

STATE OF ALASKA ITB NUMBER 2519N022
AMENDMENT NUMBER 2



Department of Transportation &
Public Facilities
2301 Peger Road
Fairbanks, AK 99709

THIS IS NOT AN ORDER

DATE AMENDMENT ISSUED: March 1, 2019

ITB TITLE: Crushed Aggregate, D-1 Modified, Tazlina Area, Federally Funded

ITB OPENING DATE AND TIME: March 13, 2019

This amendment is for informational purposes only and need not be returned to the State.

1. Add Attachment F – Material Sale Contract for MS 71-2-005-5 located at MP 110 Richardson Highway.

No other changes are being made at this time.

A handwritten signature in black ink, appearing to read "Eric Johnson".

Eric Johnson
Procurement Officer
Phone: (907) 451-5102
TDD: (907) 451-2363
FAX: (907) 451-2313

FOR STATE USE ONLY - THIS AMENDMENT COVERS PR#

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

☐ **Northern Region**
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2740

☒ **Southcentral Region**
550 W 7th Ave., Suite 900C
Anchorage, AK 99501-3577
(907) 269-8552

☐ **Southeast Region**
400 Willoughby, #400
P.O. Box 111020
Juneau, AK 99801
(907) 465-3400

MATERIAL SALE CONTRACT

AS 38.05.550-565

Issuance Date: **February 25, 2019**

Expiration Date: **December 31, 2024**

ADL # 233051

Federal Tax I.D.:

Under Alaska Statutes (AS) 38.05.550-565 (Material Sales), other applicable statutes, and the regulations implementing these statutes, the State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land and Water, the seller, whose address is 550 West 7th Ave., Suite 900C, Anchorage, AK 99501-3577, agrees to sell and the buyer, State of Alaska, Department of Transportation and Public Facilities (ADOT&PF), whose address is 2301 Peger Road, Fairbanks, AK 99709, agrees to buy the material designated in this contract, subject to the provisions that follow.

1. Description: Location, Material, Quantity, and Price.

(a) The material sale area covered by this ADL 233051 contract consists of approximately ninety-six (96) acres more or less. The sale area is depicted on the attached map, which is made a part of this contract, or as designated on the ground by the seller. The designated material site under the 2012 Final Finding and Decision for Material Site Designations issued by the DMLW Director and is within MS 71-2-005-5, located at MP 110 Richardson Highway at the Department of Transportation and Public Facilities, Tazlina Maintenance Station. The site is further described as being within the Section 16, Township 3 North, Range 1 West, Copper River Meridian.

(b) The material to be removed and the price are:

<u>Type of Material</u>	<u>No. of Units (cubic yards)</u>	<u>Unit Price</u>	<u>Total Price</u>
-------------------------	-----------------------------------	-------------------	--------------------

Gravel, Sand, Cobbles and Boulders	150,000 cubic yards	See 2(a) below	
---	----------------------------	-----------------------	--

2. Payments, Deposits, and Reports. No part of the materials sold under this contract may be extracted from the sale area by the buyer except in accordance with the following terms:

(a) Under 11 AAC 05.130(e), the fee for sale of materials to a federal agency "for use in constructing, reconstructing, or maintaining a public project is as follows: (1) for the first 5,000 cubic yards of materials to be used on the project, no charge; each year of maintenance on an ongoing basis constitutes a separate project; (2) for each cubic yard of materials beyond 5,000 cubic yards, the base fee listed in the annual base price schedule established under 11 AAC 71.090." The 2018 base price under 11 AAC 71.090 for sand and gravel for the sale of material under AS 38.05.555(b)(3) to a federal agency under AS 38.05.810(a) is \$0.50 per cubic yard and \$3.00 per cubic yard for rock.

(b) The buyer shall remit an initial deposit in the amount of \$N/A (consistent with 11 AAC 71.045 or 11 AAC 71.065, and no less than \$250) along with the bid for a competitive sale contract or at the time a negotiated sale buyer signs this contract. The seller will retain the deposit to cover administrative costs incurred in offering the material sale, except that if the buyer removes and pays for at least 75% of the material volume covered by this contract, the deposit may be applied, in whole or in part, to the final payment that becomes due under this contract.

(c) Additional periodic installment payments as required in paragraph 2(d) must be made for material extracted as of the date payment becomes due but may not exceed the total purchase price.

(d) Each periodic installment payment becomes due and payable on December 31 of each year, without prior notice to the buyer, for the value of material extracted during the calendar year of January 1 through December 31. The installment must be based on records required in paragraph 3 of this contract and must be submitted to the seller no later than the fifth working day after December 31.

(e) An annual report is due by December 31 of each year, without prior notice to the buyer, that details the volume of material removed during the calendar year of January 1 through December 31, based on records required in paragraph 3 of this contract and must be submitted to the seller no later than the fifth working day after December 31. This report shall be filed regardless of whether material was removed during the reporting period.

(f) A final accounting and payment for material removed and a completion report, as required under paragraph 4.(k)(21) of this contract, must be submitted no later than 30 days following contract expiration, or when the contractor has completed removal under the contract, or following termination of the contract by the seller or by operation of law. Whether completion is satisfactory will be decided by the Director of the Division of Mining, Land and Water within 45 days after receiving the final accounting report and completion report.

(g) If the buyer fails to make a payment provided for in this contract, the seller may, under paragraph 10(b) of this contract, order all material extraction suspended immediately. Materials extracted by the buyer during any period of suspension are considered taken in trespass and are to be charged to and paid for by the buyer at triple the unit contract price. Resumption of the lawful taking of materials may be authorized, in writing, by the Division of Mining, Land and Water (DMLW) only after the payments in arrears plus the penalty provided for in paragraph 2(h) have been paid.

(h) Late Payment Penalty Charges: The buyer shall pay a fee for any late payment. The amount is the greater of either \$50.00 or interest accrued daily at the rate set of 10.5% per annum and will be assessed on each past due payment until paid in full.

(i) All payments and deposits must be remitted to the Division of Mining, Land and Water and must be made payable to the State of Alaska and include the identifying **ADL 233051** number.

