LEASE AGREEMENT

This Lease Agreement (Agreement) is entered into by the Kenai Peninsula Borough, an Alaska municipal corporation, whose mailing address is 144 North Binkley Street, Soldotna, Alaska 99669 (KPB or Lessor), and the City of Seward, an Alaska municipal corporation, whose mailing address is 410 Adams Street, P.O. Box 167, Seward, AK 99664 (City or Lessee) (together, the Parties). This Agreement becomes effective on the date of signature by KPB (the Effective Date).

PART I. BACKGROUND, AUTHORIZED CONTACT AND CONTRACT DOCUMENTS

1. Background. KPB owns certain real property located in the Kenai Peninsula Borough, in the State of Alaska, that is more particularly described in Exhibit 1 attached hereto (the Property). For good and valuable consideration, the Parties agree that KPB will grant Lessee the right to use a portion of the Property, the Leased Premises identified in Section 4, "Description of Property", in accordance with the terms of this Agreement.

2. Authorized Contact. All communications about this Agreement must be directed as follows, and any reliance on a communication with a person other than who is listed below is at the Party's own risk.

LESSOR

Name: Kenai Peninsula Borough
Attn: Land Management Division
Re: Lease No. _____
144 N. Binkley St.
Soldotna, AK 99669

LESSEE

Name: City of Seward, Alaska
Attn: City Manager
Re: City of Seward Shooting Range
410 Adams Street, P.O. Box 167
Seward, AK 99664

3. Contract Documents. As authorized by Kenai Peninsula Borough Ordinance 2026-___, this Agreement is the final and complete understanding of the Parties. The following Appendix and Exhibits are attached and are considered part of this Agreement as well as anything incorporated by reference or attached to those Appendix or Exhibits:

Appendix A: Lease Provisions Required by KPB 17.10
Exhibit 1: Description of the Property and the Leased Premises
Exhibit 2: Leased Premises Site Map
Exhibit 3: Memorandum of Lease

If in conflict, the order of precedence will be: the Agreement, Appendix A, Exhibit 1, Exhibit 2, and Exhibit 3.

PART II. LEASE DESCRIPTION AND TERMS

4. Description of Property. Subject to the terms and conditions of this Agreement, KPB hereby grants to Lessee a leasehold interest in and to that certain portion of the Property containing approximately fifteen (15) acres, as described and depicted on Exhibit 1 and Exhibit 2 of this Agreement, attached hereto (collectively, the Leased Premises), for the operation of a Public Outdoor Shooting Range as defined in Section 12, "Use", together with exclusive access along the Access Road beginning directly off of the Dieckgraeff Road right-of-way and leading to the Leased Premises, as depicted on Exhibit 2 of this Agreement.

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5. Term.

(a) The term will be twenty (20) years (the Term), commencing on the Effective Date.

(b) Should Lessee, or any third-party operator of Lessee, hold over the Leased Premises or any part thereof after the expiration of this Agreement, such holdover will constitute and be construed as a tenancy from month-to-month only, upon the same terms and conditions.

6. Termination.

This Agreement may be terminated, without penalty or further liability, as follows:

(a) by Lessee upon thirty (30) days prior written notice to KPB, if Lessee, or any third-party operator of Lessee, is unable to obtain or maintain any required insurance, approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the operation of a shooting range as now or hereafter intended by Lessee; or if Lessee determines, in its sole discretion, that the cost of or delay in obtaining or retaining the same is commercially unreasonable; or

(b) by Lessee upon sixty (60) days prior written notice to KPB for any reason or no reason, so long as Lessee pays KPB a termination fee equal to the remaining Rent due under the current Term until such Term expires, and subject to removal requirements contained within Section 15, "Equipment, Fixtures, and Removal".

(c) by KPB in the event of a default in the performance or observance of any of the Agreement terms or conditions, and if such default continues thirty (30) days after written notice of the default, KPB may cancel the Agreement or take any legal action for damages or recovery of the property. No improvements may be removed during the time in which the contract is in default.

7. Rent. Beginning on the Effective Date, the annual lease rental for the term of this lease is One Dollar ($1.00), payable on or before the anniversary of the Effective Date of every year of the Term.

8. Taxes. Lessee must pay any real or personal property taxes assessed on, or any portion of such taxes attributable to, the Public Outdoor Shooting Range as defined in Section 12, "Use", located on the Leased Premises, including any taxable private leasehold interests.

9. Development Plan and Operating Agreement.

(a) Per KPB 17.10.140(B)(1), this Agreement requires a Development Plan to be submitted by the Lessee for review and written approval by the KPB Planning Department. A development plan establishes the mutual understanding between KPB and Lessee as to how the Leased Premises will be used and improved by Lessee. If a development plan references or relies on a third-party Operating Agreement, such Operating Agreement must be a part of the Development Plan.

