

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

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

Southcentral Regional Land  
550 W 7th Avenue, Ste 900C  
Anchorage, AK 99501-3577  
(907) 269-8552

Southeast Region  
400 Willoughby, #400  
Juneau, AK 99801  
(907) 465-3400

**Entry Authorization**  
AS 38.05.075(f)

Lease No. **ADL 232203**

**The City of Seldovia**, herein known as the Lessee, is issued this Entry Authorization (EA) to use 2.077 acres, more or less, of State-owned land located within the:

**SW1/4 of Section 20, Township 8 South, Range 13 West, Seward Meridian**

This pre-lease authorization is effective beginning **August 1, 2020** and ending **July 31, 2022**, 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 tidelands while the Lessee completes the required appraisal 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), Division of Mining, Land and Water (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

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 **\$1,250.00**, which must be paid on or before **August 1st** 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. **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.
8. **Survey:** A survey is not necessary prior to lease issuance, however, the State reserves the rights to require a survey
9. **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 **April 1, 2022**.
10. **Performance Guaranty:** As per 11 AAC 96.060 the following bonds are required:
  - a. **\$3,000.00 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.

11. **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.

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. Case number ADL 232203 is to be referenced on the policy and the certificate of insurance.

13. **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 Sub-Lessee;
- 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 significant changes to the use and development are proposed.

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

15. **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.

16. **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.

17. **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.

18. **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.

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.

**This EA is subject to the following public access easement reservations:**

- a) To and Along easements; RS2477 trails, issued easements
20. **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 conditions and stipulations contained in the lease, including the additional collection of fees or rents by the AO from any subordinate Lessee or Sublessee.
21. **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.

**22. 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.

**23. 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.
24. **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, 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.
25. **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.
26. **Notification of Discharge:** The Lessee shall immediately notify the Department of Environmental Conservation (ADEC) and AO by phone of any unauthorized discharge of oil to water, any discharge of 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 lessee 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 during normal business hours must be made to the nearest ADEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-5245. For discharges in state off shore waters call (907) 269-0667. The ADEC oil spill report number outside normal business hours is (800) 478-9300.

Notification of discharge must be made to the appropriate DNR Office: Anchorage (907) 269-8503, fax (907) 269-8913; Fairbanks (907) 451-2678, fax (907) 451-2751, email [dnr.nro.spill@alaska.gov](mailto:dnr.nro.spill@alaska.gov); Juneau (907) 465-3400, fax (907) 465-3886. The Lessee shall supply the AO with all incident reports.

Should any unlawful discharge, leakage, spillage, emission or pollution of any type occur due to the Lessee's actions or failure to act, the Lessee, at its expense, shall be obligated to clean the area to the reasonable satisfaction of the State of Alaska.

27. **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.
28. **Lease Issuance:** Upon completion and fulfillment of all conditions and stipulations of this EA, a lease will be issued to the Lessee containing approximately 2.077 acres, more or less, of State tidelands.
29. **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).
30. **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.
31. **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.
32. **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. 7<sup>th</sup> 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 (DMLW), Southcentral Regional Land Office (SCRO) in regards to this authorization will be sent to the below listed contact information.

*Signature page follows*



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

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Signature of Lessee or Authorized Representative Date

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Printed Name and Title

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Lessee's Address

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City State Zip

Phone Numbers: Main: \_\_\_\_\_

Work: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

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Samantha Carroll Date  
Regional Manager, Southcentral Regional Land Office  
Division of Mining, Land and Water