(j) Special Provisions. The following special provisions also apply to payments and deposits under this contract:

- 1) Should the administrative base price, representative regional sales price, or fair market value be changed during the term of this contract, the new price will be effective and apply to the material remaining to be extracted under this contract as of the effective date of the price adjustment.
- 2) Material extraction in excess of 25% of the material volume covered by this contract is considered taken in trespass and to be charged to and paid for by the buyer at triple the unit contract price or triple the current unit representative regional sales price, or triple the pecuniary gain realized by the buyer as a result of the trespass. Said trespass penalties are in addition to other administrative or legal proceedings imposed by State law.
- 3) Material extraction outside of an active contract term is considered taken in trespass and is to be charged to and paid for by the buyer at triple the unit contract price.

3. Method of Volume Determination.

(a) The method of volume determination for purposes of payment under this contract, along with any special provisions applicable to volume determination, is:

- 1) Volume shall be measured in cubic yards of truck load capacity of a gravel truck(s) multiplied by the number of loads removed; or
- 2) Volume shall be measured by weight of the extracted material converted to cubic yards. The standard of density and conversion rate must be provided to the seller; or
- 3) Another volume accounting method may be approved by the seller.

(b) The buyer shall keep daily, accurate and up-to-date records of all materials extracted. These records are subject to verification by check measure and inspection of the buyer's books by the seller at any time without notice. **Accounting vouchers detailing the dates and amounts of material removed are due to the Department of Natural Resources (DNR) by December 31 of**

each year the contract is in effect. Whether or not material was removed during a reporting period, the buyer agrees to submit an accounting voucher to the seller.

(c) All measurements are to be made by or under the direct supervision of buyer personnel acceptable to the seller, including a qualified engineer where the seller deems appropriate, with quantities certified by that person.

4. Operating Requirements.

(a) **Boundary Lines and Survey Monuments.** No boundary mark of the sale area nor any survey line or witness tree for any survey corner or monument may be severed or removed, nor may any survey corner or monument be damaged or destroyed. Any violation of this clause requires the buyer to bear the expense of re-establishing the line, corner, or monument by a registered surveyor in a manner approved by the seller.

(b) **Standard of Operations.** The buyer shall properly locate the buyer's operations and buyer's improvements within the sale area, and may not commit waste, whether ameliorated or otherwise. In addition to complying with all laws, regulations, ordinances, and orders, the buyer shall maintain the land in a reasonably neat and clean condition and shall take all prudent precautions to prevent or suppress grass, brush, or forest fires, and to prevent erosion or destruction of the land. No construction material, fill, waste asphalt, damaged culverts or any other debris shall be stockpiled within site boundaries. Stockpiled material and/or overburden shall not be placed in wetlands.

(c) **Erosion Control and Protection of Waters.** Road construction or operations in connection with this contract must be conducted so as to avoid damage to streams, lakes, or other waters and land adjacent to them. Vegetation and materials may not be deposited into any stream or other waters. Locations and improvements necessary for stream crossings for haul roads must be approved in advance by the seller. All roads to be abandoned must be treated with measures necessary to prevent erosion in a manner acceptable to the seller. Any damage resulting from failure to perform these requirements must be repaired by the buyer to the satisfaction of the seller. Waters include waters defined in 5 AAC 95.011, Waters important to anadromous fish.

(d) **Fire Prevention, Protection and Liability.** The buyer shall take all necessary precautions for the prevention of wildfires and is responsible for the suppression, and must bear the suppression costs, of all destructive or uncontrolled fires occurring in or outside the sale area resulting from any of the buyer's operations under this contract. The buyer shall comply with all laws, regulations, and ordinances promulgated by all governmental agencies responsible for fire protection in the area.

(e) **Roads.** Before constructing any main haul, secondary or spur road across state land, the buyer shall obtain written approval of the proposed location and construction standards of the road from the seller.

(f) **Supervision.** The buyer shall maintain adequate supervision at all times when operations are in progress to ensure that the provisions of this contract and all applicable federal, state, and local laws, regulations, and ordinances governing the operations are enforced. At all times when

operations are in progress, the buyer, or a person authorized by the buyer to assume the responsibilities imposed by this contract, shall be present on the sale area.

(g) Agents, Contractors or Subcontractors. The provisions of this contract apply with equal force upon an agent, employee, or contractor designated by the buyer to perform any of the operations relating to extraction of the materials sold under this contract. The buyer is liable for noncompliance caused by any such agent, employee, or contractor. The buyer shall notify the seller when a contractor or subcontractor has been selected to perform work in the material site on behalf of the buyer. The notice must include the name and contact information for the contractor or subcontractor, the project name or number, the expected time period for the contractor or subcontractor to be working in the material site, and the estimated volume of material to be extracted by the contractor or subcontractor.

(h) Location. The buyer is responsible for the accurate location of operations under this contract, including any survey that may be necessary for accurate location unless otherwise specified in this contract.

(i) Access. The seller makes no representations that it will construct or maintain access to the land. Access over any route not under the seller's control is the responsibility of the buyer. The buyer agrees that any permanent access or right-of-way obtained over privately-owned property will provide a permanent easement to the seller.

(j) Mining Reclamation. This contract is subject to the attached approved reclamation plan and/or attached letter of intent under AS 27.19.

(k) Special Provisions. The following special provisions also apply to operations under this contract:

- 1) Survey. An as built survey of the material site is not required at this time. Any survey(s) that may be necessary or requested by the regional manager shall be submitted within nine months of the date of the regional manager's request.
- 2) Extraction Area. This contract authorizes removal of material only from the area defined in this contract. All work will be confined within the site boundaries. The buyer is responsible for properly locating the material site and the working limits within the material sale area, as shown on the attached map.
- 3) Site Development. Overburden and topsoil shall be stockpiled separately and must be placed in a stable location, protected from contamination by acidic or toxic materials, and in a manner which will prevent erosion and preclude runoff from contaminating adjacent waterways. Topsoil is not permitted to be removed from site unless written authorization is received from the seller.
- 4) Reclamation. Upon completion, expiration, or termination of the contract, the site will be left in and cleaned to a condition that is acceptable to DMLW and reclaimed

in accordance with the DMLW approved Reclamation Plan. Reclamation shall be to the standards of DMLW and shall include repair of access roads to and within the site, disposal of remaining stockpiles, and other procedures used to stabilize and reclaim the area and any other site-specific measures that may be necessary. The buyer shall leave all slopes in a safe and stable condition and less than 2:1 at the end of each season.

- 5) Other Authorizations. The issuance of this contract does not alleviate the necessity of the buyer to obtain any necessary state, federal, or local authorizations required for this activity. Failure to do so shall be considered a breach of the terms and conditions of this contract and may be cause for contract revocation or suspension.
- 6) Water Quality. The buyer shall comply with the State of Alaska water quality standards pursuant to 18 AAC 70, including discharge standards when conducting material washing operations. Disposal of grey or black water waste into the ground surface or nearby water sources from any operation associated with this authorization is specifically prohibited.
- 7) Stream Crossings. Location and improvements necessary for stream crossings for haul roads must be approved in advance by DNR. Road construction or operations in connection with this project must be conducted so as to avoid damage to streams, lakes, or other water areas and land adjacent to them.
- 8) Erosion. The buyer shall conduct all operations in a manner, which will prevent unwarranted erosion. Any such erosion shall be repaired in a manner satisfactory to DNR at the buyer's expense.
- 9) Alaska Historic Preservation Act. Historic, archeological and paleontological objects are part of Alaska's cultural heritage and are protected under AS 41.35. The buyer will consult the Alaska Heritage Resources Survey (907-269-8721) so that known historic, archeological and paleontological sites may be avoided. If the buyer, its officers, agents, employees, contractors, subcontractors, or their personnel encounter any paleontological, archeological or historic sites or artifacts, the buyer shall suspend all field activities on the affected portion of the parcel and shall immediately notify the State Historic Preservation Officer (SHPO) at 907-269-8721. The buyer shall not resume field activities within the affected portion of the parcel until obtaining authorization from the SHPO.
- 10) Equipment or Vehicle Maintenance. Equipment or vehicle maintenance will be performed over an effective impermeable barrier.
- 11) Fuel, Hazardous Substances, and Explosives. No fuel, hazardous substances, or explosives are to be stored on the subject parcel without a Land Use Permit or other written approval by the seller. All petroleum, oil and lubricants (POL) (e.g., motor oil and fuel) will be stored in double walled tanks or a lined bermed area designed

to contain at least 110 percent of the total amount of POL stored. The use and storage of hazardous substances and explosive material by the contractor must be in accordance with existing federal, state, and local laws, regulations and ordinances. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous waste and must be removed from the site and managed and disposed of in accordance with state and federal law. Sorbent material in sufficient quantity to handle operational spills must be on site at all times for use in the event of a spill. Oil and fuel spills shall be cleaned up immediately and contaminated ice, snow or earth material shall be disposed of as required by the Alaska Department of Environmental Conservation (DEC) regulations. Failure to carry out this stipulation may lead to contract suspension.

- 12) Notification. The buyer shall immediately notify DNR and DEC (18 AAC 75.300) by phone, fax and/or email of any unauthorized discharge of oil to water, any discharge of hazardous substance (other than oil), and any discharge of oil greater than 55 gallons to land. Any unauthorized discharge of oil to land greater than 10 gallons but less than 55 gallons must be reported to DEC within 48 hours. Oil discharges to land less than 10 gallons and greater than 1 gallon must be recorded and submitted to DEC in a monthly report. All fires and explosions must also be reported.

Notification of discharge during normal business hours must be made to the nearest DEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-5245. For discharges in state off shore waters call (907) 269-0667. The DEC oil spill report number outside normal business hours is (800) 478-9300. Notification of discharge must be made to the appropriate DNR Office: Anchorage (907) 269-8503, fax (907) 269-8913; Fairbanks (907) 451-2678, fax (907) 451-2751, email dnr.nro.spill@alaska.gov; Juneau (907) 465-3400, fax (907) 465-3886. Notification of discharge during normal business hours must be made to the nearest DEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2678, fax (907) 451-2751, email dnr.nro.spill@alaska.gov; Juneau (907) 465-3400, fax (907) 465-3886. The DNR 24-hour spill report number is (907) 451-2678; the email is dnr.nro.spill@alaska.gov. The DEC spill number during normal business hours is (907) 451-2121, outside of normal business hours contact 1 (800) 478-9300; the fax number is (907) 451-2362. DNR and DEC shall be supplied with all follow-up incident reports.

- 13) SWPPP and APDES. The buyer shall comply with the requirement of DEC's Alaska Pollutant Discharge Elimination System (APDES), and if applicable, to maintain and operate the site in accordance with an approved Storm Water Pollution Prevention Plan (SWPPP).

- 14) Invasive Species. The buyer shall implement best management practices for minimizing the introduction and proliferation of invasive plant species, including thoroughly washing equipment prior to use on the material site. This is particularly important for work at material sites adjacent to rivers, where introduced species can

be transported downstream and spread throughout areas that would not otherwise be exposed to invasive species.

