

NON-COMMERCIAL SITE LEASE AGREEMENT

This Non-Commercial Site 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 Cooper Landing Community Club, Inc., an Alaska nonprofit corporation, whose mailing address is P.O. Box 508, Cooper Landing, AK 99572 (CLCC 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). In consideration for the payment and terms provided under this Agreement, 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. LMD 25-
18
144 N. Binkley St.
Soldotna. AK 99669

LESSEE

Name: Cooper Landing Community Club, Inc.
Re: Site # _____; Cooper Landing
P.O. Box 508
Cooper Landing, AK 99572

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

Appendix A: Site-Specific Lease Provisions

Appendix B: Lease Provisions Required by KPB 17.10

Exhibit 1: Description of the Property and the Leased Premises

Exhibit 2: Leased Premises Site Sketch

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

PART II. LEASE DESCRIPTION AND TERMS

4. Description of Property. Subject to the terms and conditions of this Agreement, KPB hereby grants to Lessee an exclusive option to lease a certain portion of the Property containing approximately 7,000 square feet, including the air space above such ground space, as described and depicted on Exhibit 1 and Exhibit 2 of this Agreement, attached hereto (collectively, the Leased Premises), for the purpose of operating and maintaining Communication Facilities as defined in Section 9, "Use", together with non-exclusive, legal access beginning directly off of the Sterling Highway right-of-way and across the Old Sterling Highway easement to an existing road as depicted on Exhibit 2 of this Agreement.

5. Term.

(a) The initial term will be five (5) years (the Initial Term), commencing on the Effective Date.

(b) Upon mutual written consent of the Parties, Lessee will have the option to extend the term of this Agreement for four (4) successive terms of five (5) years each (each, a Renewal Term), provided Lessee is not in default or in breach of this Agreement. Lessee must request renewal from KPB, not less than thirty (30) days prior to the end of the then-current Term. For purposes of this Agreement, Term includes the Initial Term and any applicable Renewal Term(s).

(c) Should Lessee or any assignee or licensee 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 and including an annual escalation to the base Rent of fifteen percent (15%).

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 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 the Communication Facilities 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;

(b) by Lessee, upon thirty (30) days prior written notice to KPB, if Lessee determines that, in its sole discretion, due to the title reports or survey results, that the condition of the Leased Premises is unsatisfactory for its intended uses;

(c) 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 13, "Equipment, Fixtures, and Removal". No such termination fee will be payable on account of the termination of this Agreement by Lessee under any termination provision contained in any other Section of this Agreement.

(d) 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, Lessee must pay to KPB an annual rent payment of Ten and No/100 Dollars (\$10.00) (Rent), for a total of Fifty and No/100 Dollars (\$50.00) at the address set forth

above on or before the last day of the lease term.

8. Taxes. Lessee must pay any real or personal property taxes assessed on, or any portion of such taxes attributable to, the Communication Facilities as defined in Section 9, "Use", located on the Leased Premises, including any taxable private leasehold interests.

9. Use. The Leased Premises are being leased for the exclusive purpose of operating and maintaining Alaska Rural Communications Service (ARCS) transmitting and receiving equipment, including one satellite dish, one equipment shelter, antennas and supporting tower structure, and related equipment (collectively, the Communication Facilities). 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 from KPB. Subject to Section 11(b) "Security and Buffer Landscaping", Lessee will have the right to clear the Leased Premises of any trees, vegetation, or undergrowth which interferes with Lessee's use of the Leased Premises for the intended purposes. Excepting Section 14, "Co-Locate Rights Reserved by KPB", Lessee will have the exclusive right to operate upon the Leased Premises existing communications tower, buildings, equipment, antennas, dishes, fencing, and other accessories related thereto, and to alter, supplement, and/or modify same as may be necessary.

10. Merger of Title. Prior to execution of this Agreement, the Parties must execute and record a merger of title affidavit for the purpose of combining the terms, provisions, and conditions of this Agreement and any existing interests, if any, from that federal entry permit identified as Special Use Permit 4049.01.

11. Security and Buffer Landscaping.

(a) Fence and Site Security. Notwithstanding Section 4, "Description of Property", Lessee will install a locked, sight-obscuring fence at least six feet (6') in height around the perimeter of the Leased Premises to protect against unauthorized access to the Leased Premises. Lessee may also elect, at its expense, to construct such other enclosures and/or fences as Lessee reasonably determines to be necessary to secure its improvements, including the tower(s), building(s), guy anchors, and related improvements situated upon the Leased Premises. Lessee may also undertake any other appropriate means to restrict access to its communications tower, buildings, applicable guy anchors, applicable guy wires, and related improvements, including, without limitation, posting signs for security purposes.