(b) Modifications to an approved Development Plan may be made pursuant to prior written approval by the KPB Planning Department.

10. Landfill Post-Closure Care.

(a) Land Fill Cap Damage Prevention. The Property is situated atop a landfill cap. Lessee must take all necessary precautions to prevent damage to the landfill cap. Berms may be developed only above the existing ground elevation. Buried waste must not be exposed and grass and trees must not be disturbed. Installation of anchors, posts or other activities which require boring into the ground must first be approved

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in writing by the KPB Solid Waste Department.

(b) Contamination. Lessee acknowledges the presence of the landfill on the Property and the fact that the Leased Premises has been used as a shooting range for many years. Soil or water contamination resulting from Range activities during the term of this Agreement must be remediated by Lessee.

(c) "As Is, Where Is" Condition. Lessee has previously operated the Range on the Leased Premises, has had full opportunity to examine the Leased Premises for the presence of any hazardous materials, and accepts the Leased Premises in an "as is, where is" condition.

(d) The KPB Solid Waste Department may at any time close off any portion of the Leased Premises to Range use when necessary to perform landfill post-closure site work, monitoring, or other activities.

11. KPB Solid Waste Activities.

(a) Priority Given to KPB Solid Waste Department Activities. KPB's activities upon the Property may include stockpiling, sorting recycling, burying, crushing burning, blasting, composting and hauling materials; landscaping and erosion control; landfill post-closure site work and monitoring; and daily operations. These activities result in public traffic and heavy equipment operating on the Property and other operations that require constant safety controls. KPB's activities and safety concerns on this site and upon the Property are superior to Lessee's interests granted by this Agreement. Lessee must control all activities within the Leased Premises in a manner to avoid interference with KPB's primary activities on the Property.

(b) Conflict with Solid Waste Operations. KPB may cancel this Agreement with thirty (30) days written notice if lease activities interfere with transfer site operations or if KPB must conduct site work that requires the Leased Premises to be vacated. In the event that Lessee does not abide by the conditions set forth in this lease, KPB may immediately halt all activities on the Leased Premises until corrective action is taken.

12. Use.

(a) General. The Leased Premises are being leased for the purpose of operating a public outdoor shooting range and associated facilities to include, without limitation, berms, fencing, gates, and parking areas (collectively, the Range). The Leased Premises must be used for the purposes within the terms and conditions of this Agreement and in conformity with a KPB-approved Development Plan. Lessee may, subject to the foregoing, make any improvement, alteration, or modification to the Leased Premises as are deemed appropriate by Lessee for the permitted use herein, pursuant to prior written approval by KPB.

(b) Use By General Public. Lessee agrees to allow the general public use of the Range. Such general public use must be restricted to those hours during which a certified and designated Rangemaster is on the Leased Premises. Lessee must ensure all Range users are informed of rules, safety standards, and restrictions.

(c) Use by Law Enforcement. Notwithstanding any other requirements, law enforcement officers may use the Leased Premises for training at all reasonable times.

(d) General Rules. Lessee must operate the Range in accordance with this Agreement, including but not limited to the following general rules of use:

(1) All activities on the Leased Premises will be in accordance with National Rifle Association (NRA) standards and guidelines, and the best management practices for use of lead in outdoor shooting ranges as established by the U.S. Environmental Protection Agency (EPA), each as amended from time to time.

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(2) Consumption of alcoholic beverages or use of marijuana on the Leased Premises is prohibited. Lessee and its representatives agree to monitor and enforce this prohibition.

(3) Conduct. Any activity conducted on the Leased Premises which is deemed harmful to the property or is deemed to be not reasonably safe is prohibited. Lessee agrees to adopt and post rules for safe and proper conduct, to designate and post areas of prohibited entry, and to enforce all rules to the extent possible.

(4) Lessee shall collect all litter, shells, casings, and other materials resulting from Range activities on a weekly basis.

(5) Lessee shall be responsible for all environmental matters related to or deemed to be a direct result of the Lessee's intended use.

13. Security.

(a) Lessee shall be responsible for the control of all berms, fencing, gates, access roads, and parking areas within the Leased Premises, and agrees to maintain same in a safe and sound condition for the duration of the Term.

(b) Where not otherwise controlled, signs shall be posted to delineate restricted access areas. Lessee may also undertake any other appropriate means necessary to restrict access to the Range, including, without limitation, posting signs for security purposes.

(c) Lessee may elect, at its own expense, to construct additional enclosures and/or fences as Lessee reasonably determines to be necessary to secure its improvements situated upon the Leased Premises.

14. Access, Maintenance, and Utilities.

(a) Access. KPB for itself, its successors and assigns, hereby grants and conveys unto Lessee, its third-party operator, employees, agents, contractors, customers, and invitees, exclusive access for ingress and egress across an existing Access Road to the extent depicted on Exhibit 2, subject to the terms and conditions herein set forth. Lessee agrees to restrict general public access to the Range at all times outside of hours of operation. No parking shall be allowed upon the Access Road leading to the Leased Premises. During the Term, Lessee must perform all Access Road repair, maintenance, and snow removal, and must keep culverts and drainage ditches along the Access Road open to prevent ponding or erosion.

(b) Maintenance. Lessee agrees to use the Leased Premises in a manner that does not cause material damage to the condition of the Leased Premises, and will keep and maintain the Leased Premises and related, non-exclusive access, in good condition and free of fire hazards. Lessee must take all reasonable precautions to prevent, and take all reasonable actions to suppress, destructive and uncontrolled grass, brush, and forest fires on the Leased Premises, and comply with all laws, regulations and rules promulgated and enforced by the protection agency responsible for forest protection within the area wherein the Leased Premises is located.

(c) Utilities. Lessee is solely responsible for installing separate meters for utility use and payment, as applicable, and may not connect to any KPB-owned electrical, communication, or other utility without KPB's prior written approval. KPB agrees to cooperate with Lessee's efforts to obtain such utilities and services.

15. Equipment, Fixtures, and Removal.

Lessee and its third-party operator, employees, agents, and contractors will have the right to erect,

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install, maintain, and operate on the Leased Premises such equipment, structures, fixtures, signs, and personal property as Lessee may deem necessary or appropriate. Such property, including the Range and other equipment, structures, fixtures, signs, and personal property, will not be deemed to be part of the Leased Premises, but will remain the property of Lessee or its third-party operator. Unless otherwise agreed to in writing by the Parties, within ninety (90) days after the expiration or earlier termination of this Agreement, or upon cessation, abandonment, or non-use of the Range for a period of six (6) consecutive months (the Removal Period), Lessee must remove its improvements and perform all obligations under this Agreement during the Removal Period. Any property not so removed will be deemed abandoned and may be removed and disposed of by KPB in such manner as KPB may determine, without any obligation on the part of KPB to account to Lessee for any proceeds therefrom. Time is of the essence.

16. Covenants, Warranties, and Representations.

(a) KPB represents and warrants that KPB is the owner in fee simple of the Property, free and clear of all liens and encumbrances except as to those which may have been disclosed to Lessee in writing prior to the execution hereof, and that KPB alone has full right to lease the Leased Premises for the Term.

(b) KPB may not do or knowingly permit anything during the Term that will unreasonably interfere with or negate Lessee's quiet enjoyment and use of the Leased Premises or cause Lessee's use of the Leased Premises to be in nonconformance with applicable local, state, or federal laws.

(c) To the best of KPB's knowledge, KPB has complied with, and will comply with, all laws with respect to the Property. No asbestos-containing thermal insulation or products containing PCB, formaldehyde, chlordane, or heptachlor or other hazardous materials have been placed on or in the Property by KPB or, to the knowledge of KPB, by any prior owner or user of the Property. To the knowledge of KPB, there has been no release of or contamination by hazardous materials on the Property.

(d) Subject to Section 14, "Access, Maintenance, and Utilities", Lessee will have access to all utilities required for the operation of Lessee's improvements on the Leased Premises that are existing on the Property.

(e) Except for the Lessee, there currently exist no licenses, sublicenses, or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the Leased Premises; there are no outstanding options or rights of first refusal to purchase the Property or any portion thereof or interest therein, nor any equity or interest in KPB if KPB is an entity; and there are no parties (other than KPB) in possession of the Leased Premises except as to those that may have been disclosed to Lessee in writing prior to the execution hereof.

(f) Each Party hereto warrants and represents that it has the necessary power and authority to enter into and perform its respective obligations under this Agreement. Nothing in this Agreement, including such cooperation, will be construed as creating a partnership between the Parties.

17. Required Insurance Coverages. Insurance coverages required under this Agreement must be primary and exclusive of any other insurance carried by KPB. Minimum levels of insurance coverage required under this Agreement will remain in effect for the life of this Agreement. If Lessee's policies contain higher limits, KPB will be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be delivered to KPB at the time of submission of the signed Agreement. KPB may request copies of required policies and endorsements, which must be provided within ten (10) days of KPB's request. Updated certificates must be provided upon insurance coverage renewal, where applicable.

(a) Lessee must provide and maintain commercial general liability insurance (CGL). The CGL policy must be written on an occurrence basis and with a limit of not less than one million dollars ($1,000,000.00)

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per occurrence and three million dollars ($3,000,000.00) aggregate. If necessary to provide the required limits, the CGLs policy's limits may be layered with an umbrella or excess liability policy. This policy must name KPB as additional insured with a waiver of subrogation.

(b) Lessee must provide and maintain commercial automobile liability insurance. The commercial automobile liability policy must include a combined single limit of not less than one million dollars ($1,000,000.00). Coverage must include non-owned and hired car coverage. This policy must name KPB as additional insured with a waiver of subrogation.

(c) Lessee must provide and maintain workers' compensation insurance in accordance with the laws of the State of Alaska for all of its employees engaged in work under this Agreement. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than the minimum amounts required by law. Subrogation will be waived.

(d) Property Insurance: Insuring against all risks of loss to any Lessee improvements at full replacement cost with no insurance penalty provision. Lessee will have the right to self-insure such Property Insurance.

(e) No Representation of Coverage Adequacy. By requiring insurance herein, KPB does not represent that coverage and limits will necessarily be adequate to protect Lessee, contractor(s) or subcontractor(s) of any tier, and any such coverage and limits will not be deemed as a limitation on the liability of the Lessee, contractor(s) or subcontractor(s) of any tier under the indemnities granted to KPB in this Agreement.

(f) Notwithstanding the foregoing, Lessee's obligations to provide insurance may be met by providing evidence of fiscal responsibility or self-insurance that is acceptable to KPB. Lessee warrants that it has the capacity to self-insure for the risks and coverages specified and will provide evidence of the lines and limits of coverage specified in "Required Insurance Coverages" in this Section. Lessee must provide KPB with proof of continuing ability to provide self-insurance within thirty (30) calendar days of any written request by KPB for such proof. If there is any change in the ability to self-insure, Lessee must provide KPB with immediate notice of such change and must immediately purchase insurance as set forth in this Section.

18. Non-Exclusivity. KPB acknowledges and agrees that, except as may be disclosed to Lessee in writing prior to the execution hereof, there are no prior existing rights, uses, or authorization granted to third parties or retained by KPB to locate improvements below grade to the Leased Premises. Upon at least sixty (60) days prior written notice to Lessee, KPB reserves the right to grant further or additional rights or authorization to locate improvements below grade or in proximity to the Leased Premises to the extent such rights or authorizations do not unreasonably interfere with Lessee's equipment or operations.

19. Lessee Liabilities. In addition to other liabilities under this Agreement, Lessee has the following liabilities and agrees:

(a) That Lessee assumes all risk of loss, damage, or destruction to Lessee's improvements on the Leased Premises;

(b) That Lessee will comply with all applicable federal, state, and local laws or regulations, including relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, permitting, construction, operation and maintenance of any facility, improvement or equipment on the Leased Premises;

(c) That KPB has no duty, either before or during the lease Term, to inspect the Leased Premises or

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warn of hazards and if KPB inspects the Leased Premises, it will incur no additional duty nor any liability for hazards not identified or discovered through such inspections. This Section will survive the termination or revocation of this Agreement, regardless of cause; and

(d) That Lessee has an affirmative duty to protect from damage the Property and interests of KPB related to this Agreement.

20. Indemnification. Lessee agrees to defend, indemnify, and hold harmless KPB, its employees, public officials, and volunteers, with respect to any action, claim, or lawsuit arising out of (1) a breach of this Agreement or (2) the use and occupancy of the Leased Premises or the Property by the Lessee. This agreement to defend, indemnify, and hold harmless includes all losses and liabilities without limitation as to any damages resulting from judgment, or verdict, and includes the award of any attorney's fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice from KPB of any action, claim, or lawsuit. KPB will notify Lessee in a timely manner of the need for indemnification but such notice is not a condition precedent to Lessee's obligation and may be waived where Lessee has actual notice. This agreement applies and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against KPB relating to Lessee's use and occupancy of the Leased Premises or the Property. Notwithstanding the foregoing, Lessee's duty to indemnify, defend, and hold harmless KPB as set forth above shall not apply to the extent a claim arises from the negligence or willful misconduct of KPB, its employees, public officials, and volunteers.

21. Inspections. KPB reserves the right to enter upon and inspect the Leased Premises at any time to assure compliance with the conditions of this Agreement. Except in case of emergency, KPB will provide Lessee with at least forty-eight (48) hours' prior written notice of KPB's intention to enter upon and inspect the Leased Premises. Lessee reserves the right to have a representative present at all times during KPB's inspection.

22. Force Majeure. The time for performance by KPB or Lessee of any term, provision, or covenant of this Agreement will be deemed extended by time lost due to delays resulting from acts of God, strikes, civil riots, floods, material or labor restrictions by governmental authority, and any other cause not within the control of KPB or Lessee, as the case may be.

23. Default. The failure of Lessee or KPB to perform any of the covenants of this Agreement will constitute a default. The non-defaulting Party must give the other written notice of such default, and the defaulting Party must cure such default within thirty (30) days after receipt of such notice. In the event any such default cannot reasonably be cured within such thirty (30) day period, the defaulting Party must provide prompt notice of inability to cure and provide a plan to cure the default within a time frame provided. The time for curing a default will be extended for such period of time as may be necessary and reasonable; however, in no event will this extension of time to cure be in excess of ninety (90) days, unless agreed upon in writing by the non-defaulting Party.

24. Remedies. Should the defaulting Party fail to cure a default under this Agreement, the non-defaulting Party will have all remedies available either at law or in equity, including the right to terminate this Agreement.

25. Lessee Mortgages.

(a) KPB consents to the granting by Lessee of a lien and security interest (each, a Lessee Mortgage) in Lessee's interest in this Agreement and all of Lessee's personal property and fixtures attached to the real property described herein to one or more lenders (any such lender, and any successor, assign, designee or nominee of such lender, hereinafter a Lender) only to the extent and amount necessary to maintain

improvements on the Leased Premises. The Lessee may not encumber the leasehold interest or the Leased Premises to finance projects or improvements outside of the Leased Premises. KPB agrees to recognize Lender as Lessee hereunder upon any such exercise by Lender of its rights of foreclosure. Any such encumbrance will be subordinate to KPB's rights and interest in the Leased Premises and the Property. Any such encumbrance will be limited to the Lessee's interest in the Leased Premises. It is a material breach of this Agreement for Lessee to attempt to encumber any interest in KPB's title to or interest in the Leased Premises or the Property.

(b) KPB acknowledges that nothing contained herein will be deemed or construed to obligate Lender to take any action hereunder, or to perform or discharge any obligation, duty or liability of Lessee under this Agreement. No Lender may become liable under the provisions of this Agreement unless and until such time as the Lender assumes ownership of the leasehold estate created hereby and agrees to comply with the terms and conditions of this Agreement or any extensions and modifications thereof.

26. Miscellaneous.

(a) Survival. If any term of this Agreement is found to be void or invalid, such invalidity will not affect the remaining terms of this Agreement, which will continue in full force and effect.

(b) Non-waiver. Failure of a Party to insist on strict performance of any of the conditions or provisions of this Agreement, or failure to exercise any of a Party's rights hereunder, will not waive such rights.

(c) Governing Law and Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Alaska, without regard to conflict of law principles. Any lawsuits filed in connection with this Agreement must be filed and prosecuted in the Third Judicial District, State of Alaska, at Kenai, Alaska.

(d) Bind and Benefit. This Agreement is binding upon and will inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.

(e) Memorandum. A short-form Memorandum of Lease may be recorded at KPB's or Lessee's option in the form as depicted in Exhibit 3, attached hereto. KPB will promptly execute any Memorandum of Lease or Memorandum of Amendment to Lease, or corrective amendments thereto, upon written request of Lessee.

(f) W-9. As a condition precedent to payment, KPB agrees to provide Lessee with a complete IRS Form W-9, or its equivalent, upon execution of this Agreement.

(g) Counterparts. This Agreement may be executed in counterpart, each of which when so executed and delivered will be considered an original and all of which when taken together will constitute one and the same instrument.

(h) Amendment. This Agreement may be amended in writing upon mutual agreement of the Parties.

(i) Entire Agreement. This Agreement and its Appendix, Exhibits, or incorporated attachments hereto, constitute the entire agreement and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement.

[**SIGNATURES BEGIN ON NEXT PAGE**]

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PART III. EXECUTION

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first above written.

LESSOR: Kenai Peninsula Borough
an Alaska municipal corporation

By: _____
Peter A. Micciche, Borough Mayor

Date: _____

LESSEE: City of Seward
an Alaska municipal corporation

By: _____
Kat Sorenson, City Manager

Date: _____

ATTEST:

_____
Michele Turner CMC, Borough Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

_____
Wayne Cary, Deputy Borough Attorney

Date: _____

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LESSOR ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing was acknowledged before me this _____ day of _____, 20____, by Peter A. Micciche, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

_____
Notary Public for State of Alaska
My commission expires: _____

LESSEE ACKNOWLEDGMENT

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

On the _____ day of _____, before me personally appeared Kat Sorenson, and acknowledged under oath that she is the City Manager of the City of Seward, an Alaska municipal corporation, the Lessee named in the attached instrument, and as such was authorized to execute this instrument on behalf of the Lessee.

_____
Notary Public for State of_____
My commission expires: _____

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APPENDIX A

LEASE PROVISIONS REQUIRED BY KPB 17.10

(1) **Accounts Current**. Lessee shall not be delinquent in the payment of any tax, debt or obligation owed to KPB prior to execution of the Agreement.

(2) **Assignment**. Lessee may assign the lands upon which it has an agreement only if approved by the KPB Mayor or Land Management Officer when applicable. Applications for assignment shall be made in writing on a form provided by the Land Management Division. The assignment shall be approved if it is found that all interests of KPB are fully protected.

(3) **Breach of Agreement**. In the event of a default in the performance or observance of any of the Agreement terms or conditions, and such default continues thirty (30) days after written notice of the default, KPB may cancel the Agreement or take any legal action for damages or recovery of the property. No improvements may be removed during the time which the contract is in default.

(4) **Cancellation**. This Agreement, if in good standing, may be cancelled at any time upon mutual written agreement of the Parties.

(5) **Entry or Re-entry**. In the event the Agreement is terminated, canceled or forfeited, or in the event of abandonment of the Leased Premises by Lessee during the Term, KPB, its agents, or representatives, may immediately enter or re-enter and resume possession of the Leased Premises. Entry or re-entry by KPB shall not be deemed an acceptance of surrender of the Agreement.

(6) **Fire Protection**. Lessee shall take all reasonable precautions to prevent, and take all reasonable actions to suppress destructive and uncontrolled grass, brush, and forest fires on the Property under the Agreement, and comply with all laws, regulations and rules promulgated and enforced by the protection agency responsible for forest protection within the area wherein the Property is located.

(7) **Hazardous Waste**. The storage, handling and disposal of hazardous waste shall not be allowed on the Leased Premises.

(8) **Modification**. The Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the Parties or their respective successors in interest.

(9) **Notice**. Any notice or demand, which under the terms of the Agreement or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other Party at the address shown on the Agreement. However, either party may designate in writing such other address to which such notice of demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed received when deposited in a U.S. general or branch post office by the addressor.

(10) **Notice of Default**. Notice of default will be in writing as provided in Paragraph 9 Notice.

(11) **Removal or Reversion of Improvements Upon Cancellation of Purchase Agreement or Lease.**

(a) Improvements on Leased Premises owned by Lessee shall, within thirty (30) calendar days

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after the termination of the Agreement, be removed by Lessee; provided, such removal will not cause injury or damage to the land; and further provided, that the KPB Mayor or Land Management Officer when applicable may extend the time for removing such improvements in cases where hardship is proven. The Lessee may, with the consent of the KPB Mayor or Land Management Officer when applicable, dispose of its improvements to the Assignee or Licensee, if applicable.

(b) If any improvements and/or chattels having an appraised value in excess of ten thousand dollars, as determined by a qualified appraiser, are not removed within the time allowed, such improvements and/or chattels shall, upon due notice to Lessee, be sold at public sale under the direction of the KPB Mayor and in accordance with the provisions of KPB Title 5. The proceeds of the sale shall inure to the former Lessee who placed such improvements and/or chattels on the lands, or its successors in interest, after paying to KPB all moneys due and owing and expenses incurred in making such a sale. In case there are no other bidders at any such sale, the KPB Mayor is authorized to bid, in the name of KPB, on such improvements and/or chattels. The bid money shall be taken from the fund to which said lands belong, and the fund shall receive all moneys or other value subsequently derived from the sale of leasing of such improvements and/or chattels. KPB shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of the purchase.

(c) If any improvements and/or chattels having an appraised value of ten thousand dollars or less, as determined by the KPB Mayor, are not removed within the time allowed, such improvements and/or chattels shall revert and absolute title shall vest in KPB. Upon request, Lessee shall convey said improvements and/or chattels by appropriate instrument to KPB.

(12) **Rental for Improvements or Chattels not Removed**. Any improvements and/or chattels belonging to Lessee or placed on the Property and remaining upon the premises after the termination of the Agreement shall entitle KPB to charge a reasonable rent therefor.

(13) **Re-rent**. In the event that the Agreement should be terminated, canceled, forfeited or abandoned, KPB may offer said lands for lease or other appropriate disposal pursuant to the provisions of KPB 17.10 or other applicable regulations.

(14) **Responsibility for Location**. It shall be the responsibility of Lessee to properly locate improvements on the Leased Premises.

(15) **Rights of Mortgage or Lienholder**. In the event of cancellation or forfeiture of the Agreement for cause, the holder of a properly recorded mortgage, conditional assignment, or collateral assignment will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the Agreement. Any party acquiring the lease agreement must meet the same requirements as Lessee.

(16) **Sanitation**. Lessee shall comply with all regulations or ordinances which a proper public authority in its discretion shall promulgate for the promotion of sanitation. The Leased Premises under the Agreement shall be kept in a clean and sanitary condition and every effort shall be made to prevent any pollution of the waters and lands.

(17) **Shore Land Public Access Easement**. As established by AS 38.05, KPB lands sold or leased may be subject to a minimum 50-foot public access easement landward from the ordinary high-water mark or mean high water mark.

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(18) **Subleasing**. No lessee may sublease lands or any part thereof without written permission of the KPB Mayor or Land Management Officer when applicable. A sublease shall be in writing and subject to the terms and conditions of the original lease.

(19) **Violation**. Violation of any provision KPB 17.10 or of the terms of the Agreement may expose Lessee to appropriate legal action including forfeiture of purchase interest, termination, or cancellation of its interest in accordance with state law.

(20) **Written Waiver**. The receipt of payment by KPB, regardless of knowledge of any breach of the purchase agreement by the purchaser, lessee or permittee, or of any default on the part of the purchaser, lessee or permittee in observance or performance of any of the conditions or covenants of the agreement, shall not be deemed to be a waiver of any provision of the agreement. Failure of KPB to enforce any covenant or provision therein contained shall not discharge or invalidate such covenants or provision or affect the right of KPB to enforce the same in the event of any subsequent breach or default. The receipt by KPB of any payment of any other sum of money after notice of termination or after the termination of the agreement for any reason, shall not reinstate, continue or extend the agreement, nor shall it destroy or in any manner impair the efficacy of any such notice of termination unless the sole reason for the notice was nonpayment of money due and payment fully satisfies the breach.

DRAFT

EXHIBIT 1

DESCRIPTION OF PROPERTY AND LEASED PREMISES

Page 1 of 1

The Properties are legally described as follows:

The NW¼ NE¼ and the S½ NE¼ of Section 28, Township 1 North, Range 1W, Seward Meridian, Seward Recording District, Third Judicial District, State of Alaska. (Parcel No: 14424004)

and

The NE¼ NE¼ of Section 28, Township 1 North, Range 1W, Seward Meridian, Seward Recording District, Third Judicial District, State of Alaska. (Parcel No: 14424005)

The Leased Premises are described as follows:

That portion of the S½ NW¼ NE¼ NE¼, the SW¼ NE¼ NE¼, and the N½ NW¼ SE¼ NE¼ of Section 28, Township 1 North, Range 1 West, Seward Meridian, Seward Recording District, Third Judicial District, State of Alaska, lying west of the solid waste service roadway, together with exclusive access along the access road beginning directly off of the Dieckgraeff Road right-of-way and leading to the leased premises. (portions of Parcel Nos. 14424004 and 14424005)

DRAFT

EXHIBIT 2

LEASED PREMISES SITE MAP
Page 1 of 1

The Leased Premises are depicted as follows:

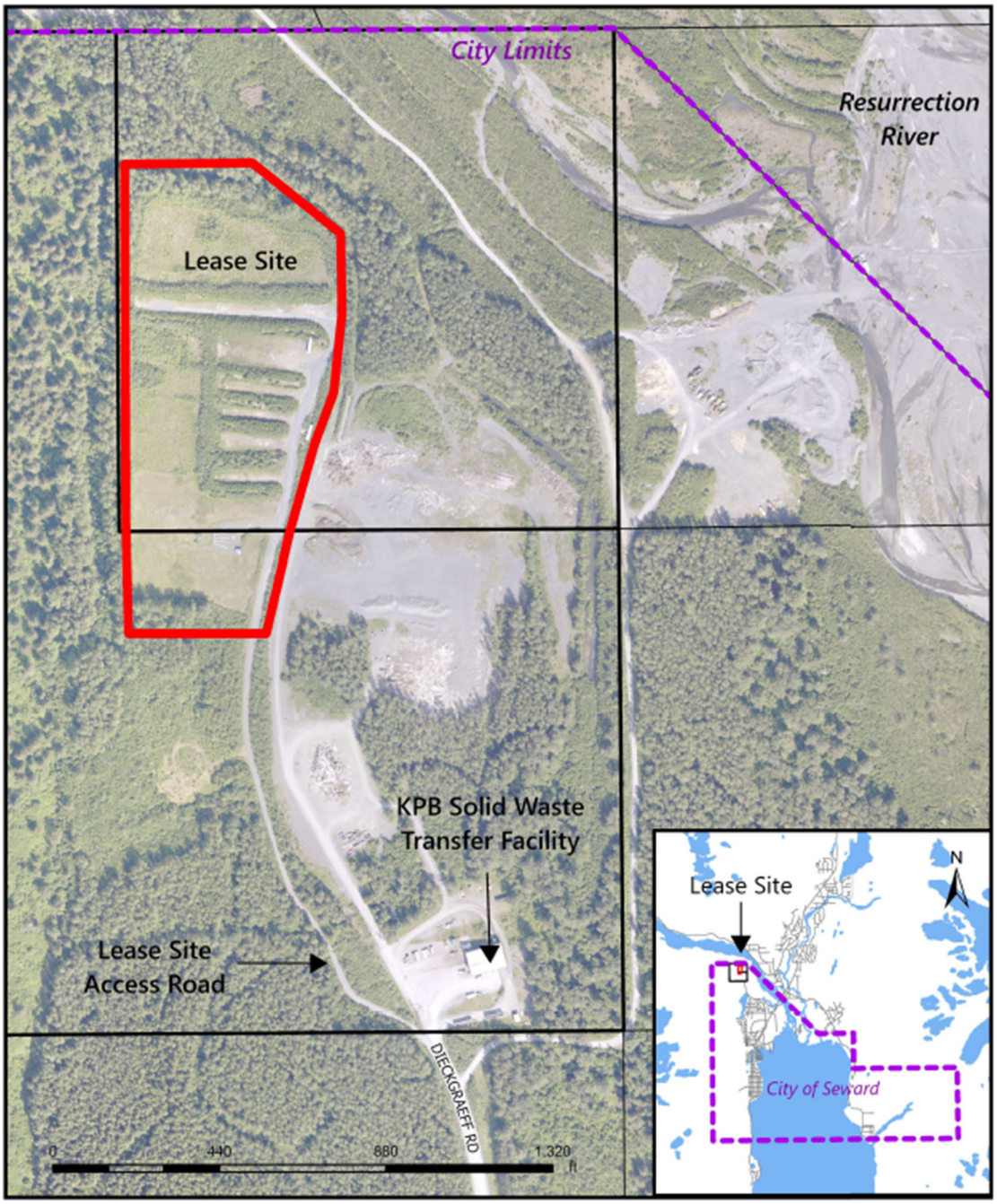

EXHIBIT 3

MEMORANDUM OF LEASE

(Attached)

DRAFT

(Above 2 Space for Recorder's Use Only)

Prepared by and Return to:
Kenai Peninsula Borough
Attn: Land Management Division
144 N. Binkley St.
Soldotna, AK 99669

Lessor: Kenai Peninsula Borough
Lessee: City of Seward, Alaska
Legal Description: Attached as Exhibit 1
Tax Parcel ID's: 14424004 and 14424005
Site Name: City of Seward Shooting Range
State: Alaska
Borough: Kenai Peninsula Borough
Recording District: Seward, Third Judicial

MEMORANDUM OF LEASE

This Memorandum of Lease (Memorandum) is entered into by and between the Kenai Peninsula Borough, an Alaska municipal corporation, having a mailing address of 144 N. Binkley St., Soldotna, AK 99669 (the Lessor) and the City of Seward, an Alaska municipal corporation, whose mailing address is 410 Adams Street, P.O. Box 167, Seward, AK 99664 (the Lessee) (together, the Parties).

1. Lessor and Lessee entered into a certain Lease Agreement (the Agreement) on the ____ day of _____, 2026, for the purpose of operating a public outdoor shooting range. All of the foregoing is set forth in the Agreement.

2. The lease term will be twenty (20) years commencing on the Effective Date.

3. The portion of the land being leased to Lessee (the Leased Premises) is described in Exhibit 1 annexed hereto.

4. Lessor and Lessee now desire to execute this Memorandum to provide constructive knowledge of Lessee's lease of the Leased Premises.

5. This Memorandum is governed by the laws of the State of Alaska.

DRAFT

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first above written.

LESSOR: Kenai Peninsula Borough
an Alaska municipal corporation

By: _____
Peter A. Micciche, Borough Mayor

Date: _____

LESSEE: City of Seward
an Alaska municipal corporation

By: _____
Kat Sorenson, City Manager

Date: _____

ATTEST:

_____
Michele Turner CMC, Borough Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

_____
Wayne Cary, Deputy Borough Attorney

Date: _____

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LESSOR ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing was acknowledged before me this _____ day of _____, 20____, by Peter A. Micciche, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

_____
Notary Public for State of Alaska
My commission expires: _____

LESSEE ACKNOWLEDGMENT

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

On the _____ day of _____, before me personally appeared Kat Sorenson, and acknowledged under oath that she is the City Manager of the City of Seward, an Alaska municipal corporation, the Lessee named in the attached instrument, and as such was authorized to execute this instrument on behalf of the Lessee.

_____
Notary Public for State of_____
My commission expires: _____

DRAFT

EXHIBIT 1 TO MEMORANDUM OF LEASE

DESCRIPTION OF LEASED PREMISES

The Leased Premises are described as follows:

That portion of the S½ NW¼ NE¼ NE¼, the SW¼ NE¼ NE¼, and the N½ NW¼ SE¼ NE¼ of Section 28, Township 1 North, Range 1 West, Seward Meridian, Seward Recording District, Third Judicial District, State of Alaska, lying west of the solid waste service roadway, together with exclusive access along the access road beginning directly off of the Dieckgraeff Road right-of-way and leading to the leased premises. (portions of Parcel Nos. 14424004 and 14424005)

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