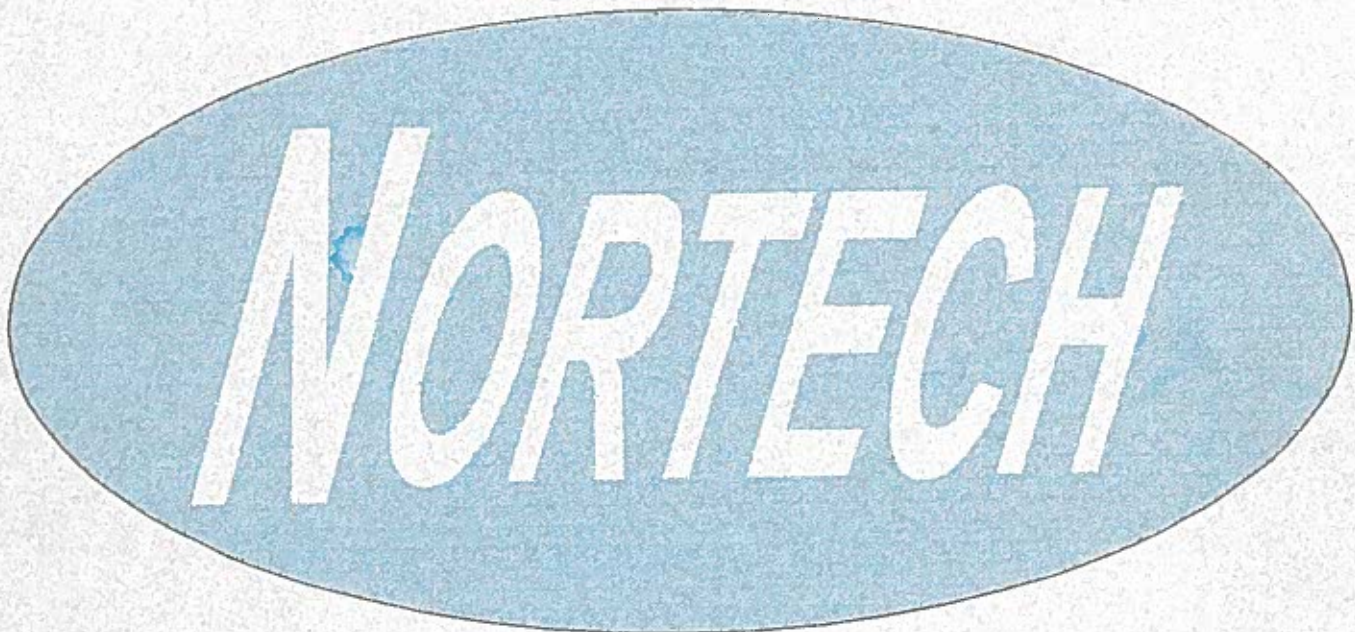


**PROSPECT CREEK AIRPORT
LOT 1, BLOCK 1
PHASE I/II ENVIRONMENTAL SITE ASSESSMENT**

Prepared for:

Mr. Ken Zachary
Northern Air Fuel
P.O. Box 60267
Fairbanks, AK 99706



July 1, 1999

Prepared by:

NORTECH
Environmental & Engineering Consultants
2400 College Road
Fairbanks, AK 99709
907-452-5688
Fax 452-5694



TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY	1
2.0 INTRODUCTION.....	1
2.1 Purpose	2
2.2 Methodology.....	2
2.3 Limitations and Exceptions of Assessment	2
3.0 SITE DESCRIPTION.....	3
3.1 Location and Legal Description, Site Lessor and Current Occupant	3
3.2 General Site Setting and Description	4
3.3 Vicinity Characteristics and Hydrogeologic Characteristics.....	5
4.0 RECORDS REVIEW	5
4.1 Alaskan Property Ownership and Assessment Records	5
4.1.1 Subject Property	6
4.1.2 Adjacent Properties	6
4.2 ADEC Contaminated Sites Database	6
4.3 ADEC UST Registration	7
4.4 Environmental Protection Agency NPL, CERCLIS and Notifiers List	8
4.5 Treatment, Storage and Disposal Facilities (TSDs)	8
4.6 Spills Databases	9
4.7 Aerial Photographs	9
5.0 INTERVIEWS	10
6.0 SITE INSPECTION	11
7.0 ANALYSIS	12
8.0 CONCLUSIONS & RECOMMENDATIONS.....	13
9.0 SIGNATURES OF ENVIRONMENTAL PROFESSIONALS	13
10.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS.....	14

APPENDICES

- Appendix 1: Figures
- Appendix 2: Site Photographs
- Appendix 3: Contamination Site Database/Records (Vista Information Solution, Inc.)
- Appendix 4: Transaction Screen Questionnaire
- Appendix 5: Laboratory Results
- Appendix 6: ADOT&PF Lease Agreement

RECEIVED

JUL 08 1999



1.0 EXECUTIVE SUMMARY

This Phase I Environmental Site Assessment (ESA) was completed in accordance with American Society of Testing and Materials (ASTM) Standards D 1527-97 and E 1528-96. The array of environmental information is provided to assist in the execution of "all appropriate inquiry" and to meet the "due diligence" requirements of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) as amended by the Superfund Amendment and Reauthorization Act (SARA) in 1986 as well as general reporting requirements set forth by the State of Alaska. The site assessment consisted of a review of standard sources of historical, environmental, and ownership documents, as well as oral interviews and a site reconnaissance.

The Site, a lease lot at the Prospect Creek Airport apron area, consists of a single lot, which encompasses approximately 27,000 SF of ground. The Site is located directly northeast of Alyeska's Pump Station 5 and just east of Milepost 137 of the James Dalton Highway. (See Figure 1) The land is owned by the Bureau of Land Management (BLM), and managed by the Alaska Department of Transportation and Public Facilities (ADOT&PF). It is currently leased for airport purposes by Dan and Lynda Klaes of North Pole and Bettles. The site is currently occupied by two 10,000-gallon tanks in a large secondary containment area, a highway fuel tanker which holds aviation gas, and a small conex used for the storage of propane and unleaded gasoline.

The environmental concerns discovered in the process of preparing this ESA were:

- The inadequate fuel-handling practices noted, or inferred, by the multiple spills and surficial fuel stains around the pump house and around the fuel tanks, an impression that was confirmed by laboratory results.
- The presence of a submerged 55-gallon drum in an adjoining stream.
- The presence of a sheen on the surface water surrounding the airport apron.
- The presence of large quantities of fuel not stored inside secondary containment facilities.
- An unknown fluid inside a partial 55-gallon drum, and stains on the ground around it.

NORTECH ranks the risk of significant on-site contamination for this Prospect Creek Airport lease lot as *high-risk* at present, based on the field observation made, the laboratory results of the samples taken on site, and the evidence of poor fuel-handling practices leading to an unknown quantity of fuel spills or releases.



2.0 INTRODUCTION

2.1 Purpose

Mr. Ken Zachary, of Northern Air Fuel, Inc., contracted with **NORTECH** to perform a Phase I Environmental Site Assessment (ESA) and limited Phase II Assessment of Lot 1, Block 1, at the Prospect Creek Airport, Alaska (Site). This investigation provides a preliminary search of prior and current property uses of the site and adjacent properties to determine the likelihood of past or present contamination by toxic or hazardous substances.

2.2 Methodology

This report summarizes **NORTECH's** investigation, findings, analyses, and opinions regarding the environmental condition of the property. The scope of **NORTECH's** site assessment services is in accordance with American Society of Testing and Materials (ASTM) Standards E 1527-97 and E 1528-96. This information is provided to assist in the completion of "all appropriate inquiry" and to meet the "due diligence" requirements of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or "Superfund") as amended by the Superfund Amendment and Re-authorization Act (SARA) in 1986 as well as the reporting requirements set forth by the State of Alaska. Any exceptions to, or deletions from, these practices are described in Section 2.3 of this report.

Upon completion of the required research, **NORTECH** reports identified environmental conditions and rates each ESA site on its perceived risk of having environmental contamination on-site. The risk categories are defined below.

No Risk: No evidence was found to indicate contamination of the Site or that hazardous substances, including petroleum products, have been improperly handled on-site. **NORTECH** does not find cause for further investigation.

Low Risk: Investigation has revealed the potential for on-site contamination or the possibility that hazardous substances have been mishandled or there is a threat of their release. The report will include recommendations for further investigation, if warranted.

Medium Risk: Mis-handled hazardous substances, or soil and/or water contamination may have been identified. Indications have been found that the concern(s) identified do(es) warrant a Phase II investigation.

High Risk: Mis-handled hazardous substances were encountered or there is a high potential for significant on-site contamination. Further assessment will be recommended to determine the actual presence and/or levels of contamination and the scope of resultant need for remedial action.



2.3 Limitations and Exceptions of Assessment

Limitations exist to the investigation provided and all environmental issues cannot be addressed in the scope of this effort. Specifically those issues listed as Additional Issues in ASTM E 1527 (section 12.1.4) have not been independently investigated: asbestos containing materials, radon, lead-based paint, lead in drinking water and wetlands. These issues will not be addressed unless pertinent information is discovered during the course of the investigation requiring mention, but these issues will not be specifically explored or evaluated.

This report summarizes our investigation, findings, analyses, and opinions regarding the environmental condition of the property based on limited record review and site observations, including the collection and analysis of six soil samples which have been used to characterize the most suspected-contaminated areas of the Site.

The extent of our assessment, by definition, was not of a scope necessary to reveal all conditions with regard to environmental contamination or conformance with regulations, codes, permits of all the agencies having jurisdiction. The work scope delineated by ASTM Standards E 1527-97 and E 1528-96 is considered adequate to identify significant indications of contamination and major concerns that would represent pivotal environmental issues important to a property owner. The purpose of the study is to identify existing environmental conditions and the data should be considered representative only of the time at which the site survey was completed.

This report is a record of research and observations on the subject property as described. No other warranty or presentation, either expressed or implied, is included or intended.

The report was prepared for the exclusive use of the Mr. Ken Zachary, of Northern Air Fuel, Inc. and his designated representatives. If it is made available to others, it should be for information on factual data only and not as a warranty of surface or subsurface conditions, such as those interpreted from the results presented or discussed in the report.



3.0 SITE DESCRIPTION

3.1 Location and Legal Description, Site Lessor and Current Occupant

The subject property (Site) is located in a tract of unsurveyed land within Sections 17, 19 and 20, Township 23 North, Range 14 West, Fairbanks Meridian. Driving approximately 200 miles north from Fairbanks along the Steese Expressway, the Elliott Highway, and the James Dalton Highway can access the Site.

Figure 1 is a general location map, and Figure 2 indicates the general vicinity and major structures or highways. A more detailed, small-scale view of the Site and adjacent buildings and other important features is presented as Figure 3.

Site Lessor: State of Alaska
Department of Transportation and Public Facilities
Airport Leasing Section
2301 Peger Road
Fairbanks, AK 99709-5399
Contact: Ms. Emogene Harrison, Leasing Officer; 451-5230

Site Lessee: Mr. and Mrs. Dan Klaes
2453 Homestead
North Pole, AK 99705
Phone: 488-7909

Bettles - 692-5111

7919

3.2 General Site Setting and Description

The Site was reportedly undeveloped until the installation of the Trans Alaska Pipeline in the early 1970's. The James Dalton Highway was built from 1971 until 1977 to access the immense oil fields at Prudhoe Bay, Alaska. Prospect Creek Airport was built to bring in supplies for the construction of the highway and later the pipeline and adjacent pump station. Currently there are only three companies/individuals that are officially using the airport's available lease lots, namely the Bureau of Land Management (BLM), Alyeska Pipeline Service Company (Alyeska), and Dan and Lynda Klaes.

Structures: On the Site, the only structures/fixtures are a conex storage box, a parked highway fuel tanker, two small locked plywood structures (assumed to contain pumps) and a diked, lined area with two 10,000-gallon fuel tanks.

Heat, Water and Sewer: Water and sewer service is not available in this area.

Access: The Site can only be entered overland by road from the James Dalton Highway via Alyeska Pump Station Five's access road, or by flying in to the airport and taxiing to the lease lot from the runway to the east (see Figures 2 and 3).



Climate: The nearest site with long-term weather observations, per the National Climatic Data Center, is the Bettles Airport which is approximately 26 miles westward from the Prospect Creek Airport. Over the 30-year station record available for Bettles, the average air temperature has been 23.9 degrees Fahrenheit, and the average annual precipitation has been 13.6 inches water equivalent. Average monthly temperatures are generally below freezing from October through April.

3.3 Vicinity Characteristics and Hydrogeologic Characteristics

Topography and Slope: The elevation of the property is approximately 1,099 feet above mean sea level. There is a slight topographic relief draining outward around the outer aspects of the apron for the Prospect Creek Airport. The apron itself is relatively flat with no topographic relief.

Local Geology: The terrain around Prospect Creek is hilly to mountainous, with low lying areas along the Jim River and is typically underlain by discontinuous permafrost. Several feet of fine to coarse grained glacial outwash deposits overlie the subsurface permafrost at the Site. The vegetation in the area is diverse, including closed conifer and deciduous forests, as well as areas of tall shrub-riparian mix.

Depth to Groundwater and Groundwater Flow Direction: Depth to groundwater at the subject site is unknown, but estimated to be between approximately 12 to 15 feet below the ground surface due to nearby surface water levels on water bodies in the area. The normal groundwater gradient in this area appears to be toward the Jim River, trending in a southwesterly direction away from the Site.

Surfacewater and Surfacewater Flow Direction: The surface of the subject property is almost totally open, and appeared to drain away from the diked area in a southerly direction. On the northeast side of the apron one of the small local streams passes through a culvert from a southeast to a northeast direction. This local water flow could be due to contouring of the area for the construction of the airport apron. Approximately 50 feet from the north side of the apron is a small lake, which could also be influencing the direction of water flow in the general area.

Nearest Surface Water Body: The nearest surface water body to the subject site is a small stream, to the south and southeast of the property.

On-Site Wells: There is no on-site water well at Prospect Creek Airport. The nearest well is across the Jim Dalton Highway at the ADOT&PF's Jim River Maintenance Camp. Water is reportedly pumped from this well to Pump Station #5.



4.0 RECORDS REVIEW

4.1 Alaskan Property Ownership and Assessment Records

The State of Alaska's Department of Transportation and Public Facilities (ADOT&PF) records were reviewed by **NORTECH** to gather information regarding past or present uses of the immediate and surrounding properties under investigation. These records date back to the construction of the Prospect Creek Airport in about 1971.

4.1.1 Subject Property

The ADOT&PF records indicate that the property is owned by the BLM, but that the ADOT&PF has been given control and responsibility for the property in its use as an airport. The Klaes have been the only lessee of this property, having begun their leasing agreement with the ADOT&PF in July 1986. The Klaes have always used the Site as a transfer station for fuel being transported to Bettles, AK.

4.1.2 Adjacent Properties

Alyeska has occupied Block 2 on the apron since the airport was first constructed. Block 2 is directly adjacent to the Site on the north to northeast, and has four buildings. The buildings on Block 2 have various uses, as described below. The property directly east of the Site is a general, short term visitor use area. The areas adjacent on the south and southwest sides of the property are reserved for BLM use, if the need or interest arises.

Block 2

The largest metal building, the one nearest the Site, is a warm storage building. It is currently not in use. It is scheduled to be removed and a new building constructed in the same location. In the northeast corner of this building a ceiling heater has leaked and stained the dirt floor, with diesel heating oil, which is reportedly going to be cleaned up before the new building is erected.

Another nearby building is used as the control tower for the airport. It is only manned during shift changes for Alyeska Pump Station Five or if there is an emergency med-evac flight.

The other two buildings on Alyeska controlled leased airport lands are currently not in use. One is a garage and the other is a generator building.

Apron

The area near the southeast corner of the Site has been leased at least three times for short periods for the purpose of fuel storage. These leases were for 120 days. This area is now being used by the general public to store and transfer material at the road/aviation node on a



short term basis. No lease from the ADOT&PF is required if the duration of the stay/transfer is shorter than three days. If someone wishes to use the property for longer than the three day limit they would need special permission from ADOT&PF.

4.2 ADEC Contaminated Sites Database

The Alaska Department of Environmental Conservation (ADEC) maintains a database of known contaminated sites. **NORTECH** reviewed the ADEC's files of specific sites in the vicinity with potential to impact the Site by having Vista Information Solutions, Inc. compare the state government's database with the location of the Site. The Vista Information report is included below as Appendix 3: Site Assessment Report. There were no listings for the Site on the report. Use of a different report from Vista, for another project, indicated that there were several unmapped sites that were not specified regarding location due to the absence of adequate location data provided with the contamination incident report. When these sites were reviewed, two with registered underground fuel storage tanks (USTs) were noted to be listed and within a one-mile radius of the subject Site.

It should also be noted that there are two aboveground fuel storage tanks on Site and others on Block 2. None of these tanks or the Alyeska Pipeline itself is listed on either of the Vista contaminated site database reports.

The two 10,000 gallon tanks on Site are contained in a diked area. This diked area is currently of questionable quality or integrity with regard to the retention of potential fuel spills or leaks. There are many small tears observable in the liner and there is no clear sign or documentation of annual maintenance. There is a letter, dated March 27, 1995, in the ADOT&PF files from Big State Logistics, stating that they do the annual maintenance of the Site. This was the only report of any maintenance having been done on the lined area within the ADOT&PF files. At the time of the Big State letter, two holes were being patched and the retaining berm of soil was reshaped. During the site visit it was noted that surrounding the pumping unit are multiple stains which are not in a containment area.

One of the above-ground storage tanks located on Block 2 holds building heating fuel, so it is not required to be registered with the ADEC. This tank was reported to be empty during the site visit due to one of the heaters in the large storage building leaking. The tank is contained in a diked area that appears to be in good condition.

The other tank on Block 2 is reportedly used for JP-4 (aviation) gas. This tank was supposed to be replaced by Alyeska within two days of the site visit, as part of an ongoing project on their part. The containment area for this tank appeared to be in good condition.



4.3 ADEC UST Registration

ADEC requires the registration of fuel and used-oil USTs, except for heating oil USTs supplying fuel for on-site heating use only. The ADEC database dated March 1999 was reviewed to identify any registered USTs that could potentially impact the Site.

The two USTs reported to be registered within one-quarter mile of the Site were:

- ADOT&PF – Jim River, MP 137.8 Dalton Highway. This UST is directly north of the Site and approximately $\frac{3}{4}$ mile away. It is in close proximity to Jim River and therefore downgradient of the Site. It is deemed highly unlikely that this UST would impact the Site.
- Pump Station #5, Trans-Alaska Pipeline System. Pump Station #5 is downgradient (in a southwesterly direction) and approximately one-quarter mile from the Site, and as such it is deemed unlikely that this UST would impact the Site.

It is unlikely that either of these registered USTs would ever be of environmental concern for the Site.

4.4 Environmental Protection Agency NPL, CERCLIS and Notifiers List

The EPA maintains a listing of all National Priority List (NPL) sites, Comprehensive Environmental Response, Compensation and Liability Act Information System (CERCLIS) sites and a Notifiers list. This information was evaluated by:

- A) Reviewing the April 1999 version of the NPL. There were no sites listed within 1.0 mile of the subject property.
- B) Reviewing the March 1999 edition of the CERCLIS list. There were no sites listed within 0.5 mile of the subject property.

4.5 Treatment, Storage and Disposal Facilities (TSDs)

RCRIS is an automated data system that keeps track of all RCRA hazardous waste handlers. RCRIS maintains identification and location data for all handlers; and information on TSDs permitting, enforcement, and corrective action activities. These handlers may be characterized as one or more of the following categories:

- Treatment, storage, and disposal facility (TSD)
- Large quantity generator (LQG)
- Small quantity generator (SQG)
- Conditionally exempt small quantity generator (CESQG)
- Transporter



There were no TSD sites identified within the search area of the property (1.125 miles). There were also no large or small RCRA materials handlers within the search area of the property (1.125 miles).