- 15) Coordination. The buyer shall coordinate all operations with the Alaska Department of Transportation and Public Facilities (DOTPF) and other contractors in the site prior to and during mobilization to ensure access and safety is maintained for all users. If necessary, to support the continuation of public or private projects, DNR may provide additional guidance or limitations related to the location and/or timing of extraction activities during the construction season.
- 16) Stockpiles. Leaving stockpiles on site once the contract has expired is prohibited, unless the buyer receives written approval from the seller. All stockpiles must be regraded flat or removed from site. The buyer shall not disturb or remove material from existing stockpiles. Any stockpiles left in the pit by the buyer are the property of the seller unless the buyer receives prior written approval from the seller and, upon approval, purchases the material.
- 17) Equipment Storage. The buyer shall remove all machinery, equipment, and other items at the end of each construction season. Prior written approval from the seller is required for a change in this restriction.
- 18) Waste. All waste generated during operation and termination activities under this authorization shall be removed or otherwise disposed of as required by state and federal law. No waste shall be deposited or buried on the authorized site of this contract. Waste in this subparagraph means all discarded matter, including, but not limited to, human waste, trash, garbage, refuse, litter, oil drums, petroleum products, ashes, scrap steel or used culverts and discarded equipment.
- 19) Fill. No fill shall be deposited or stored within the material site from outside the boundaries of the material site, without prior written approval from the seller. Fill in this subparagraph means but is not limited to overburden, topsoil, recycled asphalt pavement (RAP), trash, garbage, refuse, litter, oil drums, petroleum products, ashes, scrap steel, used culverts, machinery parts, or discarded equipment.
- 20) Access. No material of any type, including excavated material or vegetation, shall be placed, stockpiled, discarded, or otherwise disposed of in such a way as to block access to the material site.
- 21) Completion Report. A final accounting and payment for material removed and a completion report must be submitted no later than 30 days following contract expiration, or when removal has been completed under the contract, or following termination of the contract by the seller or by operation of law. Whether completion is satisfactory will be decided by the Director of the Division of Mining, Land and Water within 45 days after receiving the final accounting report and completion report.

The completion report shall consist of a series of ground level or aerial photographs taken before, during, and after the extraction along with a statement confirming:

- i) compliance with stipulations requiring the removal of personal property, restoration and reclamation of the extraction area; and
- ii) the photographs accompanying the report accurately depict the site before extraction, during operations, and the condition of the vacated and restored site after completion and reclamation at the end of each contract period.

Failure to submit a satisfactory report and/or required photographs subjects the site to a field inspection requirement of which the buyer may be assessed, at the Director's discretion, either the actual cost incurred by the Division of Mining, Land & Water or the fee under 11 AAC 05.130(d)(1)(F). Reimbursement for costs for the field inspection under this section may be taken from the performance guaranty.

- 22) Contract. The permittee or their agent shall carry a copy of the executed contract while operating in the material site. No material will be removed without the issued contract in hand.
- 23) Rights. Exclusive use of the material site is not granted by the issuance of this contract. There shall be no interference with other operators in the material site. DNR retains the right of use and ingress to and egress from any portion of the material site.
- 24) Permits. Storage of equipment and materials as well as processing and staging operations may require a Land Use Permit from DNR.

5. Indemnity of Seller.

(a) The buyer shall indemnify and hold the seller harmless from:

- (1) all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims, arising out of or in connection with the use or occupancy of the land or operations by the buyer or the buyer's successors, or at the buyer's invitation; and
- (2) any accident or fire on the land; and
- (3) any nuisance on the land; and
- (4) any failure of the buyer to keep the land in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and

(5) any assignment, sublease, or conveyance attempted or successful, by the buyer that is contrary to the provisions of this contract.

The buyer will keep all goods, materials, furniture, fixtures, equipment, machinery, and other property on the land at the buyer's sole risk and will hold the seller harmless from any claim of loss or damage to them by any cause.

6. Bonding.

Bonding will not be required of ADOT&PF for DNR for this contract. However, ADOT&PF requires bonding of its contractor(s) and the ADOT&PF bond shall apply to all activities associated with the development and operation of this material site authorized by this contract with DNR as a named party. The bond is intended to recover any expenses DNR may incur if the site requires clean-up/reclamation. Copies of bonding will be provided to DNR by ADOT&PF with 120 days from the date that ADOT&PF awards its contract to its successful bidder.

(a) Performance Bond. At the seller's discretion, a buyer may be required to file a bond designed to ensure the buyer's performance and to help protect the seller against any liability that may arise as a result of the activities of the buyer. A bond acceptable to the seller in the amount of \$N/A must be filed with the seller at the time of execution of this contract to ensure the buyer's performance and financial responsibility. A \$1,500 bond is consistent with 11 AAC 71.095 and the total value of the material sale.

(b) Reclamation Bond. The buyer shall remit a reclamation bond in the amount of \$N/A (consistent with AS 27.19 and 11 AAC 97) to ensure performance of the reclamation plan requirements. The buyer's Material Site Reclamation Plan, submitted with their application, is attached to and made a part of this contract. The reclamation bond may be released upon the Division of Mining, Land and Water's approval of the reclamation. A buyer may be exempt from the reclamation bond requirement because either the buyer (1) has filed a Letter of Intent, or (2) is an agency of the State of Alaska, the federal government, or a municipality.

7. Insurance.

Insurance will not be required of ADOT&PF for DNR for this contract. However, the buyer shall require its contractor(s) to provide confirmation of commercial liability insurance with the State of Alaska listed as an "additional insured party". The case number ADL 233051 is to be referenced on the policy, for all activities authorized by this contract. Copies of confirmation of insurance will be provided to DNR by ADOT&PF with 120 days from the date that ADOT&PF awards its contract to its successful bidder.

Insurance is required and is subject to annual review and adjustment by the Division of Mining, Land and Water. The Division of Mining, Land and Water may require a reasonable increase based on a change in the buyer's Development Plan or with increased risk. The insurance policy(s) must be written by a company(s) on the Division of Insurance's "admitted list" and the broker/agent must be licensed to do business in the State. If surplus lines insurance is provided,

the broker must have a surplus broker license and be listed on the "surplus lines insurance list". Additional information regarding the admitted and surplus lines lists may be obtained from the Division of Insurance at (907) 269-7900.

Consult, as appropriate, with an insurance professional licensed to transact the business of insurance under Alaska Statute, Title 21, to determine what types and levels of insurance are adequate to protect the buyer and lessor (the State, its officers, agents and employees) relative to the liability exposures of the buyer's commercial operations.

Secure or purchase at buyer's own expense and maintain in full force at all times during the term of the contract, adequate insurance policies and coverage levels recommended by an insurance professional, licensed to transact the business of insurance under Alaska Statute, Title 21, and acceptable to the State of Alaska. The State will expect to see at a minimum, the following types of coverage:

- **Commercial General Liability Insurance:** The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Alaska Department of Administration.
- **Workers' Compensation Insurance:** The buyer shall provide and maintain, for all its employees, Workers' Compensation Insurance as required by AS 23.30.045. Where applicable, coverage must comply with any other statutory obligations, whether Federal (i.e. U.S.L. & H or Jones Act) or other State laws in which employees are engaged in work on the premises. The insurance policy must contain a waiver of subrogation clause in favor of the State of Alaska.

