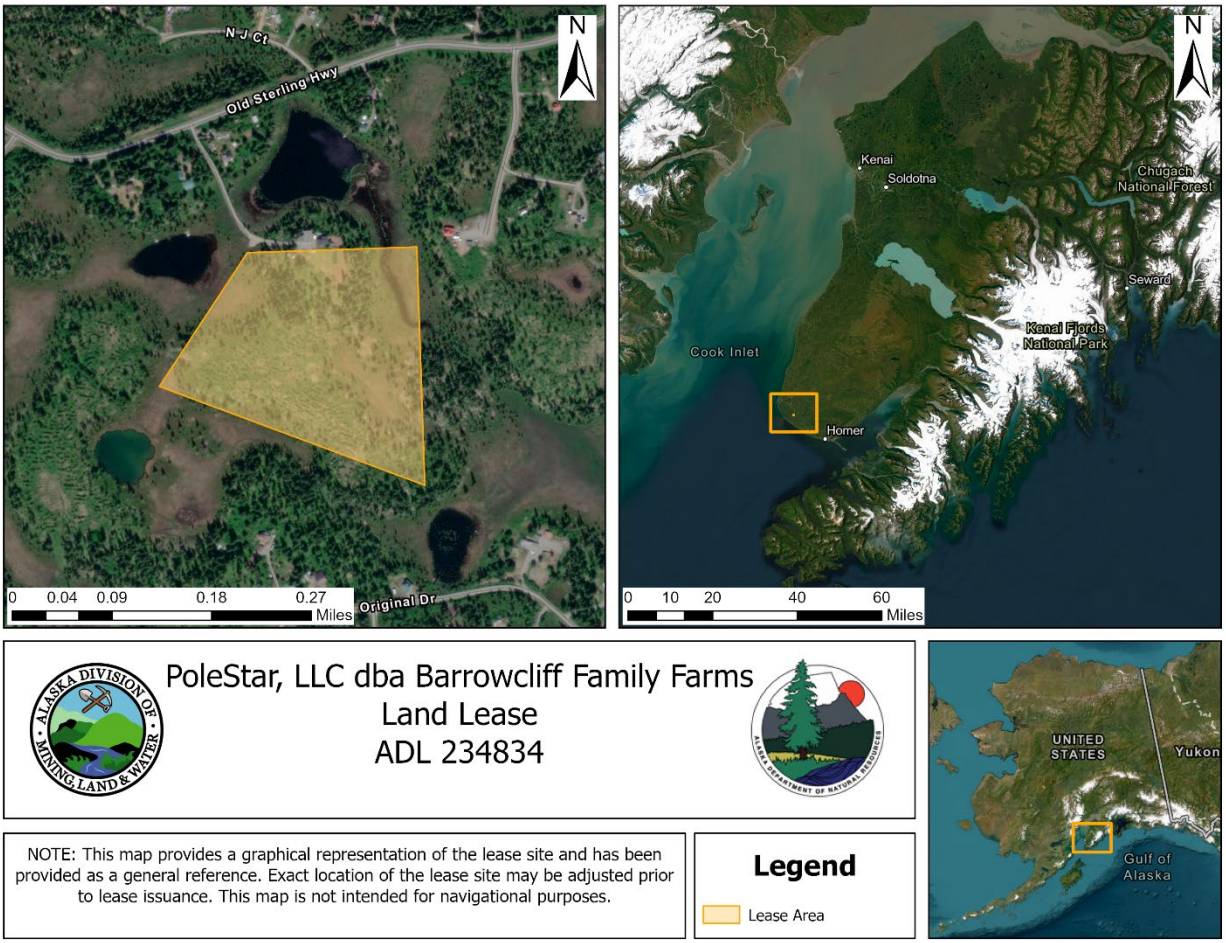
Scope of Decision
The scope of this decision is to determine if it is in the State's best interest to issue a lease for the requested activity. The administrative review for this authorization is defined by AS 38.05.035(e)(1)–(2) and limited to (1) reasonably foreseeable, significant effects of the uses 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.

Authority
This lease application is being adjudicated pursuant to AS 38.05.035(e) Powers and Duties of the Director, and AS 38.05.070(b).

The authority to execute the PD, Final Finding and Decision (FFD), Entry Authorization (EA), and the lease has been delegated to the Regional Managers of DMLW under AS 38.05.035(b)(1).

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 2000 Kenai Area Plan and other classification references described herein, and the casefile for the application serialized by DNR as ADL 234834.

Figure 1: Overview Map of Project Area



Legal Description, Location, and Geographical Features

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

- **Geographical location:** Approximately 4.5 miles south of Anchor Point, Alaska, directly adjacent to 37490 Watercolor Lakes Drive
- **Approximate Lat/Long:** 59° 43.6705' N, 151° 45.5463' W
- **Area geographical features:** Scattered pockets of trees mixed with low brush, lightly vegetated landscape
- **Legal description:** S1/2 of Section 24, Township 5 South, Range 15 West, Seward Meridian, Alaska
- **Recording district:** Homer Recording District
- **Municipality/Borough:** Kenai Peninsula Borough
- **Native Corporations/Federally Recognized Tribes:** Cook Inlet Region, Inc. (CIRI)
- **Size:** 22.25 acres, more or less

Title
SCRO requested a title report from DMLW's Realty Services Section on April 9, 2026, which has not been received at the time of this decision. Should the title report note any major changes, they will be addressed in the FFD.

Third Party Interests
A timber sale serialized as ADL 224657 overlaps the southeast corner of the proposed leasehold.

Planning and Classification
The project area is subject to the Kenai Area Plan, Region 7C, Management Unit 237: Old Serling Highway wetlands along Cook Inlet Bluff (Map 7C). The designation for the proposed lease is Resource Management – High Value (Rh).

Chapter 2 introduction of the area plan states several goals that they attempt to achieve through management action. One of these stated goals is Sustained Yield: "Maintain the long-term productivity and quality of renewable resources and all other state-owned replenishable resources on a sustained-yield or optimum-sustained-yield basis, including fish, wildlife, rangelands, and forests. (p.2-2)." Under the settlement and agriculture section, the plan also supports agriculture by "Providing for the opportunity for Alaskans to pursue an agrarian lifestyle through sale of larger lots and through agriculture leases (p.2-47)". Additionally, the Shorelines, Stream Corridors goals, and Wetlands, is to "Protect fish and wildlife habitat along tidelands, lakeshores, stream corridors, and wetlands." and to "Maintain water quality to achieve and protect state water quality standards, and to protect streambeds and wetland from degradation. (p.2-51)".

The general management intent described in Chapter 3 for the Old Sterling Highway wetlands along Cook Inlet Bluff, Management Unit 237, is the "Potential for trails along bluff and creeks. Bald eagles, nest sites; ducks and geese, general distribution; moose, important overwintering areas. Cultural sites present. The Old Sterling personal-use timber harvest area, which is located in this unit, is scheduled to be open for timber harvest in 2005 in this unit. Portions of this unit may be available for municipal conveyance. One-half mile landward from mean high water (which includes the steep banks and flat land along the bluff rim) will be retained in state ownership (or be subject to management for public access, recreation, and viewshed purposes). This width is based on the fact that the bluff is incised in places 1,000 feet by gullies. Also, the entire bluff is experiencing a high rate of erosion. If this unit is conveyed, this buffer will be retained or managed for public access and recreation. One of the current proposed used is the Diamond Gulch to Anchor Point Trail along the top of the bluff. Much narrower corridors will be reserved along Traverse and Troublesome creeks. Reserve easements for significant existing trails (p. 3-213)."

DMLW has determined that the proposed agricultural lease aligns with both the classification and the area plan's sustained-yield management intent. Authorizing the Barrowcliff family to cultivate crops on this site supports long-term, renewable resource productivity and maintains the land in a use consistent with the plan's management direction. The proposed lease is compatible with, and supportive of, the goals and intent of the 2000 Kenai Area Plan.

Traditional Use Finding
The proposed site is located within the Kenai Peninsula Borough. Pursuant to AS 38.05.830 a traditional use finding is not required. Additional traditional uses may be identified during the public notice period. If further traditional uses become known, they will be discussed in the final finding and decision.

Access
Practical and legal access to the proposed leasehold is by Watercolor Lakes Drive (originally named Jeanne Drive), which is part of a 60-foot Public Right of Way that was dedicated as part of the Lake Country Estates Subdivision, recorded as Plat No. 85-98, Homer Recording District, on September 25, 1985.

Access Along Navigable and Public Waters
The site is located near Watercolor Lake and on the connecting unnamed stream.

Pursuant to AS 38.05.126(a), the public has a constitutional right to free access to, and use of, navigable or public waters of the State of Alaska. Under 11 AAC 51.045 and AS 38.05.127, DMLW is required to reserve specific public-access easements to and along these waters. Unless comments and other information submitted to DMLW provide justifiable and convincing evidence to do otherwise, the proposed lease will be subject to a 50-foot public access easement seaward and landward of the line of mean high water. This easement must be depicted on any required survey.

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.

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
Mineral entry within the proposed leasehold is not currently restricted. It is not necessary to restrict entry to leasehold locations only or to close the area to mineral entry.

Hazardous Materials and Potential Contaminants
Hazardous materials will not be stored withing the proposed leasehold. Requests to store hazardous materials in the future may require additional stipulations.

Agency Review
Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. An agency review was conducted on June 11, 2026**.** The deadline for agency comments was July 1, 2026.

The following agencies were included in the review:

- DNR Division of Agriculture
- DNR Division of Forestry & Fire Protection
- DNR Division of Geological & Geophysical Surveys
- DNR Division of Oil and Gas / State Pipeline Coordinator Service
- DNR Division of Parks and Outdoor Recreation / Office of History and Archaeology – State Historic Preservation Office
- DNR Natural Resource Conservation and Development Board
- Department of Commerce, Community and Economic Development
- Department of Environmental Conservation
- Department of Fish & Game
- Department of Transportation & Public Facilities
- U.S. Army Corps of Engineers
- U.S. Bureau of Land Management
- U.S. Coast Guard
- U.S. Environmental Protection Agency
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- U.S. National Park Service

- U.S. Natural Resources Conservation Service
- U.S. National Oceanic and Atmospheric Administration - National Marine Fisheries Service

Agency: On June 30, 2026, the Alaska Department of Fish and Game, responded:

Comments:
1. **Reduced Habitat**
The Kenai Area Plan identifies the following wildlife values within the 5,308-acre management unit that includes this site: bald eagle nest sites, general distribution for ducks and geese, and important moose overwintering habitat. While development of the area would slightly reduce habitat for local species, it is unlikely to have a population-level impact on wildlife.