4.6 Spills Databases

The ADEC has maintained a database of reported spills since the mid-1980s. The Site has no reported spills. From the staining visible around the pump area, there has either been a series of fuel spills, or possibly a slow leak from the pump that has not been reported.

Just east of the Site on the adjacent property, are multiple surface stains that have not been reported. These stains appear to be either oil stains from dripping planes or from improper fuel-handling practices. These stains are in very close proximity to the Site. The stain nearest to the Site was sampled and has a significant Diesel Range Organic (DRO) level, 1,690 mg/kg.

There appears to have been a spill, of an unknown quantity, inside of the large building on the Alyeska lease lot. It was reported that this spill is scheduled to be cleaned up this summer when the building is removed/replaced. It is unlikely that this spill would impact the Site.

4.7 Aerial Photographs

Aerial photographs from 1969, 1979, 1993 and 1996 were reviewed to investigate past uses of property in the area. Two representative photographs, those from 1969 and 1996, were selected and are reproduced as Figures 4 and 5. Figure 2, presented as the Vicinity Map, was drawn using the 1979 aerial photograph as a background. Selected observations from viewing these photographs are as follows:

1969 Aerial Photo: This photograph, provided by AeroMap US, Inc. of Anchorage, shows that the Site has not been developed at this time. The James Dalton Highway has not yet been constructed. The Site is vacant and appears to have no potential for detrimental environmental impacts at this time.

1979 Aerial Photo: This photograph, provided by the United States Geological Survey at the University of Alaska Fairbanks's Geophysical Building, shows the Site to be in a condition that is very similar to the current Site conditions. The main difference is that the diked and lined fuel tank areas have not yet been built. Neither the Site or Alyeska's properties have their aboveground tanks within containment areas at this time. There appears to be a large pile of earth present on the property in this photo.

1993 Aerial Photo: This photograph, provided by AeroMap US, Inc., shows that the Site and adjacent properties have the same configuration as the current situation. The runway and a large portion of Block 2 appear to have a darker color surfacing soil, possibly from the



material sprayed on to decrease dust formation. There is two other dark soil areas that could possibly be contamination areas. The diked and lined containment areas are visible at this time at both the Site and Alyeska's lease lot.

1996 Aerial Photo: This photograph, provided by AeroMap US, Inc., is at larger magnification and shows very well the various details of the apron. The Site conditions depicted are very similar to those of the current Site. The conex located next to the highway fuel tanker is not there at this time. The tanker appears to be in the same location as now. Therefore can be supposed that it has not been relocated in at least three years. Some surface stains on the adjacent property to the east of the Site can be seen on this photograph. Along the western side of the Site there appears to be some darker soil, which might be moisture or possibly fuel contamination. Water in the containment area appears to have collected in the same corner for multiple years.

Block 2 appears to have not changed from current conditions. The soil on Block 2 appears to have been treated with the same type of material as the runway. The electrical supply line to the Alyeska buildings is evident in this view along the west edge of the apron.

5.0 INTERVIEWS

Ms. Jean Young, of **NORTECH**, interviewed Mr. Dan Klaes, the current lessee, at the Site on Monday, June 14, 1999. His answers to the applicable questions have been presented on the Transaction Screen Questionnaire, attached as Appendix 4. Mr. Klaes has been a resident of the Fairbanks and Bettles areas for over 15 years. He is the owner of the Bettles Lodge.

Mr. Klaes noted that he holds the lease for the property at Prospect Creek Airport, while PetroStar owns the tanks and Brooks Fuel transports the fuel. He said that he does not deal with the fuel "first hand". He mentioned that the conex on the property belongs to Brooks Fuel, and that he does not have anything to do with its contents. When he was asked about possible environmental concerns he said that the airport had been sprayed with an oil that makes it bad for landing, gets the planes dirty, and makes it hard to maneuver the planes.

Mr. Klaes said that he was unaware of where the earlier repairs to the liner were located since he was not around when the work had been done. There is an extra piece of liner between the tanks, but when asked why it was there he said he had no idea why it would be there. The property adjacent to the Site to the east has some surface stains. He said that he thought these stains would probably be 50-weight oil drippings from the engines of the older planes, which are occasionally parked there.

Mr. John Globig, maintenance coordinator for Alyeska Pump Station #5, interviewed in person, confirmed that the large metal building was scheduled to soon be removed and replaced. He said that the stain inside of the building would be taken care of internally when the building was worked on. He said that the JP-4 tank was to be replaced the following day.



When asked if it was being replaced due to environmental concerns, he said it is a policy of Alyeska's that when a tank gets over a certain age it gets changed out, even if it is functioning adequately. He noted that Alyeska does the maintenance on the airport and that they use an EPA approved "Road Oil" spray to cut down on dust. When asked about environmental concerns present at the Site and the Alyeska lease lots, he was only aware of the stain in the large building, but nothing that has happened on the property being reviewed.

Mr. Steve Harper, a security guard for Alyeska's Pump Station 5, interviewed in person, said that there is no water well at the airport and that the pump station gets their water from a well across the highway, approximately 1 mile away from the pump station. He was not aware of any spills at the airport for the last five years that he has been working at the station. He did say that the runway and apron has not been sprayed for approximately the last three years.

Mr. Glenn Hollett, foreman for the Jim River ADOT&PF maintenance station, interviewed in person, said that about the only time that ADOT does anything at the Prospect Creek Airport is if they wing snow off the area for Alyeska. He said that Alyeska uses a snow blower to clear the runway and apron. If the snow banks get deep enough that Alyeska can no longer blow the snow over the piles or if they cause drifting on the runway, ADOT&PF will push the banks back further for them. He says that Alyeska does the maintenance on the airport. When asked about possible spills, he said that Alyeska kept a close look for that type of thing and if Alyeska did not report any he figured there were not any.

6.0 SITE INSPECTION

Inspections of the Site and the adjacent properties were completed on June 13 and 14, 1999, by Jean Young. The Site was easily accessed on both of these clear, sunny days. Several of the photographs taken during the site visit have been included in this report in Appendix 3. The airport apron was confirmed to be generally flat, with some topographic relief around the border. The streams that surround the apron have visible sheens on them. There appears to be a 55-gallon drum submerged in a stream east of the Site near the adjacent property.

The main structures on the Site are two 10,000-gallon aboveground fuel storage tanks inside a containment area. The liner has multiple small tears along its border. One of the small tears was located approximately a foot and a half away from a fill hose. In between the tanks lies what appears to be an extra piece of liner. When lifted there did not appear to be any holes underneath, but Ms. Young was not able to determine conclusively the integrity of the underlying liner. The liner between the tanks was covered in dried fuel/dirt debris. There was a very strong odor of hydrocarbons in that area. The south to southwest side of the containment area had freestanding water and algae inside it.

It was observed that there is evidence of poor fuel-handling techniques on this site. There are multiple large stains around the pump house and the adjacent property. One of the elbows on the hoses is placed over a pail that was over half filled with fluid. Some of the fittings on the

liner have stains underneath them. The hoses are strewn around the area and one of the hoses with a coupling is on the adjoining property.

There is a highway fuel tanker parked on Site that is not in a containment area. Between the tanker and the dike is a stain that was sampled. Near the tanker is a portion of a 55-gallon drum with unknown contents. There is also a stain along the west side of the drum that was not sampled. The conex on Site has a large quantity of fuel stored inside, but it is also not in a containment area.

7.0 ANALYSIS

NORTECH has completed a Phase I and limited Phase II environmental site assessment of Lot 1, Block 1 of the Prospect Creek Airport, which identified some potentially significant environmental concerns. The following analysis addresses each concern individually.

It appears that years of poor fuel-handling techniques on this Site have allowed the creation of multiple large stains of the lease lot's surface soils. The laboratory results of the six soil samples collected confirmed that there is petroleum hydrocarbon contamination of the soils at this Site. The two samples with the highest Diesel Range Organics (DRO) results, namely 35,700 mg/Kg and 26,500 mg/Kg, were located near the pump house. This area is not contained in a secondary containment area and therefore is exposed to the general environmental conditions on Site and could possibly leach down to the groundwater. The laboratory results for each of the samples are presented in a table below and copies of the laboratory reports are included in Appendix 5.

One sample was taken from under a tear in the liner near the fill hose. This sample had the lowest level of DRO determined near the tanks, 829 mg/Kg, but this is still too high to meet the ADEC's soil cleanup standards. The ADEC has a matrix score sheet to establish soil cleanup levels. Applying the Category B requirements from the matrix score sheet, the highest DRO level allowed would be 200 mg/Kg. The new risk based standards may allow a higher level for DRO contamination of the site's soils, but this site would need to be further evaluated to see if it will meet the risk-based standards. The final sample taken was located downgradient of the fuel tanks. The results, 13 mg/Kg, seem to indicate that the fuel spill/leak contamination has not migrated as far as this sample site, which is just short of the stream.

The integrity of the liner in the secondary containment area where the fuel tanks are situated is questionable. There are multiple tears visible in the bermed portion of the liner. In between the tanks there appears to be an odd, "extra" portion of liner lying atop the liner floor of the containment area. It is unclear whether this extra liner fabric stems from a problem with the liner installation, or just a lack of tidiness. The south to southwest corner of the containment area was holding water during the site visit, but there was algae present in the water. The presence of the algae leads us to wonder whether or not the liner has been serviced since the reported 1995 cleaning. The liner is supposed to be serviced annually.



There is a cutoff 55-gallon drum with unknown contents located on the Site. There is a stain running down the west side of the container and on the ground near the container. (see Site Photographs in Appendix 2) This also indicates very poor housekeeping at the Site, which can lead to serious environmental contamination.

Any fuel products stored in this remote location subject to such extreme weather conditions and the intermittent or occasional fueling circumstances should probably be confined in a secondary containment area in case of a spill. The highway fuel tanker and the contents of the conex are considered to be large enough volumes of fuel to merit more cautious treatment and proper storage. These containers should be placed inside of a secondary containment area if they are to stay on the Site.

All of the streams around the apron have a visible sheen present. It is not clear where the sheen originated, but it is seen as symptomatic of the fuel releases evident at this property, and their presence may impact the lands bounding the Site.

Sample Results:

Sample ID	Location	GRO (mg/Kg)	DRO (mg/Kg)
PC-1	Under liner	3.7	829
PC-2	Near pump house	118	35,700
PC-3	Near pump house	166	26,500
PC-4	Just east of Site	4.96	1,690
PC-5	Near fuel tanker	214	5,660
PC-6	Near stream	1.77	13

8.0 CONCLUSIONS & RECOMMENDATIONS

Mr. Ken Zachary contracted with **NORTECH** to perform a Phase I Environmental Site Assessment (ESA) and limited Phase II of Lot 1, Block 1 of Prospect Creek Airport, which is located approximately 200 miles north of Fairbanks, Alaska on the James Dalton Highway. The investigation resulted in the following conclusions:

- An unknown quantity of fuel-impacted soils will need to be remediated at this lease lot. The soil sample results indicate contamination that must be reported to the ADEC, who will request further site assessment and evaluation. The general area's actual contamination area and soil volume, as well as the appropriate soil cleanup levels that will need to be met has yet to be determined. The extent of contamination appears to be significant.
- The pump house should be removed and replaced, possibly by placement into some kind of secondary confinement area.



- If the highway fuel tanker is to remain at the Site, it should be placed inside a secondary containment area, as should the fuel storage conex.
- The cutoff 55-gallon drum and its contents will need to be identified and properly disposed.
- The fuel containment liner should either be replaced or repaired after being cleaned and re-evaluated to confirm its integrity.

9.0 SIGNATURES OF ENVIRONMENTAL PROFESSIONALS

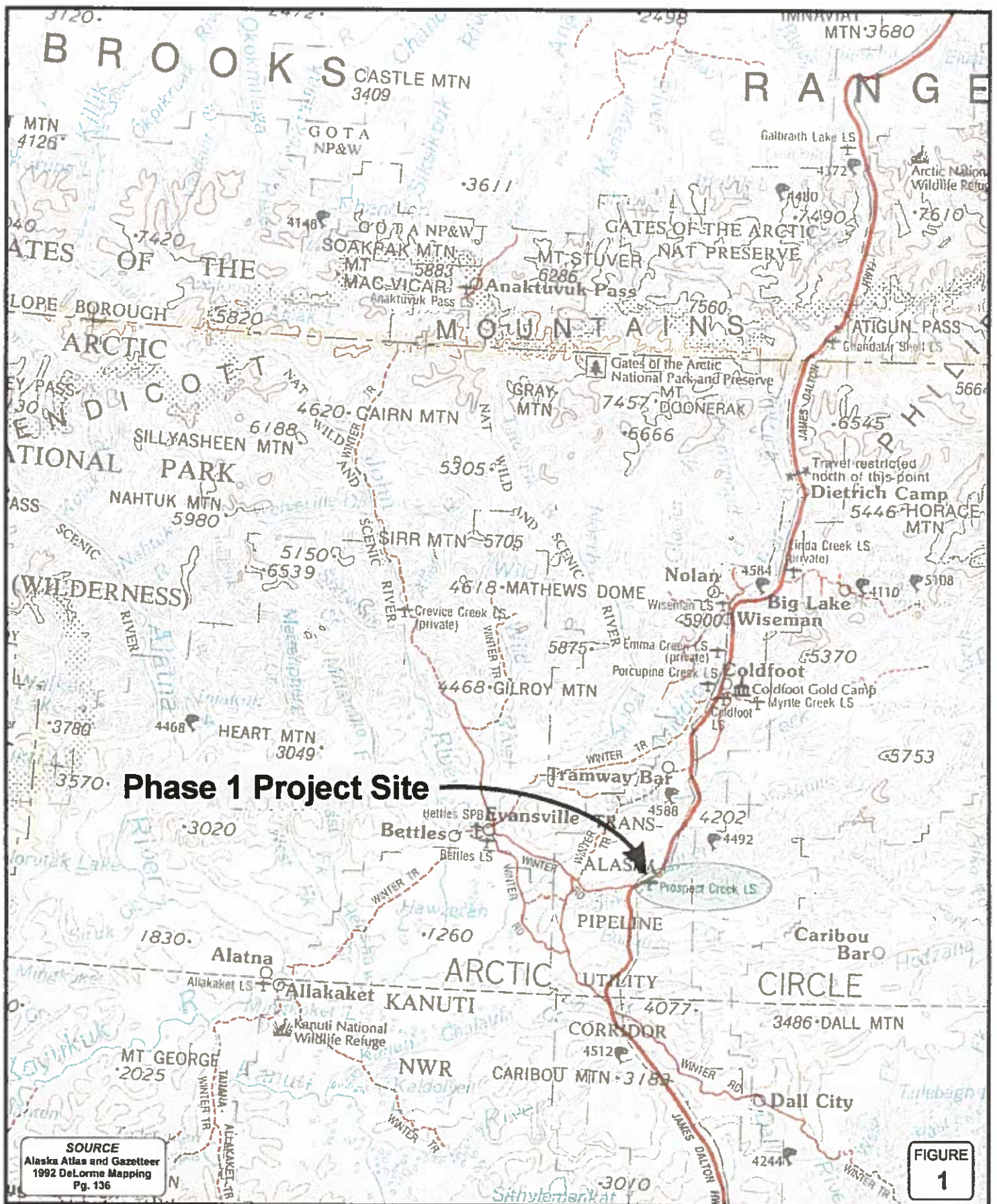
Clark Milne, PE
Senior Engineer

Jean Young
Staff Engineer

10.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS

Clark Milne, PE, Senior Engineer, has a B.S. degree in Industrial Engineering, Masters of Civil Engineering, and M.S. in Engineering Management. He is a registered Civil Engineer (CE-6052) in the State of Alaska, with extensive design and field experience as a building and dirtwork construction superintendent, a consulting civil and environmental design engineer, and a project manager. He has worked for both the Fairbanks North Star Borough and ADOT&PF in facility management roles, and designed and/or administered a wide range of environmental projects. Clark has over 23 years of engineering experience in Alaska, of which 19 years have been spent in Fairbanks.

Jean Young, Staff Engineer, graduated May 1999 with a B.S. degree in Civil Engineering, with additional majors in Biology and Hazardous Materials. She has worked for three different environmental consulting firms in Fairbanks for several years as an ADEC Qualified Person doing sampling, project inspection, tank closures, site cleanups, and environmental site assessments.



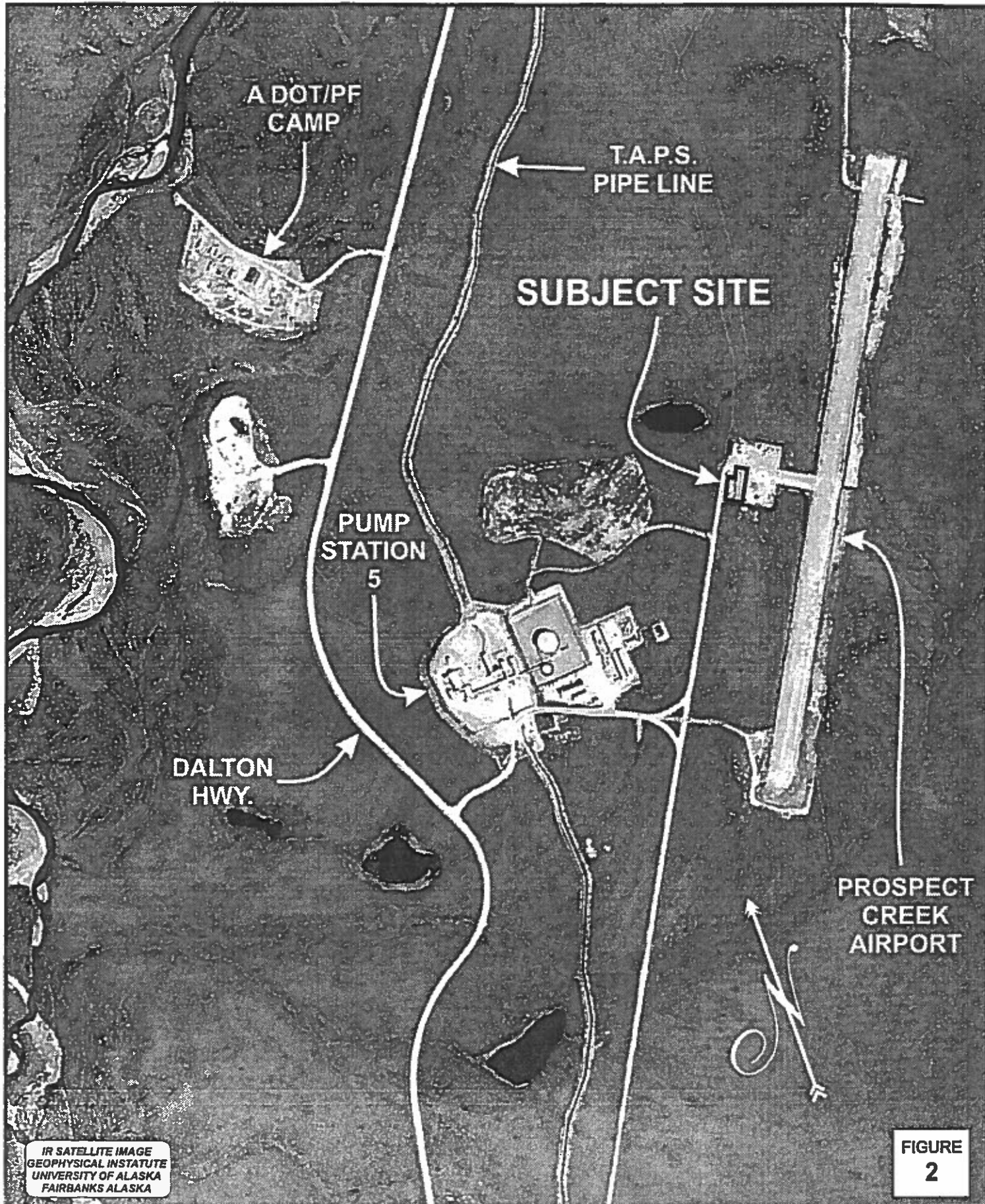
SOURCE
Alaska Atlas and Gazetteer
1992 DeLorme Mapping
Pg. 136



ENVIRONMENTAL & ENGINEERING CONSULTANTS
2400 COLLEGE ROAD FAIRBANKS, ALASKA 99708
(907) 452-5688 FAX (907) 452-5694

**PROSPECT CREEK AIRPORT
PHASE 1 SITE ASSESSMENT
LOCATION MAP**

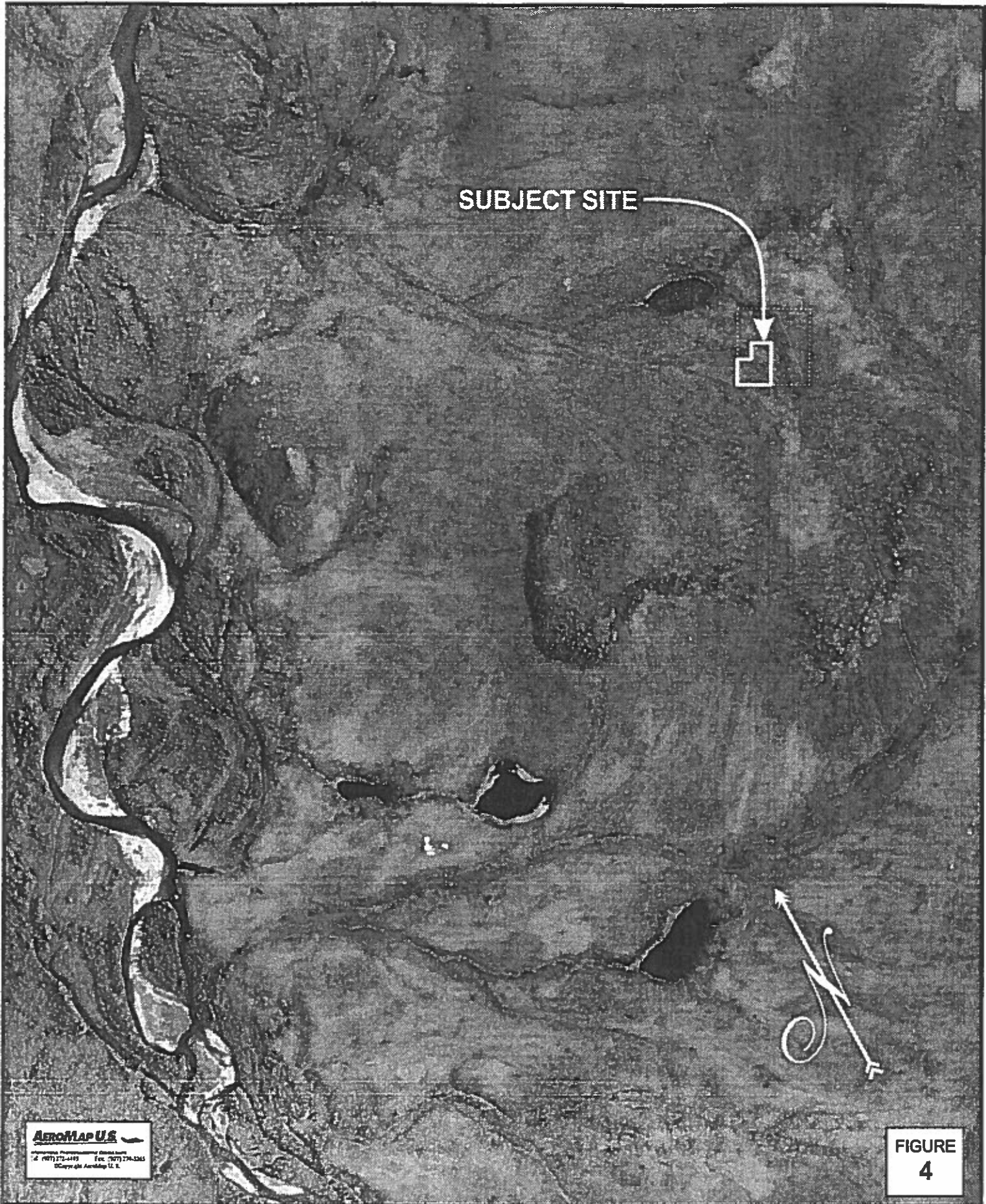
DESIGN:	JMY	DATE:	6/1/99
DRAWN BY:	DRB	DWG NO.:	99131.1 fig 1
PROJECT NO.:	99131.1	SCALE:	1:1,400,000



ENVIRONMENTAL & ENGINEERING CONSULTANTS
 2400 COLLEGE ROAD FAIRBANKS, ALASKA 99708
 (907) 452-5888 FAX (907) 452-5894

1979 AERIAL PHOTO / VICINITY MAP
 PROSPECT CREEK AIRPORT
 PHASE 1 SITE ASSESSMENT

DESIGN: J.M.Y.	DATE: 6/9/99
DRAWN BY: D.R.B.	DWG NO.: 99131.1 - fig2
PROJECT NO.: 99131.1	SCALE: 1"=1000'



SUBJECT SITE

FIGURE
4

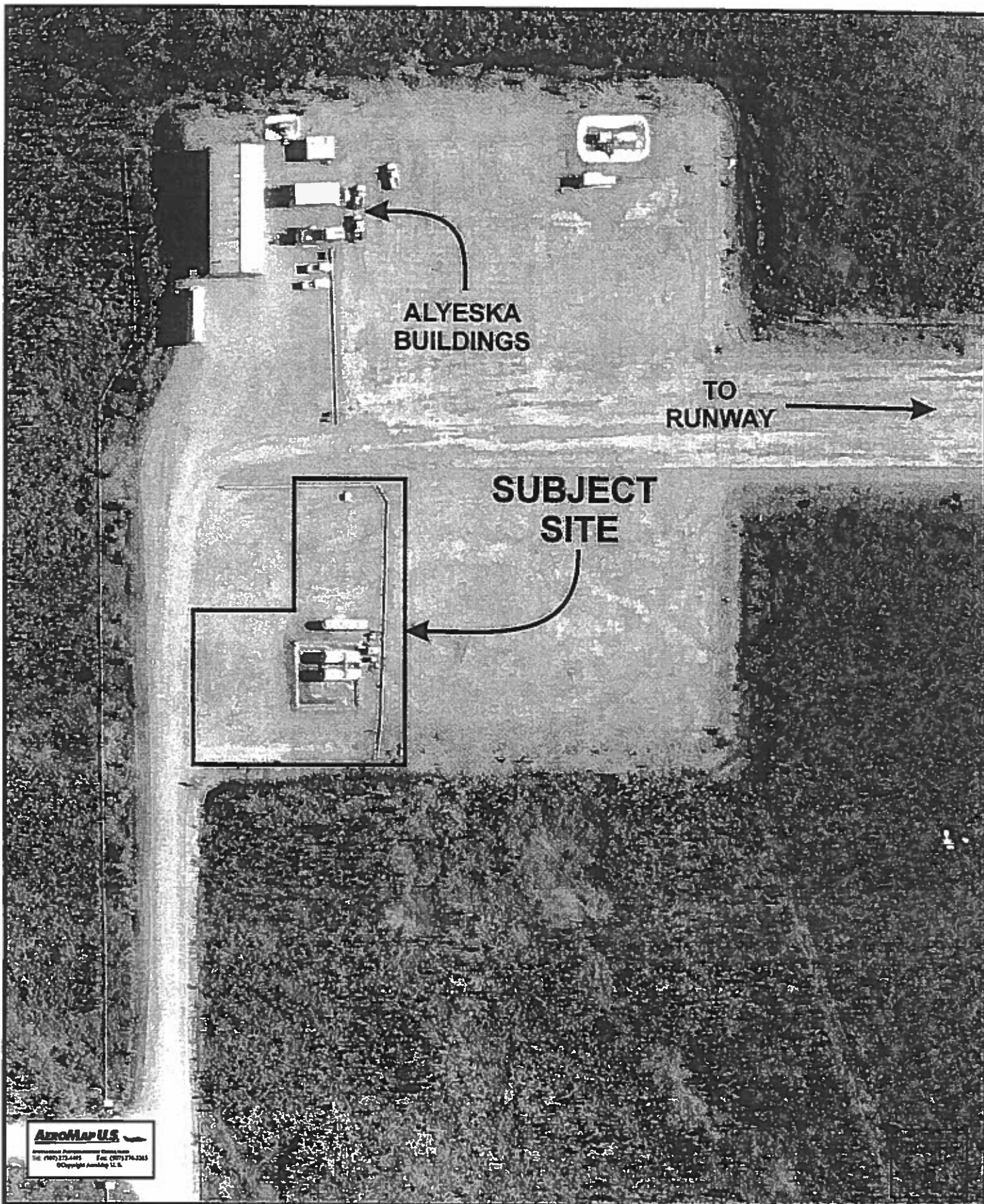
AEROMAP U.S.
Aerial Mapping & Photogrammetry Services
2400 College Road Fairbanks, Alaska 99708
(907) 452-5888 Fax (907) 452-5894
Copyright Aeromaps U.S.

NORTECH

ENVIRONMENTAL & ENGINEERING CONSULTANTS
2400 COLLEGE ROAD FAIRBANKS, ALASKA 99708
(907) 452-5888 FAX (907) 452-5894

1969 AERIAL PHOTO
PROSPECT CREEK AIRPORT
PHASE 1 SITE ASSESSMENT

DESIGN:	J.M.Y.	DATE:	6/9/99
DRAWN BY:	D.R.B.	DWG NO.:	99131.1 - fig4
PROJECT NO.:	99131.1	SCALE:	1"=1000'



AeroMap U.S.
Aerial Photography & Mapping
Tel: (907) 274-4495 Fax: (907) 274-2365
© Copyright Aeromaps U.S.A.



ENVIRONMENTAL & ENGINEERING CONSULTANTS
2400 COLLEGE ROAD FAIRBANKS, ALASKA 99708
(907) 452-5688 FAX (907) 452-5694

**JULY 1996 AERIAL PHOTO
PROSPECT CREEK AIRPORT
PHASE 1 SITE ASSESSMENT**

DESIGN:	J.M.Y.	DATE:	6/9/99
DRAWN BY:	D.R.B.	DWG NO.:	99131.1 - fig5
PROJECT NO.:	99131.1	SCALE:	1"=100'



Photo 1: View looking due east toward the runway. Note the tanker in the background. The secondary containment under the tanks is holding water in the south west corner.



Photo 2: View of pump house and fill hoses. Note the elbow on the pail in the background and the stains going up the plywood of the house and on the ground.



Photo 3: View of stream south of property. Note sheen on surface.



Photo 4: View between tanks looking west. Note debris and stains inside of liner. An extra portion of liner is lying under piping.



Photo 5: Stream south east of property. Note submerged 55-gallon drum.

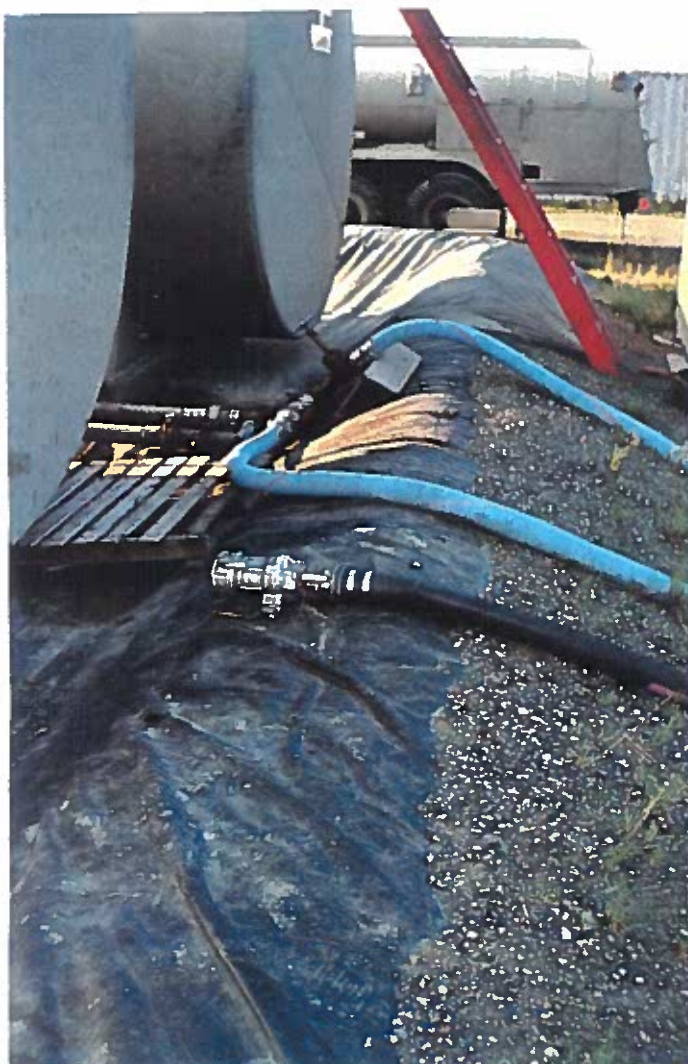


Photo 6: View along east side of tanks. Small tear in liner is visible near the fill hose.



Photo 7: View of cut off 55-gallon drum with unknown contents. Note the stain down the side of the container and on the soil.

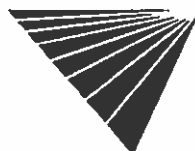


Photo 8: View of sampling location near south east corner of property. Note drainage pattern from the direction of the tanks.

SITE ASSESSMENT REPORT (EXTENDED BY 1 MILE)

PROPERTY INFORMATION	CLIENT INFORMATION
Project Name/Ref #: 99131.1 Prospect Creek Airport Dalton Hwy (mp137.1) Prospect Creek, AK 99726 Latitude/Longitude: (66.778334, 150.703692)	Jean Young NORTECH ENV ENG CONSULTANT 2400 COLLEGE RD FAIRBANKS, AK 99709

Site Distribution Summary	within 1 1/8 mile	1 1/8 to 1 1/4 mile	1 1/4 to 1 1/2 mile	1 1/2 to 2 miles
Agency / Database - Type of Records				
A) Databases searched to 2 miles:				
US EPA NPL National Priority List	0	0	0	0
US EPA CORRACTS (TSD) RCRA Corrective Actions and associated TSD	0	0	0	0
B) Databases searched to 1 1/2 mile:				
STATE SCL State equivalent CERCLIS list	0	0	0	-
US EPA CERCLIS / NFRAP Sites currently or formerly under review by US EPA	0	0	0	-
US EPA TSD RCRA permitted treatment, storage, disposal facilities	0	0	0	-
STATE LUST Leaking Underground Storage Tanks	0	0	0	-
STATE SWLF Permitted as solid waste landfills, incinerators, or transfer stations	0	0	0	-
C) Databases searched to 1 1/4 mile:				
STATE UST Registered underground storage tanks	0	0	-	-
D) Databases searched to 1 1/8 mile:				
US EPA ERNS Emergency Response Notification System of spills	0	-	-	-
US EPA LG GEN RCRA registered large generators of hazardous waste	0	-	-	-
US EPA SM GEN RCRA registered small generators of hazardous waste	0	-	-	-
STATE SPILLS State spills list	0	-	-	-



For more information call VISTA Information Solutions, Inc. at 1 - 800 - 767 - 0403.

Report ID: 514301901

Version 2.6.1

Date of Report: June 2, 1999

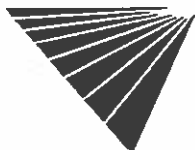
Page #1

This report meets the ASTM standard E-1527 for standard federal and state government database research in a Phase I environmental site assessment. A (-) indicates a distance not searched because it exceeds these ASTM search parameters.

LIMITATION OF LIABILITY

Customer proceeds at its own risk in choosing to rely on VISTA services, in whole or in part, prior to proceeding with any transaction. VISTA cannot be an insurer of the accuracy of the information, errors occurring in conversion of data, or for customer's use of data. VISTA and its affiliated companies, officers, agents, employees and independent contractors cannot be held liable for accuracy, storage, delivery, loss or expense suffered by customer resulting directly or indirectly from any information provided by VISTA.

NOTES



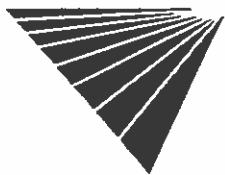
For more information call VISTA Information Solutions, Inc. at 1-800-767-0403.

Report ID: 514301901

Version 2.6.1

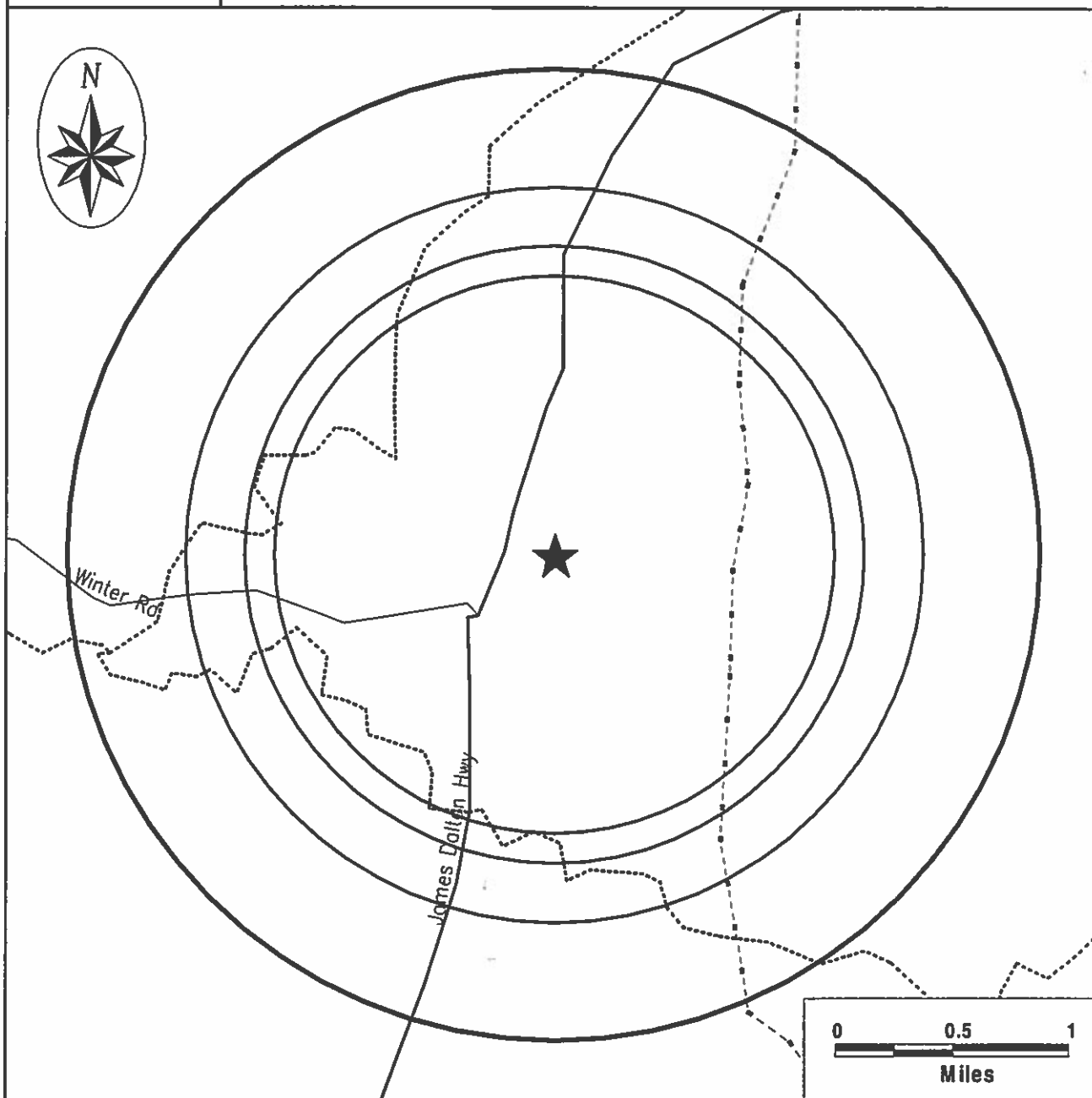
Date of Report: June 2, 1999















Page #2

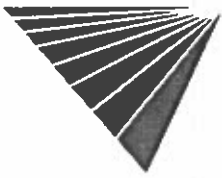


SITE ASSESSMENT REPORT (EXTENDED BY 1 MILE)

Map of Sites within 2 Miles

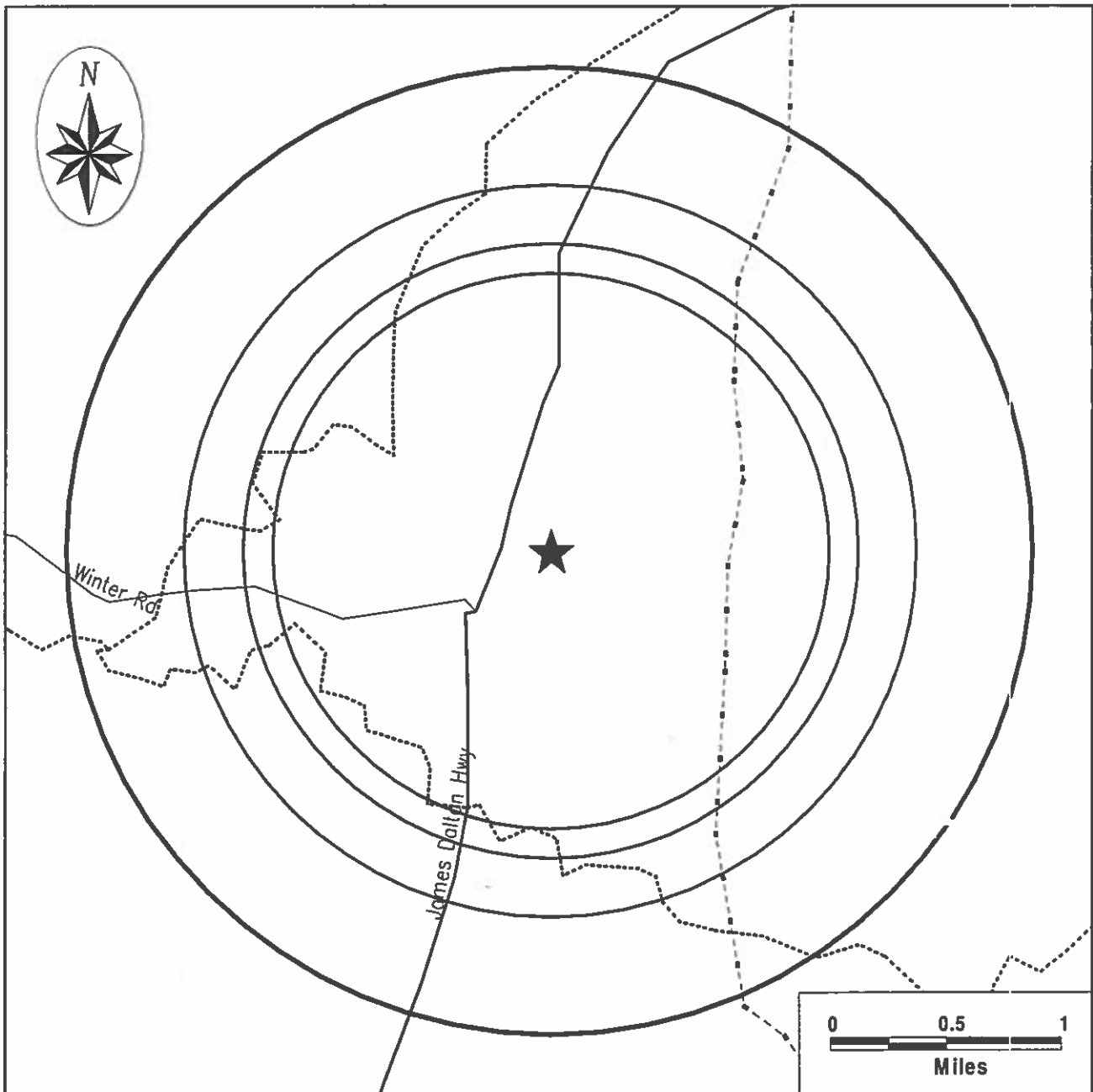


Subject Site 	Category:	A	B	C	D
	Databases Searched to:	2 mi.	1 1/2 mi.	1 1/4 mi.	1 1/8 mi.
	Single Sites				
	Multiple Sites				
 Highways and Major Roads  Roads  Railroads  Rivers or Water Bodies  Utilities		NPL, SPL, CORRACTS (TSD)	CERCLIS NFRAP, TSD, LUST, SWLF, SCL	UST	ERNS, GENERATORS
If additional databases are listed in the cover page of the report they are also displayed on this map. The map symbol used corresponds to the database category letter A,B,C,D.					



SITE ASSESSMENT REPORT (EXTENDED BY 1 MILE)

Street Map



Subject Site



Highways and Major Roads
Roads
Railroads
Rivers or Water Bodies
Utilities

SITE ASSESSMENT REPORT (EXTENDED BY 1 MILE)

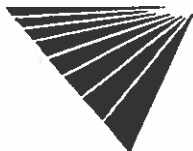
SITE INVENTORY

MAP ID	PROPERTY AND THE ADJACENT AREA (within 1 1/8 mile)	VISTA ID DISTANCE DIRECTION	A		B			C	D					
			NPL	CORRACTS(TSD)	SCL	CERCLIS/INFRAP	TSD	LUST	SWLF	UST	ERNS	LG GEN	SM GEN	SPILLS
No Records Found														

MAP ID	SITES IN THE SURROUNDING AREA (within 1 1/8 - 1 1/4 mile)	VISTA ID DISTANCE DIRECTION	A		B			C	D					
			NPL	CORRACTS(TSD)	SCL	CERCLIS/INFRAP	TSD	LUST	SWLF	UST	ERNS	LG GEN	SM GEN	SPILLS
No Records Found														

MAP ID	SITES IN THE SURROUNDING AREA (within 1 1/4 - 1 1/2 mile)	VISTA ID DISTANCE DIRECTION	A	B			C	D						
			NPL CORRACTS(TSD)	SCL	CERCLIS/INFRAP	TSD	LUST	SWLF	UST	ERNS	LG GEN	SM GEN	SPILLS	
No Records Found														

MAP ID	SITES IN THE SURROUNDING AREA (within 1 1/2 - 2 miles)	VISTA ID DISTANCE DIRECTION	A	B			C	D		
			NPL CORRACTS(TSD)	SCL CERCLIS/INFRAP	TSD LUST	SWLF	UST	ERNS LG GEN	SM GEN SPILLS	
No Records Found										



X = search criteria; * = tag-along (beyond search criteria).

For more information call VISTA Information Solutions, Inc. at 1 - 800 - 767 - 0403.

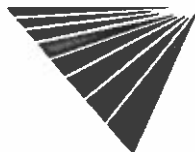
Report ID: 514301901

Version 2.6.1

Date of Report: June 2, 1999

Page #5

UNMAPPED SITES	VISTA ID	A		B				C	D				
		NPL	CORRACTS(TSD)	SCL	CERCLIS/INFRAP	TSD	LUST	SWLF	UST	ERNS	LG GEN	SM GEN	SPILLS
No Records Found													



SITE ASSESSMENT REPORT (EXTENDED BY 1 MILE)

DETAILS

PROPERTY AND THE ADJACENT AREA (within 1 1/8 mile)

No Records Found

SITES IN THE SURROUNDING AREA (within 1 1/8 - 1 1/4 mile)

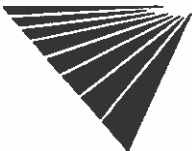
No Records Found

SITES IN THE SURROUNDING AREA (within 1 1/4 - 1 1/2 mile)

No Records Found

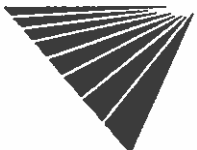
SITES IN THE SURROUNDING AREA (within 1 1/2 - 2 mile)

No Records Found



UNMAPPED SITES

No Records Found



* VISTA address includes enhanced city and ZIP.

For more information call VISTA Information Solutions, Inc. at 1 - 800 - 767 - 0403.

Report ID: 514301901

Version 2.6.1

Date of Report: June 2, 1999

Page #8

SITE ASSESSMENT REPORT (EXTENDED BY 1 MILE)

DESCRIPTION OF DATABASES SEARCHED

A) DATABASES SEARCHED TO 2 MILES

NPL
SRC#: 5789 VISTA conducts a database search to identify all sites within 2. mile of your property.
The agency release date for NPL was April, 1999.

The National Priorities List (NPL) is the EPA's database of uncontrolled or abandoned hazardous waste sites identified for priority remedial actions under the Superfund program. A site must meet or surpass a predetermined hazard ranking system score, be chosen as a state's top priority site, or meet three specific criteria set jointly by the US Dept of Health and Human Services and the US EPA in order to become an NPL site.

CORRACTS
SRC#: 5596 VISTA conducts a database search to identify all sites within 2. mile of your property.
The agency release date for HWDMS/RCRIS was February, 1999.

The EPA maintains this database of RCRA facilities which are undergoing "corrective action". A "corrective action order" is issued pursuant to RCRA Section 3008 (h) when there has been a release of hazardous waste or constituents into the environment from a RCRA facility. Corrective actions may be required beyond the facility's boundary and can be required regardless of when the release occurred, even if it predates RCRA.

B) DATABASES SEARCHED TO 1 1/2 MILE

CERCLIS
SRC#: 5790 VISTA conducts a database search to identify all sites within 1.5 mile of your property.
The agency release date for CERCLIS was March, 1999.

The CERCLIS List contains sites which are either proposed to or on the National Priorities List(NPL) and sites which are in the screening and assessment phase for possible inclusion on the NPL. The information on each site includes a history of all pre-remedial, remedial, removal and community relations activities or events at the site, financial funding information for the events, and unrestricted enforcement activities.

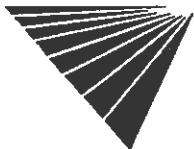
NFRAP
SRC#: 5791 VISTA conducts a database search to identify all sites within 1.5 mile of your property.
The agency release date for CERCLIS-NFRAP was March, 1999.

NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly, or the contamination was not serious enough to require Federal Superfund action or NPL consideration.

SCL
SRC#: 5635 VISTA conducts a database search to identify all sites within 1.5 mile of your property.
The agency release date for Contaminated Sites Database was July, 1998.

This database is provided by the Department of Environmental Conservation. The agency may be contacted at: 907-269-7547.

The Alaska Contaminated Sites Database includes State Priority Sites. Some of these sites are Leaking Underground Storage Tank Sites or Hazardous Materials Spills sites. Facilities on this report may also appear on the leaking underground storage tank report or the spills report. Any details pertaining to LUST status will appear on the Leaking Underground Storage Tank report.



RCRA-TSD
SRC#: 5596

VISTA conducts a database search to identify all sites within 1.5 mile of your property.
The agency release date for HWDMS/RCRIS was February, 1999.

The EPA's Resource Conservation and Recovery Act (RCRA) Program identifies and tracks hazardous waste from the point of generation to the point of disposal. The RCRA Facilities database is a compilation by the EPA of facilities which report generation, storage, transportation, treatment or disposal of hazardous waste. RCRA TSDs are facilities which treat, store and/or dispose of hazardous waste.

SWLF
SRC#: 5830

VISTA conducts a database search to identify all sites within 1.5 mile of your property.
The agency release date for Solid Waste Permits List was March, 1999.

This database is provided by the Department of Environmental Conservation. The agency may be contacted at: 907-269-7632.

LUST
SRC#: 5831

VISTA conducts a database search to identify all sites within 1.5 mile of your property.
The agency release date for Leaking Underground Storage Tanks List was March, 1999.

This database is provided by the Department of Environmental Conservation. The agency may be contacted at: 907-269-7547.

The Alaska Contaminated Sites Database includes Leaking Underground Storage Tank sites. All facilities on this list also appear on the State Priority Sites report. A short detailed description is available and may be obtained by calling (800)877-3824.

C) DATABASES SEARCHED TO 1 1/4 MILE

UST's
SRC#: 5832

VISTA conducts a database search to identify all sites within 1.25 mile of your property.
The agency release date for Underground Storage Tank Sites was March, 1999.

This database is provided by the Department of Environmental Conservation. The agency may be contacted at: 907-269-7537; Caution-Many states do not require registration of heating oil tanks, especially those used for residential purposes.

D) DATABASES SEARCHED TO 1 1/8 MILE

ERNS
SRC#: 5598

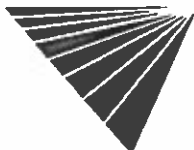
VISTA conducts a database search to identify all sites within 1.125 mile of your property.
The agency release date for was December, 1998.

The Emergency Response Notification System (ERNS) is a national database containing records from October 1986 to the release date above and is used to collect information for reported releases of oil and hazardous substances. The database contains information from spill reports made to federal authorities including the EPA, the US Coast Guard, the National Response Center and the Department of Transportation. The ERNS hotline number is (202) 260-2342.

RCRA-LgGen
SRC#: 5596

VISTA conducts a database search to identify all sites within 1.125 mile of your property.
The agency release date for HWDMS/RCRIS was February, 1999.

The EPA's Resource Conservation and Recovery Act (RCRA) Program identifies and tracks hazardous waste from the point of generation to the point of disposal. The RCRA Facilities database is a compilation by the EPA of facilities which report generation, storage, transportation, treatment or disposal of hazardous waste. RCRA Large Generators are facilities which generate at least 1000 kg./month of non-acutely hazardous waste (or 1 kg./month of acutely hazardous waste).



RCRA-SmGen
SRC#: 5596

VISTA conducts a database search to identify all sites within 1.125 mile of your property.
The agency release date for HWDMs/RCRIS was February, 1999.

The EPA's Resource Conservation and Recovery Act (RCRA) Program identifies and tracks hazardous waste from the point of generation to the point of disposal. The RCRA Facilities database is a compilation by the EPA of facilities which report generation, storage, transportation, treatment or disposal of hazardous waste. RCRA Small and Very Small generators are facilities which generate less than 1000 kg./month of non-acutely hazardous waste.

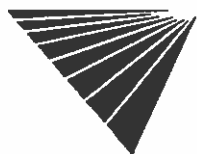
SPILL
SRC#: 5635

VISTA conducts a database search to identify all sites within 1.125 mile of your property.
The agency release date for Contaminated Sites Database was July, 1998.

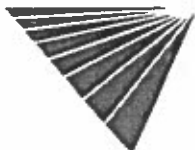
This database is provided by the Department of Environmental Conservation. The agency may be contacted at: 907-269-7547.

The Alaska Contaminated Sites Database includes Hazardous Materials Spills sites. All facilities on this list also appear on the State Priority Sites report. Details on this report pertain only to the spill reported.

End of Report



UNMAPPED SITES	A		B			C	D				ASTA ID	
	NPL	CORRACTS(TSD)	SCL	CERCLIS/FRAP	TSD	LUST	UST	ERNS	LG GEN			SM GEN
MCPEAKS BADGER STORE PROPERTY .5 MI BADGER RD FAIRBANKS, AK 99701				X								1410900
HS FORWARDERS LEASEHOLDER ABAND MINNIE STREET NEXT TO PAC AK FORWARD FAIRBANKS, AK 99701							X					5655200
FAIRBANKS MUNICIPAL UTIL SYST 2ND AVE FAIRBANKS, AK 99701				X								147374
SOURDOUGH DANBY STATION 1321 WEMBLY STREET FAIRBANKS, AK 99701							X					7022003
DOT PF - JIM RIVER MP 137.8 DALTON HWY FAIRBANKS, AK 99701							X					7021957
SWEDE'S PLACE MILE 329.5 PARKS HWY FAIRBANKS, AK 99701							X					7021983
ALASKA RAILROAD CORPORATION ARR YARD, CAR SHOP FAIRBANKS, AK 99701							X					3757891
BACHNERS ACFT. INC. PHILLIPS FIELD FAIRBANKS, AK 99701							X					890166
FMUS WATER PUMP STATION #11, 11U MARYLEIGH ST AT CREAMERS FIELD WATER FAIRBANKS, AK 99701							X					3758360
UNIVERSITY OF ALASKA TANANA DR FAIRBANKS, AK 99701				X								438458
FAIRBANKS AERO SERVICES, INC. PHILLIPS FIELD FAIRBANKS, AK 99701							X					3758418
HARDING LAKE MICROWAVE REPEATER MILE 340 RICHARSON HWY FAIRBANKS, AK 99701							X					3758302
ANDERSON TRUCKING SERVICE 3/4 MILE VAN HORN RD FAIRBANKS, AK 99701							X					3758626
MCCALL PROPERTY BETHANY FRONTAGE RDS FAIRBANKS, AK 99701				X								263423
OLD W. WATER TREATMENT PLANT SECOND AVE BY ALASKALAND FAIRBANKS, AK 99701							X					890146
FMUS WASTEWATER UTILITY #504 LIFT STATION #504 624 -5TH AVE FAIRBANKS, AK 99701							X					5858382



X = search criteria; * = tag-along (beyond search criteria).

For more information call VISTA Information Solutions, Inc. at 1 - 800 - 767 - 0403.

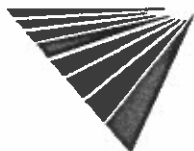
Report ID: 238781001

Version 2.6.1

Date of Report: March 23, 1999

Page #11

UNMAPPED SITES	A		B			C	D			VISTA ID		
	NPL	CORRACTS(TSD)	SCL	CERCLIS/NFRAP	TSD	LUST	UST	ERNS	LG GEN		SM GEN	SPILLS
ALASKA RAILROAD FAIRBANKS YARD PHILLIPS FLD RD THURMON RD FAIRBANKS, AK 99701				X								3226951
PTARMIGAN LAKE LODGE 90 MILES SE OF NORTHWAY FAIRBANKS, AK 99701							X					890095
PUMP STATION #5 TRANS-ALASKA PIPELINE SYSTEM FAIRBANKS, AK 99701							X					890096
VAN HORN FACILITY 3/4 MILE VAN HORN RD FAIRBANKS, AK 99701							X					890099
FALCON PROPERTIES GATE 28 WEST RAMP FAIRBANKS INTL AIR FAIRBANKS, AK 99701							X					890102
PUMP STATION #8 TRANS-ALASKA PIPELINE SYSTEM FAIRBANKS, AK 99701							X					7835653
MASON BEVERLY KELLY 06 MI. N.W. OR FBKS.,10 MI. ON FAIRBANKS, AK 99701							X					5655272
CANYON CREEK MICROWAVE REPEATER MILE 302 RICHARDSON HWY FAIRBANKS, AK 99701							X					7408154
NOME SECTION - ALASKA RAILROAD ARR MP 456.2 FAIRBANKS, AK 99701							X					7408134
CATHEDRAL BLUFF ACS REPEATER MILEPOST 182 AK HWY FAIRBANKS, AK 99701				X								73604
ARRC - FAIRBANKS RAILROAD CAR SHOP RR INDUSTRIAL AREA FAIRBANKS, AK						X						11512438
UNIVERSITY OF ALASKA, FAIRBANKS - PH E TANANA DR FAIRBANKS, AK 99775							X					7835817
USGS - SURVEY FACILITY 800 YUKON DR FAIRBANKS, AK						X						11512507
ERA AVIATION, INC. (#1) FIA, EAST RAMP FBKS.INTERNATIONAL AIRPT. FAIRBANKS, AK						X						8038870
AVIS RENT A CAR FAIRBANKS AIRPORT FAIRBANKS, AK 99706							X					890280
THE WAGGONERS TRUCKING 10.5 MILE OLD STEESE FAIRBANKS, AK 99707							X					890286



X = search criteria; * = tag-along (beyond search criteria).