(b) Buffer Landscaping. To blend with the surrounding use of the Property as outdoor space, the Lessee will only clear the Leased Premises to the extent necessary for its Communication Facilities.

12. Access, Maintenance, and Utilities.

(a) Access. During the Term, Lessee, and its licensees, customers, guests, agents, and assigns will have the unrestricted, exclusive right to use, and will have free and unfettered access to, the Leased Premises seven (7) days a week, twenty-four (24) hours a day. KPB for itself, its successors and assigns, hereby grants and conveys unto Lessee, its customers, employees, agents, invitees, sublicensees, successors, and assigns, for the term of the Agreement, non-exclusive access across an existing road to the extent depicted on Exhibit 2 (a) for ingress and egress, and (b) for the operation and maintenance of overhead and underground electric and other utility facilities (including fiber, backhaul, wires, poles, guys, cables, conduits and appurtenant equipment), with the right to reconstruct, improve, and remove such facilities, over, across, and through any easement for the benefit of and access to the Leased Premises, subject to the terms and conditions herein set forth. KPB agrees to cooperate with Lessee's efforts to obtain such utilities and services. If there are utilities already existing on the Leased Premises which serve the Leased Premises, Lessee may utilize such utilities and services.

(b) Maintenance. Lessee 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. To proactively mitigate fire risks, Lessee must remove all dead spruce trees, or potential hazard trees within a fifty (50) foot radius of the Leased Premises. All trees and/or slash produced from these activities must be removed from the site or mechanically processed into chips and dispersed back onto the site. If slash is mechanically processed, the resulting chip bed may not exceed 6" of depth on any area within the treatment unit.

(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.

13. Equipment, Fixtures, and Removal. The Communication Facilities will at all times be the personal property of Lessee or its licensees, and customers, as applicable. Lessee and/or its licensees, and customers will have the right to operate and maintain on the Leased Premises such equipment, structures, fixtures, signs, and personal property as Lessee may deem necessary or appropriate, and such property, including the Communication Facilities and other equipment, structures, fixtures, signs, and personal property currently on the Leased Premises, will not be deemed to be part of the Leased Premises, but will remain the property of Lessee or its customers. 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 tower for communication purposes for a period of six (6) consecutive months following the Effective Date (the Removal Period), Lessee must remove its improvements and restore the Leased Premises to grade in a natural condition free of contamination, reasonable wear and tear excepted, which will include removal of all concrete and other foundation materials to a depth of five (5) feet below grade, and perform all obligations under this Agreement during the Removal Period, including without limitation, the payment of Rent on a prorated per diem basis, at the rate in effect upon the expiration or termination of this Agreement. 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.

14. Co-Locate Rights Reserved by KPB. KPB reserves the right to install emergency response or other communication equipment as may be deemed necessary by and for the sole benefit of KPB. Ninety (90) days prior to the exercise of this reservation, KPB must provide Lessee with a complete inventory of equipment and proposed vertical location. Lessee must confirm KPB's equipment will not interfere with Lessee's equipment or propose an alternate location. Upon installation of KPB's equipment on the Leased Premises, Lessee's equipment must not interfere with KPB's emergency response or other communication equipment, provided such equipment is properly installed and lawfully operated. Notwithstanding the foregoing, KPB's right to install equipment on Lessee's tower will be subject to Lessee's reasonable determination that, at the time in which KPB proposes to install its equipment, Lessee's tower will have sufficient space and structural capacity to accommodate the additional loading associated with KPB's proposed equipment installation. In connection with the foregoing, each Party will do and perform, or cause to be done and performed, all such further acts and things, and will execute and deliver all such other agreements, instruments and documents, as the other Party may reasonably request in order to carry out the intent and accomplish the purposes of this Section and the consummation of the transactions contemplated hereby. All costs associated with KPB's co-location on Lessee's tower, including but not limited to the cost of any structural analyses and any installation, maintenance and operating costs, will be borne by KPB.

15. 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, 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 12, "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 currently existing on the Property.

(e) Except for the licensees of 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.

16. 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 must 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) per occurrence and three million dollars (\$3,000,000.00) aggregate. If necessary to provide the required limits, the CGL 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) 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 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.