2. **Nesting:**
Conserving habitat features such as trees, shrubs, and ground cover can help support breeding bird populations while still meeting project objectives. Information on typical nesting seasons in Alaska is available at https://www.fws.gov/alaska-bird-nesting-season and may be useful when planning the timing of vegetation clearing.

3. **USFWS Endangered Species & Sensitive Resources**
Project activities may affect species listed under the Endangered Species Act (ESA) and other sensitive resources, such as migratory birds, which are managed by the U.S. Fish and Wildlife Service (USFWS). We recommend using the Information for Planning and Consultation (IPaC) tool (https://ipac.ecosphere.fws.gov/) to identify USFWS trust resources that may be present within the project boundary, including determining the probability of presence during project activities. For further details, contact the Southern Alaska Fish & Wildlife Field Office at 907-271-2888 (phone) or 907-271-2786 (fax).

DNR response: SCRO acknowledges ADF&G's comment and informs the applicant that these comments serve as a notice of AF&G recommendations.

Discussion
The proposed lease will be subject to the terms of DMLW's standard lease document effective at the time the lease is signed. The current standard lease document is available for review upon request. The lease will also be subject to additional stipulations based, in part, upon the following considerations.

The Barrowcliff family is seeking this lease to continue operating and expanding their small organic family farm. The Barrowcliffs have owned and actively maintained the adjacent private

property for over 20 years, developing it into a productive agricultural site. During that time, they unintentionally extended some of their farming activities and related infrastructure onto state land without realizing it. Once they became aware of the encroachment, they contacted DMLW to resolve the issue and work toward compliance.

The proposed lease area includes pockets of trees and low brush with ground suitable for crop cultivation. The Barrowcliffs intend to use the leased land to expand their existing family farm operations by clearing brush, installing fencing, and cultivating crops consistent with small-scale agricultural use.

A long-term agricultural lease is the most appropriate way to support the Barrowcliff family's continued farming activities while resolving the trespass. Issuing a 15-year lease provides the stability needed for ongoing agricultural use and ensures the encroachment on state land is properly addressed and brought into compliance and allows the Barrowcliffs the option to pursue a preference right purchase at the 10-year mark of their 15-year lease term.

Development Plan
The Development Plan (DP) attached to this decision (Attachment A) and dated April 9, 2026, is under consideration by DMLW. 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 DMLW before any construction, deconstruction, replacement of infrastructure, or change in activity will be authorized. DMLW reserves the right to require additional agency review and/or public notice for changes that are deemed by DMLW to be beyond the scope of this decision.

Performance Guaranty
In accordance with AS 38.05.035 and AS 38.05.860, the applicant will be required to submit performance guaranties for the lease to incentivize performance of the conditions of the EA (if applicable) and the lease and to provide a mechanism for the state to ensure that the lessee shares in financial burden in the event of noncompliance for site cleanup, restoration and any associated costs after termination or expiration of the leases, the following bonds will be required.

$6,000.00 Performance Guaranty Performance guaranties provide a means to pay for corrective action if the lessee fails to comply with the lease requirements. In accordance with AS 38.05.035(a)(4), the applicant will be required to submit a performance guaranty. The amount of the performance guaranty is based on the scope and the nature of the activity and the potential cost of restoring the site. Performance guaranties are subject to periodic adjustments being made during the term of the authorization to address increases or decreases in the costs of rectifying problems and rehabilitating state land due to inflation, changes in the level or nature of development, or other appropriate factors.

The Lessee must post a performance guaranty in the amount of $6,000.00 to secure faithful performance with all terms and condition of the lease and to ensure site restoration of the leasehold. The performance guarantee must remain in effect for the duration of the lease term or until released in writing by the AO.

Failure by the Lessee to provide replacement security, upon notice of non-renewal of an existing form of security, shall be grounds for the AO to make a claim upon the existing security to protect the Lessor's interests.

The guaranty amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments to the lease, assignments, re-appraisals, changes in the development plan, approval of a reclamation plan, any change in the activities conducted or performance of operations conducted on the leased premises and as a result of any violations to the lease agreement.

The guaranty may be utilized by the AO to cover actual costs incurred by the State of Alaska to pay for any necessary corrective actions in the event the Lessee does not comply with the site utilization, restoration requirements and/or other stipulations contained in the lease agreement. If the Lessee fails to perform the obligations under the lease agreement within a reasonable timeframe, the AO may perform the Lessee's obligations at the Lessee's expense. The Lessee agrees to pay within 20 days following demand, all costs and expenses reasonable incurred by the State of Alaska as a result of the failure of the Lessee to comply with the terms and conditions of the lease agreement. The provisions of these authorizations shall not prejudice the State's right to obtain a remedy under any law or regulation.

The performance guaranty will be released upon expiration of the lease provided that all terms and conditions of the lease have been met, including complete removal and restoration of the leased area leaving the site in a safe and clean condition.

Reclamation Bond The State will reserve 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

To protect the State from liability associated with the use of the site, the applicant shall provide and maintain a comprehensive general liability insurance policy with the State of Alaska named as an additional insured party per the stipulations of the authorization. The applicant shall secure or purchase at its own expense and maintain in force at all times during the term of this lease, liability coverage and limits consistent with what is professionally recommended as adequate to protect the applicant and the State, its officers, agents and employees from the liability exposures

of ALL the insured's operations on state land. The insurance requirement may be adjusted periodically.

Survey
In accordance with AS 38.04.045, the applicant must complete an approved survey according to the requirements and standards of DMLW's Survey Section prior to lease issuance. If the submitted survey is accepted by DMLW, the measurements identified will be used to accurately calculate the total acreage. The survey must be performed by an Alaskan registered Land Surveyor under survey instructions issued by the DMLW Land Survey Section. The applicant is responsible for the cost of the survey. The applicant shall submit an initial draft of the survey at least one year prior to the expiration of the EA. Prior to issuance of the EA, the applicant shall contact the DNR survey section at (907) 269-8523 to obtain a request for survey instructions form.

Compensation and Appraisal
A Minimum Rent Determination for the proposed leasehold was completed on October 8, 2026. In accordance with AS 38.05.840(b), the applicant will not be required to provide an appraisal before lease issuance, and the proposed EA will be $1,000.00. 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.

Entry Authorization (EA)
DMLW proposes to authorize the applicant entry onto state land through the issuance of an EA while they are completing the required development, survey and/or appraisal. The term of the EA will be for a term of three years. The proposed EA would be issued after the FFD goes into effect. The term of the Entry Authorization is included in the term of the lease.

The estimated annual fee for the proposed EA is **$1,000.00**. Should the appraisal indicate that the EA annual fee is less than estimated, those overages will be credited to the applicant's account. Should the report indicate that the value of the land is greater than anticipated, the shortfall must be remedied before the lease will be issued.

Subleases
Subleasing is permissible through AS 38.05.095, if the proposed lease is approved. A sublease is defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sublessee shall be defined to mean any individual or business entity executing an agreement, as above, with 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 DMLW. DMLW may conduct further agency review and/or public notice before making a

determination on the appropriateness of the proposed sublease. The sublease fee will be 25% of the annual fee paid to the lessee by the sublessee. All sublessees and activities must meet the statutory qualifications under which this original lease was issued.

Assignment
The proposed lease, if issued, may be assigned to another individual or corporation only with written approval from the State of Alaska. A lease will not be assigned to an entity if that entity does not meet the statutory qualifications or requirements of the lease, or if the lessee is considered not to be in "good standing" with this or any other agency authorization.

Reclamation
In accordance with AS 38.05.090, the leasehold must be restored to a "good and marketable condition" within 120 days after termination of the lease.

In accordance with AS 38.05.090(b), all lessees must restore their lease sites 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 DMLW. DMLW reserves the right to require a reclamation bond due to non-compliance issues during the term of the lease or near the end of the life of the project.

Public Notice
Pursuant to AS 38.05.945, this PD will be noticed for a 30-day public comment period**,** starting on November 5, 2026. The Homer, Anchor Point, and Ninilchik 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.

Written comments about this project must be received in this office no later than 11:59 PM on December 4, 2026 to be considered.

To submit comments please choose one of the following methods:

Mail: Department of Natural Resources
Division of Mining, Land and Water
Southcentral Regional Land Office
ATTN: Lyncoln Standley
550 W 7th Ave, Suit 900C
Anchorage, AK 99501
Email: Lyncoln.standley@alaska.gov
Fax: (907) 269-8913

DNR-DMLW complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services or special modifications to comment should contact Alaska Relay at 711 or 1-800-770-8973 for TTY services.

Signature page follows.

Recommendation

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, agency comments, and land ownership, and has found that this project is consistent with all applicable statutes and regulations. DMLW considered both direct and indirect benefits to the State. DNR finds granting of the proposed lease provides the greatest benefit to the State.

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.

Lyncoln Standley 11/4/2026

Lyncoln Standley, 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 long term lease for 15 years to the applicant, as it resolves trespass and supports long-term, renewable resource productivity. This Preliminary Decision shall now proceed to public notice.

11/4/2026

Grace Newcomb, Natural Resource Manager 1 Date

Southcentral Regional Land Office, Division of Mining, Land and Water

Attachments

- Attachment A – Development Plan
- Attachment B – Sample Entry Authorization
- Attachment C – Sample Lease
- Attachment D – Sample Additional Stipulations

Attachment A
Development Plan

STATE OF ALASKA
DIVISION OF AGRICULTURE
STATE FARM CONSERVATION
PLAN Pursuant to AS 38 and 11 AAC

ADL #

NAME: PoleStar, LLC dba Barrowcliff Family Farms

ADDRESS: PO Box 595 Anchor Point, AK 99556

PHONE Home: (907) 299-1794 Mobile: (907) 299-1364

Local Soil and Water Conservation District: Select From Below

This State Farm Conservation Plan (SFCP), authorized under AS 38 and required pursuant to 11 AAC 67.177 and conditions within the contract or patent, summarizes the purchaser's/owner's commitment to proper agricultural land use and conservation practices, which are represented graphically on the attached parcel map and supplementary written narrative. When approved by the Division of Agriculture, this plan remains with the property title as currently approved or subsequently amended.

COVENANTS:

1. The owner of this parcel agrees to inform himself or herself of the relevant Statutes (AS 38.05.321), Regulations (11 AAC 67.177 and .180) and all associated conditions of sale/conveyance addressed in the brochure, land sale contract, or patent, and to abide by all covenants and restrictions listed therein.

2. In compliance with AS 38.05.321 and 11 AAC 67.177, the owner agrees to cooperate with the appropriate soil and water conservation districts under AS 41.10 in the development and implementation of soil conservation plans as authorized by AS 41.10.110 (6).

3. To the extent that development takes place the owners agree to develop in conformance with this plan. This plan may be modified upon request of the purchaser by the same administrative process required for approval of the original plan.