Provide proof of insurance to the Division of Mining, Land and Water on a yearly basis. The certificate must provide for a 30-day prior notice to the State of Alaska in the event of cancellation, nonrenewal, or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of the contract and shall be grounds, at the discretion of the Division of Mining, Land and Water, for termination of the contract. Generally, the Division of Mining, Land and Water will rely upon the best professional judgment of the licensed insurance agent and, at renewal, the agent's annual reassessment of the insured's liability exposure for determination of adequate levels of coverage. The Division of Mining, Land and Water reserves the right to require additional coverage if, in its discretion, it determines that it may be warranted.

In the event the buyer becomes aware of a claim against any of its liability coverage, the buyer shall notify and provide documentation and full disclosure of the claim to the Division of Mining, Land and Water within 20 days.

8. Improvements and Occupancy.

(a) Any improvements or facilities including crushers, mixing plants, buildings, bridges, roads, etc., constructed by the buyer in connection with this sale and within the sale area must be in accordance with plans approved by the seller.

(b) The buyer must, within 60 days after contract completion or termination of the contract by the seller or by operation of law, remove the buyer's equipment and other personal property from the sale area. After removal, the buyer must leave the land in a safe and clean condition that is acceptable to the seller. If the buyer can demonstrate undue hardship, the time for removal of the improvements under this paragraph may be extended at the seller's discretion.

(c) If any of the buyer's property having an appraised value in excess of \$10,000, as determined by the seller, is not removed within the time allowed, that property may, upon 30 days' notice to the buyer, be sold at public auction under the direction of the seller. The proceeds of the sale will inure to the buyer after satisfaction of the expense of the sale and deduction of all amounts then owed to the seller. If there are no other bidders at the sale, the seller may bid on the property, and the seller will acquire all rights, both legal and equitable, that any other purchaser could acquire through a sale and purchase.

(d) If any of the buyer's property having an appraised value of \$10,000 or less, as determined by the seller, is not removed within the time allowed, title to that property automatically vests in the seller.

(e) Special provisions, if any, applicable to improvements and occupancy under this contract are listed in paragraph 4(k) of this contract.

9. Inspection.

(a) The seller must be accorded access, at all times, to the sale area and to the books and records of the buyer, the buyer's contractors, and any sub-contractors relating to operations under this contract for purposes of inspection to assure the faithful performance of the provisions of this contract and other lawful requirements.

(b) At all times when construction or operations are in progress, the buyer shall have a representative readily available to the area of operations who is authorized to receive, on behalf of the buyer, any notices and instructions given by the seller in regard to performance under this contract, and to take appropriate action as is required by this contract.

10. Termination and Suspension.

(a) The seller may terminate the buyer's rights under this contract if the buyer breaches the contract and fails to correct this breach within 30 days after written notice of the breach and an opportunity to be heard.

(b) If the buyer fails to comply with any of the provisions of this contract, the seller may shut down the buyer's operations upon issuance of written notice, until corrective action, as specified by the seller in its notice, is taken. If this corrective action is not taken within 30 days after written notice is served upon the buyer, the seller may terminate the contract under paragraph 10(a) of this contract. The buyer's failure to take immediate corrective action when ordered to remedy dangerous conditions or unwarranted damage to natural resources may be corrected by the seller to prevent danger or additional damage. Any cost incurred by the seller as a result of this corrective action, or by the buyer's failure to take corrective action, must be paid by the buyer.

(c) This contract may also be terminated by mutual agreement of both parties on terms agreed to in writing by both parties.

11. Reservations. The seller reserves the right to permit other compatible uses, including the sale of materials, on the land in the sale area if the seller determines that those uses will not unduly impair the buyer's operations under this contract. Under AS 38.05.125 the seller further expressly reserves to itself, and its successors, forever,

(a) all oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every kind, that may be in or upon the land described above, or any part of it; and

(b) the right to explore the land for oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and fossils; and

(c) the right to enter by itself or its agents, attorneys, and servants on the land, or any part of it, at any time for the purpose of opening, developing, drilling, and working mines or wells on this or other land and taking out and removing from it all oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and fossils; and

(d) the right by itself or its agents, attorneys, and servants at any time (1) to construct, maintain, and use all buildings, machinery, roads, pipelines, powerlines, and railroads; (2) to sink shafts, drill wells, and remove soil; and (3) to occupy as much of the land as may be necessary or convenient for these purposes; and

(e) generally all rights to and control of the land, that are reasonably necessary or convenient to make beneficial and efficient the complete enjoyment of the property and rights that are expressly reserved.

12. Inclusion of Applicable Laws and Regulations. The buyer shall comply with all laws and regulations applicable to operations under this contract, including the provisions of AS 27.19 and 11 AAC 97 regarding mining reclamation, the provisions of AS 41.15 for wildfire prevention and control, the provisions of AS 38.05.550-.565, material sale regulations 11 AAC 71, state fish and game regulations pertaining to the protection of wildlife and wildlife habitat, and state regulations pertaining to safety, sanitation, and the use of explosives. These laws and regulations are, by this reference, made a part of this contract, and a violation of them is cause for termination or

suspension of this contract in addition to any penalties prescribed by law. These laws and regulations control if the terms of this contract are in conflict with them in any regard.

13. Assignment. This contract may not be assigned by the buyer without the seller's prior written consent to the assignment.

14. Permits. Any permits necessary for operations under this contract must be obtained by the buyer before commencing those operations.

15. Passage of Title. All right, title and interest in or to any material included in the contract shall remain in the State until it has been paid for; provided, however, that the right, title and interest in or to any material that has been paid for but not removed from the sale area by the buyer within the period of the contract or any extension thereof as provided for in this contract shall vest in the seller.

16. Expiration and Extension. This contract expires on the date stated at the top of the contract unless an extension is granted by the seller in accordance with 11 AAC 71.210.

17. Warranties. This sale is made without any warranties, express or implied, as to quantity, quality, merchantability, profitability, or fitness for a particular use of the material to be extracted from the area under contract.

18. Valid Existing Rights. This contract is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land, in existence on the date the contract is entered into.

19. Notices. All notices and other writings required or authorized under this contract must be made by certified mail, postage prepaid, to the parties at the following address:

To the Seller: State of Alaska

Department of Natural Resources
Division of Mining, Land and Water
550 West 7th Avenue, Suite 900C
Anchorage, AK 99501-3577

To the Buyer: State of Alaska

Department of Transportation and Public Facilities
2301 Peger Road
Fairbanks, AK 99709

20. Integration and Modification. This contract, including all laws and documents that by reference are incorporated in it or made a part of it, contains the entire agreement between the parties.

This contract may not be modified or amended except by a document signed by both parties to this contract. Any amendment or modification that is not in writing, signed by both parties, and notarized is of no legal effect.

21. Severability of Clauses of Sale Contract. If any provision of this contract is adjudged to be invalid, that judgment does not affect the validity of any other provision of this contract, nor does it constitute any cause of action in favor of either party as against the other.

22. Construction. Words in the singular number include the plural, and words in the plural number include the singular.

23. Headings. The headings of the numbered paragraphs in this contract shall not be considered in construing any provision of this contract.

24. "Extracted," "Extraction". In this contract, use of the terms "extracted" and "extraction" encompasses the severance or removal, as well as extraction, by the buyer of any materials covered by this contract.

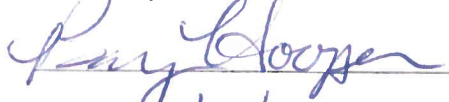
25. Waiver. No agent, representative or employee of the seller has authority to waive any provision of this contract unless expressly authorized to do so in writing by the director of the Division of Mining, Land and Water.

Signature page follows:

BY SIGNING THIS CONTRACT, the State of Alaska, as seller, and the buyer agree to be bound by its provisions as set out above.

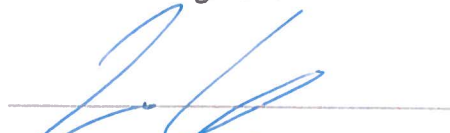
BUYER:

State of Alaska
Department of Transportation and
Public Facilities
2301 Peger Road
Fairbanks, AK 99709


Date: 2/15/19

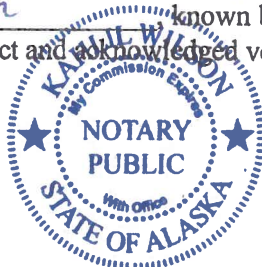
SELLER:


State of Alaska
Department of Natural Resources
Clark Cox, Regional Manager
Southcentral Regional Land Office


Date: 2-25-19

STATE OF ALASKA)
) ss.
_____ Judicial District)

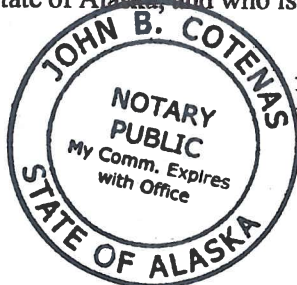
THIS IS TO CERTIFY that on FEBRUARY 15, 2019 before me appeared Barry Hooper known by me to be the person named in and who executed this Material Sale Contract and acknowledged voluntarily signing it as buyer.





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

STATE OF ALASKA)
) ss.
3rd _____ Judicial District)

THIS IS TO CERTIFY that on February 25, 2019 before me appeared Clark Cox known by me to be the representative of the Division of Mining, Land and Water, Department of Natural Resources, who executed this Material Sale Contract on behalf of the State of Alaska, and who is fully authorized by the State to do so.




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

Submit by Email

Print Form

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

☐ **Northern Region**
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2740

☒ **Southcentral Region**
550 W 7th Ave., Suite 900C
Anchorage, AK 99501-3577
(907) 269-8552

☐ **Southeast Region**
400 Willoughby, #400
P.O. Box 111020
Juneau, AK 99801
(907) 465-3400

**MATERIAL SITE RECLAMATION PLAN OR
LETTER OF INTENT/ANNUAL RECLAMATION STATEMENT
AS 27.19.030 – 27.19.050**

Non-refundable filing fee for reclamation plan: \$100

In accordance with Alaska Statute 27.19, reclamation is required of all mining operations, including sand and gravel extraction. Completion of this form will meet the law's requirements for a reclamation plan (see below for filing requirements; due date: at least 45 days before mining is proposed to begin; requires approval by the Division of Mining, Land and Water). Completion of this form will also serve as a letter of intent for operations exempt from the plan requirement (due date: before mining begins). No approval is required for a letter of intent, but a miner who files a letter of intent must, before December 31, file an annual reclamation statement (Section 8 of this form).

Check applicable box:

☒ **A.. RECLAMATION PLAN (REQUIRED if the operation will disturb five or more acres this year, OR 50,000 cubic yards, OR if the operation has a cumulative disturbed area of five or more acres)**

☐ **B. RECLAMATION PLAN—VOLUNTARY (for an operation below limits shown in Box A but wanting to qualify for the statewide bonding pool)**

☐ **C. LETTER OF INTENT (less than five acres to be disturbed AND less than 50,000 cubic yards AND less than five acres unreclaimed area)**
NOTE: A miner who files a letter of intent is also required to file an annual reclamation statement at the end of the year.

THIS RECLAMATION PLAN/LETTER OF INTENT IS FOR CALENDAR YEAR 2018-2023
(IF YOU CHECKED EITHER BOX A OR B ABOVE AND PROPOSE A MULTI-YEAR PLAN, STATE ALL YEARS COVERED.)

1. MINER INFORMATION (IF THERE IS MORE THAN ONE MINER, ATTACH A LIST OF THE NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF ALL OTHER OWNERS, OPERATORS, OR LEASEHOLDERS OF THE MINING OPERATION)
Department of Transportation and Public Facilities

NAME OF MINER WHO WILL SERVE AS AGENT FOR NOTICE PURPOSES

2301 Peger Road

ADDRESS (NOTIFY THE DEPARTMENT OF ANY LATER CHANGE OF ADDRESS)

Fairbanks, AK 99709 (907) 451-5425

CITY

STATE

ZIP CODE

TELEPHONE

State of Alaska

NAME OF LANDOWNER (IF OTHER THAN MINER) OR PUBLIC LAND MANAGEMENT AGENCY

New Material Site

FEDERAL OR STATE CASEFILE NUMBER (IF ANY) ASSIGNED TO THE SITE

102-4016 (Rev. 04/06)

2. LEGAL DESCRIPTION OF PROPOSED MINING SITE

Sec. 16	3N	1W	Copper River
LEGAL SUBDIVISION/ SECTION/ QUARTER-SECTION	TOWNSHIP	RANGE	MERIDIAN

3. DESCRIPTION OF THE MINING OPERATION (IF YOU CHECKED BOX A OR B ON P. 1 OF THIS FORM AND ARE PROPOSING A MULTI-YEAR RECLAMATION PLAN, ATTACH SEPARATE SHEETS AS NEEDED SHOWING ACREAGE TO BE MINED, VOLUME TO BE MINED, AND EXISTING ACREAGE OF MINED AREA FOR EACH YEAR COVERED BY THE PLAN)

- > 10 acres Total acreage to be mined or disturbed during the year.
- as needed cu. yds. Estimated total volume to be mined or disturbed, including overburden.
- Sand, gravel, cobbles Type of material (sand, gravel, peat, etc.).
- 0 acres Existing acreage of mined area (disturbed area that has not yet been reclaimed, but counting only acreage disturbed after October 15, 1991)

4. DESCRIPTION OF THE RECLAMATION OPERATION

- The total acreage that will be reclaimed during the year (or each year, if for a multi-year reclamation plan) is: ~10
- Provide a list of equipment (type and quantity) to be used during the reclamation operation.
- A time schedule of reclamation measures shall be included as part of the plan.

The following measures must be considered in preparing and implementing the reclamation plan. Please mark those measures appropriate to your reclamation activity:

- ☒ Topsoil that is not promptly redistributed to an area being reclaimed will be separated and stockpiled for future use. This material will be protected from erosion and contamination by acidic or toxic materials and preserved in a condition suitable for later use.
- ☐ The area will be backfilled, graded and recontoured using strippings, overburden, and topsoil to a condition that allows for the reestablishment of renewable resources on the site within a reasonable period of time. It will be stabilized to a condition that will allow sufficient moisture to be retained for natural revegetation.
- ☒ Stockpiled topsoil will be spread over the reclaimed area to promote natural plant growth that can reasonably be expected to revegetate the area within five years.
- ☐ Stream channel diversions will be relocated to a stable location in the flood plain.
- ☒ Exploration trenches or pits will be backfilled. Brush piles, vegetation, topsoil, and other organics will be spread on the backfilled surface to inhibit erosion and promote natural revegetation.
- ☐ All buildings and structures constructed, used, or improved on land owned by the State of Alaska will be removed, dismantled, or otherwise properly disposed of at the completion of the mining operation.
- ☐ Any roads, airstrips or other facilities constructed to provide access to the mining operation shall be reclaimed (unless otherwise authorized) and included in the reclamation plan.
- ☐ Peat and topsoil mine operations shall ensure a minimum of two inches of suitable growing medium is left or replaced on the site upon completion of the reclamation activity.

- ☐ If extraction occurs within a flood plain, the reclamation activity shall reestablish a stable bed and bank profile such that river currents will not be altered and erosion and deposition patterns will not change.

NOTE: If you propose to use reclamation measures other than those shown above, or if the private landowner or public land manager of the site requires you to use stricter reclamation measures than those shown above, attach a list of those measures to this plan.

5. ALTERNATE POST-MINING LAND USE

- ☐ The mining site is public land. The land management agency's land use plan (if any) for post-mining land use is: _____
- ☒ The mining site is public land. As allowed by AS 27.19.030(b), I propose to reclaim it to the following post-mining land use: _____
- ☐ The mining site is private property. The private landowner plans to use it for the following post-mining land use: _____

6. ATTACHMENTS

- ☐ If the mining operation has additional owners, operators, or leaseholders not shown on p. 1 of this form, attach a list of their names, addresses, and telephone numbers.
- ☒ Attach a USGS map at a scale no smaller than 1:63,360 (inch to the mile) showing the general vicinity of the mining operation and the specific property to be mined. Option: If you checked Box C on the first page of this form and the mining site is adjacent to an airport or public highway, state the name of the airport or the name and milepost of the public highway.
- ☐ Attach a diagram of the mined area (this term includes the extraction site, stockpile sites, overburden disposal sites, stream diversions, settling ponds, etc.) and the mining operation as a whole (this term includes the roads you plan to build, your power lines, support facilities, etc.). Show and state the number of acres to be mined during the year. (If you checked Box A or B on the first page of this form and your plan covers more than one year, show each year's work.) Show the location corners or property boundaries of the site in relation to the reclamation work and any other areas affected by the operation.
- ☐ Attach a list of the equipment (type and quantity) to be used during the reclamation activity.
- ☐ A time schedule of events must be attached that includes dates and activities related to this reclamation plan.
- ☐ If the site is private land not owned by the miner, attach a signed, notarized statement from the landowner indicating the landowner's consent to the operation. The landowner may also use the consent statement to notify the department that the landowner plans a post-mining land use incompatible with natural revegetation and therefore believes that reclamation to the standard of AS 27.19.020 is not feasible.
- ☐ For those miners that are required to file an annual reclamation statement, attach photographs and/or videotapes dated and described as to location of the reclamation activity that was completed.
- ☐ If you propose to use reclamation measures other than those listed on this form, or if the private landowner or public land manager of the site requires you to use stricter reclamation measures, attach a list of those measures.

7. RECLAMATION BONDING (REQUIRED ONLY IF YOU CHECKED BOX A or B ON THE FIRST PAGE OF THIS FORM)

The total acreage of my mining operation that is subject to the bonding requirement for the current year is _____ acres (add acreages stated in Section 3(a) and 3(d) of this form).

The per-acre bond amount is \$750/acre or a total bond amount of \$_____.

Please check the appropriate bonding method that you will apply toward this reclamation plan:

- ☐ Participation in the statewide bonding pool.
- ☐ Posting a corporate surety bond.
- ☐ Posting a personal bond accompanied by a letter of credit, certificate of deposit, or a deposit of cash or gold.
- ☐ Posting a bond or financial guarantee with another government agency that has jurisdiction over the mining operation, as allowed by a cooperative management agreement between that agency and the Division of Mining, Land and Water.
- ☐ Posting a general performance bond with a state agency that meets the requirements of 11 AAC 97.400(4).

The above reclamation plan/letter of intent and all attachments are correct and complete to the best of my knowledge.



Signature of Miner

5-24-2017

Date

AS 27.19.030 and AS 27.19.050 require a miner either to file a reclamation plan for approval or to file a letter of intent followed by an annual reclamation statement. AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information under AS 40.26.110 and 40.26.120 (unless the information qualifies for confidentiality under AS 38.05.035(e)(8) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.88.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.

**State of Alaska
Department of Transportation & Public Facilities**

**Mining and Reclamation Guidelines
Material Site 71-2-005-5
Richardson Highway MP 110**

These guidelines are subject to the Alaska Department of Natural Resources (DNR) Material Sale Contract, ADL _____ and stipulations contained therein. For each new use or project, the user or contractor shall submit a Project Mining and Reclamation Plan to DNR for approval, subject to DOT&PF review, prior to any mining activities.

This is a designated material site, Master Material Site ADL _____, under AS 38.05.550 (b).

Legal Description

The Material Site is located adjacent to the SE boundary of the Tazlina Maintenance Station (MP 110 on the Richardson Hwy), between the Richardson Hwy and the Tazlina River, within Section 16 Township 3 North, Range 1 West, Copper River Meridian. The site contains approximately 96 acres.

General Information

This site is located at milepost 110 on the Richardson Highway. 71-2-005-5 was originally included in the Tazlina Maintenance Station ILMA (ADL 203949) and has not yet been developed. This material site will not be included in the renewed ILMA for the Maintenance station and will instead be converted to a DNR Designated Material Site requiring individual contracts for the extraction of material. A single access road leads to the site Through the Tazlina Maintenance Station. This site contains sand and gravel with varying amounts of cobbles and boulders. No water table is expected. Additional site information is available at the DOT&PF Materials Section Office, 2301 Peger Road, Fairbanks, Alaska 99709.

Mining Guidelines

The Plan will adhere to the following guidelines.

1. The contractor or user shall locate site boundaries to verify work stays inside buffers. There are 50' undisturbed buffer areas on all boundaries except the boundary immediately adjacent to the Tazlina Maintenance Station. The buffer areas should remain undisturbed. Clearly mark buffer lines and Utility Easement in work areas.
2. Continue working within the existing cleared area taking the floor down.
3. Do not place organics or overburden piles onto any future mining areas.

4. At the end of each project or use, grade the pit floor level to gently sloping to blend with earlier depth limits. Maintain the site in a clean, neat condition. After each use, remove all equipment, structures, vehicles and trash.
5. All mining and stockpiling activities shall be in accordance with applicable Construction General Permits (CGP) and Storm Water Pollution Prevention Plans (SWPPP)
6. Disposal of unusable excavation material from off-site construction projects is discouraged at this site because all cleared areas are potentially mineable in the future. It should only be allowed on areas of lowest quality materials that are unlikely to be utilized. DNR permission is required, in consultation with DOT&PF Materials Section.

Reclamation Objectives and Guidelines

The reclamation plan has several objectives:

1. To not preclude or hinder future development of un-mined areas.
2. To blend with surrounding topography and not be visible from the highway.
3. To prevent erosion and sediment transport to surrounding, undisturbed areas.
4. To allow reestablishment of native vegetation and wildlife habitat.
5. To leave the site in a safe condition that does not endanger people or wildlife.

Reclamation activities will include:

1. In areas with soil or soft rock that can be graded, leave slopes along the material site boundaries, or where future development is not anticipated at 3H: 1V or flatter.
2. Spread available overburden and then organic material on reclaimed slopes. Allow reclaimed areas to revegetate naturally.
3. If there are areas with steep quarry walls, rock faces may be left such that the overall slope angle is 1H:4V or flatter, benches are 20 feet wide and faces less than 40 feet high. Faces shall be scaled of loose rock. Access to benches and top of worked faces will be blocked.

Project Mining and Reclamation Plan

Prior to use of the site for any project, the contractor or user shall submit a Project Mining and Reclamation Plan, in accordance with AS 27.19 and 11 AAC 97 to DNR for approval, subject to DOT&PF review. The Plan describes the proposed plan of operation and shall be in compliance with guidelines listed here. Upon approval, the Plan will be followed by the contractor or user and if applicable, the DOT&PF Project Engineer. The plan should include the following:

The sketch map shall include:

1. Site boundaries, buffers
2. Proposed working limits, to be marked on the ground
3. Organic debris and overburden stockpile areas
4. Work pad, material stockpile locations, processing equipment locations
5. Scale of drawing, north arrow, and specific dimensions as appropriate

The narrative shall include:

1. Methods of operation
2. Estimated quantities for removal
3. Length and times of operation (day, month, year, and working hours)
4. Blasting plan if applicable, detailing explosive and detonation types, onsite storage and duration of blasting
5. Air and water pollution control measures
6. Reclamation measures

Supplements and amendments

Supplements and amendments to an approved mining and reclamation plan may be initiated by the contractor, user or the DOT&PF Project Engineer, when conditions warrant such action. Supplements and amendments must be mutually agreed upon and proper approval obtained prior to commencement of work of a changed nature.

1. Minor changes are those that affect details of the operation, but remain in compliance with the development guidelines. These changes may be authorized by the DOT&PF Project Engineer.
2. Major changes are those which cause the final outcome of the site to be significantly different from the approved mining and reclamation plan or are not in compliance with the development guidelines. These require approval by DNR and the DOT&PF Project Engineer.