For more information call VISTA Information Solutions, Inc. at 1 - 800 - 767 - 0403.

Report ID: 238781001

Version 2.6.1

Date of Report: March 23, 1999

Page #13



6. Transaction Screen Questionnaire

6.1 *Persons to be Questioned*—The following questions should be asked of (1) the current owner of the property, (2) any major occupant of the property or, if the property does not have any major occupants, at least 10% of the occupants of the property, and (3) in addition to the current owner and the occupants identified in (2), any occupant likely to be using, treating, generating, storing or disposing of hazardous substances or petroleum products on or from the property. A major

occupant is any occupant using at least 40% of the leasable area of the property or any anchor tenant when the property is a shopping center. In a multifamily property containing both residential and commercial uses, the preparer does not need to ask questions of the residential occupants. The preparer should ask each person to answer all questions to the best of the respondent's actual knowledge and in good faith. When completing the site visit column, the preparer should be sure to observe the property and any buildings and other structures on the property. The guide provides further details on the appropriate use of this questionnaire.

Description of Site: Address:

Prospect Creek Airport

Question	Owner			Occupants (if applicable)			Observed During Site Visit		
1. Is the property or any adjoining property used for an industrial use?	Yes	No	Unk ¹	Yes	No	Unk	Yes	No	Unk
2. To the best of your knowledge, has the property or any adjoining property been used for an industrial use in the past?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
3. Is the property or any adjoining property used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
4. To the best of your knowledge, has the property or any adjoining property been used as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
5. Are there currently, or to the best of your knowledge have there been previously, any damaged or discarded automotive or industrial batteries, or pesticides, paints, or other chemicals in individual containers of greater than 5 gal (19 L) in volume or 50 gal (190 L) in the aggregate, stored on or used at the property or at the facility?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
6. Are there currently, or to the best of your knowledge have there been previously, any industrial drums (typically 55 gal (208 L)) or sacks of chemicals located on the property or at the facility?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
7. Has fill dirt been brought onto the property that originated from a contaminated site or that is of an unknown origin?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
8. Are there currently, or to the best of your knowledge have there been previously, any pits, ponds, or lagoons located on the property in connection with waste treatment or waste disposal?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
9. Is there currently, or to the best of your knowledge has there been previously, any stained soil on the property?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
10. Are there currently, or to the best of your knowledge have there been previously, any registered or unregistered storage tanks (above or underground) located on the property?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
11. Are there currently, or to the best of your knowledge have there been previously, any vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground on the property or adjacent to any structure located on the property?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk
12. Are there currently, or to the best of your knowledge have there been previously, any flooring, drains, or walls located within the facility that are stained by substances other than water or are emitting foul odors?	Yes	No	Unk	Yes	No	Unk	Yes	No	Unk

Partial 55gal drum with stain
Soil near it
(unknown substance)

¹ Unk = "unknown" or "no response"

Question	Owner	Occupants (if applicable)	Observed During Site Visit
13. If the <i>property</i> is served by a private well or non-public water system, have contaminants been identified in the well or system that exceed guidelines applicable to the water system or has the well been designated as contaminated by any government environmental/health agency?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>
14. Does the <i>owner</i> or <i>occupant</i> of the <i>property</i> have any knowledge of <i>environmental liens</i> or governmental notification relating to past or recurrent violations of environmental laws with respect to the <i>property</i> or any facility located on the <i>property</i> ?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>
15. Has the <i>owner</i> or <i>occupant</i> of the <i>property</i> been informed of the past or current existence of <i>hazardous substances</i> or <i>petroleum products</i> or environmental violations with respect to the <i>property</i> or any facility located on the <i>property</i> ?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>
16. Does the <i>owner</i> or <i>occupant</i> of the <i>property</i> have any knowledge of any <i>environmental site assessment</i> of the <i>property</i> or facility that indicated the presence of <i>hazardous substances</i> or <i>petroleum products</i> on, or contamination of, the <i>property</i> or recommended further assessment of the <i>property</i> ?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>
17. Does the <i>owner</i> or <i>occupant</i> of the <i>property</i> know of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any <i>hazardous substance</i> or <i>petroleum products</i> involving the <i>property</i> by any <i>owner</i> or <i>occupant</i> of the <i>property</i> ?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>
18. Does the <i>property</i> discharge <i>wastewater</i> on or adjacent to the <i>property</i> other than storm water into a sanitary sewer system?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>
19. To the best of your knowledge, have any <i>hazardous substances</i> or <i>petroleum products</i> , unidentified waste materials, tires, automotive or industrial batteries or any other waste materials been dumped above grade, buried and/or burned, on the <i>property</i> ?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes No <input checked="" type="radio"/> Unk <input type="radio"/>
20. Is there a transformer, capacitor, or any hydraulic equipment for which there are any records indicating the presence of PCBs?	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>	Yes No Unk	Yes <input checked="" type="radio"/> No <input type="radio"/> Unk <input type="radio"/>

Handwritten notes on right side of table:
 14-15: DOT informed of poor fuel-handling practices - did clean up of area after infir
 18: 55 gal drum submerged stream near site

Government Records/Historical Sources Inquiry
(See guide. Section 10 of ASTM E 1528-93)

21. Do any of the following Federal government record systems list the *property* or any *property* within the circumference of the area noted below:

National Priorities List (NPL)—within 1.0 mile (1.6 km)?

Yes ☒ No ☐

CERCLIS List—within 0.5 mile (0.8 km)?

Yes ☒ No ☐

RCRA TSD Facilities—within 1.0 mile (1.6 km)?

Yes ☒ No ☐

22. Do any of the following state record systems list the *property* or any *property* within the circumference of the area noted below:

List maintained by state environmental agency of *hazardous waste sites* identified for investigation or remediation that is the state agency equivalent to *NPL*—within approximately 1.0 mile (1.6 km)?

Yes ☒ No ☐

List maintained by state environmental agency of sites identified for investigation or remediation that is the state equivalent to *CERCLIS* within 0.5 mile (0.8 km)?

Yes ☒ No ☐

Leaking Underground Storage Tank (LUST) List—within 0.5 mile (0.8 km)?

Yes ☒ No ☐

Solid Waste/Landfill Facilities—within 0.5 mile (0.8 km)?

Yes ☒ No ☐

23. Based upon a review of *fire insurance maps* or consultation with the local fire department serving the *property*, all as specified in the guide, are any buildings or other improvements on the *property* or on an *adjoining property* identified as having been used for an industrial use or uses likely to lead to contamination of the *property*?

Yes No ☒ N/A

The preparer of the transaction screen questionnaire must complete and sign the following statement.
(For definition of preparer and user, see 5.3 or 3.3.25 of ASTM E 1528-93.)

This questionnaire was completed by:

Name Jean Young

Title Staff Engineer

Firm Nortech Environmental & Engineering Consultants

Address 2400 College Road
Fairbanks, AK 99709

Phone number 907-452-5688

Date 6/14/99

If the preparer is different than the user, complete the following:

Name of user _____

User's address _____

User's phone number _____

Preparer's relationship to site _____

Preparer's relationship to user _____
(for example, principal, employee, agent, consultant)

Copies of the completed questionnaire have
been filed at:

Copies of the completed questionnaire have
been mailed or delivered to:

Preparer represents that to the best of the preparer's knowledge the above statements and facts are true and correct and to the best of the preparer's actual knowledge, no material facts have been suppressed or misstated.

Signature Jean Young

Date 6/14/99

Signature _____

Date _____

Signature _____

Date _____

Copyright © 1993 AMERICAN SOCIETY FOR TESTING AND MATERIALS, Philadelphia, PA

This document is an excerpt of E 1528-93: Standard Practice for Environmental Site Assessments: Transaction Screen Process, which is under the jurisdiction of ASTM Committee E-50 on Environmental Assessment and is the direct responsibility of Subcommittee E50.02 on Commercial Real Estate Transactions. This questionnaire represents only items 5.1 through 6.1 of E 1528-93 and should not be construed as being the complete standard. It is necessary to refer to the full standard prior to using this questionnaire. For the complete standard, or to order additional copies of this questionnaire, contact ASTM Customer Service at (215) 299-5585.



**CTE Environmental Services
Alaska Division
Laboratory Data Report**

Project: P.C. 99131.1 Airport

Client: Nortech

CTE Work Order: 991899

Contents:

Chain of Custody
Quality Control Summary Forms

Note:

Unless otherwise noted, all quality assurance/quality control criteria is in compliance with the proper regulatory authority and/or CTE's Quality Assurance Program Plan.

Case Narrative

Customer: NORTECH

Nortech

Project: 991899

P.C. 99131.1 Airport

991899001 PS

DRO - Pattern consistent with weathered middle distillate.

991899002 PS

GRO/BTEX - Surrogate recovery is biased high due to matrix interference. Results not affected.

DRO - Pattern consistent with weathered middle distillate.

DRO - Surrogate recovery outside controls due to matrix interference.

991899003 PS

GRO/BTEX - Surrogate recovery is biased high due to matrix interference. Results not affected.

DRO - Pattern consistent with weathered middle distillate.

DRO - Surrogate recovery outside controls due to matrix interference.

991899004 PS

DRO - Surrogate recovery outside controls due to matrix interference.

991899005 PS

DRO - Heavier hydrocarbons contributing to diesel range quantitation.

DRO - Pattern consistent with lube oil.

DRO - Surrogate recovery outside controls due to matrix interference.

991899006 PS

DRO - Pattern consistent with weathered middle distillate.

DRO - Heavier hydrocarbons contributing to diesel range quantitation.



CT&E Environmental Services Inc.

Laboratory Division

Laboratory Analysis Report

June 22, 1999

Carl Overpeck
Nortech
2400 College Rd
Fairbanks, AK 99709

Client Name	Nortech
Project ID	P.C. 99131.1 Airport [991899]
Printed	June 22, 1999

Enclosed are the analytical results associated with the above project.

As required by the state of Alaska and the USEPA, a formal Quality Assurance/Quality Control Program is maintained by CT&E. A copy of our Quality Control Manual that outlines this program is available at your request.

Except as specifically noted, all statements and data in this report are in conformance to the provisions set forth in our Quality Assurance Program Plan.

If you have any questions regarding this report or if we can be of any other assistance, please call your CT&E Project Manager at (907) 562-2343.

The following descriptors may be found on your report which will serve to further qualify the data.

- U - Indicates the compound was analyzed for but not detected.
- J - Indicates an estimated value that falls below PQL, but is greater than the MDL.
- B - Indicates the analyte is found in the blank associated with the sample.
- * - The analyte has exceeded allowable limits.
- GT - Greater Than
- D - Secondary Dilution
- LT - Less Than
- ! - Surrogate out of range



Client PO# 99131.1
Printed Date/Time 06/22/99 17:09
Collected Date/Time 06/14/99 10:25
Received Date/Time 06/15/99 16:12
Technical Director: Stephen C. Ede

Conterd

RO - Pattern consistent with weathered middle distillate.

Parameter	Results	PQL	Units	Method	Allowable Limits	Prep Date	Analysis Date	Init
Total Solids	96.2		%	SM18 2540G			05/18/99	MAH
10/8021 Combo								
Aromatic Range Organics	3.70	1.40	mg/Kg	AK101/8021B		06/14/99	05/18/99	ELB
Benzene	0.00698 U	0.00698	mg/Kg	AK101/8021B		06/14/99	05/18/99	ELB
Toluene	0.0279 U	0.0279	mg/Kg	AK101/8021B		06/14/99	05/18/99	ELB
o-Xylylene	0.0279 U	0.0279	mg/Kg	AK101/8021B		06/14/99	05/18/99	ELB
m- & p-Xylene	0.0661	0.0279	mg/Kg	AK101/8021B		06/14/99	05/18/99	ELB
o-Xylene	0.0526	0.0279	mg/Kg	AK101/8021B		06/14/99	05/18/99	ELB
11/8021 Surrogates								
Bromofluorobenzene <Surr>	119		%	AK101/8021B	(50-150)	06/14/99	05/18/99	
4-Difluorobenzene <Surr>	91.6		%	AK101/8021B	(50-150)	06/14/99	05/18/99	
1102								
Aliphatic Range Organics	829	9.95	mg/Kg	AK102 DRO		06/18/99	06/19/99	BLS
11/8021 Surrogates								
Androstane <surr>	120		%	AK102 DRO	(50-150)	06/18/99	06/19/99	

**CT&E Environmental Services Inc.**

CT&E Ref.# 991899002
Client Name Nortech
Project Name/# P.C. 99131.1 Airport
Client Sample ID PC-2
Matrix Soil/Solid
Ordered By
PWSID

Client PO# 99131.1
Printed Date/Time 06/22/99 17:09
Collected Date/Time 06/14/99 10:35
Received Date/Time 06/15/99 16:12
Technical Director: Stephen C. Ede

Released By

Sample Remarks:

GRO/BTEX - Surrogate recovery is biased high due to matrix interference. Results not affected.

DRO - Pattern consistent with weathered middle distillate.

DRO - Surrogate recovery outside controls due to matrix interference.

Parameter	Results	PQL	Units	Method	Allowable Limits	Prep Date	Analysis Date	Init
Total Solids	92.4		%	SM18 2540G			06/18/99 MAH	
GRO/8021 Combo								
Gasoline Range Organics	118	17.9	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Benzene	0.0893 U	0.0893	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Toluene	0.357 U	0.357	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Ethylbenzene	0.410	0.357	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
P & M -Xylene	0.866	0.357	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
o-Xylene	0.357 U	0.357	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Surrogates								
4-Bromofluorobenzene <Surr>	! 1220		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
1,4-Difluorobenzene <Surr>	108		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
AK102								
Diesel Range Organics	35700	203	mg/Kg	AK102 DRO		06/18/99	06/22/99	BLS
Surrogates								
5a Androstane <surr>	! 192		%	AK102 DRO	(50-150)	06/18/99	06/22/99	

**CT&E Environmental Services Inc.**

T&E Ref.# 991899003
Client Name Nortech
Project Name/# P.C. 99131.1 Airport
Client Sample ID PC-3
Matrix Soil/Solid
Ordered By
WSID

Client PO# 99131.1
Printed Date/Time 06/22/99 17:09
Collected Date/Time 06/14/99 10:40
Received Date/Time 06/15/99 16:12
Technical Director: Stephen C. Ede

Released By

Sample Remarks:

RO/BTEX - Surrogate recovery is biased high due to matrix interference. Results not affected.
RO - Pattern consistent with weathered middle distillate.
RO - Surrogate recovery outside controls due to matrix interference.

Parameter	Results	PQL	Units	Method	Allowable Limits	Prep Date	Analysis Date	Init
Total Solids	91.5		%	SM18 2540G			06/18/99 MAH	
O/8021 Combo								
soline Range Organics	166	22.7	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
nzene	0.113 U	0.113	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
luene	0.453 U	0.453	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
hylbenzene	0.806	0.453	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
& M -Xylene	1.46	0.453	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
Xylene	0.758	0.453	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
Surrogates								
Bromofluorobenzene <Surr>	1390		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
4-Difluorobenzene <Surr>	107		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
102								
iesel Range Organics	26500	189	mg/Kg	AK102 DRO		06/18/99	06/22/99 BLS	
Surrogates								
Androstane <surr>	155		%	AK102 DRO	(50-150)	06/18/99	06/22/99	



CT&E Ref.# 991899004
Client Name Nortech
Project Name/# P.C. 99131.1 Airport
Client Sample ID PC-4
Matrix Soil/Solid
Ordered By
PWSID

Client PO# 99131.1
Printed Date/Time 06/22/99 17:09
Collected Date/Time 06/14/99 11:10
Received Date/Time 06/15/99 16:12
Technical Director: Stephen C. Ede

Released By

Sample Remarks:

DRO - Surrogate recovery outside controls due to matrix interference.

Parameter	Results	PQL	Units	Method	Allowable Limits	Prep Date	Analysis Date	Init
Total Solids	95.0		%	SM18 2540G			06/18/99	MAH
GRO/8021 Combo								
Gasoline Range Organics	4.96	1.62	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Benzene	0.00812 U	0.00812	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Toluene	0.0325 U	0.0325	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Ethylbenzene	0.0325 U	0.0325	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
P & M -Xylene	0.0653	0.0325	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
o-Xylene	0.0449	0.0325	mg/Kg	AK101/8021B		06/14/99	06/18/99	ELB
Surrogates								
4-Bromofluorobenzene <Surr>	130		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
1,4-Difluorobenzene <Surr>	89.8		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
AK102								
Diesel Range Organics	1690	208	mg/Kg	AK102 DRO		06/18/99	06/22/99	BLS
Surrogates								
5a Androstane <surr>	42.9		%	AK102 DRO	(50-150)	06/18/99	06/22/99	

**CT&E Environmental Services Inc.**

T&E Ref.# 991899005
Client Name Nortech
Project Name/# P.C. 99131.1 Airport
Client Sample ID PC-5
Matrix Soil/Solid
Ordered By
WSID

Client PO# 99131.1
Printed Date/Time 06/22/99 17:09
Collected Date/Time 06/14/99 11:50
Received Date/Time 06/15/99 16:12
Technical Director: Stephen C. Ede

Released By

Sample Remarks:

RO - Heavier hydrocarbons contributing to diesel range quantitation.
RO - Pattern consistent with lube oil.
RO - Surrogate recovery outside controls due to matrix interference.

Parameter	Results	PQL	Units	Method	Allowable Limits	Prep Date	Analysis Date	Init
Total Solids	95.1		%	SM18 2540G			06/18/99 MAH	
10/8021 Combo								
Aromatic Range Organics	214	9.67	mg/Kg	AK101/8021B		06/14/99	06/21/99 ELB	
Benzene	0.0648	0.0484	mg/Kg	AK101/8021B		06/14/99	06/21/99 ELB	
Chlorobenzene	0.193 U	0.193	mg/Kg	AK101/8021B		06/14/99	06/21/99 ELB	
Ethylbenzene	0.193 U	0.193	mg/Kg	AK101/8021B		06/14/99	06/21/99 ELB	
m & p-Xylene	0.665	0.193	mg/Kg	AK101/8021B		06/14/99	06/21/99 ELB	
Xylene	0.217	0.193	mg/Kg	AK101/8021B		06/14/99	06/21/99 ELB	
Surrogates								
Bromofluorobenzene <Surr>	105		%	AK101/8021B	(50-150)	06/14/99	06/21/99	
4-Difluorobenzene <Surr>	82.4		%	AK101/8021B	(50-150)	06/14/99	06/21/99	
102								
Diesel Range Organics	5660	96.3	mg/Kg	AK102 DRO		06/18/99	06/19/99 BLS	
Surrogates								
Androstane <surr>	334		%	AK102 DRO	(50-150)	06/18/99	06/19/99	



CT&E Ref.# 991899006
Client Name Nortech
Project Name/# P.C. 99131.1 Airport
Client Sample ID PC-6
Matrix Soil/Solid
Ordered By
PWSID

Client PO# 99131.1
Printed Date/Time 06/22/99 17:09
Collected Date/Time 06/14/99 12:10
Received Date/Time 06/15/99 16:12
Technical Director: Stephen C. Ede

Released By

Sample Remarks:

DRO - Pattern consistent with weathered middle distillate.
DRO - Heavier hydrocarbons contributing to diesel range quantitation.