A State Farm Conservation Plan must be updated **prior** to any significant changes on or to the property including, but not limited to, the amount of acres cleared/planted, new farm roads, or buildings/structures not indicated on the current plan.

Attachment A
Development Plan

If an agricultural parcel is subdivided, a new State Farm Conservation Plan must be submitted for each parcel created by the subdivision of the original parcel. The new plans must be approved prior to the Division of Agriculture issuing a letter of non-objection for the subdivision. Applying to convert your patent from "old title" to "new title" will require an updated farm conservation plan.

A properly completed plan will address such permanent conservation objectives as:

a) Protection of wetland, streams and related water resources of the land;

b) Protection of highly erodible land, farmsteads, animal rest areas, etc. with conservation practices such as effective wind barriers (natural or planted wind breaks), permanent cover crops, and proper location of improvements.

The following is a SUMMARY of the information required to complete a SFCP .

1) A written narrative describing the planned development and conservation measures to be employed as shown on the required map. The narrative must provide details about the improvements; including the primary agricultural use of any structure and any planned secondary uses.
2) If you have a machine shop for the repair of farm equipment it may be used for commercial purposes if it does not interfere with its primary, agriculture-related purpose.

3) A physical resource map indicating;

   a) Map scale;
   b) Clearing configuration, use and acreage;
   c) Real property (houses, barns, fences etc.) improvement locations, type, and size;
   d) Access/farm roads, legal easements, setbacks, physical features such as water bodies, or planned physical features such as stock ponds or irrigation ditches.

a) Map Scale: ¼"=100' (NTS)

b) Clearing Configuration

Total Acres	22.25
Cleared Acres, Planned	15
Cleared Acres, Existing	1
Crop Land Acres, Planned	10
Crop Land Acres, Existing	.5
Pasture Acres, Planned	5
Pasture Acres, Existing	0

c) Improvements

Improvement Type	Size	Map Number
Existing Fencing	700LF	XXXX
Planned Fencing	1800LF	XXXX
High Tunnel	30' x 60'	1P
Garden Shed	12' x 16'	2P
Blueberries	5.5 Acres	CP3
Raspberries	2 Acres	CP1
Strawberries	1/2 Acre	CP2
Vegetables	1/2 Acre	CP5
Pasture	7 Acres	PP

Attachment A
Development Plan

As the purchaser/owner of ADL I am aware of the requirement in my contract/patent to operate the farm in accordance with an approved State Farm Conservation Plan and that any modification to the farm may require a modification to an existing farm conservation plan.

I have reviewed this plan with the Soil and Water Conservation District and agree to operate the farm according to this plan. This plan shows all improvements/structures currently on the property and the attached narrative explains their primary agricultural use as well as any secondary uses.

Purchaser/owner — 3/23/2026 Date

The Select From Below Soil and Water Conservation district has reviewed this State Farm Conservation Plan for ADL and believes that it, including any attached comments and recommendations, fulfills the requirements of 11 AAC 67.180. By signing a plan that modifies an existing plan the District asserts that the new plan accurately reflects the present state of the farm including all structures, physical features, cleared fields, and conservation measures currently in place as well as the indicating the planned changes. District staff has verified the accuracy of the information provided.

Soil and Water Conservation District Comments and /or Recommendations:
Attach separate sheet if necessary

Reviewed by the Select From Below Soil and Water Conservation District on
Date reviewed

Chair

I approve this farm conservation plan,

Director, Division of Agriculture — 4-8-26 Date Approved

Attachment A
Development Plan

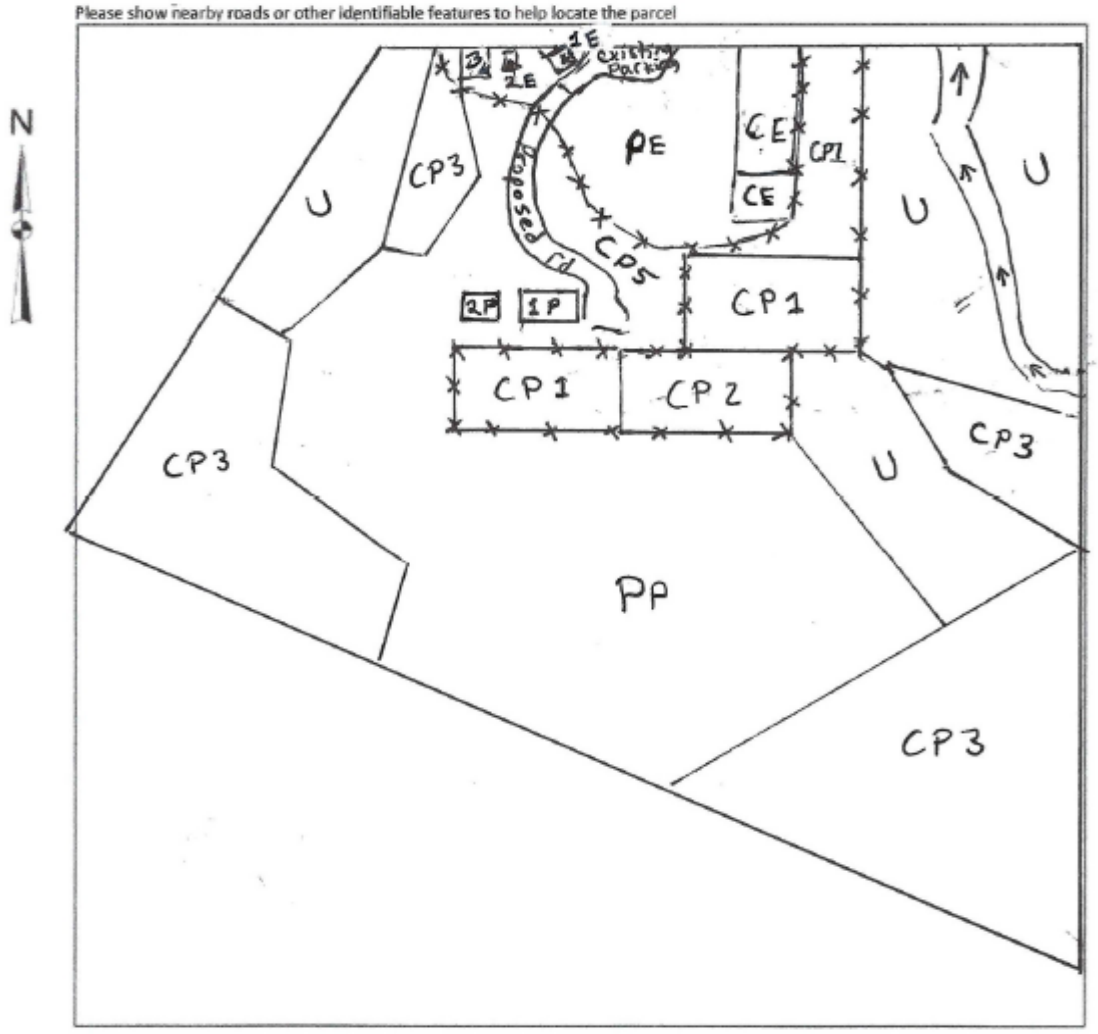
STATE OF ALASKA
DIVISION OF AGRICULTURE
STATE FARM CONSERVATION
PLAN Pursuant to AS 38 and 11 AAC

Purchaser/Owner PoleStar, LLC dba Barrowcliff Family Farms Date 3/22/2026

Scale 1/4" =50' Total acres Conservation District Select From Below

Location (community, project area, neighborhood) Kenai Peninsula Borough / Anchor Point, AK

Please show nearby roads or other identifiable features to help locate the parcel



Attachment A
Development Plan

STATE FARM CONSERVATION PLAN MAP LEGEND

North Arrow	
Parcel Boundary	
Existing Access (road and/or trails)	Existing
Proposed Access (road and/or trails)	Proposed
Irrigation or drainage ditch	> > > > > > > > > > > > >
Streams or sloughs	
Existing buildings with Map ID	2E
Proposed buildings with Map ID	2P
Existing field cleared and cultivated	CE
Proposed fields to be cleared and cultivated	CP
Pasture (existing or proposed)	PE PP
Undeveloped Area	U
Windbreaks (indicated width in narrative)	* * * * * * * * * * * * * *
Well	
Water (reservoir, natural/mad-made pond)	W
Fence (describe type in narrative)	X X X X X X X X X X X X X
Other Markers used	

Attachment A
Development Plan

PoleStar, LLC dba BARROWCLIFF FAMILY FARMS
Adam and Jessica Barrowcliff

State of Alaska
Department of Natural Resources
Division of Mining, Land and Water
550 W. 7th Avenue, Suite 900C
Anchorage, AK 99501

23 March 2026

RE: LONG TERM AGRICULTURE LEASE APPLICATION – DEVELOPMENT PLAN NARRATIVE- SUPPLEMENT TO THE STATE FARM CONSERVATION PLAN DATED 3/23/2026

To Whom it May Concern,

We (Adam and Jessica Barrowcliff) the owners of "Barrowcliff Family Farms", have owned the property adjacent to the proposed lease area for the past 20+ years. Over time, we have developed this property to accommodate a small-scale organic family farm; this farm features blueberries, raspberries and strawberries primarily, which we have very successfully propagated over the past decade. Additionally, we have successfully grown a variety of cold climate hardy vegetables in both a greenhouse and garden beds.

Inadvertently, we infringed some of these developments onto the adjacent state land (within the area we now seek to lease). Two things have become abundantly clear to us.

One, we need to rectify this situation with the state, by leasing the land we have infringed upon.

Two, we know that we can successfully grow and extend the scale of our small organic family farm given the ability to expand our current borders further into the proposed lease area.

DEVELOPMENT PLAN OVERVIEW:

Legal Description:

We propose an agriculture lease of the following state lands that are located adjacent to our parcel at 37490 Watercolor Lakes Dr. Anchor Point, AK 99556. Approximately, 22.25 acres with these GPS coordinates.

NE Corner 59.7290N, 151.7563W / SE Corner 59.7259N, 151.7563W

NW Corner 59.7290N, 151.7607W / SW Corner 59.7273N, 151.7631W

Attachment A
Development Plan

Access:

Access to and parking for- the proposed lease area- would be through our adjacent parcel located at 37490 Watercolor Lakes Dr. This farm is and would be primarily only accessed by members of our immediate family through our adjacent parcel.

Utilities / Water Supply:

Electrical power and well water is also available through our adjacent parcel. Water catchment would also be implemented for watering future crops.

Existing Infrastructure:

There already exists a strong infrastructure located both on the proposed lease area and on our adjacent parcel, including three garden storage buildings, one greenhouse (located completely on our own parcel) and a chicken coop. These buildings measure 20'x24', 8'x 8', 8'x12', 12'x16' and a 16'x24' greenhouse. There is also approximately 700LF of garden fencing already in place in the proposed lease area. Within the fencing, there is currently approximately 1500LF of established Raspberries, 200LF of established Strawberries and 600LF of established Vegetable Garden beds.