17. 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 authorizations 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 authorizations 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.

18. 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, 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 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.

19. 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.

20. Inspection. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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) 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.

(f) 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.

(g) Entire Agreement. This Agreement and its Exhibits, Appendices, 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.

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

[SIGNATURES BEGIN ON NEXT PAGE]

PART III. EXECUTION

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

LESSOR: Kenai Peninsula Borough
an Alaska municipal corporation

LESSEE: Cooper Landing Community Club, Inc.
an Alaska nonprofit corporation

By: _____
Peter A. Micciche, Borough Mayor

By: _____

Date: _____

Print Name: _____

Its: _____

ATTEST:

Date: _____

Michele Turner CMC, Borough Clerk

(KPB SEAL)

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Wayne Cary, Deputy Borough Attorney

Date: _____

APPENDIX A

SITE-SPECIFIC LEASE PROVISIONS

CO-LOCATE RIGHTS RESERVED BY KPB: In addition to Section 14, “Co-locate Rights Reserved by KPB”, of the Agreement, KPB reserves ten (10) vertical feet of tower space, if available. To the extent this Appendix conflicts with Section 14, “Co-locate Rights Reserved by KPB”, of the Agreement, the terms of the Agreement will control.

KPB may sublease the Reserved Space to other government agencies or organizations for the purpose of facilitating communications for first responders, disaster management, general government operations, or other public safety uses. KPB or its sublessee(s) will provide an inventory of equipment and proposed vertical location to Lessee for the purposes of ensuring that no interference is likely for the proposed installation. KPB and its sublessee(s) will be responsible for frequency coordination and adherence to all applicable regulations to prevent interference.

KPB AND SUBLESSEE USAGE: KPB and its sublessee(s) may use the Reserved Space for the purposes of providing public safety communications or other purposes deemed necessary to KPB. KPB or its sublessee(s) may choose to install equipment to provide general government communications, monitoring equipment, and other similar uses. In general, equipment may include, but is not limited to, VHF Radio Frequency (RF) transceivers, RF repeaters, licensed or unlicensed point-to-point antennas, microwave backhaul, surveillance cameras and other monitoring devices, and associated items that may support conventional or trunked radio systems. All equipment or facilities placed within the Reserved Space or on the Leased Premises will remain the personal property of KPB or its sublessee(s).

INTERFERENCE WITH LESSEE EQUIPMENT: In the event that proposed or installed equipment from KPB or its sublessee(s) interferes with Lessee’s equipment, all parties will work to explore technical solutions or changes to mitigate such interference. All other provisions of Section 13, “Co-locate Rights Reserved by KPB”, of the Agreement related to interference remain in effect.

ACCESS: KPB may establish outdoor equipment cabinets or full equipment shelters on or within the Leased Premises, provided that such facilities do not interfere with similar facilities of Lessee. Access will only be permitted to Lessee upon separate mutual written agreement. Such premises may have restrictions due to State or Federal policy and regulations, in such event, these regulations will prevail over the Agreement terms.

RENT: The Reserved Space is free of charge. KPB and its sublessee(s) are not responsible for any additional or direct rent payment to Lessee for the use of the tower or associated premises. KPB or its sublessee(s) are responsible for the costs of establishing, maintaining, and removing equipment during the life of this Agreement, as well as for any utilities required to maintain the equipment of KPB or its sublessee(s).

APPENDIX B

LEASE PROVISIONS REQUIRED BY KPB 17.10

(1) **Accounts Current.** Lessee must 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 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 must 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 must 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 must, within thirty (30) calendar days

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 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 Mayor or Land Management Officer when applicable, dispose of its improvements to the Sublessee or Assignee, 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 Chapter 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 KBP 17.10 or other applicable regulations.

(14) **Responsibility for Location.** It must 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 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 must 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 must be kept in a clean and sanitary condition and every effort must 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.

(18) **Subleasing.** No lessee may sublease lands or any part thereof without written permission of the 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.

EXHIBIT 1

DESCRIPTION OF PROPERTY AND LEASED PREMISES

Page 1 of 1

The Property is legally described as follows:

A portion of Tract H, ASLS 2003-2, Plat No. 2005-10, Seward Recording District, Third Judicial District, State of Alaska. (Parcel No. 11912509)

Site Name: CLCC Satellite Dish

The Leased Premises are described as follows:

A portion of the above-described Property, more particularly described as an approximately 7,000 square foot area, including the air space above such ground space, as further depicted on Exhibit 2 of this Agreement. Together with non-exclusive access beginning directly off of the Sterling Highway right-of-way and across the Old Sterling Highway easement to an existing road as depicted on Exhibit 2 of this Agreement.