Parameter	Results	PQL	Units	Method	Allowable Limits	Prep Date	Analysis Date	Init
Total Solids	90.5		%	SM18 2540G			06/18/99 MAH	
GRO/8021 Combo								
Gasoline Range Organics	1.77 U	1.77	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
Benzene	0.00887 U	0.00887	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
Toluene	0.0355 U	0.0355	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
Ethylbenzene	0.0355 U	0.0355	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
P & M -Xylene	0.0355 U	0.0355	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
o-Xylene	0.0355 U	0.0355	mg/Kg	AK101/8021B		06/14/99	06/18/99 ELB	
Surrogates								
4-Bromofluorobenzene <Surr>	66.2		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
1,4-Difluorobenzene <Surr>	91.9		%	AK101/8021B	(50-150)	06/14/99	06/18/99	
AK102								
Diesel Range Organics	13.0	9.99	mg/Kg	AK102 DRO		06/18/99	06/19/99 BLS	
Surrogates								
5a Androstane <surr>	84.1		%	AK102 DRO	(50-150)	06/18/99	06/19/99	

**CT&E Environmental Services Inc.**

////////////////////

T&E Ref.# 991899007
Client Name Nortech
Project Name/# P.C. 99131.1 Airport
Client Sample ID TB06119950-NOR
Matrix Soil/Solid
Ordered By
WSID

Client PO# 99131.1
Printed Date/Time 06/22/99 17:09
Collected Date/Time
Received Date/Time 06/15/99 16:12
Technical Director: Stephen C. Ede

Released By

Sample Remarks:

Parameter	Results	PQL	Units	Method	Allowable Limits	Prep Date	Analysis Date	Init
Total Solids	100		%	SM18 2540G			06/18/99	MAH
0/8021 Combo								
soline Range Organics	2.50 U	2.50	mg/Kg	AK101/8021B		06/18/99	06/18/99	ELB
nzene	0.0125 U	0.0125	mg/Kg	AK101/8021B		06/18/99	06/18/99	ELB
luene	0.0500 U	0.0500	mg/Kg	AK101/8021B		06/18/99	06/18/99	ELB
hylbenzene	0.0500 U	0.0500	mg/Kg	AK101/8021B		06/18/99	06/18/99	ELB
& M -Xylene	0.0500 U	0.0500	mg/Kg	AK101/8021B		06/18/99	06/18/99	ELB
Xylene	0.0500 U	0.0500	mg/Kg	AK101/8021B		06/18/99	06/18/99	ELB
Prorogates								
Bromofluorobenzene <Surr>	79.2		%	AK101/8021B	(50-150)	06/18/99	06/18/99	
4-Difluorobenzene <Surr>	92.4		%	AK101/8021B	(50-150)	06/18/99	06/18/99	



Client Nortech
Workorder P.C. 99131.1 Airport

QC Batch SPT 2747 (61579)

Original

Matrix Soil/Solid

Analysis Method SM18 2540G

QC results affect the following production samples:

991899001
991899006

991899002
991899007

991899003

991899004

991899005

QC results for Method Blank [240089]

Run Instrument:

Parameter	Analyzed	Result	PQL	Units
Total Solids	06/18/99	99.9		%



CT&E Environmental Services Inc.

Client Nortech
Workorder P.C. 99131.1 Airport

QC Batch SPT 2747 (61579)
Original 991899001
Matrix Soil/Solid

Analysis Method SM18 2540G

QC results affect the following production samples:

991899001	991899002	991899003	991899004	991899005
991899006	991899007			

QC results for Duplicate [240090]

Parameter	Original Result	QC Result	RPD	RPD Limits	Analyzed	Instru ID
Total Solids	96.2	95.4	.84		06/18/99	



Client Nortech
Workorder P.C. 99131.1 Airport

QC Batch VXX 5249 (61569)
Original
Matrix Soil/Solid

Prep Date 06/18/99 14:08
Analysis Method AK101/8021B

QC results affect the following production samples:

991899001	991899002	991899003	991899004	991899005
991899006	991899007			

QC results for Method Blank [240069]

Run Instrument: HP 5890 Series II PID+FID VCA

Parameter	Analyzed	Result	PQL	Units
Gasoline Range Organics	06/18/99	2.50 U	2.50	mg/Kg
Benzene	06/18/99	0.0125 U	0.0125	mg/Kg
Toluene	06/18/99	0.0500 U	0.0500	mg/Kg
Ethylbenzene	06/18/99	0.0500 U	0.0500	mg/Kg
P & M -Xylene	06/18/99	0.0500 U	0.0500	mg/Kg
o-Xylene	06/18/99	0.0500 U	0.0500	mg/Kg



CT&E Environmental Services Inc.

Client Nortech
Vorkorder P.C. 99131.1 Airport

QC Batch VXX 5249 (61569)

Original
Matrix Soil/Solid

Prep Date 06/18/99 14:08
Analysis Method AK101/8021B

QC results affect the following production samples:

991899001	991899002	991899003	991899004	991899005
991899006	991899007			

QC results for Lab Check Standard [240070] - Lab Check Standard Duplicate [240071]

Parameter		QC Result	Pct Recov	LCS/LCSD Limits	RPD	RPD Limits	Spiked Amount	Analyzed	Instru ID
Gasoline Range Organics	LCS	21.9	97.2	80-120			22.5mg/Kg	06/18/99	VCA
	LCSD	21.7	96.3		.93	0-20	22.5mg/Kg	06/18/99	VCA
Benzene	LCS	0.928	112	80-120			.83mg/Kg	06/18/99	VCA
	LCSD	0.904	109		2.7	0-20	.83mg/Kg	06/18/99	VCA
Toluene	LCS	3.89	116	80-120			3.35mg/Kg	06/18/99	VCA
	LCSD	3.77	113		2.6	0-20	3.35mg/Kg	06/18/99	VCA
Ethylbenzene	LCS	0.68	108	80-120			.628mg/Kg	06/18/99	VCA
	LCSD	0.659	105		2.8	0-20	.628mg/Kg	06/18/99	VCA
P & M -Xylene	LCS	2.5	112	80-120			2.24mg/Kg	06/18/99	VCA
	LCSD	2.43	108		3.6	0-20	2.24mg/Kg	06/18/99	VCA
o-Xylene	LCS	0.935	109	80-120			.859mg/Kg	06/18/99	VCA
	LCSD	0.908	106		2.8	0-20	.859mg/Kg	06/18/99	VCA



Client Nortech
Workorder P.C. 99131.1 Airport

QC Batch XXX 5562 (61527)
Original
Matrix Soil/Solid

Prep Date 06/18/99 09:30
Analysis Method AK102/103

QC results affect the following production samples:

991899001	991899002	991899003	991899004	991899005
991899006				

QC results for Method Blank [239914]

Run Instrument: HP 5890 Series II FID SV B F

Parameter	Analyzed	Result	PQL	Units
Diesel Range Organics	06/19/99	1.95 J	9.96	mg/Kg



CT&E Environmental Services Inc.

Client Nortech
Workorder P.C. 99131.1 Airport

QC Batch XXX 5562 (61527)

Original
Matrix Soil/Solid

Prep Date 06/18/99 09:30
Analysis Method AK102/103

QC results affect the following production samples:

991899001	991899002	991899003	991899004	991899005
991899006				

QC results for Lab Check Standard [239915] - Lab Check Standard Duplicate [239916]

Parameter		QC Result	Pct Recov	LCS/LCSD Limits	RPD Limits	Spiked Amount	Analyzed	Instru ID
Diesel Range Organics	LCS	146	120	60-120		122mg/Kg	06/19/99	SBF
	LCSD	138	111		7.8	0-20 122mg/Kg	06/19/99	SBF

CHAIN OF CUSTODY RECORD

991899

CT&E Environmental Services Inc.
Laboratory Division

1 CLIENT: Nortech		CT&E Reference:		PAGE 1 OF 1	
CONTACT: Jean Young		PHONE NO: 907 452-5688			
PROJECT: PC: 99131.1		SITE: Airport			
REPORTS TO: Nortech		FAX NO: 907 452-5694			
INVOICE TO:		P.O. NUMBER: 99131.1			

LAB NO.	SAMPLE IDENTIFICATION	DATE	TIME	MATRIX	No. CONTAINERS	SAMPLE TYPE C = COMP G = GRAB	Preservatives Used Analysis Required	Shipping Carrier:			REMARKS	
								Shipping Ticket No:	Data Deliverables Required	Level II Level III		
1	PC-1	6/14	10:25	Soil	2	G	X	X	X	X		
2	PC-2	6/14	10:35	Soil	2	G	X	X	X	X		
3	PC-3	6/14	10:40	Soil	2	G	X	X	X	X		
4	PC-4	6/14	11:10	Soil	2	G	X	X	X	X		
5	PC-5	6/14	11:50	Soil	2	G	X	X	X	X		
6	PC-6	6/14	12:10	Soil	2	G	X	X	X	X		
7	TB06119950-NOR											

Preservatives Used: **AK10, AK12, DRO, BTEX**

Analysis Required: **3**

Shipping Carrier: **4**

Shipping Ticket No: **3.5°C**

Data Deliverables Required: **Level I**

Level II Level III

Chain of Custody Seal: **INTACT**

BROKEN

ABSENT

Samples Received Cold? (Circle) **YES** NO

Temperature °C: **3.5°C**

Requested Turnaround Time and Special Instructions:

5 Collected/Relinquished By: (1)	Date	Time	Received By:	Time
Jean Young	6/15/99	16:12	Honda Truck	
Relinquished By: (2)	Date	Time	Received By:	Time
Honda Truck	6/15/99	16:50		
Relinquished By: (3)	Date	Time	Received By:	Time
Relinquished By: (4)	Date	Time	Received For Laboratory By:	Time
	6/16/99	10:25	Frank Powell	

200 W. Potter Drive Anchorage, AK 99518-1605 Tel: (907) 562-2343 Fax: (907) 561-5301
3180 Peger Road Fairbanks, AK 99701-5471 Tel: (907) 474-8656 Fax: (907) 474-9685

White - Retained by Lab (Project File) Yellow - Returned with Report Pink - Retained by Sampler
0.720

3.5

CT&E WO#:

Yes

No

Notes:

Are samples **RUSH**, priority, or within 72 hrs of hold time?
If yes, have you done e-mail notification?
Are samples within 24 hrs of hold time or due date?
If yes, have you spoken with Supervisor?
Are there any problems (e.g., ids, analyses)?

If yes, have you notified Project Manager?

Is this an ACOE/AFCEE/AFCEC project?

Will a data package be required? level 1

If this is for PWS, provide PWSID.

Is there a quote for this project? 4262

Will courier charges apply?

*** The following must be completed for all ACOE & AFCEE projects: ***

Completed by (signature) Shonda Kuchel (print):

No

Notes:

Is cooler temperature 4 ± 2 C?

thermometer used:

Was there an airbill, etc? note #:

Was cooler sealed with custody seals?

#/where?

Were seals intact upon arrival?

Was there a COC with cooler?

Was the COC filled out properly?

Did the COC indicate ACOE/AFCEE project?

Did the COC and samples correspond?

Were samples screened with Geiger counter?

Were all samples packed to prevent breakage?

packing material:

Were all samples unbroken and clearly labelled?

Were all samples sealed in separate plastic bags?

Were all bottles for volatiles free of headspace?

Were correct container/sample sizes submitted?

Were samples preserved correctly? Verified?

Was client notified of problems? (specify below)

Individual contacted:

Date & Time:

Phone/Fax #:

#/Log In Proofed by:

Due Date:

Received Date/Time:

Cooler Temperature:

Sample Condition:

Matrix of each Sample:

" "

" "

" "

" "

Trip Blank

MS/MSD

Additional Sample Remarks:

AK101s field preserved?

Field-filtered for dissolved?

Lab-filter for dissolved?

Ref Lab required?

Notes:

of each Container Received:

950 ml amber unpres'd

950 ml amber w/ HCl

1L cubies unpres'd

1L cubies w/ HNO3

1L cubies w/ H2SO4

120 ml coli bottles

60 ml Nalg

8 oz amber unpres'd

4 oz amber unpres'd

4 oz w/ septa w/ MeOH

40 ml vials unpres'd

40 ml vials w/ HCl

Other (specify)

Other (specify)

Other (specify)

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

PROSPECT CREEK AIRPORT

LEASE NO. ADA-70872

**LEASE AGREEMENT
LAND**

The State of Alaska, Department of Transportation and Public Facilities, hereinafter called the Lessor, whose address is 2301 Peger Road, Fairbanks, Alaska 99709-5399, and Dan and Lynda Klaes, hereinafter called the Lessee, whose address is 2453 Homestead, Fairbanks, Alaska, 99705, enter into this agreement of eighteen (18) pages, including a signature page, and agree as follows:

WITNESSETH:

WHEREAS, on the 10th day of July, 1986, the parties hereto entered into an agreement, designated as Lease Agreement ADA-70194, covering the following:

Lot 1, Block 1 consisting of 33,750 square feet of land on the Prospect Creek Airport; and

WHEREAS, on April 11, 1994, the Lessee applied to the Lessor for a new lease of Lot 1, Block 1 at the expiration of Lease Agreement ADA-70194; and

WHEREAS, Lease Agreement ADA-70194 expired on August 1, 1994, and the Lessee has continued to occupy the Premises on a month-to-month basis; and

WHEREAS, on the 1st day of November, 1994, the Lessor entered into a Public Airport Lease, Serial Number F-12631, with the United States Department of the Interior, Bureau of Land Management (hereinafter called BLM), for use of the Prospect Airport; and

WHEREAS, the Lessor's lease from BLM contains certain requirements; and

WHEREAS, the Lessee is willing to abide by the requirements of both the BLM lease to the Lessor and the requirements of this lease between the Lessor and Lessee; and

WHEREAS, the parties find it will be to their mutual advantage to enter into a new lease, Lease Agreement ADA-70872;

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions of Lease Agreement ADA-70872 are set out as follows:

A. BASIC PROVISIONS

PREMISES

1. The Lessor leases to the Lessee and the Lessee leases from the Lessor, the following described property, hereinafter called the "Premises", located on the Prospect Creek Airport, hereinafter referred to as the "Airport", in the Fairbanks Recording District, Fourth Judicial District, Alaska:

Lot 1, Block 1, consisting of approximately 27,000 square feet of land as shown on Pages 16 and 17 of this agreement.

AUTHORIZED USES

2. Lessee shall use the Premises for the following purposes and no other:

Aircraft tie-down and parking; air taxi and air cargo operations; fuel storage and sales; office space; client and employee parking; and interim storage of air freight. Stationing of a 24-hour, on-call employee on the premises for security purposes only.

TERM

3. The term of this agreement is five (5) years, from the 1st day of August, 1995 to the 1st day of August, 2000.

RENT

4. (a) The annual rental for the Premises will be \$2,430.00, calculated at the rate of \$.09 per square foot per year (27,000 sq. ft. x \$.09/s.f./yr. = \$2,430), payable annually in advance of the first day of each year of the term specified in Basic Provision No. 3. The rent shall be prorated for any fractional year in the term, with first rent to begin on the 1st day of August, 1995. Any additional fees may be specified elsewhere in this agreement. All payments required by this lease must be made in U.S. currency.

(b) Checks, bank drafts, or postal money orders are to be made payable to the State of Alaska and delivered to Finance Office, Revenue Section, Department of Transportation and Public Facilities, 2301 Peger Road, Fairbanks, Alaska 99709-5399, or any other address which the Lessor may designate in writing. The lease agreement number must be referenced on the payment document.

Lease Agreement ADA-70872
Prospect Creek Airport

(c) Any payment due and not received accrues interest from the due date until paid in full at the highest allowable lawful contract rate in Alaska, as defined by Alaska Statute 45.45.010 or as amended. Interest on disputed amounts may not be charged to the Lessee if the dispute is resolved in the Lessee's favor.

(d) Lessee acknowledges that the late payment of rent, or any other fee, or late submittal of the required certified activity report, causes the Lessor to incur costs not contemplated by this agreement, and it is difficult to determine the exact amount of those costs. Therefore, if any report, rent, fee, or other amount due the Lessor is received by the Lessor after the due date, an administrative fee of \$50.00 shall be added to the payment due, and the total amount becomes immediately due and payable to the Lessor.

(e) Any rent, charge, fee, or other consideration which is due and unpaid at the expiration, termination, or cancellation of this lease will be a charge against the Lessee and his property, real or personal.

(f) During the first year of the term stated in Basic Provision No. 3, the Lessor may not change the rents or fees payable under this lease. At any time after the end of the first year of the lease term, the Lessor may, in its sole discretion, increase or decrease the rents or fees, provided that the Lessor may not change the rents or fees more than once in any 12-month period. Any change is effective upon written notice to the Lessee. If the Lessee believes that the changed rent exceeds the fair market rent for the Premises, the Lessee may appeal to the Lessor according to the following procedures:

(1) The Lessee must pay the changed rent beginning on the effective date stated in the Lessor's rent change notice and continue paying the changed rent throughout the appeal process.

(2) Within 30 days after the date of the Lessor's written notice of the rent increase or decrease, the Lessee must submit a written appeal to the Lessor. The appeal must include the name, address, telephone number and professional qualifications of the real estate appraiser the Lessee intends to retain to perform a fair market rent appraisal of the Premises.

(3) The Lessor will review the appraiser's qualifications and approve or disapprove the appraiser in writing to the Lessee. If the Lessor disapproves the appraiser, the Lessee will have 30 days from the date of the Lessor's written disapproval to continue the appeal by submitting the name, address, phone number, and professional qualifications of another appraiser.

(4) If the Lessor approves the Lessee's appraiser, the Lessee shall, at the Lessee's sole expense, cause the Premises to be appraised according to appraisal instructions furnished by the Lessor. The written appraisal must be received by the Lessor within 90 days following the date of the Lessor's written approval of the Lessee's appraiser.

(5) The Lessor will review the appraisal for conformance with the appraisal instructions and issue a written approval or rejection to the Lessee. Rejection of the appraisal by the Lessor will constitute a denial of the Lessee's appeal. Approval of the appraisal will confirm the Lessee's appeal and set the rent for the Premises at the fair market rent determined in the appraisal, retroactive to the effective date of the Lessor's rent change notice. However, if this lease was awarded to the Lessee by the Lessor through public auction, sealed bid, or other competitive process, no appeal or appraisal will operate to reduce the rent for the premises below the rent set when the lease was awarded.

(6) The Lessor has no obligation to appraise the Premises under any circumstances.

B. GENERAL COVENANTS

IMPROVEMENTS

1. Any construction on the Premises must be neat, presentable, and compatible with its use and surroundings. Before placing fill material or beginning construction of any improvements on the Premises, the Lessee must first obtain the written approval of the Lessor in the form of an approved building permit. Detailed drawings of the proposed development on the Premises must be submitted to the Lessor. If a building is contemplated, the Lessee must also submit comprehensive architectural drawings showing front and side elevation views and floor plan of the proposed structure, materials to be used, dimensions, elevations, the location of all proposed utility lines, and any additional data requested by the Lessor. The Lessor will review and approve or disapprove the proposed construction. Approval will not be withheld except where proposed construction does not comply with valid engineering principles, fire or building codes, generally recognized principles of sound airport management, or the proposed construction is inconsistent with the purposes of this lease. The Lessee shall submit to the Lessor evidence of the Lessee's compliance with the Federal Aviation Regulations, 14 C.F.R. Part 77.

2. No building or other permanent structure may be constructed or placed within twenty (20) feet of any boundary line of the Premises. This restriction does not apply to a common boundary line between contiguous parcels of land leased by the

under this lease. In addition, no building or other permanent structure may be constructed or placed within ten (10) feet of any boundary line of the Premises which fronts on a landing strip, taxiway, or apron.

3. The Lessee, within thirty (30) days after completion of construction or placement of improvements upon the Premises, shall deliver to the Lessor three (3) copies of as-built drawings showing the location and dimensions of the improvements, giving bearings and distances to an established survey point. Furthermore, if the Lessee constructs underground improvements, the Lessee shall appropriately mark the surface of the land with adequate surface markers. The type, quantity, and distance between such markers will be subject to the approval of the Lessor.

LIVING QUARTERS

4. Unless specifically authorized by this lease or amendment thereto, the establishment or maintenance of any kind of temporary or permanent living quarters on the Premises for the Lessee, the Lessee's officers, employees, guests, or the general public is expressly prohibited.

MAINTENANCE AND CONSTRUCTION

5. The Lessee shall keep the Premises and all improvements neat and presentable at the Lessee's own expense. The Lessee shall not strip, waste, or remove any material from the Premises without the prior written permission of the Lessor.

6. At no cost to the Lessor, all structures on the Premises must be painted, finished, or covered with a permanent exterior surface and be attractively maintained by the Lessee.

7. At no cost to the Lessor, the Lessee shall provide for all utilities, services, and maintenance (including snow removal) as is necessary to facilitate the Lessee's use of the Premises.

8. The disposal on the airport of waste materials generated by the Lessee, including slash, overburden, and construction waste, is prohibited, unless authorized in writing by the Lessor.

9. The Lessee agrees to coordinate his snow removal and maintenance activities on the Airport with the Lessor's Airport personnel. The Lessee further agrees to comply with all reasonable decisions and directions of the Lessor's Airport management personnel regarding snow removal, maintenance, and general use of the Airport by the Lessee.

DISPOSITION OF IMPROVEMENTS

10. (a) On or before the expiration, termination, or cancellation of this lease, improvements or other property, real or personal, owned by the Lessee on the Premises must either:

(1) be removed by the Lessee if required by the Lessor or desired by the Lessee and if, in the Lessor's opinion, removal will not cause injury or damage to the Premises; or

(2) with the Lessor's consent, be sold to the succeeding Lessee.

11. Title to any improvements or other property owned by the Lessee which is not disposed of pursuant to General Covenant No. 10 will vest in the Lessor.

FUEL

12. If fuel or any other hazardous materials are handled on the Premises, the Lessee agrees to have properly trained personnel and adequate procedures for safely storing, dispensing, and otherwise handling fuel or hazardous materials in accordance with all applicable federal, state, and local laws.

13. In the event of a fuel spill on the Premises, the Lessee shall act immediately to contain the fuel spill, promptly notify the Lessor, repair any damage, absorb and clean up the spill area, and restore the Premises to a condition satisfactory to the Lessor and otherwise comply with the applicable portions of Title 17 and Title 18 of the Alaska Administrative Code.

14. All bulk fuel on the Premises must be stored in fuel storage tanks, which are diked, installed, plumbed, and lined according to all applicable federal, state, and local laws, ordinances, and regulations.

15. Unless specifically authorized by this lease or amendment thereto, the sale of aviation fuel on the Premises is prohibited.

INDEMNIFICATION

16. The Lessee shall indemnify, defend, and hold the State harmless from any liability, action, claim, suit, loss, property damage, or personal injury of whatever kind resulting from or arising out of any act of commission or omission by the Lessee, his agents, employees, or customers, or arising from or connected with the Lessee's use and occupation of the Airport or the exercise of the rights and privileges granted by this lease.

Lease Agreement ADA-70372
Prospect Creek Airport

INSURANCE

17. (a) At no expense to the Lessor, the Lessee shall secure and keep in force during the term of this agreement adequate insurance coverage to protect both the Lessor and the Lessee in no less than the following amounts:

(1) Comprehensive General Liability (including products and completed operations, broad form contractual, and personal injury) for bodily injury or death in the amount of \$100,000 per person, \$300,000 per occurrence, and \$500,000 aggregate; property damage in the amount of \$50,000 per occurrence.

(b) The Lessee shall provide the Lessor with proof of insurance coverage in the form of an insurance policy or a certificate of insurance coverage, and any endorsements or changes referenced on the policy or certificate, together with proof that the premiums have been paid. All insurance required by this covenant must:

(1) name the State of Alaska as an additional insured to the full limits of the policy or policies held by Lessee, irrespective of the minimum limits required above, as respects operations of the named insured at or from the Premises leased from the State of Alaska.

(2) provide that the Lessor be notified at least thirty (30) days prior to any termination, cancellation, or material change in the insurance coverage for any reason.

(3) include a waiver of subrogation against the State of Alaska and the employees of the State and elective or appointive officers or employees for payments made under this policy, when acting within the scope of their employment or appointment.

(c) It is agreed that any insurance maintained by the State of Alaska will apply in excess of, and not contribute with, insurance provided by this policy.

(d) The procuring of the policy or policies of insurance required by this lease will not limit Lessee's liability hereunder or fulfill the indemnification provision and requirements and other obligations of this lease. Notwithstanding said policy or policies of insurance, Lessee shall be obligated for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this lease or with use or occupancy of the Premises.

HOLDING OVER

18. If the Lessee holds over and remains in possession of the Premises after the expiration of this agreement, the holding over will not operate as an extension of the term of this agreement but only creates a tenancy from month to month, regardless of any rent payments accepted by the Lessor. The Lessee's obligations for performance under this lease will continue until the month to month tenancy is terminated by the Lessor. The Lessor may terminate the tenancy at any time by giving the Lessee at least ten (10) days prior written notice.

ASSIGNMENT OR SUBLEASE

19. The Lessee may not assign nor sublet, either by grant or implication, the whole or any part of the Premises or any improvements thereon without the written consent of the Lessor. Any proposed assignment, lease or sublease must be submitted to the Lessor for approval in three (3) copies, each bearing the original notarized signature of all parties. All covenants and provisions in this agreement extend to and bind the legal representatives, successors, and assigns of the parties.

CONDEMNATION

20. If the Premises are condemned by any proper authority, the term of this lease will end on the date the Lessee is required to surrender possession of the Premises. The Lessor is entitled to all the condemnation proceeds except the Lessee will be paid the portion of the proceeds attributable to the fair market value of any improvements placed on the Premises by the Lessee according to the provisions of 17 AAC 40.330, amended. Rent will also be adjusted according to the provisions of 17 AAC 40.330, as amended.

CANCELLATION

21. The Lessor may cancel this lease and recover possession of the Premises by giving the Lessee thirty (30) days prior written notice upon the happening of any of the events listed below, unless the breach is cured within said thirty (30) days:

(a) Lessee's failure to pay when due the rents or fees specified in this lease, including any increases made pursuant to this lease.

(b) Return for insufficient funds of checks for payment of rents or fees.

(c) Use of the Premises by the Lessee for any purpose not authorized by this lease.

Lease Agreement ADA-70372
Prospect Creek Airport

- (d) Filing of a petition in bankruptcy by or against the Lessee.
- (e) Entry by any court of a judgment of insolvency against the Lessee.
- (f) Appointment of a trustee or receiver for the Lessee's assets in a proceeding brought by or against the Lessee.
- (g) Failure of the Lessee to perform any provision or covenant in this lease.

VACATION

22. At the expiration, cancellation or termination of this lease, the Lessee must peaceably and quietly vacate the Premises and return possession to the Lessor. The Premises must be left in a clean, neat, and presentable condition to the satisfaction of the Lessor.

CANCELLATION BY LESSEE

23. The Lessee may cancel this lease by giving the Lessor at least one hundred eighty (180) days advance written notice, provided, however, that if the Lessee's interest is encumbered by a mortgage or assignment for security, such cancellation shall not be effective without the written consent of the mortgagee or assignee delivered to the Lessor.

EASEMENTS

24. The Lessor reserves the right to make grants to third parties or reserve to the Lessor easements or right-of-way through, on, or above the Premises. Provided, that no such easement or right of way may be granted or reserved which unreasonably interferes with the Lessee's use of the Premises.

RESERVATION OF RIGHTS

25. The Lessor specifically reserves the right to grant to others the rights and privileges not specifically and exclusively granted to the Lessee. The rights and privileges granted to the Lessee in this lease are the only rights and privileges granted to the Lessee by this lease. The Lessee has no easements, rights, or privileges, express or implied, other than those specifically granted by this lease.

DISCRIMINATION

26. The Lessee covenants and agrees that discrimination on the grounds of race, color, religion, national origin, ancestry, age, or sex will not be permitted against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or state law. The Lessee recognizes the right of the Lessor to take any action necessary to enforce this covenant, including actions required pursuant to any federal or state law.

AFFIRMATIVE ACTION

27. The Lessee agrees that it will undertake any affirmative action program required by 14 CFR Part 152, Subpart E, to ensure that no person will be excluded from participating in any employment activities covered by 14 CFR Part 152, Subpart E on the grounds of race, creed, color, national origin, or sex. The Lessee agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said subpart. The Lessee further agrees that it will require that its covered suborganization(s) provide assurance to the Lessor to the same effect that they will also undertake affirmative action programs and require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E.

RADIO INTERFERENCE

28. At the Lessor's request, the Lessee shall discontinue the use of any machine or device which interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

EXECUTION BY LESSOR

29. This lease is of no effect until it has been signed by the Commissioner of the Department of Transportation and Public Facilities or his designated representative.

LAWS, TAXES

30. This lease is issued subject to all requirements of the laws and regulations of the State of Alaska relating to the leasing of lands and facilities and the granting of privileges at State airports.

31. At no expense to the Lessor, the Lessee will conduct all activities or business authorized by this lease in compliance with all federal, state, and local laws, ordinances, rules and regulations now or hereafter in force which apply to the activities or business authorized herein or to the use, care, operation, maintenance, and protection

Lease Agreement ADA-70372
Prospect Creek Airport

of the Airport, including but not limited to matters of health, safety, sanitation, and pollution. The Lessee must obtain all necessary licenses and permits, pay all taxes and special assessments lawfully imposed upon the Premises, and pay any other fees and charges assessed under applicable public statutes or ordinances.

32. In any disputes between the parties, the laws of the State of Alaska will govern and any lawsuit must be brought in the courts of the State of Alaska.

33. The Lessee agrees to notify the State of any claim, demand, or lawsuit arising out of the Lessee's occupation or use of the Premises. Upon the Lessor's request the Lessee will cooperate and assist in the investigation and litigation of any claim, demand, or lawsuit affecting the Premises.

34. The Lessor makes no specific warranties, express or implied, concerning the title or condition of the property, including survey, access, or suitability for any use, including those uses authorized by this lease. The Lessee takes the Premises subject to any and all of the covenants, terms, and conditions affecting the Lessor's title to the Premises.

LIENS

35. The Lessee shall keep the Premises free of all liens, pay all costs for labor and materials arising out of any construction or improvements by the Lessee on the Premises, and hold the Lessor harmless from liability for any liens, including costs and attorney fees.

NO WAIVER

36. The failure of the Lessor to insist in any one or more instances upon the strict performance by the Lessee of any provision or covenant in this lease may not be considered as a waiver or relinquishment for the future, but the provision or covenant will continue in full force. The waiver by the Lessor of any provision or covenant in this lease cannot be enforced or be relied upon unless the waiver is in writing signed on behalf of the Lessor.

MODIFICATION

37. The Lessor may modify this lease to meet the revised requirements of federal or state grants or to conform to the requirements of any revenue bond covenant to which the State of Alaska is a party; provided, that a modification may not act to reduce the rights or privileges granted the Lessee by this lease nor act to cause the Lessee financial loss.

Lease Agreement ADA-70872
Prospect Creek Airport

VALIDITY OF PARTS

38. If any provision or covenant of this lease is declared to be invalid by a court of competent jurisdiction, the remaining covenants and provisions will continue in full force.

INTERRELATIONSHIP OF PROVISIONS

39. The basic provisions, general covenants, special covenants, supplements, addenda, and drawings are essential parts of this lease and are intended to be cooperative, to provide for the use of the Premises, and to describe the respective rights and obligations of the parties to this agreement. In case of a discrepancy, figured dimensions govern over scaled dimensions unless obviously incorrect. Special covenants govern over basic provisions, both of which govern over general covenants.

NATURAL DISASTERS

40. In the event any cause which is not due to the fault or negligence of either Lessee or Lessor renders the Premises unusable and makes the performance of this lease impossible, this agreement may be terminated by either party upon written notice to the other party. Causes include but are not restricted to acts of God or the public enemy, acts of the United States, fires, floods, epidemics, quarantine restrictions, or strikes.

NOTICES

41. Any notice required by this agreement must be hand delivered or sent by registered or certified mail to the appropriate party at the address set forth on page one of this lease or to any other address which the parties subsequently designate in writing.

INTEGRATION AND MERGER

42. This agreement sets forth all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Premises whether oral or written. No modification or amendment of this lease is effective unless in writing and signed by both the parties.

NATIONAL EMERGENCY

43. In case of any national emergency declared by the federal government, the Lessee may not hold the Lessor liable for any inability to perform any part of this agreement as a result of the national emergency.

Lease Agreement ADA-70872
Prospect Creek Airport

APPROVAL BY LESSOR

44. Any approvals required of the Lessor by this lease will not be unreasonably withheld.

INGRESS, EGRESS

45. The Lessor reserves the right of ingress to and egress from the Premises and the right to enter any part of the Premises, including buildings thereon, for the purpose of inspection at any reasonable time. Except in the case of an emergency, all inspections will be coordinated with the Lessee in order to minimize interference with the Lessee's activities on the Premises.

C. SPECIAL COVENANTS

1. The Lessee acknowledges that this lease is subject to the Lessor's Public Airport Lease with BLM, and the Lessee agrees to abide by all requirements of said BLM lease. Therefore, a copy of Public Airport Lease, Serial Number F-12631 is attached hereto and made a part of hereof.

2. The Lessee acknowledges, accepts, and agrees that authorized representatives of the Lessor, BLM, and/or the Federal Aviation Administration shall, at any time, have the right to enter the leased premises for the purpose of inspection and shall have free access to records of operations under authority of this lease.

3. In accordance with General Covenant Nos. 24 and 25, the lease is issued subject to all encumbrances of record, including provisions contained in oil and gas leases on file in the office of the United States Bureau of Land Management and the Alaska Department of Natural Resources affecting Lessor's title to the Premises herein.

4. The Lessor acknowledges the existence of improvements on the Premises consisting of two lined and diked aboveground tanks having an approximate value of \$40,000.

5. (a) In consideration of the Lessee's right to sell fuel for aviation purposes on the Premises, the Lessee agrees to pay the following fees to the Lessor:

Two cents (\$.02) per gallon on each gallon of fuel sold for aviation purposes on the airport Premises.

Lease Agreement ADA-70872
Prospect Creek Airport

(b) Payments of said charges and fees shall be made quarterly, within ten (10) days succeeding each calendar quarter. Calendar quarters referred to herein shall begin on January 1st, April 1st, July 1st, and October 1st of each year of the lease term.

(c) Each payment set forth shall be accompanied and supported by a certified statement from the Lessee showing the total gallonage of fuel sold for aviation purposes during the preceding calendar quarter for which payment is made. The certified statement shall be submitted to the Lessor quarterly whether or not any sales have been made. Lessee's obligation to make such payment for fuel shall be satisfied if payment of these fees is made to the State by the Lessee's suppliers of such products based on gallonage delivered to the Lessee on the airport.

(d) The Lessor reserves the right to audit the Lessee's books and records relating to the Lessee's sale of aviation fuel. If Lessee elects to have the audit performed at a location outside the State of Alaska, Lessee shall reimburse the State for the audit costs incurred. Such reimbursement shall include air and ground transportation from the auditor's duty station to the location at which the books and records are maintained, as well as per diem at the then current out-of-State rate for each day of travel and on-site audit work. Subsequent to the audit, the State shall bill Lessee for the costs incurred and such billing shall be supported by a copy of the travel authorization form currently in use by the State.

6. If fuel or any other hazardous materials are handled on the Premises, the Lessee agrees to have properly trained personnel and adequate procedures for safely storing, dispensing, and otherwise handling fuel or hazardous materials in accordance with all applicable federal, state, and local laws, including 17 AAC 40.20 and FAR 139. Lessee must provide a containment area for all fuel storage, label all fuel, and post "No Smoking" signs. Lessee must ensure all fire extinguishers are in compliance with applicable laws and regulations.

7. The Lessee acknowledges that Lessor's execution of this lease agreement at Prospect Airport does not require the Lessor to continue maintenance of Prospect Airport. Nor does it require the Lessor to continue operating the airport, or to keep the airport open. If the airport is no longer maintained, operated, or kept open, the Lessee acknowledges that the Lessor shall not be obligated to provide alternative space or any form of relocation benefits to the Lessee.

8. In addition to the Lessor's right to cancel this agreement for Lessee breach under General Covenant No. 21, the Lessor reserves the right to cancel this agreement for any other reason upon one (1) month's prior written notice. If this agreement is cancelled by the Lessor, nothing in this agreement shall be construed in any manner as

Lease Agreement ADA-70372
Prospect Creek Airport

obligating the Lessor to provide alternative space or any form of relocation benefits to the Lessee.

9. Use of the Premises for outside storage of junk or salvage aircraft parts is prohibited. The storage on the Premises of damaged or inoperable vehicles or equipment which is beyond repair, as determined by a duly authorized official of the Lessor, is prohibited.

10. (a) The Lessee and Lessor agree that Lessee, prior to the expiration of the lease, will complete, at no cost to the Lessor, an environmental site assessment of the Premises. Said environmental site assessment will be completed in accordance with professional practices and directives established by either state, federal, or local regulating agencies.

(b) In the event test results of the environmental assessment exceed established standards, as determined by either state, federal, or local regulating agencies, the Lessee will conduct further testing of the Premises, as required by the Lessor.

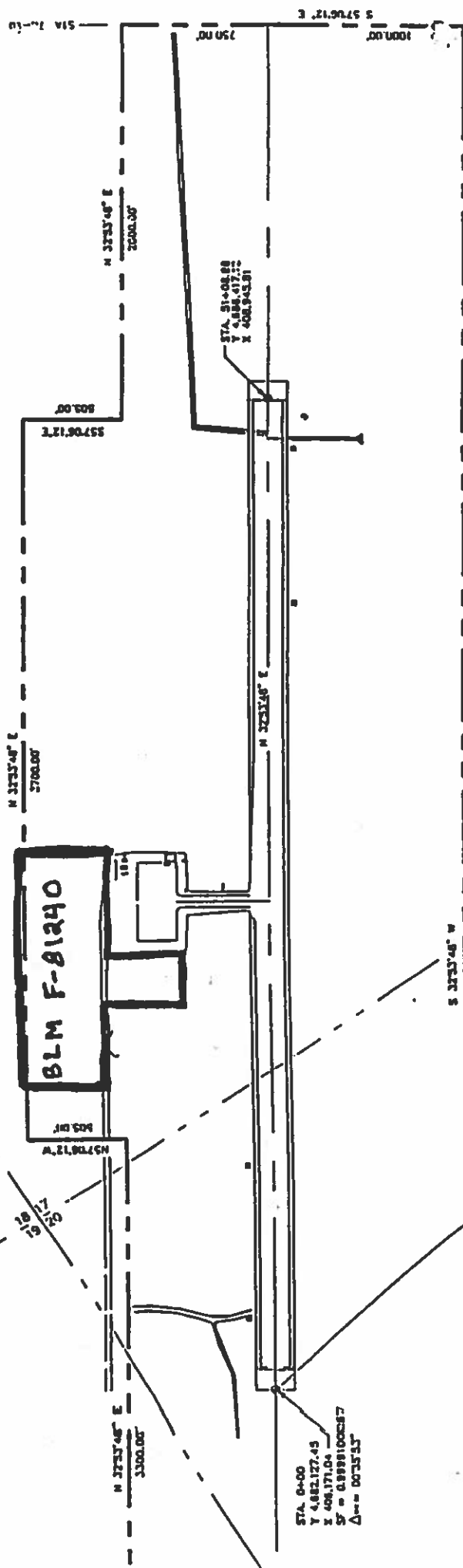
(c) In the event remediation is required per Special Covenants Nos. 8(a) and 8(b), the Lessee is required to abide by all state, federal or local laws, ordinances, or regulations. The Lessee shall perform all remediation under the supervision of any agency having jurisdiction or statutory authority. The Lessee is further required to notify in advance and receive written approval from the Lessor for any remediation of the Premises. Any and all costs of remediation of the Premises, including any area contaminated by migration from the Premises, will be borne by the Lessee.

11. The Lessor and Lessee acknowledge that the Lessee has held over and occupied the Premises on a continuous basis since the expiration of Lease Agreement ADA-70194. Therefore, the beginning date of the term of this Lease Agreement ADA-70872 has been set to coincide with the expiration date of Lease Agreement ADA-70194.

12. Effective August 1, 1995, Lease Agreement ADA-70194, dated July 10, 1986, is replaced and superseded in its entirety by this Lease Agreement ADA-70872.

Lease Agreement ADA-70872
Prospect Creek Airport

VICINITY MAP
DEC 17 4 28 P 23 W. 110 N. 70
WGS 84 (19-1)



LEGEND

△ USAGS CONTROL MONUMENT

⊗ MONUMENTS NOTED ON 1912



SCALE: 1" = 300'

REPORT

STATES ARE ALASKA
277.

**C.S. CONTROL MONUMENT
3/06/73 PROPERTY PLAN.**

A. 31+08.88 AND THE SYMBOLS NOTING EXISTING
/3/92 PRELIMINARY DRAWING BY ALYESKA PIPELINE
K AIRPORT LOCATION MAP. DRAWING NO. 27540-92.

DEVELOPMENT OF THIS PROPERTY PLAN

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
CONSTRUCTION DESIGN AND CONSTRUCTION-ANADON

APPROVED
Richard D. Payne

DATE 4/2/74

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
NORTHERN REGION—DESIGN AND CONSTRUCTION

英華

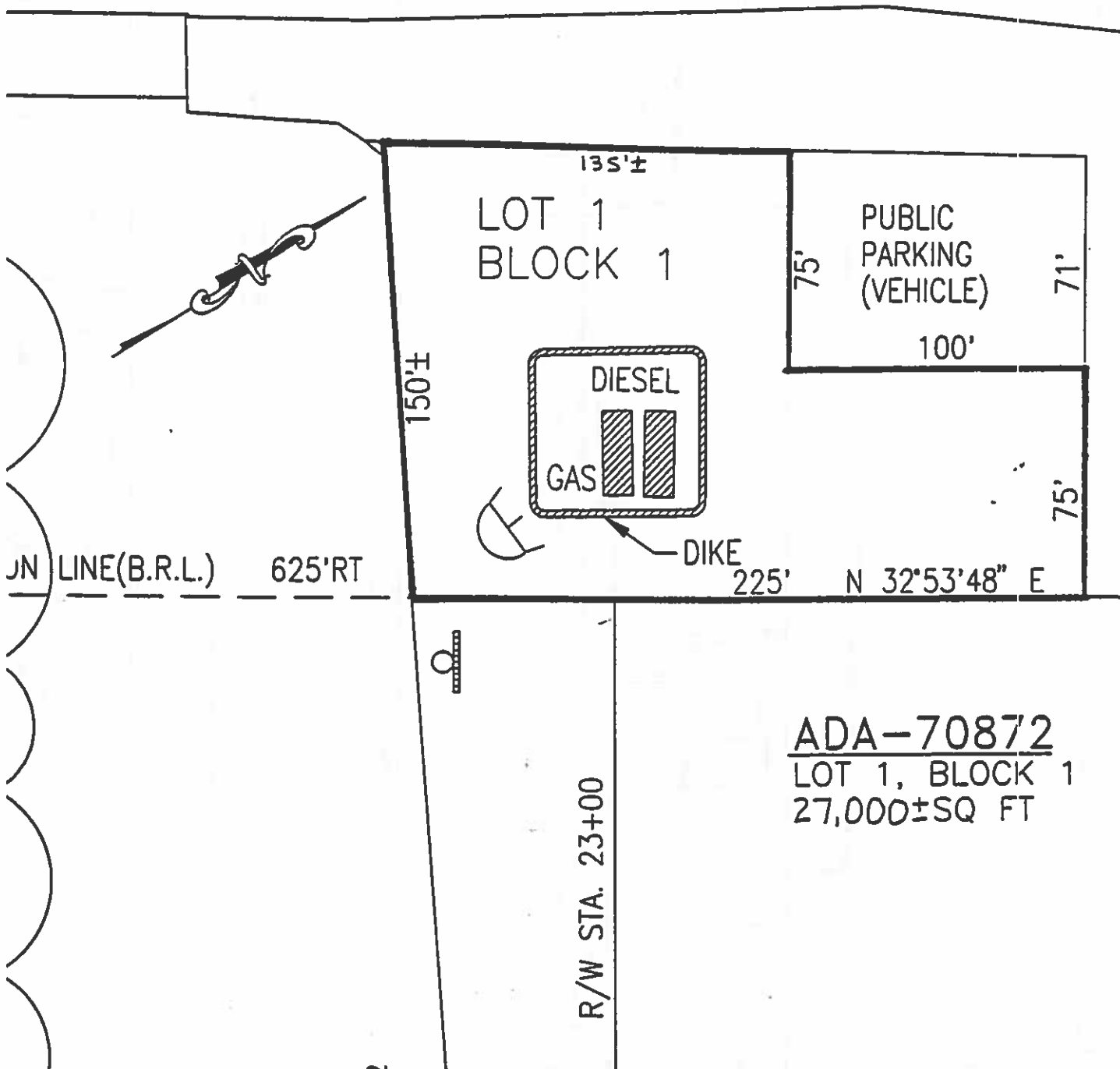
DATE 11/2/74

1345

PROSPECT CREEK AIRPORT

PROPERTY PLAN

CABLE TRAY



ADA-70872
LOT 1, BLOCK 1
27,000± SQ FT

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
AIRPORT LEASING/PROPERTY MANAGEMENT

LEASE AGREEMENT ADA-70872
LOT(S)- 1 BLOCK- 1 PROSPECT AIRPORT
DATE DRAWN: 04/24/95 SCALE: 1" = 50'

pulf\alp\prospect\ada70872

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year stated in the acknowledgments below.

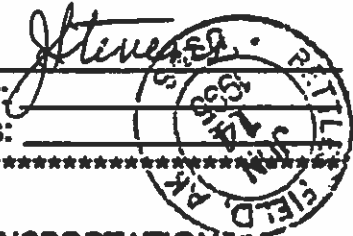
LESSEE: Dan & Lynda Klaes
BY: Lynda Klaes
Lynda Klaes
(Typed Name and Title)

STATE OF Alaska)
4th) ss
Judicial District or County)

THIS IS TO CERTIFY that on this 14 day of June, 1995, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Lynda Klaes, known to me and to me known to be the person(s) named in and who executed the foregoing instrument, and (he)(she)(they) acknowledged to me that (he)(she)(they) signed the same as (his)(her)(their) free and voluntary act and deed with full knowledge of its contents, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Postmaster/Notary Public
Notary Public in and for
My Commission expires:



STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

BY: Pamela A. Lewis 6-19-95

STATE OF ALASKA)
4TH JUDICIAL DISTRICT) ss

THIS IS TO CERTIFY that on this 19th day of June, 1995, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Pamela A. Lewis, known to me and to me known to be the Leasing and Property Management, Department of Transportation and Public Facilities, and s/he acknowledged to me that s/he executed the foregoing instrument freely and voluntarily on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and that s/he is authorized by said State of Alaska so to do.

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

Martha J. Marshall
Notary Public in and for Alaska
My Commission Expires: 6-11-96

Lease Agreement ADA-70872
Prospect Creek Airport

Form 2910-1
(December 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

PUBLIC AIRPORT LEASE

RECEIVED ARDO
ON 10-15-94
BY DR. [Signature] Serial Number
FOR F-12631
F-12631

This indenture of lease, entered into this 1st day of November, 1994, by and between the UNITED STATES OF AMERICA, hereinafter called lessor, acting in this behalf by the Arctic District Manager, Bureau of Land Management, Fairbanks, Alaska

and

the State of Alaska, Department of Transportation and Public Facilities hereinafter called lessee, under, pursuant, and subject to the terms and conditions of the Act of May 24, 1928, as amended, (49 U.S.C. 211-214) and the regulations thereunder (43 CFR 2911):

WITNESSETH:

Sec. 1. That lessor, in consideration of rents to be paid and covenants to be observed, as herein set forth, does hereby grant and lease to lessee the exclusive right and privilege of maintaining an airport on the following-described and, to-wit: See EXHIBIT 1

containing approximately 386.665 acres, together with the right to construct and maintain all buildings or other improvements necessary as an airport for the accommodation of the public for a period of 20 years and, if at the end of said period lessor shall determine that a new lease should be granted, lessee will be accorded a preference right thereto upon such terms and for such duration as may be fixed by lessor.

Sec. 2. For and in consideration of the foregoing, lessee hereby agrees:

- (a) To establish a public airport on said tract and to maintain such airport during the life of this lease.
- (b) To pay lessor, each year in advance, the annual rental required under Sec.3(a) of this lease.
- (c) To complete the construction facilities for service, fuel, and other supplies necessary to make the land available for public use as an airport within one (1) year from date of this lease.
- (d) To keep the airport equipped and maintained, at all times, in accordance with the requirements made by the Federal Aviation Administration.
- (e) That all departments and agencies of the United States operating aircraft shall have free and unrestricted use of the airport. With approval of lessor, any department or agency shall have the right to erect and install such structures and improvements deemed advisable, including facilities for maintaining supplies of fuel, oil, and other materials for operating aircraft.
- (f) That whenever the President deems it necessary for military purposes, the Secretary of Defense may assume full control of the airport.
- (g) Not to allow use of the premises included in this lease for unlawful purposes or for any purpose not in harmony with use as an airport.
- (h) That authorized representatives of lessor or the Federal Aviation Administration shall, at any time, have the right to enter the leased premises for the purpose of inspection and shall have free access to records of operations under authority of this lease.

(i) Not to assign or sublet this lease without consent of lessor, and to submit for consideration all assignments made, subject to lessor's approval.

(j) To submit to the Federal Aviation Administration, for its approval, regulations to govern the use of the airport.

(k) *Equal Opportunity clause.* During the performance of this contract, the lessee agrees as follows:

(1) The lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The lessor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Equal Opportunity clause.

(2) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer,

advising the labor union or workers' representative of the lessee's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The lessee will comply with all provisions Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the lessee's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The lessee will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The lessee will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however*, that in the event the lessee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

Sec. 3. It is understood and agreed that:

(a) The rental charge for the first year shall be

\$3,480

dollars

per annum, that the charge shall be subject to reconsideration and revision at five-year intervals.

(b) Rates and prices for accommodation and service may be fixed by the lessor, whenever deemed necessary.

(c) If lessee shall fail to: (1) use the premises or any part thereof for a period of at least 6 months; (2) use the property or any part thereof for a purpose other than the authorized use; (3) pay the annual rental in full on or before the date due; (4) maintain the premises according to the ratings set by the Federal Aviation Administration; (5) comply with the regulations set forth in 43 CFR 2911 or the terms of this lease; lessor may cancel, in whole or in part, this lease.

(d) Upon termination of this lease, by expiration or forfeiture, or whenever the United States may claim right of possession as herein provided, lessee agrees to surrender possession of premises and to comply with such provisions and conditions respecting removal of improvements and equipment on the property as may be made by lessor.

Sec. 4. It is further agreed that no Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, and either before or after he has qualified, and during his continuance in office, and no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part of this lease, or derive any benefit that may arise therefrom, and the provisions of Title 18, U.S.C. 431-433, relating to contracts, enter into and form a part of this lease, so far as the same may be applicable.

See exhibits #1, #2, #3, #4 & map attached hereto and made a part hereof

WITNESS WHEREOF

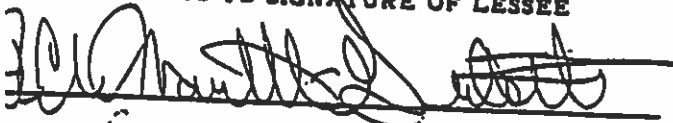


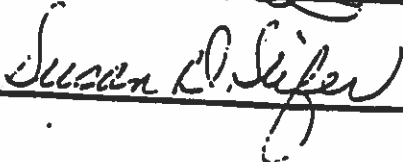
(Signature of Lessee)

CHIEF, RIGHT OF WAY

DOT & PF, NORTHERN REGION

WITNESSES TO SIGNATURE OF LESSEE





THE UNITED STATES OF AMERICA

By Dee R. Ritchie, Arctic District Manager



[SEAL]

TE: If this lease is executed by a corporation, it must bear the corporate seal

EXHIBIT 1Prospect Creek Airport Lease
F-12631

A tract of unsurveyed land within sections 17, 19, and 20, Township 23 North, Range 14 West, Fairbanks Meridian, Fairbanks District, Fairbanks Recording District, Alaska. Commencing at U.S. Coast and Geodetic Survey Horizontal Control Monument "Milclay", 1955, at Latitude $66^{\circ} 48' 04.119''$ North, and Longitude $150^{\circ} 29' 29.812''$ West, according to 1927 North American Datum;

Thence $N 82^{\circ} 47' 57''$ W, a distance of 23,086.78 feet to the existing Runway Centerline Monument at Station 0+00 of the Prospect Creek Airport as defined by Alyeska Pipeline Service Company drawing number 275-AO-0292 (March 3, 1992);

Thence $S 32^{\circ} 53' 48''$ W along the extended runway centerline a distance of approximately 2,000 feet to the True Point of beginning (POB);

Thence $N. 57^{\circ} 06' 12''$ W., approximately 750 feet to corner 1;
Thence $N. 32^{\circ} 53' 48''$ E., approximately 3,300 feet to corner 2;
Thence $N. 57^{\circ} 06' 12''$ W., approximately 505 feet to corner 3;
Thence $N. 32^{\circ} 53' 48''$ E., approximately 3,700 feet to corner 4;
Thence $S. 57^{\circ} 06' 12''$ E., approximately 505 feet to corner 5;
Thence $N. 32^{\circ} 53' 48''$ E., approximately 2,000 feet to corner 6;
Thence $S. 57^{\circ} 06' 12''$ E., approximately 1,750 feet to corner 7;
Thence $S. 32^{\circ} 53' 48''$ W., approximately 9,000 feet to corner 8;
Thence $N. 57^{\circ} 06' 12''$ W., approximately 1,000 feet to close at the POB.

Excepting therefrom an existing BLM Reservation identified as "BLM Right-of-Way, F-81240" and depicted on the attached map.

Said Tract contains approximately 386.665 acres as depicted on the attached map.

EXHIBIT 2ADDITIONAL TERMS AND CONDITIONS
Prospect Creek Airport Lease
F-12631

The United States of America, through the Bureau of Land Management, hereby reserves the area identified as "BLM Right-of-Way F-81240" and depicted on the attached map for use by all Departments and Agencies of the United States.

The Lessee shall assure that any third party authorized by the Lessee to use the leased premises are in full compliance with the Terms, Conditions, and Stipulations of this Lease.

The Lessee shall provide a final report to the Lessor, annually, on all approved Third Party authorizations issued. The report shall include the name of the party authorized, term of authorization, use authorized, size, and location. This report shall be due by the 15 day of march of each year.

All structures, except those required for airport safety, will be painted so as to blend into the natural environment. All colors are to be preapproved by the Authorized Officer of BLM.

In the event the lease is relinquished or terminated for any cause, the Lessee shall contact the Authorized Officer to arrange a joint inspection of the lease. This inspection will be held to agree on an acceptable termination and rehabilitation plan. This plan shall include but not be limited to, removal of all facilities, recontouring, topsoiling, or seeding. The Authorized Officer must approve the plan in writing prior to the Lessee undertaking any termination or rehabilitation activities.

Protection of Survey Monuments. The Holder shall protect all survey monuments. Survey monuments include, but are not limited to, General Land Office and Bureau of Land Management Cadastral Survey Corners, reference corners, witness points, U.S. Coast and Geodetic benchmarks and triangulation stations, military control monuments, and recognizable civil (both public and private) survey monuments. In the event of obliteration or disturbance of any of the above, the Holder shall immediately report the incident, in writing, to the Authorized Officer and the respective installing agency, if known. Where General Land Office or Bureau of Land Management right-of-way monuments or references are obliterated during operations, the Holder shall secure the services of a registered land surveyor or a Bureau Cadastral surveyor to restore the disturbed monuments and references using surveying procedures found in the Manual of Surveying Instructions for the Survey of Public Lands of the

United States, latest edition. If the Bureau Cadastral surveyors or other Federal surveyors are used to restore the disturbed survey monuments, the Holder shall be responsible for survey costs.

EXHIBIT 3**PROJECT SPECIFIC STIPULATIONS****F-12631****Prospect Creek Airport Lease**

Estimated or average quantities (based on local experiences in similar conditions) of chemical quantities reportable under the Emergency Planning-Community Right to Know Act (EPCRA) or under the Resource Conservation and Recovery Act (RCRA) should be provided to the Authorized Officer prior to chemical transportation and storage at the site. Sources of the estimate must be included. Narrative descriptions of the uses, storage, transport, and disposal of identified hazardous materials (individually or by use groups) must be provided. Include in the descriptions a summary and the location of each plan required by State or Federal authorities to reduce wastes, to prevent releases of hazardous materials to the environment, to notify employees and the public of risks, to control unanticipated releases and to remove or manage residual hazardous materials after the termination of the authorization, so they present no significant risk to human health or the environment and no significant liability to the Federal taxpayer.

If a significant variance from the approved action with respect to hazardous materials and any aspect of hazardous materials use, storage, or disposal will occur during the operations period, the Authorized Officer must be notified prior to transport of such materials onto the public lands.

Fuel and other petroleum products storage of 55 gallons or greater must have secondary containment with 110% of the capacity of the primary storage. The secondary containment, such as lined and bermed systems, must meet local, State and federal codes and regulations. Above ground storage of fuels or other petroleum products in excess of 660 gallons, or an aggregate above ground storage capacity of greater than 1320 gallons; or any facility which, due to location, could reasonably expect spilled fuels to reach waters of the United States or adjoining shorelines must prepare and maintain a Spill Prevention Control and Countermeasure (SPCC) Plan in accordance with 40 CFR 112 regulations.

EXHIBIT 4GENERAL STIPULATIONS

F-12631

Prospect Creek Airport Lease

All operations will be conducted in such a manner as not to cause damage or disturbance to any fish or wildlife and subsistence resources.

Holder shall prohibit the feeding of wildlife. Garbage or other potentially edible items which would attract wildlife shall be kept in covered containers.

All solid wastes shall be removed from the public lands to Alaska State Department of Environmental Conservation (DEC) approved solid waste disposal facilities. Solid waste combustibles may be incinerated. All non-combustible solid waste, including ash from incineration and fuel drums, shall be removed for approved disposal. There will be no burial of garbage or human wastes.

All operations shall be conducted with due regard for good resource management and in such a manner as not to block any stream, or drainage system, or change the character or course of a stream, or cause the pollution or siltation of any stream or lake.

All activities shall be conducted so as to avoid or minimize disturbance to vegetation.

Cultural and Paleontological Resources. Any cultural or Paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the AUTHORIZED OFFICER. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The Holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the AUTHORIZED OFFICER after consulting with the Holder.

All fuel spills will be cleaned up immediately, taking precedence over all other matters, except the health and safety of personnel. Spills will be cleaned up utilizing absorbent pads or other Alaska State DEC approved methods.

Notice of any such discharge, as defined in Alaska Administrative Code 18 AAC 75.300, will be given to the AUTHORIZED OFFICER and any other Federal and State officials as are required by law. This notice shall be provided within the time frames set forth in the above referenced Administrative Code.

Department of Environmental Conservation (DEC) approved oil spill cleanup materials (absorbents) will be carried by each field crew and stored at all fueling points and vehicle maintenance areas.

State and Federal safety standards for fuel handling will be followed.

Drip basins or absorbent diapers will be placed under all non dry-disconnect-type fuel line couplings and valves.

All fuel containers, including barrels and propane tanks, shall be marked with Permittee's name, product type, and year filled or purchased (e.g., State of Alaska, Jet Fuel, 1994).