Equipment / Use and Storage:

Equipment to be used in the development and operations shall include: Excavator, Rototillers, Six-Wheeler, Argo, Chainsaws, Trailers, Small Tools and Garden Tools. These items shall be stored on our privately owned adjacent parcel.

Future Development and Ability:

Initially, we would plan to extend the current fencing further into the proposed lease area.

This is a crucial first step to protecting some of the more sensitive plants from the ever-present moose population and the wild rabbits; both of which we learned early on can completely wipe out an entire garden plot. Simultaneously, some ground clearing would be done in preparation for the expansion of the fencing, further propagation of the berry crops, and eventual construction of an approximate 30'x60' high tunnel.

We already have multiple pieces of equipment needed for the clearing, propagation and construction we propose; including, an excavator, a large rototiller, multiple mowers, weed eaters, 6-wheeler, Argo and various garden hand tools.

Additionally, our other business for the past 20 years- has been a successful residential and commercial construction company. As such, we are uniquely qualified and capable of constructing fencing, buildings, greenhouses, high tunnels and any other construction the farm would necessitate over time.

Attachment A
Development Plan

We have learned through trial and error how to successfully propagate various berries in our short and unique Alaskan growing seasons. We believe we can confidently and successfully further propagate and expand these existing berry crops in the proposed lease area by utilizing the same strategies we have already successfully utilized on the adjacent property, property which is identical in terrain to much of the proposed lease area. In the lower areas of the proposed lease area, we would endeavor to establish "Blue Oat Grass" fields. To offer it for food for local area livestock and horses. This type of grass is a cold hardy- zone 3a-9a grass that is relitivley easy to grow in our cooler climate.

We would also construct the proposed 30'x60' high tunnel in the coming years. This high tunnel would allow us to both extend our growing season and significantly increase overall yield.

There are certainly challenges to growing berries and vegetables in our cold climate and short growing season, but we have successfully implemented various techniques to cultivate raspberries, blueberries, strawberries and many vegetables.

We will outline these below as these are the techniques we would employ in the further agriculture development of the proposed lease area.

Successful techniques for Raspberry propagation:

Raspberries require a certain amount of direct sunlight to thrive, therefore clearing certain trees to allow for more sunlight is crucial. They do best with bi annual fertilization, no additional water on established plants- but daily water on new shoots, sufficient soil drainage and adequate ventilation (not placing rows too close to each other) is paramount for a successful crop that is not as susceptible to blight and other fungi, producing canes must be cut out and removed after every growing season. Bushes do best with staked rows that are held in place with twine on both sides of the row to support the bushes both during their fruiting season and during wintertime snow.

Successful techniques for Vegetable gardens:

Seeds should be started months in advance of the desired planting timeframe. Varieties designed for cold climates are important to select- as well as varieties that mature in shorter timeframes. Composted chicken manure has proven to be an excellent fertilizer for soil- if tilled sufficiently into the dirt and allowed to rest ahead of planting. Soils are richest if the types of vegetables grown in any plot are rotated annually-as different types of vegetables take more of certain elements from the soil. Rotating the things planted helps keep the soil rich and fruitful. Utilizing garden fabric to cover the areas where seeds are not planted also helps to cut back on invasive weeds over running the garden plots. Fencing to keep out moose and rabbits is also highly valuable in protecting tender plants. Adequate water and sunshine are of course also of high importance.

Attachment A
Development Plan

Successful techniques for propagating Blueberries:

Blueberries grow in abundance in certain areas of Alaska. Our area is rich in this natural resource, and we have paid close attention to where they thrive in the wild to propagate them. We have observed that Blueberries love fallen trees, stumps, and hillsides. The state land adjacent to us features several sloping hillsides with natural fallen old growth spruce trees and stumps, this makes for ideal conditions for growing blueberries. It is our intention to utilize those areas for propagating Blueberries.

Successful techniques for propagating Strawberries:

We have cultivated several hardy cross varieties of strawberries that are cold resistant, abundant in production, and spread like wildfire. It is our intention to add additional rows of strawberries once our boundaries are extended with the lease. We have found strawberries grow best outside-not in the greenhouse, they prefer full sun, they do best in mounded rows that are first tilled and fertilized with composted chicken manure, and they require bird safe netting to protect the new blossoms and berries from birds. They also require trailers to be trimmed at the end of the season. Strawberries also need to be planted within fencing to protect them from moose and rabbits.

Operations:

The day-to-day operations- at least for the foreseeable future- will continue to be completed by our immediate family. We have slowly built this farm from the ground up. We believe our success in part- is due to our patience and sustainable steady development and expansion; these are traits we will carry forward into the further agricultural development of the lease area.

Thank you for your consideration.

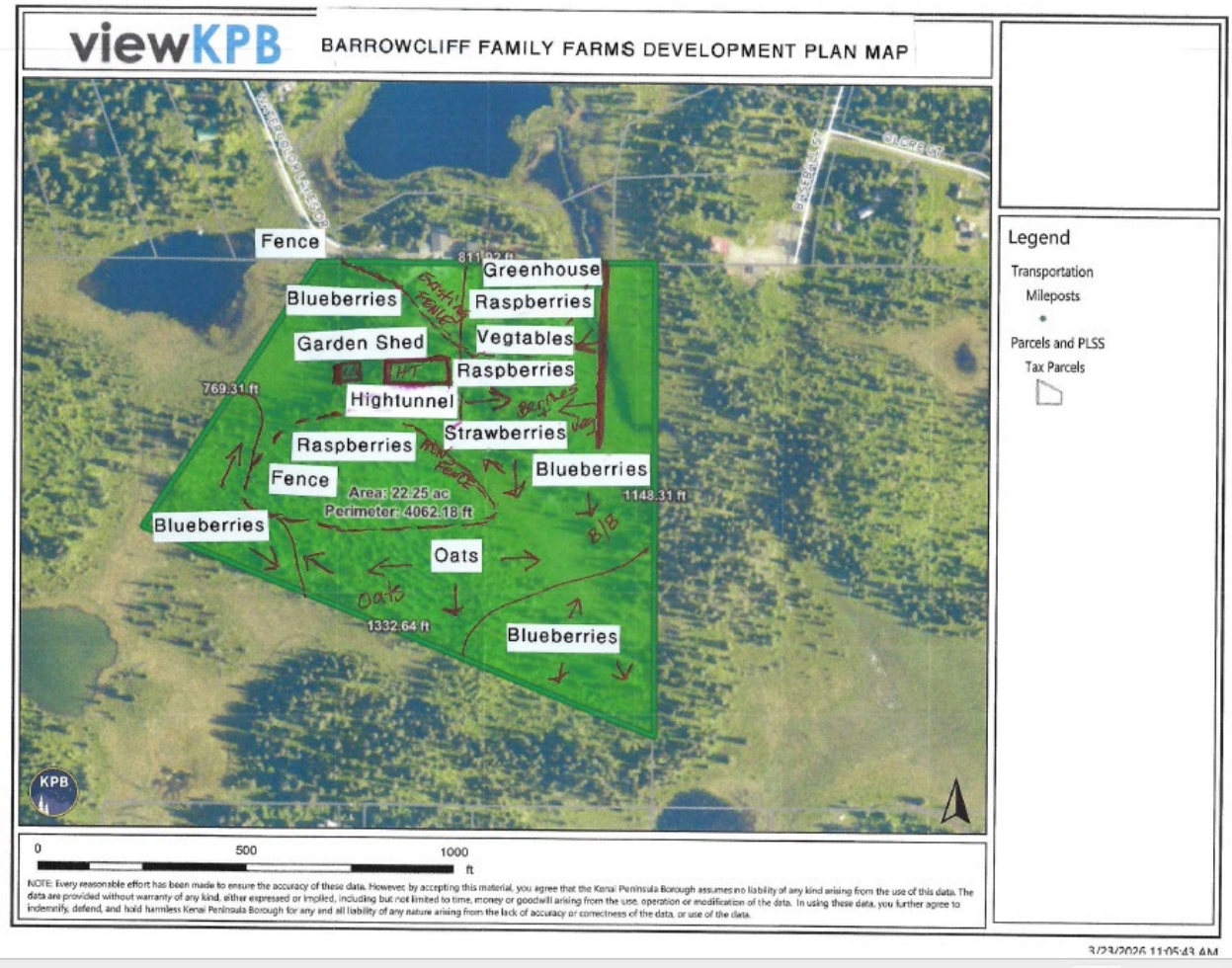
Sincerely,

Adam and Jessica Barrowcliff on behalf of-

BARROWCLIFF FAMILY FARMS

Attachment A
Development Plan

Attachment A
Development Plan



Attachment B
Sample Entry Authorization

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

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

[X] Southcentral Region
550 W. 7th Avenue, Ste. 900C
Anchorage, AK 99501-3577
(907) 269-8552

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

Entry Authorization
AS 38.05.075(f)

Lease No. **ADL XXXXXX**

Name and Address of Lessee, herein known as the "lessee", is issued this Entry Authorization (EA) to use xxx acres, more or less, of state-owned land located within the:

XXX of **Section XX**, **Township XX North**, **Range XX East**, **XX Meridian**

This pre-lease authorization is effective beginning **DATE** and ending **DATE**, unless sooner terminated at the State's discretion. This EA is not valid until it has been executed by the Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO).

This EA is issued for the purpose of authorizing:

The lessee's temporary entry onto state land for the construction and use of XXX in accordance with the approved Development Plan (DP) (Attachment A) while the lessee completes the required survey, appraisal, and *other* before lease issuance.

All activities authorized under the EA shall be conducted in accordance with the following stipulations:

1. **Authorized Officer (AO):** The Authorized Officer (AO) for the State of Alaska (State), Department of Natural Resources (DNR), DMLW, is the Regional Manager or designee.

2. **Compliance with Requirements:** The lessee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this authorization. The lessee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees. The issuance of this EA does not relieve the lessee from securing any other authorizations required by federal, state, or local law.

3. **Development Plan:** Development shall be limited to the authorized area and improvements specified in the approved development plan or subsequent modifications approved by the AO. The lessee is responsible for accurately siting development and operations within the

SAMPLE

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.

4. **Annual Fee:** In accordance with 11 AAC 58.410 and for the purpose of this EA, the annual fee will be **$XXXX.00**, which must be paid on or before **DATE** of every year during the term of this authorization. Payment for the first year of the EA, and any other fees owed, shall be required prior to issuance of the authorization. The lessee 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.

5. **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.

6. **Failure to Pay:** Failure to pay annual fees when due is a default of the terms and conditions of this EA. Failure to cure such a default within the 60-day period following the receipt of a "Notice of Default" will, at the AO's discretion, result in termination of this authorization.

7. **Visitor Day Use Fee:** *(if applicable)* All commercial recreation authorizations are subject to a "Visitor Day Use" fee. As defined in 11 AAC 96.250(18), Visitor Day means "all or any part of a calendar day during 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, as established in 11 AAC 05.180(d)(2)(D) or (G), is collected once a year and due on the same day as the annual fee.

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

9. **Survey:** The lessee is responsible for completing an **Alaska State Land Survey (ASLS)/Alaska Tidelands Survey (ATS)** of the proposed lease site. **The survey must be submitted to DMLW's Survey Section for approval no later than one year after issuance of the survey instructions.** Failure to do so will cause the forfeiture of the performance guaranty as outlined in the Penalties stipulation listed below. The survey must properly locate the lease boundaries, all infrastructure, and easements. If the submitted survey is accepted by DMLW, the measurements identified will be used to accurately calculate the total acreage.

10. **Appraisal:** The lessee is responsible for obtaining and submitting the required Fair Market Value appraisal for this site. Once the survey has been submitted to DMLW for review, please contact DMLW's Appraisal Unit at (907) 269-8512 to begin the appraisal process. The final appraisal report must be submitted to DMLW for approval no later than **DATE**.

SAMPLE

11. **Performance Guaranty:** As per 11 AAC 96.060 the following bond is required:

a) **$X,XXX.00 Performance Guaranty** *(Cash, CD, or Surety):* This bond shall remain in place throughout the life of this EA and the subsequent lease (if granted) to assure the lessee's compliance with the terms and conditions of both authorizations. Should the lessee fail to abide by the terms of this EA, this bond may be used by the AO to pay for any corrective actions the AO deems necessary.

- Failure by the lessee to provide replacement security for a CD or surety upon notice of non-renewal shall be grounds for the AO to make a claim upon the existing security to protect the State's interests.
- The Performance Guaranty amounts are subject to periodic adjustments (every 5 years) and may be adjusted upon approval of any amendments, assignments, modifications to the DP, and as a result of any violations of this authorization.
- If a bond is taken as part of a penalty, either whole or in part, that bond must be replenished by the replacement deadline contained within the penalty notification letter. Failure to replace the bond is, at the discretion of the AO, grounds for termination of the EA and possible denial of the subsequent lease.
- The Performance Guaranty will be released upon expiration or closure of the lease provided that all terms and conditions of the lease have been met, including removal of infrastructure and restoration of the area to the satisfaction of the AO.

12. **Indemnification:** The lessee shall indemnify, defend, and hold the State harmless from and against all claims, demands, judgments, damages, liabilities, penalties, and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment, or worker's compensation claims, arising out of or in connection with the use or occupancy of the authorized site by the lessee or by any other person holding under the lessee, or at the lessee's sufferance or invitation; and from any accident or fire on the site; and from any nuisance made or suffered on the site; and from any failure by the lessee to keep the site in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the lessee of all or any portion of the site or interest therein contrary to the covenants and conditions of this EA. The lessee holds all goods, materials, furniture, fixtures, equipment, machinery, and other property whatsoever on the parcel at the sole risk of the lessee, and shall defend, indemnify and hold the State harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties.

13. **Insurance:** The lessee shall secure or purchase at its own expense, and maintain in force at all times during the term of this contract, liability coverages and limits consistent with what is

SAMPLE

professionally recommended as adequate to protect the buyer (the insured) and seller (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 lease and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. The lessee must provide for a 60-day prior notice to the AO 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 lease and shall be grounds, at the option of the AO, for termination of the lease. 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 Division of Risk Management, Department of Administration. The State of Alaska must be named as an additional named insured on the policy. Case number **ADL XXXXXX** is to be referenced on the policy and the certificate of insurance.

14. **Subleasing:** The AO reserves the right to require an additional annual compensation as a condition of a sublease approval. Said increase shall be determined by negotiation between the lessee and AO but shall not be less than 25% of all compensation paid annually to the lessee by the sublessee. Neither the terms of this sublease provision nor any actual compensation derived from a sublease shall have any effect upon a determination of the annual lease fee for the lease parcel pertaining to AS 38.05.075(a) or its appraised market value pertaining to AS 38.05.840. Sublease shall be defined to include any lease, rental, storage, or accommodation agreement between the lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sublessee shall be defined to mean any individual or business entity executing an agreement, as above, with the lessee. The amount of sublease compensation shall be subject to change at the same time as the lease compensation adjustment and whenever the terms or conditions of the agreement between the lessee and sublessee change. Approval of a sublease shall also be conditioned upon:

    a) The lessee is in full compliance with lease conditions and is in good standing with all other authorization per 11 AAC 96.145;

    b) Sublessee must meet the statutory requirement of the lease;

    c) Submission by the lessee of a draft copy of the agreement(s) which will govern the relationship and compensation provisions between the lessee and the sublessee;

    d) Submission by the lessee of a proposed plan of operations and development for the subleased area and, if necessary, an amended plan of operations and development for the entire lease area; and

    e) A lessor best interest finding and amendments to the lease contract as necessary, if

SAMPLE

significant changes to the use and development are proposed.

15. **Loss of Improvements:** The lessee assumes all risk of loss of improvements resulting from natural or catastrophic events.

16. **Incurred Expenses:** The lessor shall in no way be held liable for expenses incurred by the lessee connected with the activities directly or indirectly related to this authorization.

17. **Request for Information:** The AO, at any time, may require the lessee to provide any information directly or indirectly related to this authorization, in a manner prescribed by the AO.

18. **Alaska Historic Preservation Act:** Under the Alaska Historic Preservation Act, AS 41.35.200, it is unlawful to appropriate, excavate, remove, injure, or destroy any historic, prehistoric, or archaeological resources of the State without a permit from the DNR Commissioner. Should any such resources or sites be discovered, the lessee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in DNR's Division of Parks and Recreation.

19. **Inspections:** The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the lessee is found to be in noncompliance the authorized area may be subject to reinspection. The lessee may be charged for actual expenses of any inspection or the fee in 11 AAC 05.160.

20. **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 lessee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.

    This EA is subject to the following public access easement reservations: *(if applicable)*

    a) To and Along easements; RS2477 trails, issued easements;

    b) ETC.

21. **Concurrent Usage:** The AO reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land covered under this authorization. Authorized users of state land, their agents, employees, contractors, subcontractors and licensees shall not interfere with the operation or maintenance activities of other authorized concurrent users. Any future concurrent permit, lease or sublease will be subject to the conditions and stipulations contained in the lease, including the additional collection of fees or

SAMPLE

rents by the AO from any subordinate lessee or sublessee.

22. **Site and Improvements 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. The lessor is not responsible for maintenance of authorized improvements or liable for injuries or damages related to those improvements. No action or inaction of the lessor is to be construed as assumption of responsibility.

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. Any ground disturbances that may occur shall be contoured to blend with the natural topography to protect human and wildlife health and safety. Particular attention must be paid to preventing pollution and siltation of any waterways and to preventing disturbances to fish and wildlife populations and habitats.

    b) Brush clearing is allowed only to the extent necessary to maintain the present development. The lessee may use dead timber that is down. The lessee shall not cut standing timber within the leased area unless specifically authorized by DNR's Division of Forestry.

    The removal of vegetation shall be kept to a minimum and areas requiring disturbance should be seeded or planted as soon as possible after disturbance. To the extent possible, associated vegetation should be left intact to enhance stability, control erosion, and enhance scenic qualities.

24. **Hazardous Substances, Explosives:**

    a) No storage of hazardous material/substances or explosives is authorized within the leased area.

    b) The use of hazardous substances or explosives must be done in accordance with existing federal, state, and local laws, regulations, and ordinances. Debris (including soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the sites and managed and disposed of in accordance with state, federal and local laws, statutes, and regulations.

25. **Use and Storage of Fuel:** All fuel storage container(s) with a total combined capacity larger than 55 gallons shall not be placed within 100 feet from the high or ordinary water mark of any waterbody. When fuel storage container(s) exceed a total combined capacity of 110 gallons, the containers must be stored within a double-walled tank, an impermeable diked area,

SAMPLE

or a portable impermeable containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be approved by the Department of Environmental Conservation (DEC) and clearly marked with the contents and the lessee's name and authorization number. Drip pans and other spill response materials, such as sorbent pads, must be on hand to contain and clean up any spills.

26. **Spill Response:** The lessee is responsible for preventing fuel spills, hydraulic fluid spills, and oil spills that could result in contamination of contiguous land and water. Petroleum product spills shall be cleaned up immediately, and any contaminated earth or vegetative materials shall be disposed of as required by DEC regulations. To facilitate rapid spill response, adequate sorbent materials (i.e., material that collects or absorbs petroleum products while at the same time repels water) will be kept onsite to be used in the event a spill should occur. Should any unlawful discharge, leakage, spillage, emission, or pollution of any type occur due to lessee activities, the lessee shall, at their expense, be obligated to clean the area to the reasonable satisfaction of the State.

27. **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.

28. **Waste and Debris Disposal:** Onsite refuse disposal is prohibited. All waste generated during construction, operation, and termination activities under this EA shall be removed and disposed of at an offsite DEC-approved disposal facility. Until the waste can be removed from the site, it must be stored in a manner to prevent attracting wildlife.

29. **Lease Issuance:** Upon completion and fulfillment of all conditions and stipulations of this EA,

SAMPLE

a lease will be issued to the lessee containing approximately xx acres, more or less, of state land/tidelands.

30. **Termination:** This authorization may be terminated upon violation of any of its terms, conditions, stipulations or upon failure to comply with any applicable laws, statutes, and regulations (state and federal).

31. **Agents:** The lease provisions and stipulations apply with equal force upon an agent, employee, contractor, or subcontractor designated by the lessee to perform any lease or lease-related operations. The lessee is liable for noncompliance caused by any such agent, employee, contractor, or subcontractor.

32. **Additional Authorizations or Permits:** If activities other than those authorized by the lease provisions and stipulations are needed, additional written authorizations or permits and their associated additional fees may be required.

33. **Access and Road Construction:** The lessee is responsible for providing access to the leasehold. Before constructing any road across state land, the lessee shall obtain prior approval and authorization from DMLW for the location and construction standards of the road.

Definitions:

a) "AO" means the Authorized Officer, who is the Regional Manager, Southcentral Region
b) "DEC" means the Alaska Department of Environmental Conservation
c) "DMLW" means the Division of Mining, Land and Water
d) "DNR" means the Alaska Department of Natural Resources
e) "DP" means the approved Development Plan
f) "EA" means this Entry Authorization
g) "Lessee" means **Applicant Name** or their officers, agents, contractors, subcontractors, and their employees.
h) "SCRO" means the Southcentral Region Office

Any correspondence concerning this EA may be directed to the Department of Natural Resources, Division of Mining, Land and Water, Southcentral Regional Land Office, 550 W. 7th Ave., Suite 900C, Anchorage, AK 99501-3577, or by telephone to (907) 269-8503. All correspondence sent by the Division of Mining, Land and Water, Southcentral Regional Land Office in regards to this authorization will be sent to the below listed contact information.

Signature page follows

SAMPLE

Attachment B
Sample Entry Authorization

I, the lessee, have read the foregoing EA and I agree to comply with all the conditions included within this authorization.

Signature of Lessee or Authorized Representative Date

Printed Name and Title

Lessee's Address

City State Zip

Phone Numbers: Main: _____

Work: _____

Fax: _____

Email: _____

FIRST LAST Date
Regional Manager, Southcentral Regional Land Office
Division of Mining, Land and Water

SAMPLE

Attachment C
Sample Lease Agreement

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
550 W. 7th Avenue, Suite 900C
Anchorage, Alaska 99501-3577

LESSEE
ADL No. XXXXXX
LEASE AGREEMENT
AS 38.05.XXX

Effective this **Xst** day of **MONTH YEAR**, this lease agreement is entered into by the State of Alaska, hereafter referred to as "lessor," and **LESSEE**, hereafter referred to as "lessee," whether one or more, whose sole addresses for purposes of notification under this lease agreement are listed in section 28.

The lessor and the lessee agree that this lease, including all attachments and documents that are incorporated in this lease by reference, contains the entire agreement between the parties, and each of the covenants and conditions in this lease including any attachments will be binding upon the parties and upon their respective successors and assigns. The lessor and the lessee further agree that this lease is conditioned upon satisfactory performance by the lessor and the lessee of all covenants and conditions contained in this lease. The lessee is aware of the provisions of Title 38, Alaska Statutes, Title 11, Alaska Administrative Code, and other applicable laws, regulations, and ordinances, and fully understands the duties and obligations of the lessee under this lease, and the rights and remedies of the lessor.

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

1. Grant. This lease is issued under the authority of **AS 38.05.XXX** for a term of **X** years beginning on the **Xst** day of **MONTH YEAR**, and ending at 11:59PM on the **Xth** day of **MONTH YEAR**, unless sooner terminated, subject to: compensation as specified in section 2; the attached Additional Stipulations (Attachment A); and the attached development plan approved by the State on **MONTH DAY, YEAR** (Attachment B); and if any, that are incorporated in and made a part of this lease, for the following, hereafter referred to as the "leasehold":

LEGAL DESCRIPTION

Excepting and reserving any general reservations to the lessor that are required by law and that may be stated elsewhere in this lease, and the following, which the state reserves for itself and others:

Subject to:

Platted easements and restrictions.

Attachment C
Sample Lease Agreement

The conditions and stipulations in Attachment A, Additional Stipulations.

Attachment B, Approved Development Plan, attached and made part of this lease agreement.

2. Compensation. (a) The lessee shall pay to the lessor compensation as follows, without the necessity of any billing by the lessor: **$X,XXX.00** due on or before **MONTH DAY** every year. The lessor may, upon 10 days' notice, review and copy any records of the lessee that are necessary to verify the lessee's compliance with this paragraph.

(b) In accordance with AS 38.05.105, the lease compensation is subject to adjustment by the lessor at the commencement of the sixth year of the term and every fifth year thereafter (the "adjustment date"). The compensation adjustment takes effect on the applicable adjustment date, regardless of whether the adjustment determination occurs before or after that date. All reasonable costs of the adjustment, including reappraisal if required by the lessor, will be borne by the lessee.

3. Denial of Warranty. The lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the leasehold, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the profitability or fitness of the leasehold for any use. The lessee represents that the lessee has inspected the leasehold and determined that the leasehold is suitable for the use intended, or has voluntarily declined to do so, and accepts the leasehold "as is" and "where is."

4. Use of Leasehold. Prior to execution of this lease and to commencing use or development of the leasehold, the lessee shall submit a development plan for the leasehold to the lessor and obtain the lessor's approval of the plan. Any use or development of the leasehold must be consistent with the development plan approved by the lessor. Any proposed revisions to the development plan must be submitted to the lessor for approval before any change in use or development occurs. The lessee shall use and occupy the leasehold in compliance with the approved development plan and all applicable laws, regulations, ordinances, and orders that a public authority has put into effect or may put into effect, including those of a building or zoning authority and those relating to pollution and sanitation control. The lessee may not permit any unlawful occupation, business, or trade to be conducted on the leasehold. The lessee shall properly locate all activities and improvements on the leasehold, and may not commit waste of the parcel. The lessee shall maintain and repair the leasehold including improvements in a reasonably neat and clean condition, and shall take all necessary precautions to prevent or suppress grass, brush, or forest fires, and to prevent erosion, unreasonable deterioration, or destruction of the land or improvements. The lessee agrees not to place any aboveground or underground fuel or chemical tanks on the leasehold without the prior written approval of the lessor.

5. Encumbrance of Leasehold. The lessee may not encumber or cloud the lessor's title to the leasehold, or any portion of the leasehold, nor enter into any lease, easement, or other obligation of the lessor's title without the prior written approval of the lessor.

6. Assignment of Interest. The lessee may not assign or sublet any interest held under this lease, including a security interest, without the prior written approval of the lessor. The lessor may approve such assignment or subletting if the lessor finds it to be in the best interest of the state. No such assignment or subletting will be effective until approved by the lessor in writing, and the assignee agrees to be subject to and governed by the provisions of this lease, any subsequent amendments to this lease, any additional stipulations, or reappraisal as deemed appropriate by the lessor, and all applicable laws, regulations, and ordinances in the same manner as the original lessee. No assignment or subletting of the leasehold, or any portion thereof, by the lessee will annul the lessee's obligation to pay the compensation required for the full term of this lease. Except as provided in this lease, no subdivision of the leasehold interest may occur without the prior written approval of the lessor.

7. Conditional Lease. If all or part of the leasehold has been tentatively approved, or approved, but not yet patented, by the United States to the lessor, then this lease will be conditioned upon receipt by the lessor of such patent. If for any reason the lessor does not receive patent, any compensation paid to the lessor under this lease will not be refunded. Any prepaid compensation for land to which patent is denied the lessor will be refunded

SAMPLE

to the lessee of record in the amount of the pro-rata portion of the unexpired term. The lessor will have no further liability to the lessee for the termination of the lease.

8. Payment of Taxes and Assessments. The lessee shall pay prior to delinquency all taxes and assessments accruing against the leasehold.

9. Section Line Rights-of-Way. If the leasehold borders on or includes one or more section lines, the lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way or rights-of-way pursuant to AS 19.10.010.

10. Navigable and Public Waters. (a) Pursuant to AS 38.05.127 and 11 AAC 53.330, the lessor reserves a public access easement to and along all public or navigable water bodies that border on or are included in this leasehold. No public access easement may be obstructed or otherwise rendered incapable of reasonable use for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without the prior written approval of the lessor.

(b) The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This lease is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The lessor reserves the right to grant other interests to the leasehold consistent with the Public Trust Doctrine.

11. Condemnation of Leasehold or Improvements. If the whole or any part of the leasehold is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

(1) Taking of the entire leasehold. If all of the leasehold is taken by condemnation, this lease and all rights of the lessee will immediately terminate, and the compensation will be adjusted so that it is due only until the date the lessee is required to surrender possession of the leasehold. The lessor is entitled to all the condemnation proceeds, except that the lessee will be paid the portion of the proceeds attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned leasehold by the lessee in accordance with the approved development plan.

(2) Taking of substantial part of the leasehold. If the taking is of a substantial part of the leasehold, the following rules apply:

> (A) If the taking by condemnation reduces the ground area of the leasehold by at least 30 percent or materially affects the use being made by the lessee of the leasehold, the lessee has the right to elect to terminate the lease by written notice to the lessor not later than 180 days after the date of taking.
>
> (B) If the lessee elects to terminate, the provisions in subsection (1) of this section govern the condemned portion of the leasehold and the covenants and conditions of the lease govern disposal of the remainder of any buildings or improvements made by the lessee in accordance with the approved development plan.
>
> (C) If the lessee does not elect to terminate, the lease continues and the lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned portion of the leasehold by the lessee in accordance with the approved development plan. Compensation at the existing rate will terminate on the date the lessee is required to surrender possession of the condemned portion of the leasehold. Except as it may be adjusted from time to time under the covenants and conditions of the lease and applicable statutes, compensation for the balance of the term will be adjusted by the lessor to reflect the taking.

(3) Taking of insubstantial part of the leasehold. If the taking by condemnation reduces the ground area of the leasehold by less than 30 percent and the lessor determines that the taking is of such an insubstantial portion

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that the lessee's use of the leasehold is not materially affected, the lessee may not elect to terminate the lease and the compensation provisions of subsection 2(C) of this section will govern.

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

13. Inspection. The lessor will have reasonable access to the leasehold for purposes of inspection.

14. Mineral Reservations. This lease is subject to the reservations required by AS 38.05.125 and the rights and obligations imposed by AS 38.05.130.

15. Concurrent Use. This lease is subject to reasonable concurrent uses as provided under Article VIII, Section 8 of the Constitution of the State of Alaska. The concurrent user who is found to be at fault for damage or injury arising from noncompliance with the terms governing the user's concurrent use is liable for damages and the user's interest is subject to forfeiture or termination by the lessor. In this context, the term "concurrent user" includes the lessee and any other person or entity who lawfully uses the land subject to this lease, but does not include the State of Alaska.

16. Surface Resources. Unless otherwise provided by this lease or other written authorization, the lessee may not sell or remove from the leasehold any timber, stone, gravel, peatmoss, topsoil, or any other material valuable for building or commercial purposes. Material required for the development of the leasehold may be used only in compliance with the approved development plan.

17. Appropriation or Disturbance of Waters. During the term of this lease, the lessee will have the right to apply for an appropriation of ground or surface water on the leasehold in accordance with AS 46.15 and 11 AAC 93.060.

18. Acquisition of Rights or Interests. Any right or interest acquired during the term of this lease and accruing to the benefit of the leasehold will remain appurtenant to the leasehold, and may not be severed or transferred from the leasehold without the prior written approval of the lessor. In the event of termination or forfeiture of this lease, any such right or interest will vest in the lessor.

19. Land Alterations Due to Natural or Artificial Causes. The interest described in this lease constitutes the entire leasehold. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the leasehold, the Lessee has no right to occupy or use the accreted land unless a separate lease is entered with the Lessor with respect to such lands. The rules of law usually applicable to accretion or reliction of land do not apply to this lease, nor to the interest described in this lease.

20. Waiver or Forbearance. The receipt of compensation by the lessor, with or without knowledge of any default on the part of the lessee, is not a waiver of any provision of this lease. No failure on the part of the lessor to enforce a covenant or condition of this lease, nor the waiver of any right under this lease by the lessor, unless in writing, will discharge or invalidate the application of such covenant or condition. No forbearance or written waiver affects the right of the lessor to enforce any covenant or condition in the event of any subsequent default. The receipt of compensation by the lessor after termination or any notice of termination will not reinstate, continue, or extend this lease, or destroy, or in any manner impair the validity of any notice of termination that may have been given prior to receipt of the compensation, unless specifically stated by the lessor in writing.

21. Default and Remedies. (a) Time is of the essence in this lease. If the lessee defaults on the performance of any of the covenants or conditions of this lease, and the default is not remedied within 60 days after the lessor issues written notice of such default to the lessee and to the holder of a security interest in the leasehold approved by the lessor, or within any additional period the lessor allows for good cause, the lessee will be subject to legal or any other administrative action deemed appropriate by the lessor, including termination of this lease. The lessor may, in the notice of the default or in a separate written notice, state that if the default is not remedied, this lease shall terminate on a date certain, which shall be at least 60 days after issuance of the notice of default. Upon the date specified in such notice, unless the default has been remedied, the lease shall expire automatically

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without further notice or action by the lessor and this lease and all rights of the lessee under the lease shall terminate. Upon termination of the lease the lessor shall have an immediate right to possession of the leasehold and any possession by the lessee shall be unlawful. It is specifically agreed that no judicial action shall be necessary to terminate this lease or to allow the lessor to retake possession in the event of default by the lessee. No improvements may be removed from the leasehold while the lease is in default except with the lessor's prior written approval. If this lease is terminated for default, all compensation paid by the lessee is forfeited to the lessor. The lessor is not liable for any expenditures made or undertaken by the lessee under this lease. Any costs or fees, including attorney's fees, reasonably incurred by the lessor for the enforcement of this lease, shall be added to the obligations due and payable by the lessee.

(b) The rights, if any, of third-party security interest holders or lienholders are controlled solely by AS 38.05.103 and 11 AAC 58.590. If the lessee fails to remedy the default within the time allowed in subsection (a) of this section, the holder of an approved security interest who has received notice under subsection (a) of this section may remedy the default. The holder shall act within 60 days from the date of receipt of notice under subsection (a) of this section, or within any additional period the lessor allows for good cause.

(c) The lessor may, at the lessor's option, following the lessee's default and failure to remedy, or after termination of this lease due to such default and failure to remedy, accelerate the unpaid compensation for the remainder of the term of this lease. The lessee's obligation to pay such accelerated rent to the lessor survives termination of this lease.

(d) If this lease is terminated, or all or any portion of the leasehold is abandoned by the lessee, the lessor may immediately enter, or re-enter and take possession of the leasehold, and without liability for any damage, remove all persons and property from the leasehold and may, if necessary, use summary proceedings or an action at law. The words "enter" and "re-enter" as used are not restricted to their technical legal meaning. Any entry, re-entry, possession, repossession, or dispossession by the lessor, whether taken with or without judicial action, does not absolve, relieve, release, or discharge the lessee, either in whole or part, of any liability under the lease.

(e) The lessor, upon or at any time after giving written notice of any default, may enter or re-enter the leasehold to remedy any default by the lessee or exercise any right given under this lease, all without the intervention of any court being required. The curing of such default shall not be deemed for any purpose to be for the benefit of the lessee.

(f) At any time after termination of this lease, the lessor may re-let the leasehold, or any part thereof, in the name of the lessor for such term and on such conditions as the lessor may determine, and may collect and receive the compensation therefor. The lessor shall not be responsible or liable for failure to re-let the leasehold or for any failure to collect any compensation due upon such re-letting, nor shall the lessor be required to account for or pay to the lessee any excess compensation received as a result of such re-letting. The lessee shall be liable for any deficiency, and for all costs, expenses, and fees incurred by the lessor arising out of the default, including the lessor's efforts to re-let the leasehold.

(g) No right or remedy conferred upon or reserved to the lessor in this lease or by statute, or existing in law or equity, is intended to be exclusive of any other right or remedy, and each and every right shall be cumulative.

22. Disposition of Improvements and Chattels After Termination. AS 38.05.090 will govern disposition of any lessor-approved chattels or improvements left on the leasehold after termination. At the lessor's sole option, improvements not approved by the lessor shall be removed from the leasehold and the site restored to its original condition at the lessee's sole expense, or be forfeited to the lessor. The lessee shall be liable to the lessor for any costs, expenses, or damages arising out of the disposition of improvements not approved by the lessor, and may be required to pay rent on any improvements or chattels left on the parcel in accordance with 11 AAC 58.680.

23. Indemnity to Lessor. The lessee shall indemnify, defend, and hold the lessor harmless from and against all claims, demands, judgments, damages, liabilities, penalties, and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment, or worker's compensation claims, arising out of or in connection with the use or occupancy of the leasehold by

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the lessee or by any other person holding under the lessee, or at the lessee's sufferance or invitation; and from any accident or fire on the leasehold; and from any nuisance made or suffered on the leasehold; and from any failure by the lessee to keep the leasehold in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the lessee of all or any portion of the leasehold or interest therein contrary to the covenants and conditions of this lease. The lessee holds all goods, materials, furniture, fixtures, equipment, machinery, and other property whatsoever on the parcel at the sole risk of the lessee, and shall defend, indemnify and hold the lessor harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties.

24. Insurance. If required by the lessor, the lessee shall obtain insurance in an amount determined by the lessor to be sufficient. The lessor shall be named as an additional insured party of any such insurance. The types and amount of insurance shall be specified in the attached stipulations made a part of this lease agreement and may be adjusted periodically. The lessee shall maintain that insurance as long as required by the lessor. Any insurance acquired by the lessee for the purpose of providing insurance coverage under this lease must be issued by an insurer authorized to do business in the State of Alaska under the provisions of AS 21.09.010 and AS 21.27.010 for the type of policy being written.

25. Bonding. If required by the lessor, the lessee shall furnish a bond, cash deposit, certificate of deposit, or other form of security acceptable to the lessor in an amount determined by the lessor to be sufficient to ensure faithful performance of the covenants and conditions of this lease, and to cover the cost of site cleanup and restoration and any associated costs after termination of the lease. The amount and conditions of the bond shall be specified in the attached stipulations made a part of this lease agreement. The lessee shall maintain the bond as long as the lessor deems necessary, and in the amount required by the lessor, which amount may be adjusted periodically.

26. Environmental Compliance. (a) The lessee shall, at the lessee's own expense, comply with all existing and hereafter enacted environmental responsibility laws ("Environmental Laws"). The lessee shall, at the lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Environmental Laws.

(b) Should the Authority require that a remedial action plan be prepared and that a remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge, or threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, then the lessee shall, at the lessee's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. The lessee's obligations under this section shall arise if there is any event or occurrence at the leasehold during the term of this lease, or arising out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, that requires compliance with the Environmental Laws.

(c) At no expense to the lessor, the lessee shall promptly provide all information requested by the lessor for preparation of affidavits or other documents required by the lessor to determine the applicability of the Environmental Laws to the leasehold, and shall sign the affidavits promptly when requested to do so by the lessor.

(d) The lessee shall indemnify, defend, and hold harmless the lessor from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of the lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease; and from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of the lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spill, discharge, or contamination that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease.

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(e) The lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water.

(f) In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the leasehold (i) has been released on the leasehold; (ii) has resulted from acts or omissions of the lessee or its agents; and (iii) has occurred during the term of this lease. The lessee has the burden of rebutting the presumptions by clear and convincing evidence.

(g) This section of this lease does not in any way alter the State of Alaska's powers and rights or the lessee'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 lease, the State of Alaska shall not be precluded from claiming under AS 46.03.822 that the lessee is strictly liable, jointly and severally, for damages and costs incurred by the state for clean up of contamination on the leasehold. The obligations and provisions of this section 26 shall survive the termination of this lease.

(h) As used in this lease, the term "hazardous materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

27. Surrender of Leasehold. Upon the expiration, termination, or cancellation of this lease, the lessee shall peacefully leave and deliver up all of the leasehold in good, sanitary, and marketable condition, order, and repair.

28. Notices. (a) Any notice or demand by the lessee will be made by hand delivery to the Director, Division of Mining, Land and Water, or by certified mail, postage prepaid, addressed as follows (or to a new address that the lessor designates in writing), with delivery occurring upon receipt by the lessor:

To the Lessor:

Division of Mining, Land and Water
550 W. 7th Avenue, Suite 900C
Anchorage, Alaska 99501-3577

(b) Any notice or demand by the lessor will be issued as provided in 11 AAC 02.040(c). If issuance is by mail, the notice or demand will be addressed as follows (or to a new address that the lessee or its successor in interest designates in writing):

To the Lessee:

LESSEE
ADDRESS
CITY, STATE ZIP

The lessor will issue a copy of any such notice or demand to each holder of a security interest in the leasehold whose assignment has been approved by the lessor under section 6 of this lease. Any security interest not approved as provided in section 6 is insufficient to require notice by the lessor under AS 38.05.103.

(c) Any notice or demand regarding the lease must be in writing and will be complete if given as set out above.

29. Penalty Charges. The lessee shall pay a fee for any late payment or returned check issued by the lessee as follows:

(1) Late Payment Penalty: The greater of either the fee specified in 11 AAC 05.010 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the lessor. Acceptance of

SAMPLE

a late payment or of a service charge for a late payment is subject to the lessor's rights under sections 20 and 21 of this lease.

(2) Returned Check Penalty: A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under subsection (1) of this section shall continue to accumulate.

30. Modification. This lease may be modified or amended only by a document signed by both parties. Any purported amendment or modification has no legal effect until placed in writing and signed by both parties.

31. Choice of Law. This lease shall be construed under the laws of the State of Alaska. The lessee confers personal jurisdiction on the courts of the State of Alaska for any litigation under this lease.

32. Severability of Clauses of Lease Agreement. If any clause or provision of this lease is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the lessor and the lessee agree that the remainder of this lease will not be affected, and in lieu of each clause or provision of this lease that is illegal, invalid, or unenforceable, there will be added as a part of this lease 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.

SAMPLE

Attachment C
Sample Lease Agreement

By signing this lease, the lessor and the lessee agree to be bound by its provisions.

LESSEE:

_____

LESSEE

LESSOR:

_____

FIRST LAST, Regional Manager
Southcentral Regional Land Office

STATE OF ALASKA)
) ss.
_____Judicial District)

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

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

STATE OF ALASKA)
) ss.
Third Judicial District)

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

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

Approved as to form February 9, 1994, and September 25, 2001.

_____
/s/ Elizabeth J. Barry, Assistant Attorney General

Recorder's Office: Return the recorded document to:
DNR DMLW, SCRO
ATTN: ADJUDICATOR
550 W 7th Ave., Suite 900C
Anchorage AK, 99501

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Attachment D
Sample Additional 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. **Preference Right:** No preference right to a sale of this leasehold is granted or implied by the issuance of this Lease. Any renewal of this Lease will be subject to current statutes and regulations at the time of Lease expiration.

3. **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.

4. **Change of Contact Information**: The Lessee shall maintain current contact information with the AO. Any change of contact information must be submitted in writing to the AO.

5. **Request for Information:** The AO, at any time, may require the Lessee to provide any information directly or indirectly related to this authorization, in a manner prescribed by the AO.

6. **Compliance with Government Requirements:** The Lessee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this authorization. The Lessee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.

7. **Development Plan:** Development shall be limited to the authorized area and improvements specified in the approved development plan or subsequent modifications approved by the AO. The Lessee 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.

8. **Penalty Charges: Late Payment Penalty Charges**: The Lessee 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.
   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.

9. **Visitor Day Use Fee:** All commercial recreation authorizations are subject to a "Visitor Day" fee. As defined in 11 AAC 96.250(18), Visitor Day means "all or any part of a calendar day during 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, as established in 11 AAC 05.180(d)(2)(D) or (G), is collected once a year and due on the same day as the annual fee.

10. **Assignment:** Stipulation 6 of the Lease Agreement is hereby amended to include the following: In the event the Lessee desires to transfer their interest in the lease to another party

SAMPLE

the Lessee shall submit to the AO a request for assignment and a copy of a draft agreement which identifies the provisions of the assignment between the parties. The AO reserves the right to require/renegotiate new terms or conditions for the lease prior to approving any assignment. The AO reserves the right to require an assignment between the Lessee and another party in the event of a change in corporate ownership, LLC/LLP membership or name change involving the leased site.

11. **Performance Guaranty:** Per section 25 of the Lease agreement: The Lessee previously posted a performance guaranty in the amount of **$X,XXX.00** to secure faithful performance with all terms and conditions of the Lease and to insure site restoration of the leasehold. This performance guaranty must remain in effect for the duration of the Lease term or until released in writing by the AO. Failure by the Lessee to provide replacement security shall be grounds for the AO to make a claim upon the existing security to protect the Lessor's interests.

12. **Insurance:** The Lessee shall secure or purchase at its own expense, and maintain in force at all times during the term of this contract, liability coverages and limits consistent with what is professionally recommended as adequate to protect the buyer (the insured) and seller (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 lease and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. The Lessee must provide for a 60-day prior notice to the AO 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 lease and shall be grounds, at the option of the AO, for termination of the lease. 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 Division of Risk Management, Department of Administration. The State of Alaska must be named as an additional named insured on the policy.

13. **Specific Land Use:** Stipulation 4 of the Lease Agreement is hereby amended to include the following: This lease is issued for a specific use and land classification, use of the area for purposes other than those specified constitutes a breach of the lease agreement and may result in revocation. The lease may be terminated upon a finding by the AO that the land or a part of it has not been used by the Lessee for the purpose specified in the lease for a period of two years. The lease cannot be assigned or subleased except with the consent of the AO. A Lessee may not change the use specified in the lease to another or additional use except with the consent of the AO. Any attempts to depart from these conditions without the consent of the AO will cause the lease to be automatically terminated.

14. **Concurrent Usage:** The AO reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land covered under this authorization. Authorized users of state land, their agents, employees, contractors, subcontractors and licensees shall not interfere with the operation or maintenance activities of other authorized concurrent users. Any future concurrent permit, lease or sub-lease will be subject to the

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conditions and stipulations contained in the lease, including the additional collection of fees or rents by the AO from any subordinate Lessee or Sublessee.

15. **Subleasing**: The AO reserves the right to require an additional annual compensation as a condition of a sublease approval. Said increase shall be determined by negotiation between the Lessee and AO but shall not be less than 25% of all compensation paid annually to the Lessee by the Sublessee. Neither the terms of this sublease provision nor any actual compensation derived from a sublease shall have any effect upon a determination of the annual lease fee for the lease parcel pertaining to AS 38.05.075(a) or its appraised market value pertaining to AS 38.05.840. Sublease shall be defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business or corporation utilizing or benefiting from the lease parcel. Sublessee shall be defined to mean any individual or business entity executing an agreement, as above, with the Lessee. The amount of sublease compensation shall be subject to change at the same time as the lease compensation adjustment and whenever the terms or conditions of the agreement between the Lessee and Sublessee change. Approval of a sublease shall also be conditioned upon:

    f) The Lessee is in full compliance with lease conditions and is in good standing with all other authorization per 11 AAC 96.145;

    g) Sublessee must meet the statutory requirement of the Lease;

    h) Submission by the Lessee of a draft copy of the agreement(s) which will govern the relationship and compensation provisions between the Lessee and the Sub-Lessee;

    i) Submission by the Lessee of a proposed plan of operations and development for the subleased area and, if necessary, an amended plan of operations and development for the entire lease area; and

    j) A Lessor best interest finding and amendments to the lease contract as necessary, if significant changes to the use and development are proposed.

16. **Alaska Historic Preservation Act:** Under the Alaska Historic Preservation Act, AS 41.35.200, it is unlawful to appropriate, excavate, remove, injure, or destroy any historic, prehistoric, or archaeological resources of the State without a permit from the DNR Commissioner. Should any such resources or sites be discovered, the lessee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in DNR's Division of Parks and Recreation.

17. **Inspections:** Stipulation 13 of the Lease Agreement is hereby amended to include the following: The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the lessee is found to be in noncompliance the authorized area may be subject to reinspection. The lessee may be charged for actual expenses of any inspection or the fee in 11 AAC 05.160.

SAMPLE

Attachment D
Sample Additional Stipulations

18. **Incurred Expenses:** The Lessor shall in no way be held liable for expenses incurred by the Lessee connected with the activities directly or indirectly related to this authorization.

19. **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 Lessee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.

20. **Site and Improvements 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. The Lessor is not responsible for maintenance of authorized improvements or liable for injuries or damages related to those improvements. No action or inaction of the Lessor is to be construed as assumption of responsibility.

21. **Site Disturbance:** Stipulation 4 of the Lease Agreement is hereby amended to include the following:

    c) Site disturbance shall be kept to a minimum to protect local habitats. All activities at the site shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems. Any ground disturbances that may occur shall be contoured to blend with the natural topography to protect human and wildlife health and safety. Particular attention must be paid to preventing pollution and siltation of any waterways and to preventing disturbances to fish and wildlife populations and habitats.

    d) Brush clearing is allowed only to the extent necessary to maintain the present development. The Lessee may use dead timber that is down. The Lessee shall not cut standing timber within the leased area unless specifically authorized by DNR's Division of Forestry.

    The removal of vegetation shall be kept to a minimum and areas requiring disturbance should be seeded or planted as soon as possible after disturbance. To the extent possible, associated vegetation should be left intact to enhance stability, control erosion and enhance scenic qualities.

22. **Hazardous Substances, Explosives:**

    a) No storage of hazardous material/substances or explosives is authorized within the leased area.

SAMPLE

b) The use of hazardous substances or explosives must be done in accordance with existing federal, state and local laws, regulations and ordinances. Debris (including soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the sites and managed and disposed of in accordance with state, federal and local laws, statutes and regulations.

23. **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, or municipal lands, or lands which are owned or solely managed by other offices and agencies of the State of Alaska. The Lessee is responsible for proper location within the authorized area.

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

25. **Use and Storage of Fuel:** Section 26 of the Lease document is hereby amended to include the following: All fuel storage container(s) with a total combined capacity larger than **55 gallons** shall not be placed within 100 feet from the ordinary high water mark of any water body. When fuel storage container(s) exceed a total combined capacity of **110 gallons**, the containers must be stored within an Alaska Department of Environmental Conservation (ADEC)-approved double-walled tank, or an impermeable diked area, or a portable impermeable containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be clearly marked with the contents and the Lessee's name and ADL number. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up all spills.

26. **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.

SAMPLE

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.

27. **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 ADEC 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.

28. **Fire Prevention, Protection and Liability:** The Lessee 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 Lessee's personal property. To report a wildfire, call 911 or 1-800-237-3633.

29. **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 Lessee, 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.

    The receipt of compensation by the AO, with or without knowledge of any default on the part of the Lessee, is not a waiver of any provision of this authorization. The receipt of compensation by the AO after termination or any notice of termination will not reinstate, continue, or extend this authorization, or destroy or in any manner impair the validity of any notice of termination, unless specifically stated by the AO in writing.

30. **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 Lessee 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, to be legal, valid, and enforceable.

31. **Lease Expiration and Site Reclamation:** No later than one (1) year prior to the lease expiration, the Lessee shall file with the Lessor:

    a) A request for a new lease, and/or

    b) A reclamation plan for the leasehold lands, which must be approved in writing by the AO. The Lessee is responsible for site reclamation within the leasehold.

SAMPLE

The reclamation plan must include a description of the methods and techniques that the Lessee will use to rehabilitate all sites affected by construction and intensive use activities. Under the lease, the Lessee retains all ownership rights to site improvements. In the plan, the Lessee shall describe its intention to remove improvements. The plan must also include a schedule that sets forth the steps required for surface rehabilitation, and a specific time line showing when the Lessee will accomplish each step.

32. **Violations:** Pursuant to 11 AAC 96.145, the Lessee must be in compliance with provisions of this and other authorizations granted under AS 38.05 or 11 AAC 96 before a new authorization may be granted by DMLW.

33. **Lease Termination**: This lease authorization may be terminated upon violation of any of its terms, conditions, stipulations or upon failure to comply with any applicable laws, statutes and regulations (state and federal).

34. **Lease Utilization**: Per 11 AAC 58.510, leases must be utilized for purposes within the scope of the lease and the land classification. Utilization or development for other than the allowed uses or failure to substantially utilize or develop the lease is a violation of the lease. A development plan may be required on all leases. Failure to make substantial use of the land, consistent with the development plan, within five years, will, in the director's discretion, constitute grounds for cancellation.

35. **Agents:** The lease provisions and stipulations apply with equal force upon an agent, employee, contractor or subcontractor designated by the Lessee to perform any lease or lease-related operations. The Lessee is liable for noncompliance caused by any such agent, employee, contractor, or subcontractor.

36. **Additional Authorizations or Permits:** If activities other than those authorized by the lease provisions and stipulations are needed, additional written authorizations or permits and their associated additional fees may be required.

37. **Access and Road Construction:** The Lessee is responsible for providing access to the leasehold. Before constructing any road across state land, the Lessee shall obtain prior approval and authorization from DMLW for the location and construction standards of the road.

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