EXHIBIT 2

LEASED PREMISES

Page 1 of 2

The Leased Premises are depicted as follows:

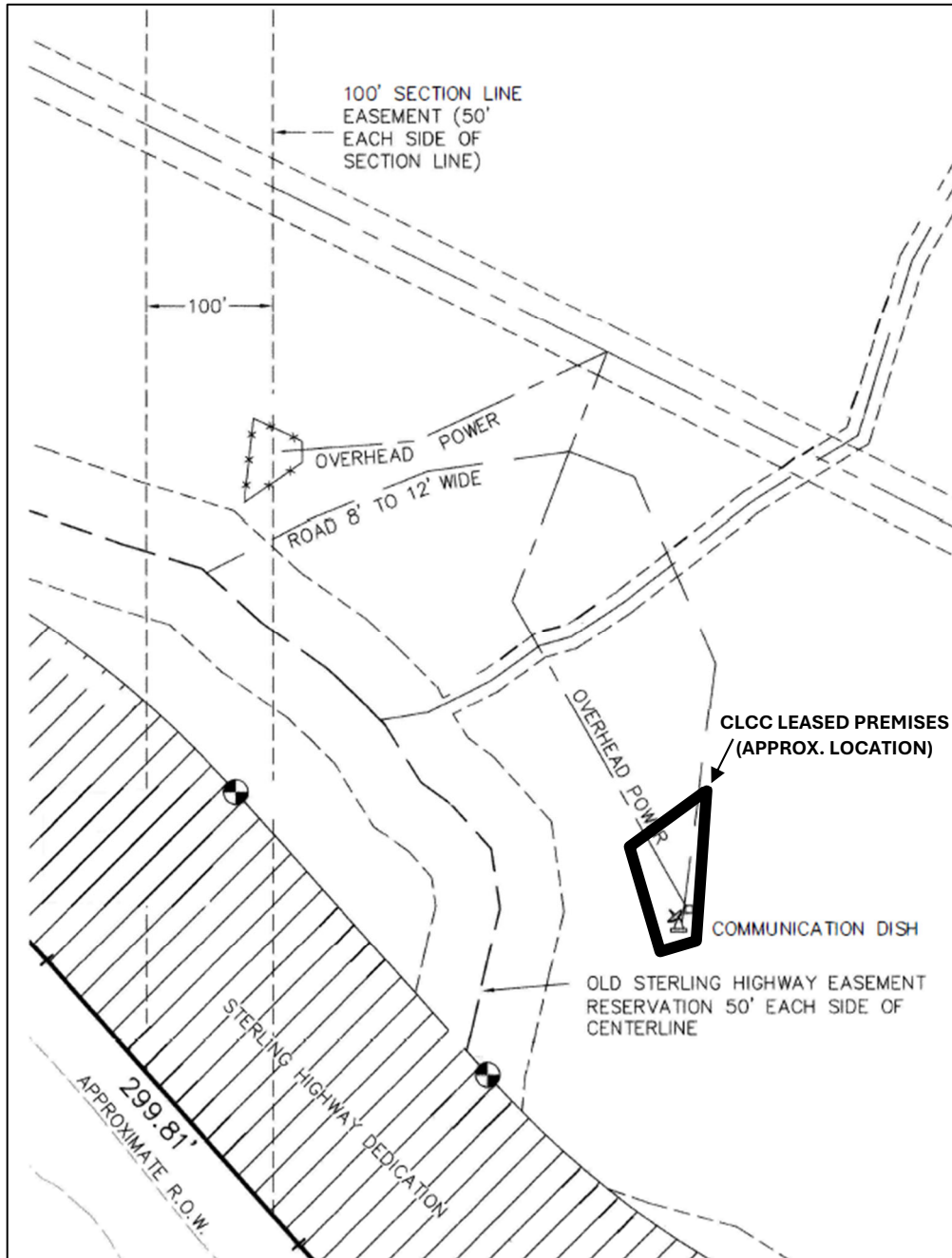


EXHIBIT 2

LEASED PREMISES

Page 2 of 2

The Leased Premises are depicted as follows:

