Development Plan

Renewal of ADL 106344 Icy Bay/Icy Cape Log Transfer Facility and Temporary Off-Shore Log Rafting Facility

The Trust Land Office (TLO) is seeking a renewal of ADL 106344 allowing the use of State owned land and water to support resource extraction on nearby Alaska Mental Health Trust lands. **The current authorization ADL 106344** is set to expire in <u>March of 2020</u>. The TLO is seeking a renewal and extension of the authorization for an additional 20 years. Nothing has changed, the use remains the same, and the TLO does not intend on making changes or modifying the current and existing use as authorized.

Below are some maps and a short list of case files associated with the Icy Bay (Icy Cape) Log Transfer Facility (LTF). The University of Alaska has an interest in maintaining the ability to utilize the LTF and is in support of the TLO's efforts to renew the authorization.

The types of industrial activities that occur at this location is in support of timber harvest and export of logs. The timber is cut on Trust lands to the west, and then hauled to the staging area adjacent to the LTF where they are organized, scaled, and staged prior to being rafted across lcy Bay, and then loaded onto barges for export.

The types of equipment used at the LTF is typical for log sort yard operations, such as skidders, loaders, shovels, landing cats, and log trucks.

After the trees are cut into logs, the logs are loaded onto logging trucks, then driven to the sort yard. All fuel storage takes place on Trust land.

The log sort yard and transfer facility is situated on an upland beach nearby the water. The ground consists of a mixture of rock and sand.

Access to the area is by way of an existing road that is authorized for non-exclusive private access. The road has been nominated to be an RS2477 (RST 288).

There are no buildings or any other structures on site.

There is no power source on site.

There is no waste generate or disposed of on site.

There are no hazardous substances used, generated, or stored on site.

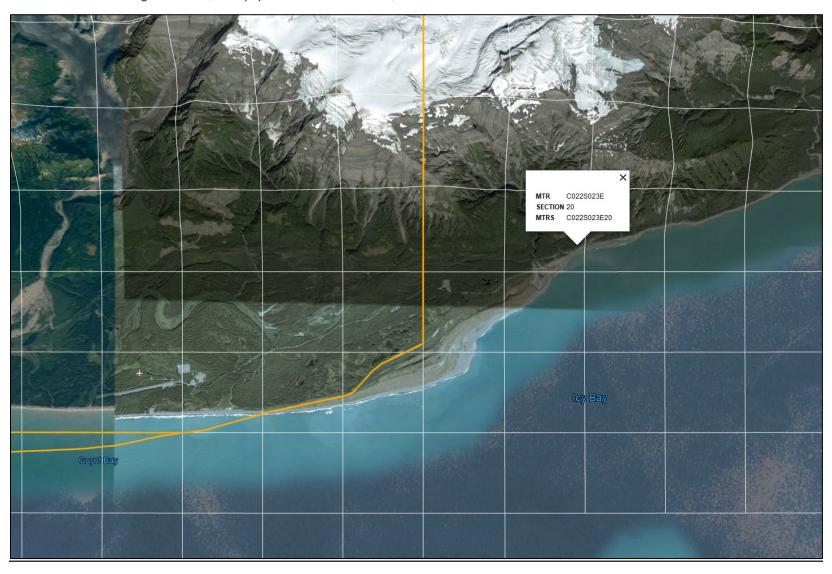
There is no water supply on site, nor is there a need for water on site.

Use of the area will require the storage of equipment and trucks. Any leaking or inoperable equipment will not be stored on site. A spill cleanup kit will kept on site in the event that any spills or leaks occur in the equipment.

The number of people using the site will vary depending on season, but the number will average between 1-5.

Maintenance and operations will be undertaken by the operator/contractors and will be overseen by the contract administrators.

Once the site is no longer needed, all equipment will be removed, and the site will be cleaned and restored to the satisfaction of the State.



General vicinity of the Log Transfer Facility area in Icy Bay (Copper River Merdian, Township 22 South, Range 23 East, Section 20. Alaska Mental Health Trust lands are directly to the west in the orange boundary.

ADL 106344 "Alaska Mental Health Trust" (no longer need "Parcel #6" therefore acreage lowered to 114.42 acres, more or less

PARCEL #1, CONTAINING 12.6 ACRES LOCATED IN T22S, R23E, SEC. 20 CRM AND WILL BE USED FOR A LOG TRANSFER FACILITY.

PARCEL #2, CONTAINING 10.56 ACRES LOCATED IN T23S, R23E, SEC. 11, CRM AND WILL BE USED FOR A SHIP MOORING BUOY FACILITY.

PARCEL #3, CONTAINING 20.2 ACRES LOCATED IN T23E, R24E, SEC. 18, CRM A

ND WILL BE USED FOR A FLOATING LOG STORAGE AND RAFTING FACILITY.

PARCEL #4, CONTAINING 18.52 ACRES LOCATED IN SECS. 40,29 &30, T22S,

R23E, CRM AND WILL BE USED FOR A PORTION OF THE CAPE YAKATAGA MAINLINE ROAD.

PARCEL #5, CONTAINING 52.54 ACRES LOCATED IN SEC. 20 & 29, T22S, R23E, CRM AND WILL BE USED FOR A SORT YARD AND STORAGE OF MATERIALS WOOD WASTE YARD PARCEL #6, CONTAINING 30 ACRES LOCATED IN SEC. 30, T22S, R23E, CRM AND WILL BE USED FOR A SORT YARD.

THE SAID EASEMENT SHALL EXTEND VARIOUS FEET IN LENGTH AND VARIOUS FEET IN WIDTH, CONTAINING 114.42 144.42 ACRES, MORE OR LESS.

Other interests in the area include the following:

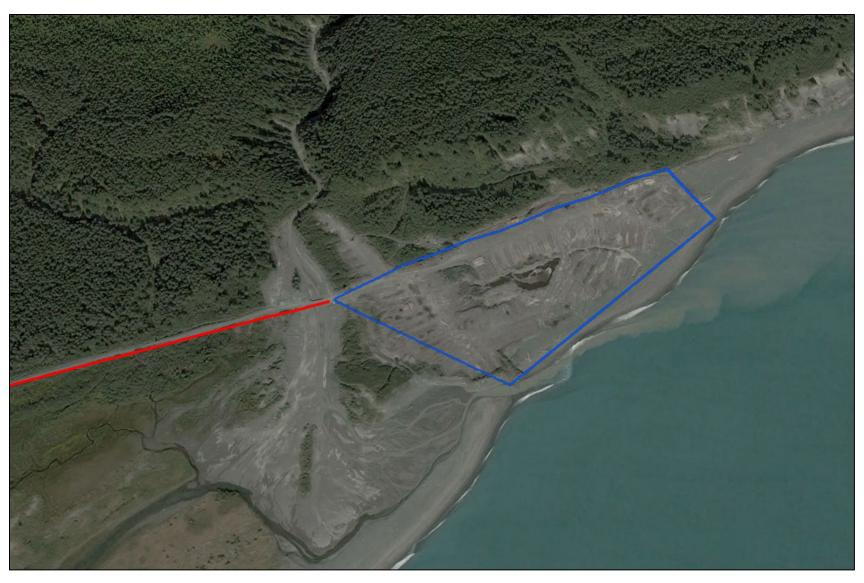
ADL 105890 University of Alaska Easement

ADL 106389 University of Alaska Easement

RST 288 Icy Cape Trail



Icy Bay area depicting the Log Transfer Facility and the Log Rafting Areas.



General aerial view of the Icy Bay Log Transfer facility (blue polygon), and access road (red line), for ADL 106344 and representing Parcels number 1 and 4.





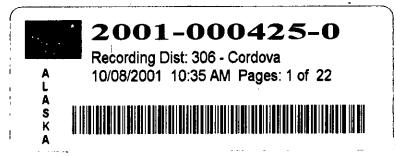












THIS COVER SHEET HAS BEEN ADDED TO THIS DOCUMENT TO PROVIDE SPACE FOR RECORDING DATA. THIS COVER SHEET APPEARS AS THE FIRST PAGE OF THE DOCUMENT IN THE OFFICIAL PUBLIC RECORD.

DO NOT DETACH

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND & WATER, SOUTHEAST REGION 400 Willoughby Ave., Suite 400 Juneau, Alaska 99801

RIGHT-OF-WAY / EASEMENT (hereafter referred to as "easement")

ADL _106344

THIS AGREEMENT made and entered into this 15th day of June, 2001, by and between the STATE OF ALASKA, acting by and through the Department of Natural Resources, Division of Mining, Land & Water, hereinafter referred to as the grantor and <u>Mental Health Trust Land Office</u>, 550 West 7th Avenue Suite 1430, <u>Anchorage</u>, Alaska, 99501-3566 , hereinafter referred to as the grantee.

WITNESSETH, that in accordance with the provisions of Sec. 38.05.850, A.S. and the rules and regulations promulgated thereunder, the grantee having filed an application for a easement for: development, maintenance and operation of a log transfer facility, a mooring facility to accommodate ocean going vessels and a floating log storage/rafting facility on the tideland parcels and development, maintenance and operation of a portion of the Cape Yakataga Mainline Road, a wood waste yard on the upland parcels. , with the Division together with a map showing the definite location thereon of the line of easement which the grantee has adopted and agrees to be the specific and definite location of the aforesaid easement, and

WHEREAS, it is understood and agreed by the grantee herein that, as a condition to the granting of the easement applied for, the land covered by said easement shall be used for no purpose other than the location, construction, operation and maintenance of the said easement over and across the following described State lands, to wit:

The easement area depicted on the easement diagram for ADL 106344, attached hereto as Attachment 'A'. The easement parcels are located as follows:

Parcel #1, containing 12.6 acres located in T22S, R23E, Sec. 20 CRM and will be used for a log transfer facility.

Parcel #2, containing 10.56 acres located in T23S, R23E, Sec. 11, CRM and will be used for a ship mooring buoy facility.

Parcel #3, containing 20.2 acres located in T23S, R24E, Sec. 18, CRM, and will be used for a floating log storage and rafting facility.

Parcel #4, containing 18.52 acres located in Secs. 20, 29 and 30, T22S, R23E, CRM and will be used for a portion of the Cape Yakataga Mainline Road. Parcel #5, containing 52.54 acres located in Secs. 20 & 29, T22S, R23E, CRM and will be used for a wood waste yard.

Parcel #6: containing 30 acres located in Sec. 30, T22S, R23E, CRM and will

be used for a sort yard.

The said easement shall extend <u>various</u> feet in length and <u>various</u> feet in width, containing 144.42 acres, more or less.

TO HAVE AND TO HOLD the same until the above described land shall no longer used for the above-mentioned purpose and subject to conditions and reservations elsewhere set forth herein and any "Special Conditions".

In the event that the easement herein granted shall in any manner conflict with or overlap a previously granted right-of-way or easement, the grantee herein

10-119 (72) Rev. 04/98 SERO 2001-000426-0

shall use this easement in such a manner as not to interfere with the peaceful use and enjoyment of the previously issued right-of-way or easement and no improvements shall be constructed by the grantee herein upon the overlapping area unless the consent therefore has first been obtained from the grantee under the pre-existing right-of-way or easement.

The grantee in the exercise of the rights and privileges granted by this indenture shall comply with all regulations now in effect or as hereafter established by the Division of Mining, Land & Water and all other federal, State or municipal laws, regulations or ordinances applicable to the area herein granted.



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SPECIAL CONDITIONS

- This Easement is cancelable if the State has a higher and better use for the land. The cost of relocating any improvements shall be borne by the grantee. This easement shall expire on <u>March 21, 2020</u>.
- 2. The use fee for this easement is \$00.00 per year.
- Use of roads and other improvements granted the grantee is non-exclusive. The department reserves the right to grant another party use of the roads and improvements covered by this right-of-way. The department will, in its discretion, authorize another party to use the roads and improvements maintained by the grantee if the use does not in the opinion of the department interfere with the operations of the grantee and if the other party either performs a share of the maintenance of the roads and improvements based on their use of the roads and improvements or pays the grantee the cost of their share of the maintenance as agreed upon by the grantee and the other party. If the grantee and the other party cannot agree upon the cost of the other party's share of maintenance of the roads and improvements, the department will determine that cost.
- 4. Public access shall not be precluded by activities or structures allowed by this easement. All operations must be conducted in a manner that will ensure minimum conflict with other users of the area. The grantee shall not close landing areas or trails or otherwise prevent overland access commonly used by the public. The interests served by the public trust doctrine, specifically the right of the public to use navigable waterways and the land beneath them for navigation, commerce, fishing, hunting, protection of the areas for ecological study, and other purposes, will be protected.
- 5. The grantor assumes no responsibility for maintenance of improvements constructed on State land nor liability for injuries or damages attributable to that construction. The State also makes no warranty that dedicated lands are suitable for the existing use.
- 6. The grantee shall perform all of its obligations and carry on all of its operations and activities hereunder as an independent contractor, entirely at its own risk and responsibility. The grantee shall indemnify, defend and hold the State of Alaska harmless from and against any and all loss, expense, damage, claim, demand, judgment, fine, charge, lien, liability, action, cause of action or proceedings of any kind whatsoever (whether arising on account of damage to or loss of property, or personal injury, emotional distress or death) arising directly or indirectly in connection with the performance or activities of the grantee hereunder, whether the same arises before or after completion of the grantee's operations or expiration of this right-of-way, except for injury resulting from the sole negligence of the state.

Without limiting the grantee's indemnification, the grantee shall:

- 1) Consult, as appropriate, with the Division of Risk Management and/or 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 grantee and the State, (its officers, agents and employees) relative to the liability exposures of the grantee's commercial operations.
- 2) Require grantee's contractor(s) to secure or purchase at contractor's own expense, and maintain in full force at all times during the term of the right-of-way, adequate insurance policies and coverage levels recommended by the Division of Risk Management and/or an insurance professional, licensed to transact the business of insurance under Alaska Statute, Title 21, and acceptable to the grantor. The grantor 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 Page 3 of 11



unless specifically reviewed and agreed to by the Division of Risk Management, Alaska Department of Administration.

Workers' Compensation Insurance: The grantee's contractor(s) 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 leased premises. The insurance policy must contain a waiver of subrogation clause in favor of the State of Alaska.

Commercial Automobile Liability Insurance: Such policy shall cover bodily injury and property damage and have adequate liability limits and combined single limit per occurrence coverage. The policy shall cover all owned, hired and non-owned vehicles.

- 3) Ensure that the State of Alaska, Department of Natural Resources is included as an additional insured on all liability policies held by the grantee that provide coverage for liabilities connected to the operations of the grantee on or in conjunction with the right-of-way/easement premises, referred to as ADL 106344.
- 4) Provide proof of insurance to the grantor 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, are material breaches of the lease contract and shall be grounds, at the option of the grantor, for termination of the right-of-way/easement. Generally, the grantor will rely upon the best professional judgment of the Division of Risk Management and/or a licensed insurance agent and, at renewal, the Division of Risk Management and/or agent's annual re-assessment of the insured's liability exposure for determination of adequate levels of coverage. The grantor hereby reserves the right to require additional coverage if, in its discretion, it determines that it may be warranted. Any changes in the approved right-of-way development and operations plan, or the existence of significant claims against the liability coverage, would warrant examination of the insurance by the state to determine adequacy.
- 5) In the event the grantee becomes aware of a claim against any of it's liability coverage, the grantee shall notify, and provide documentation and full disclosure of the claim to the grantor within 20 days.
- To ensure future use of public lands as well as tide and submerged lands, fuel use and storage shall occur in a manner that avoids toxic discharge and run-off. The grantee is responsible for preventing spillage and contamination of contiguous land and water as well as cleaning up any oil or other pollutants which result from actives associated with this easement. The grantee shall immediately notify the Department of Natural Resources (DNR) and the Department of Environmental Conservation (DEC) by phone of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported.

The DNR 24 hour spill report number is (907) 451-2678; the Fax number is (907) 451-2751. The DEC spill report number is (800) 478-9300. DNR and DEC shall be supplied with all follow-up incident reports.

- 8. Authorized representatives of the State of Alaska shall have reasonable access to the subject parcels for the purposes of inspection. The Grantee may be charged feed under 11 AAC 0-5.010(a)(7)(M) for routine inspections of the subject parcel, inspections concerning non-compliance, and final closeout inspection.
- 9. Senior Rights. Unless otherwise approved by the grantor, Right-of-Way/Easement, ADL 105890 as amended and Right-of-Way/Easement, ADL 106389 are senior to this easement.



- 10. **Joint Use Agreement**. Unless other wise waived in writing by the grantor, the grantee is required to enter into a written, joint use agreement with the University of Alaska, Statewide Office of Land Management and any subsequent and future right-of-way holders that will address:
 - 1. Joint and coordinated use of the road, wood waste yard, wood sort yard, log transfer, ship mooring and log storage facilities and all appurtenant facilities.
 - 2. Maintenance of the road, wood waste yard, wood sort yard, log transfer, ship mooring and log storage facilities and all appurtenant facilities.

The written agreement must be approved by the grantor prior to any use of the right-of-way parcels or other applicant. The division will reserve the right to determine the equitableness of the agreement. This condition will remain in effect as long as the senior grantee retains a valid interest in the property.

The University of Alaska and the Alaska Mental Health Trust Land Office entered into a long-term agreement for the cooperative use of the facilities at West Icy Cape (herein, The Joint Use Agreement), including general State lands that are the subject of this right-of-way. The grantor approved The Joint Use Agreement on February 14, 2000. The Joint Use Agreement specifically allocates the use of the lands subject to this right-of-way between the University of Alaska and the Grantee.

- 11. Road Maintenance. The grantee shall assume the obligation for maintenance of the portion of the Cape Yakataga Road authorized under this right-of-way permit including the obligation to put the road to bed as specified in Section 5-A of the Memorandum of Understanding Regarding White River Timber Rights, ADL 223456, dated June 25, 1993. The grantee shall perform road maintenance work on roads and related facilities used by the grantee in connection with this right-of-way in accordance with the following standards:
 - (a) The grantee shall keep the roads in a condition of utility and safety and in compliance with the standards as required by this right-of-way even if the road deteriorates through use or the normal actions of nature, and shall:
 - (1) remove slides, fallen timber and other obstructions, and overhanging brush obstructing road sight distance;
 - (2) replace embankment and surfacing material;
 - (3) keep drainage channels and culverts clear of debris and functioning as intended;
 - (4) repair, blade, and shape surface and shoulders, and replace rock as needed to maintain original cross-section;
 - (5) replace rock to the extent needed to restore any road to original cross-section;
 - (6) remove earth and debris from side ditches, slides, or other sources from road;
 - (7) not undercut banks by blading; not blade gravel or other selected surfacing material off the surfaced width;
 - (8) remove continuous berms from road shoulders;
 - (9) not deposit material from slides or other sources requiring removal from the road in streams or reservoirs, but instead deposit such material in stable locations approved by the department.
 - (b) Prior to initial use of the road, the grantee shall bring the road into compliance with the standards of the subparagraph (a) above.
 - (c) All roads must be kept free of gates or obstructions unless otherwise agreed upon in writing by the department. If the grantee receives written approval for and erects a road gate, then it shall provide a key for the gate to the department's representatives and any other authorized users.



- (d) At the end of the operating season, maintenance work will be done to the extent required to minimize damage from the elements (such as final blading to remove ruts and other irregularities that would prevent normal road surface runoff); and drainage ditches and culverts shall be given a final cleaning to ensure satisfactory functioning of the road drainage system.
- (e) Whenever the road threatens to, or actually pollutes or causes sediment to enter a stream or lake exceeding Alaska's water quality standard for turbidity or causes erosion on adjacent land, maintenance work shall be promptly performed and the department shall have the option to suspend operations hereunder until all necessary maintenance and repair is performed.

It is agreed the grantee will keep road maintenance equipment and personnel positioned at Icy Bay, sufficient for the purposes of providing maintenance and repair to the road system as required by this right-of-way. The grantee is obligated to keep the road open and usable from April 15th to November 15th. The grantee is not required to keep the road open between November 16th and April 15th.

The department makes no warranty as to the condition or utility of any bridge on the Cape Yakataga Road. The grantee shall be responsible to maintain, repair or replace these bridges to the U-80 loading standard. Bridges supplied by the grantee under the repair or replacement provisions of this right-of-way shall become the property of the state. Any stream banks disturbed in association with bridge repair or stream crossings shall be stabilized and revegetated.

The department may inspect the road system at any time for compliance with required maintenance standards and all applicable laws, rules, regulations, codes and ordinances. If the grantee is advised in writing of any deficiency, the deficiency shall be corrected by the grantee within a reasonable time. If the maintenance deficiency is not corrected within a reasonable time, then the department shall have the option to order the suspension of use of the affected portion of the road until the noticed deficiency is corrected. The remedies set forth herein are in addition to remedies which may be available to the department pursuant to AS 41.17 or regulations adopted thereunder. A reasonable time shall be within 30 days or prior to November 15th, whichever occurs first, unless notified otherwise in writing by the department.

12. **Sort Yard**. The existing sort yard facility authorized for use by the grantee is identified in Attachment A. Installation, maintenance and use of the sort yard shall comply with the development plan contained in Attachment A.

Log handling shall be kept to the minimum necessary. Bark and debris generated from the handling of logs shall be removed on a periodic basis while it is more or less intact and not be allowed to accumulated in a manner that allows the debris to disintegrate and become incorporated into the sort yard surfacing material. All sort yard waste so removed shall be disposed of in a site permitted by the Department of Environmental Conservation for this purpose.

- 13. Wood Waste Disposal. Solid wood wastes from the sort yard may be disposed of at the site shown in Attachment A. No disposal of wood waste will occur until the grantee has obtained and supplied the department with a copy of the solid wood waste disposal plan and permit for the disposal site from the Department of Environmental Conservation. The disposal of domestic or other wastes at the site is prohibited.
- 14. White River MOU. Nothing in this right-of-way shall be interpreted to supersede any section of the Memorandum of Understanding Regarding White River Timber Rights, ADL 223456, dated June 25, 1993. Nor shall anything in this right-of-way be interpreted to authorized the permittee to use any improvement on the area belonging to another party without prior consent being obtained from the owner of the improvement.



- 15. Environmental Assessment. Prior to entering the area the Grantee is encouraged to conduct an environmental assessment to identify and record any existing liabilities. The failure of the Grantee to conduct such an assessment shall not relieve it of the responsibility to correct any prevailing liability on the area found upon termination of their use.
- 16. Hazardous Waste. On site disposal of hazardous waste on site is strictly prohibited. The Alaska Department of Environmental Conservation requires that such waste be hauled out and disposed of in an approved DEC disposal site.
- 17. Fuel Use and Storage. To protect public lands as well as tide and submerged lands, fuel use and storage shall occur in a manner that avoids toxic discharge and run-off. The permittee is responsible for preventing spillage and contamination of contiguous land and water as well as cleaning up any oil or other pollutants which result from activities associated with this right-Fuel spills must be reported immediately to the department and DEC. Storage tanks greater than 500 gallons shall be of double wall construction and/or placed within a containment berm lined with a impermeable liner of sufficient capacity to capture and retain 110% of the total volume of the tanks so contained. All stations where fuel may be transferred, including barrels, shall be equipped with a bucket, trough or other containment measure in such a manner as to catch any incidental spillage that may occur as part of the transfer process. To the extent feasible, all containment measures designed to catch fuel or oil spills shall be covered to prevent introduction of rain water, or maintained or emptied at an interval frequent enough to prevent spillage or reduction of it's required capacity to the extent that the containment vessel can no longer perform it's intended function. department reserves the right to alter this stipulation and require additional measures to prevent introduction of rain water to the containment facilities should, upon inspection, such protection be deemed necessary by the department. Reference is made to the May 18-20 trip inspection report and recommendations prepared by DEC dated 5/25/93.
- 18. Cultural Resources. If potential cultural or paleontological archeological resources are discovered, they should not be disturbed and the DNR Office of History and Archeology, should be contacted at 269-8721.
- 19. **Compliance**. The Grantee shall, at its own expense, comply with all applicable laws, regulations, rules and orders, and the requirements and stipulations included in the right-of-way. The Grantee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.
- 20. Solid Waste. Burnable solid wastes may be burned on site, except those wastes that produce black smoke when burned. All burn ash and other solid wastes and debris generated from the activities conducted under the lease, including kitchen waste shall be removed from the site and disposed of in an approved ADEC solid waste facility. Absolutely no solid waste shall be disposed of on site or in the project area. Sewer and septic wastes shall be disposed of in accordance with DEC requirements. Kitchens shall not be equipped with garbage disposal units. Temporary storage and accumulation of solid waste (prior to its removal) shall conform to the following:

Solid waste shall be stored in a manner that prevents a litter violation under AS 46.06.080;

Putrescible wastes (material that can decompose and cause obnoxious odors) shall be stored in a manner that prevents the attraction of or access to wildlife or disease vectors; and

The premises shall be maintained free of solid waste that might create a health or safety hazard.

21. Right-of-Way Development. The development of the right-of-way area shall be limited in form and scope to the area and improvements specified in the approved development and operations plan, included as Attachment 'A'. The Grantee is responsible for accurately siting development and operations within Page 7 of 11



this area. Use of the area for purposes other than those specified in the development plan or use of land outside the right-of-way area is a violation of the right-of-way. Before making any new improvements or constructing any new structures, the Grantee must propose revisions to the approved development and operations plan and the revised plan must be approved in writing by the Grantor before any changes in use or development occurs. The permit area must be utilized for the purpose described in the approved development plan. Failure to make substantial use of the land, consistent with the approved development plan, within five years, will, in the Director's discretion, constitute grounds for termination of the right-of-way.

- 22. **Wastewater**. Disposal of wastewater from any operation associated with the permit to State lands or waters is specifically prohibited, unless otherwise approved by the Alaska Department of Environmental Conservation, and a copy of said approval is on file with the grantor.
- 23. **Fuel and Hazardous Substances.** Secondary containment shall be provided for fuel or hazardous substances.

Container marking. All independent fuel and hazardous substance containers shall be marked with the contents and the grantee's name using paint or a permanent label.

Fuel or hazardous substance transfers. Secondary containment or a surface liner must be placed under all container or vehicle fuel tank inlet and outlet points, hose connections, and hose ends during fuel or hazardous substance transfers. Appropriate spill response equipment must be on hand during any transfer or handling of fuel or hazardous substances to respond to a spill of up to five gallons. Transfer operations shall be attended by trained personnel at all times. Vehicle refueling shall not occur within the annual floodplain or tidelands. This restriction does not apply to waterborne vessels provided no more than 30 gallons of fuel are transferred at any given time.

Storing containers within 100 feet of waterbodies. Containers with a total capacity larger than 55 gallons which contain fuel or hazardous substances shall not be stored within 100 feet of a waterbody.

Exceptions. The grantor of the permit may under unique or special circumstances grant exceptions to this stipulation on a case-by-case basis. Requests for exceptions should be made to the South East Regional Manager.

Definitions.

"Containers" means any item which is used to hold fuel or hazardous substances. This includes tanks, drums, double-walled tanks, portable testing facilities, fuel tanks on small equipment such as light plants and generators, flow test holding tanks, slop oil tanks, bladders, and bags. Manifolded tanks or any tanks in a series must be considered as single independent containers. Vehicles, including mobile seismic tanks, are not intended to be included under this definition.

"Hazardous substances" are defined under AS 46.03.826(5) as (a) an element or compound which, when it enters the atmosphere, water, or land, presents an imminent and substantial danger to the public health or welfare, including fish, animals, or vegetation; (b) oil; or (c) a substance defined as a hazardous substance under 42 U.S.C. 9601(14).

"Secondary containment" means an impermeable diked area or portable impermeable containment structure capable of containing 110 percent of the volume of the largest independent container. Double-walled tanks do not qualify as secondary containment unless an exception is granted for a particular tank.

"Surface liner" means any safe, non-permeable container (e.g., drips



pans, fold-a-tanks, etc.) designed to catch and hold fluids for the purpose of preventing spills. Surface liners should be of adequate size and volume based on worst-case spill risk.

24. **Notification of Unauthorized Discharge**. The Grantee shall immediately notify DNR and DEC by phone or <u>any</u> unauthorized discharge of oil to water, <u>any</u> discharge of hazardous substances (other than oil), and <u>any</u> discharge of oil on land. All fires and explosions must also be reported.

The DNR 24 hour spill report number is (907) 451-2678; The Fax number is (907) 451-2740. The DEC spill report number is (800) 478-9300. DNR and DEC shall be supplied with all follow-up incident reports.

- 25. **Dedication of Public Right-of-Way.** Pursuant to requirements of the Yakataga Area Plan, the Division of Mining, Land and Water reserves the right to dedicate a public right-of-way over lands covered by this right-of-way. Nothing in this right-of-way will obligate the Grantor to compensate the Grantee for implementing this condition.
- 26. **Performance Guarantee** The grantee is required to furnish proof of any performance guarantee obtained from the grantee's contractors that ensures compliance with terms and conditions of this right-of-way.
- 27. Other Permits. Issuance of this right-of-way does not relieve the Grantee of the responsibility to comply with the regulations of other government agencies and of first obtaining any necessary authorization or permits. The grantee shall observe all federal, state and local laws and regulations applicable to the right-of-way area, including regulations for the protection of fish and wildlife, and shall keep the premises in a neat, orderly and sanitary condition.
- 28. Existing Easements. Should this right-of-way superimpose on an already dedicated right-of-way or easement, nothing in this right-of-way is intended to allow the grantee to interfere with the primary purpose of the dedicated right-of-way or easement; such interference in an actionable cause at law. Nothing in this right-of-way is intended to deny the Division of Mining, Land & Water the right to grant other parallel or crossing easements providing that they do not significantly interfere with the senior easement or providing that the senior user is compensated.
- 29. **Timber Use** The grantee may use dead and down timber but shall not cut standing timber on the premises unless specifically authorized by the Division of Forestry. Brush clearing is allowed, but should be kept to the absolute minimum necessary. The grantee shall take all reasonable precautions to prevent, and all reasonable actions to suppress, forest, brush and grass fires.
- 30. Existing Easements. Should this right-of-way superimpose on an already dedicated right-of-way or easement, nothing in this right-of-way is intended to allow the grantee to interfere with the primary purpose of the dedicated right-of-way or easement; such interference is an actionable cause at law. Noting in this right-of-way is intended to deny the Division of Mining, Land & Water the right to grant other parallel or crossing easements providing that they do not significantly interfere with the senior easement or providing that the senior user is compensated.
- 31. Other Conditions. Pursuant to AS 46.40 and 6 AAC 50 and the Conclusive Consistency Determination #AK 93009-11JJ dated October 21, 1993 , the grantee shall comply with the stipulations:
 - a. Log booms and rafts shall not ground at any stage.
 - b. The log booms and rafts shall not block access to the adjacent shoreline. No shore ties are permitted.



- c. Anchorage in Moraine shall be maintained. When available anchorage is not sufficient for demand or weather conditions dictate, extrinsic vessels shall be permitted to tie to the log booms in Moraine Bay.
- d. The location where log bundles are transferred to salt water shall at a minimum be 30 feet from the existing barge bulkhead or, when feasible and prudent, 300 feet from the mouth of Jetty/Carson Creek, whichever is greater.

Upon abandonment, termination, revocation or cancellation of this indenture, the grantee shall, within 90 days, remove all structures and improvements from the area herein granted, except those owned by the grantor, and shall restore the area to the same or similar condition as the same was upon the issuance of this easement. Should the grantee fail or refuse to remove the structures or improvements, within the time allotted, they shall revert to and become the property of the grantor. However, the grantee shall not be relieved of the cost of the removal of the structures, improvements and/or the cost of restoring the area. Provided further, however, that the grantor, in his/her discretion, may alter or modify the requirements contained in this provision if it is to the best interest of the State of Alaska to do so.

The grantee shall utilize the lands herein granted consistent with the purposes of the proposed use, as revealed by the application therefore, and shall maintain the premises in a neat and orderly manner and shall adopt and apply such safety measures as shall be necessary, proper and prudent with respect to the use to which the land is subjected.

The grantee shall take all reasonable precaution to prevent and suppress brush and forest fires. No material shall be disposed of by burning in open fire during the closed season unless a permit therefor has first been obtained from the agency empowered by law to issue such permits.

Prior to any construction or development that will use, divert, obstruct, or pollute or utilize any of the waters of the State, the grantee shall first obtain approval therefor from the Commissioner of the Department of Fish and Game and file an image copy thereof with the grantor.

Any lands included in this easement which are sold under a contract to purchase shall be subject to this easement. Upon issuance of title to the purchaser, this easement shall remain in effect until its date of expiration.

In the event that the necessity for the easement shall no longer exist, or the grantee should abandon or fail to use the same, then this easement shall terminate.

The State of Alaska shall be forever wholly absolved from any liability for damages which might result to the grantee herein on account of this easement having been canceled, forfeited, or terminated prior to the expiration of the full term for which it was issued.

NOW THEREFORE, in accordance with the provisions of Sec. 38.05.850, A.S. and the rules and regulations promulgated thereunder and in accordance with the conditions heretofore set forth or attached hereto and made a part hereof, the grantee herein is hereby authorized to locate, construct, operate and maintain said easement over and across the lands herein described.

IN WITNESS WHEREOF, the said grantor has caused these presents to be signed in duplicate and the grantee herein has hereunto affixed his signature on the day and year first above written.



UNITED	STA	TES	OF	AMERICA
State o	of A	las	ca	

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES

Director (

Division of Mining, Land & Water

This is to certify that on the 2 hd day of October , 19 , before me, the undersigned Notary Public, personally appeared known to me and known by me to be the Ron Schanenbach Regional May. of the Division of Mining, Land & Water of the Department of Natural Resources, and acknowledged to me that he executed the foregoing instrument for and on behalf of said State, freely and voluntarily for the use and purpose therein set forth.

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

STATE OF ALASKA OFFICIAL SEAL Douglas T. Sanvik **NOTARY PUBLIC**

My Commission Expirés 1/20/02

)ss.

Notary Public in and for the State of Alaska My Commission expires

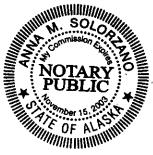
1/20/02

Alaska Mental Health Trust Land Office GRANTEE

UNITED STATES OF AMERICA State of Alaska

GRANTEE, Alaska Mental Health Trust Land Office

This is to certify that on the 27 day of 101., 201, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, as such, personally appeared 57EPHEN PLANTHON, known to me to be the EXECUTIVE DIFFERENT OF TRUST LAND OFFICE, the agency which executed the foregoing instrument, and 18 acknowledged to me that executed the same for and on behalf of said agency, and that 18 is fully authorized by said agency, so to do: authorized by said agency so to do; acknowledged to me signed and executed the same freely and voluntarily for the uses and purposes therein stated.



Notary Public in and for the State of Alaska
My Commission expires

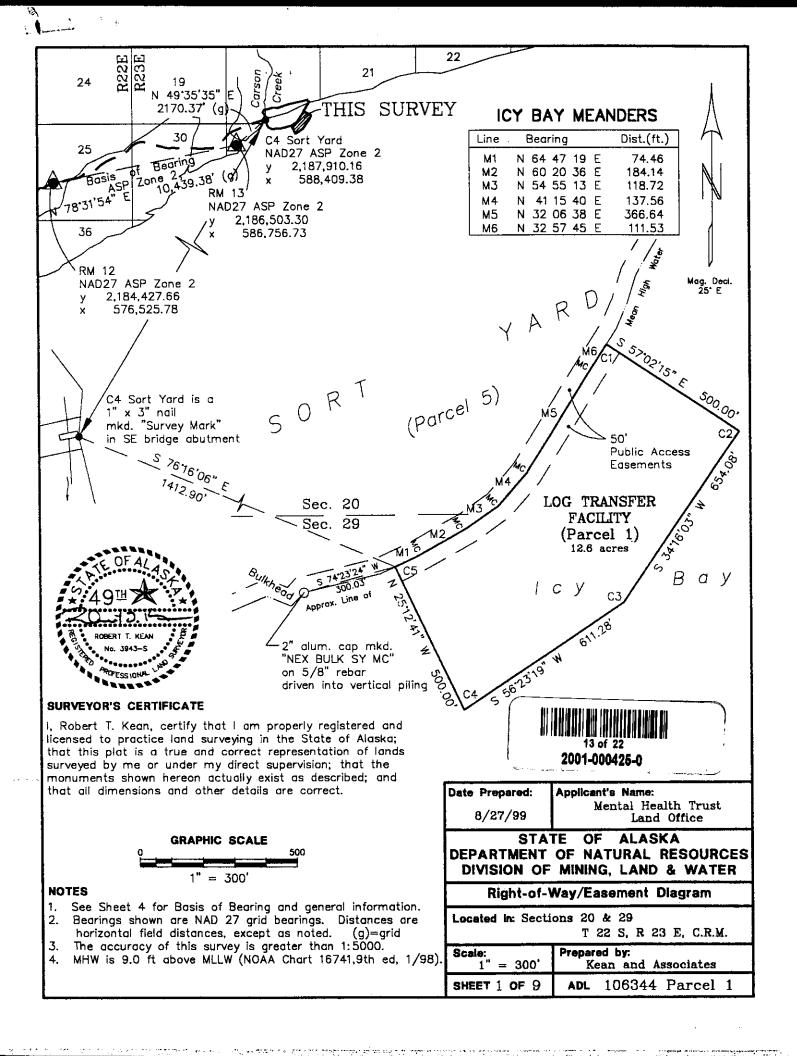
After recording in the <u>Cordova</u> Recording District, this document must be returned to the Department of Natural Resources, Division of Land, S.E. Regional Office, 400 Willoughby Ave., Suite 400, Juneau, Alaska 99801.

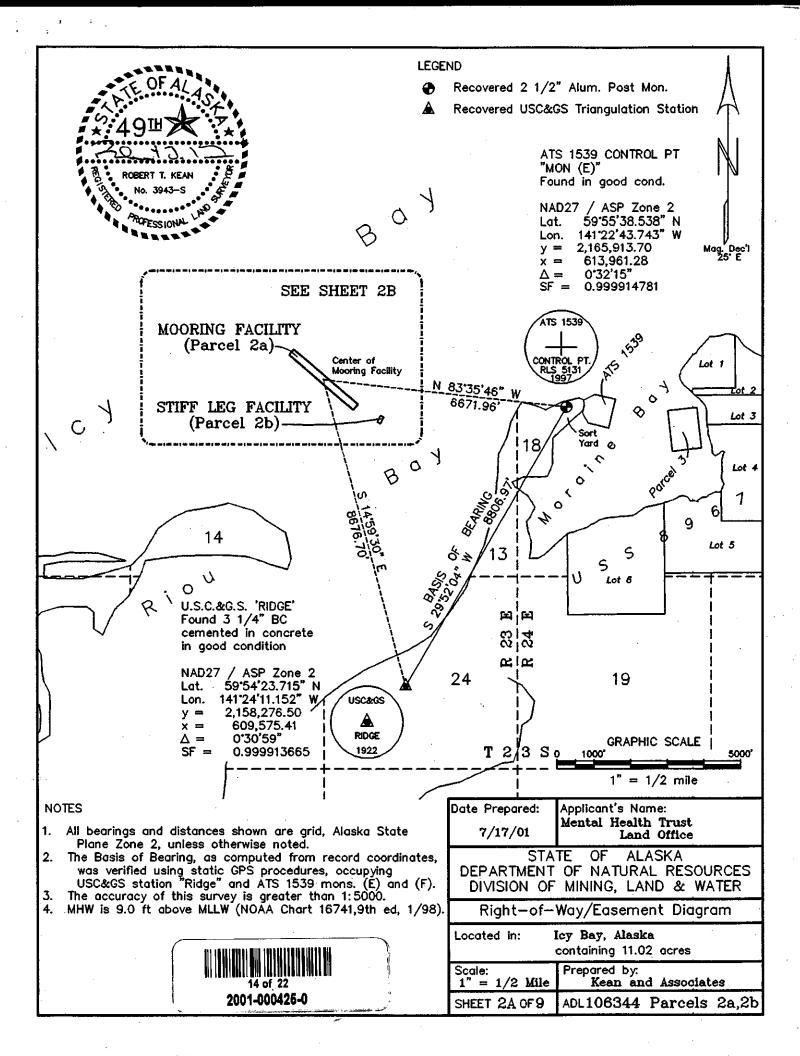
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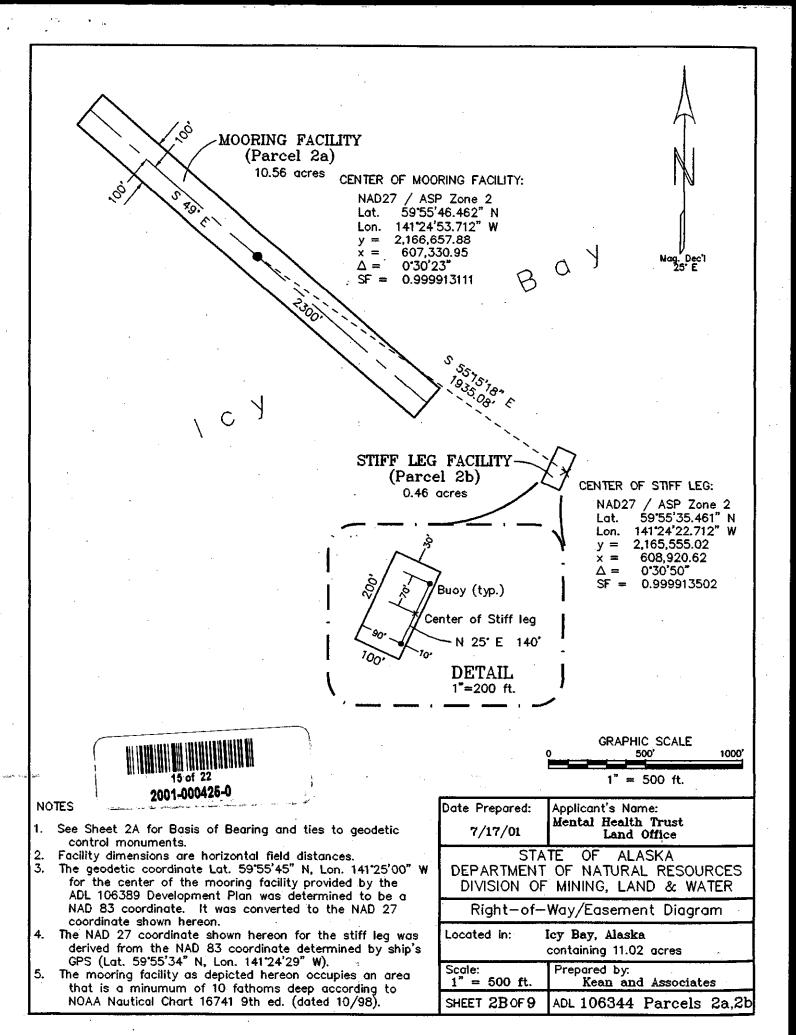
'A' Easement Diagram

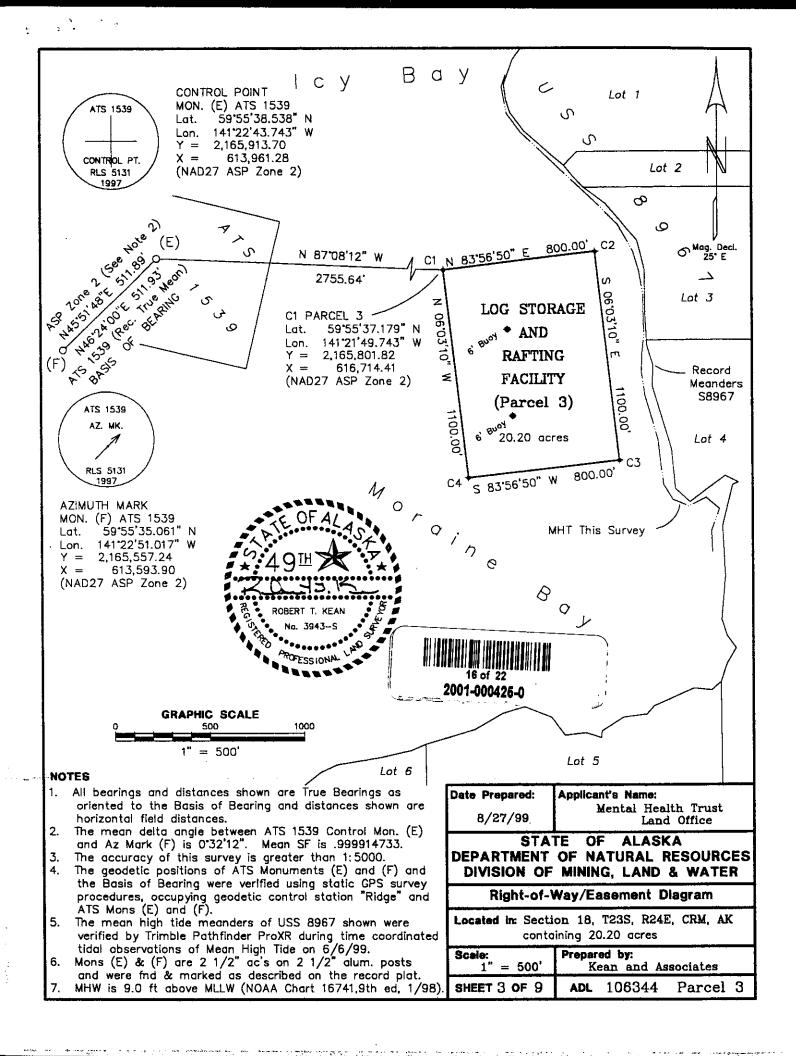
2001-000425-0

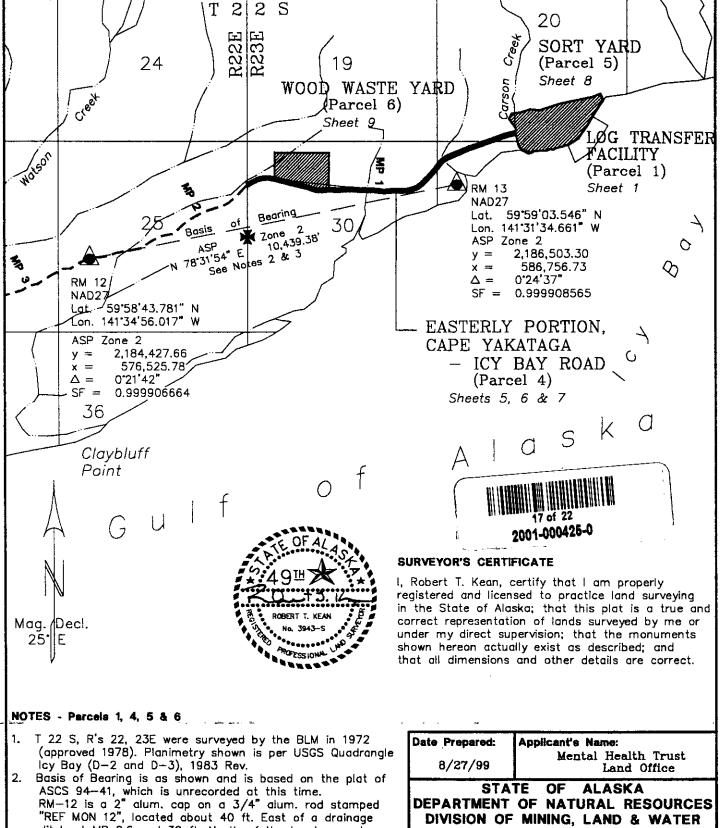
Page 11 of 11











ditch at MP 2.6 and 30 ft. North of the logging road. RM—13 is a 2" alum. cap on a 3/4" alum. rod stamped "REF MON 13", located on a grassy mound near the end of old access road at approx. MP 0.25 and about 800 ft. southeast of the logging road.

3. Bearings and distances shown are NAD 27 Alaska State Plane Zone 2.

4. The accuracy of this survey is greater than 1:5000.

5. Mag. declination is 25°E, per NOAA Chart 16741 (1—10—98).

8/27/99

Mental Health Trust
Land Office

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER

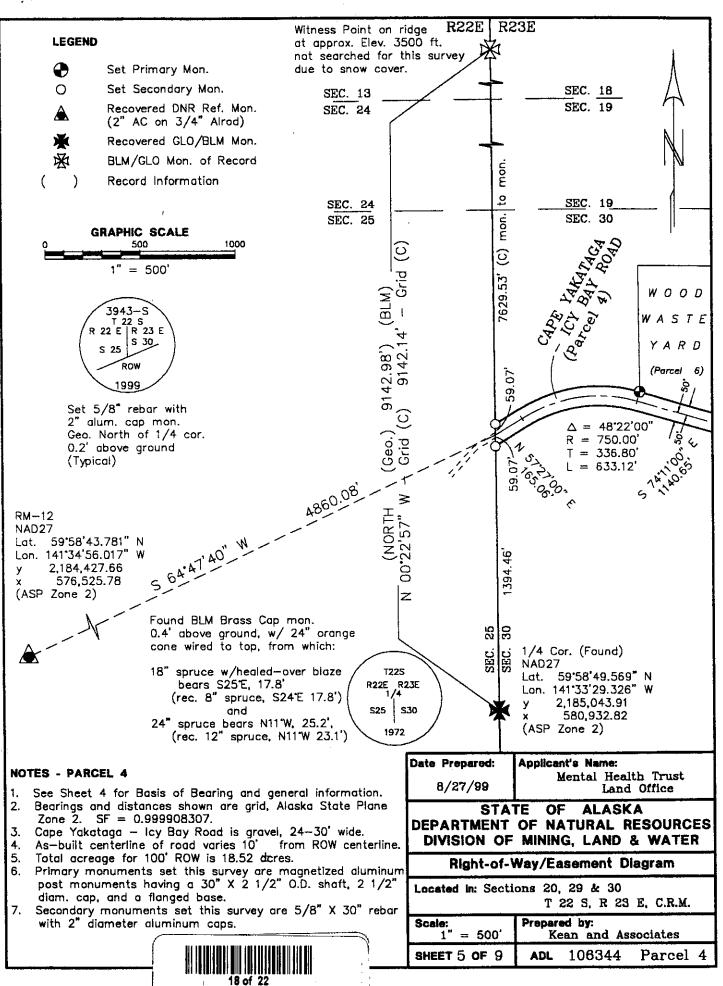
Right-of-Way/Easement Diagram

Located in: Sections 20, 29 & 30
T 22 S, R 23 E, C.R.M.

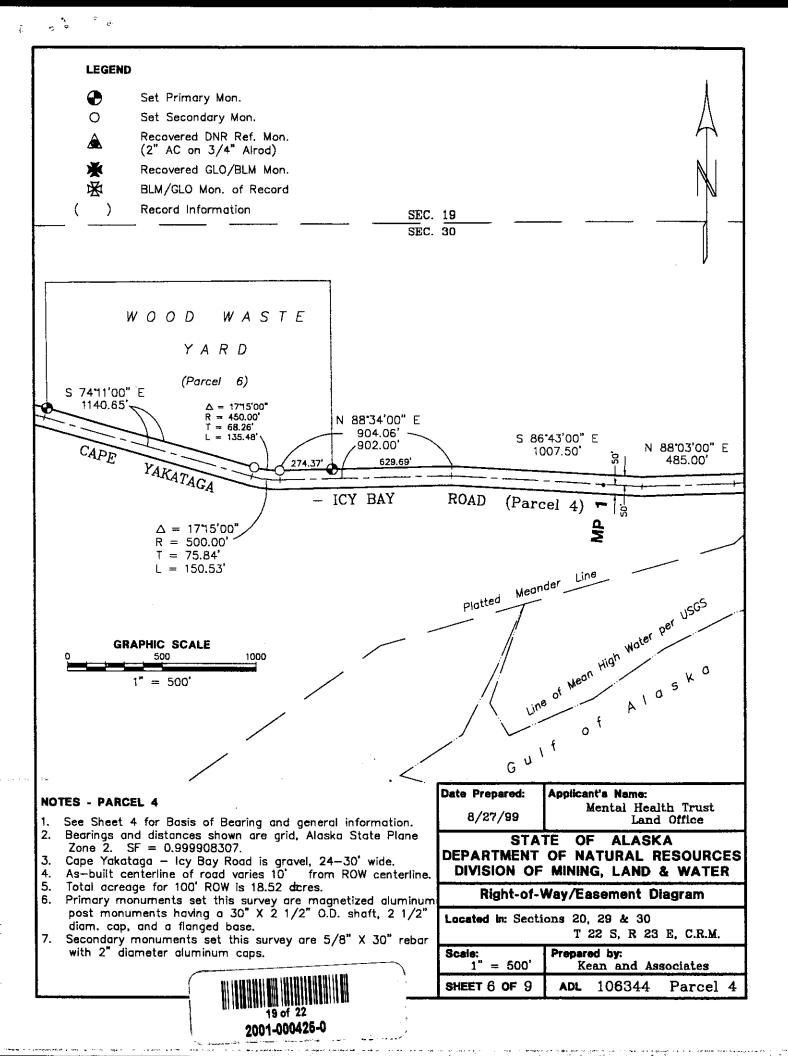
Scale:
1" = 1/2 mile
Frepared by:
1" = 1/2 mile
SHEET 4 OF 9

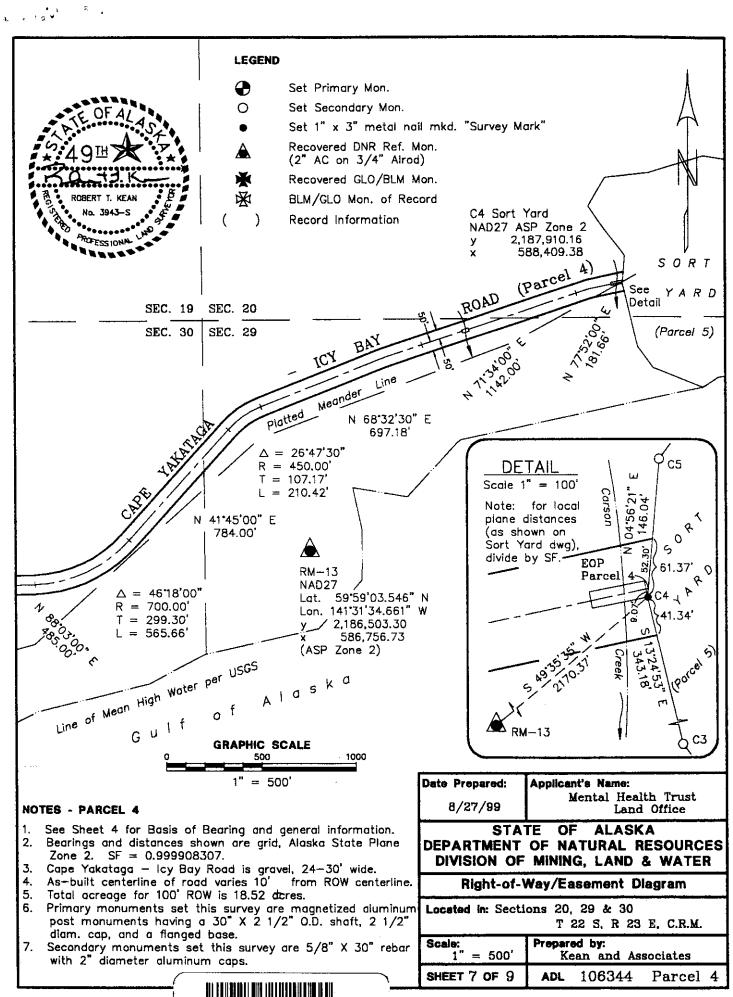
ADL

106344



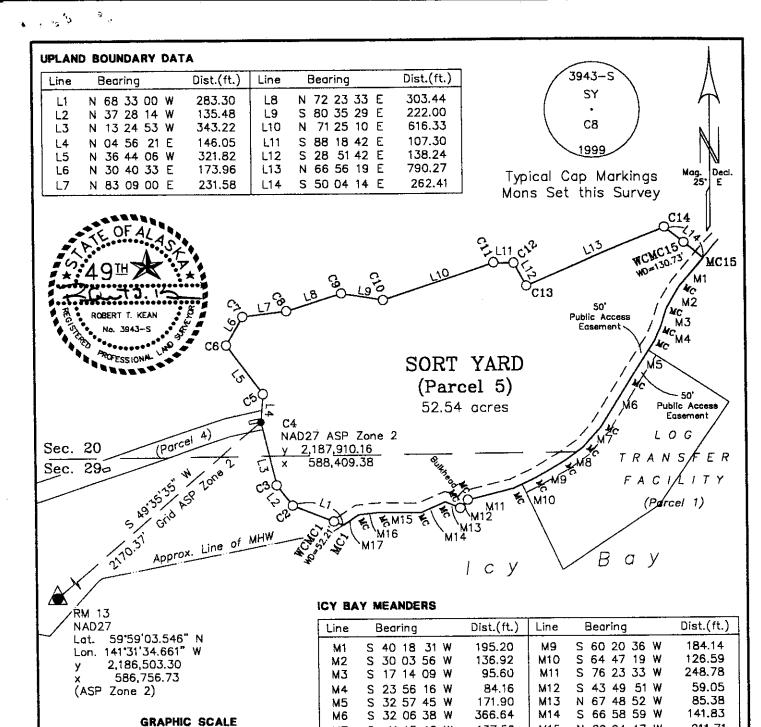
2001-000425-0







2001-000425-0



S 41 15 40 W

S 54 55 13 W

M7

M8

1000

137.56

118.72

NOTES - PARCEL 5

- See Sheet 4 for Basis of Bearing and general information.
- Bearings shown are NAD 27 grid bearings. Distances are horizontal field distances. SF=0.999909103
- The accuracy of this survey is greater than 1:5000.
- Except as noted, monuments set this survey are 5/8" X 30' rebar w/2" diameter aluminum caps. A Carsonite post or a red painted 2 X 4 post was placed within 3 feet of each monument.
- C4 is a 1" x 3" spike mkd "Survey Marker."

500

1'' = 500



_		M17	S 56 14 25 W 97.17					
-	Date Prepared:		Applicant's Name:					
	8/27/99		Mental Health Trust Land Office					
*	STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING LAND & WATER							

N 89 04 47 W

S 83 48 44 W

211.71

115.53

Right-of-Way/Easement Diagram

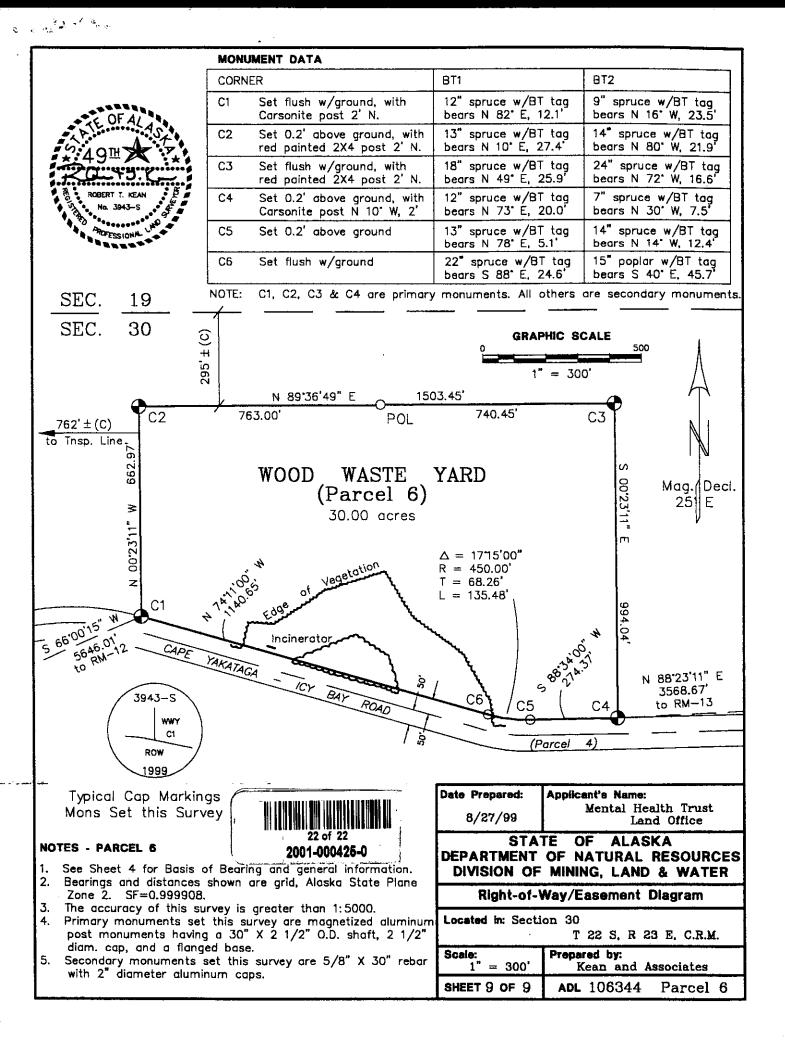
Located in: Sections 20 & 29

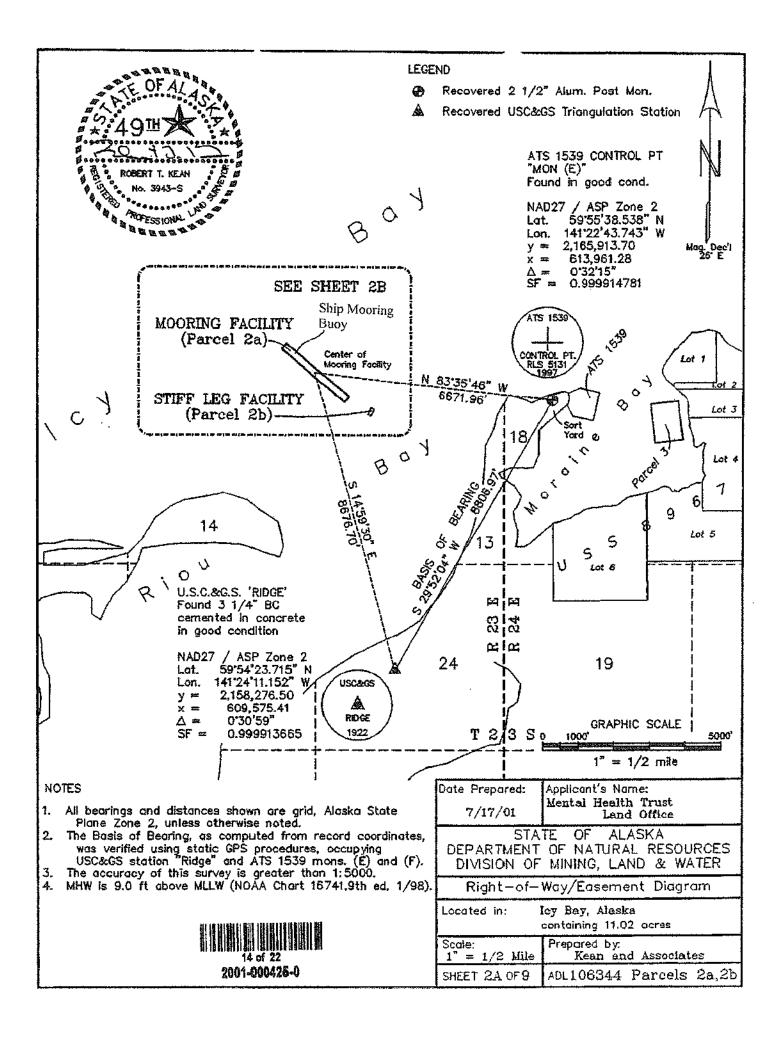
M15

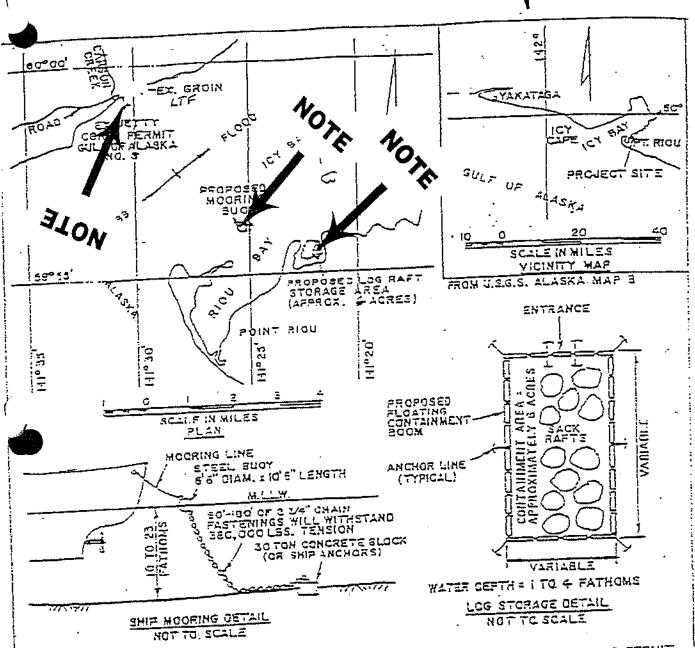
M16

T 22 S, R 23 E, C.R.M.

Scale:	Prepar	Prepared by:					
1" = 500'	Ko	Kean and Associates					
SHEET 8 OF 9	ADL	106344	Parcel	5			







HOTES

LOGS WILL BE FORMED INTO INDIVIDUAL SACK RAFTS AT THE EXISTING BULF OF ALASKA NO. 8 PERMIT

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AREA. ABOUT TWO RAFTS WILL BE FORMED DURING EACH LOW TIDE TO BE FLOATED ON THE

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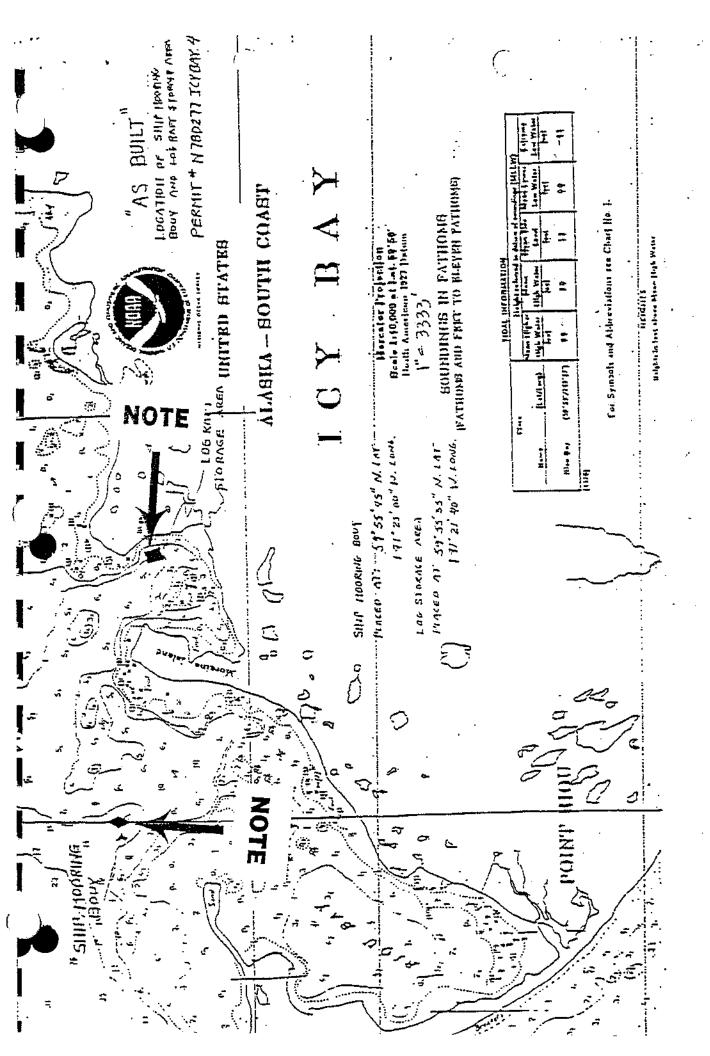
SHIPS MOGRED AT THE PROPOSED BUCY FOR LOADING AS CARGO. MOTES:

PURPOSE: COMMERCIAL TIMBER STORAGE AREA AND SHIP LOADING MODRAGE

MEAN LOWER LOW WATER FROM HATIONAL GCEAR SURVEY CHART HOLISTAL INTERE MHHH - ELEV. S.S.FEET

REMAND YTRESORS THEOLOG STATE OF ALASKA - TIDELANDS icy B=y 4

PROPOSEII EGA STORAGE AREA MUNATE STINDOW VICINITY OF BIOU BAY ICH BAY, ALASKA APPLICATION ST SOUTH-CENTRAL TIMEER DEVELOPMENT, INC. HOVENBER 27, 1975 SHEETICFI



#93-047 Attachment B, Page 4 of

LOG STORAGE AND TRANSFER DEVELOPMENT PLAN

Icy Bay Log Storage Area Moraine Bay

First buoy is set 3200 feet from the northeast point of Moraine Island in about 5.3 fathoms of water. Second buoy is 733 feet North 73° 30' East of buoy #1. Buoy #3 is 100 feet South 15° East of buoy #1. Buoy #4 is 1233 feet South 60° East of buoy #1. Buoy #2 is also 667 feet from high water mark and buoy #4 is also 667 feet from high water mark. Standing log booms run between the buoys forming a log storage area 800 feet by 1100 feet comprising 20.2 acres more or less. Center of log storage area is 59°55'35" N. Latitude, 141°21'40" W. Longitude.

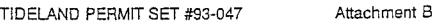
Ship Mooring Area Riou Bay

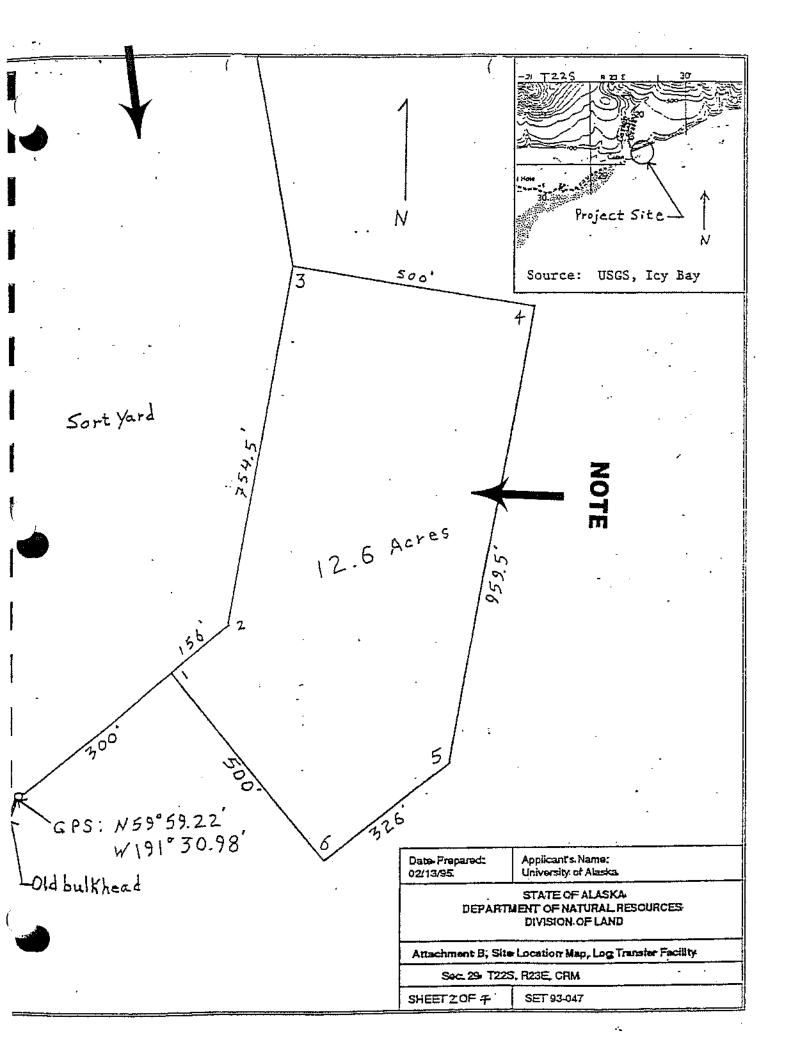
Four buoys have been set 8599 feet North 85° West of the northwest point of Moraine Island and 5733 feet North 35° East from the sand spit at Riou Bay. These buoys have been set in over 10 fathoms of water and are set out about 733 feet apart forming a mooring area/ boom area 200 feet by 2300 feet comprising 10.6 acres more or less. The center of the buoys is located 59°55'45" North Latitude and 141°25' West Longitude.

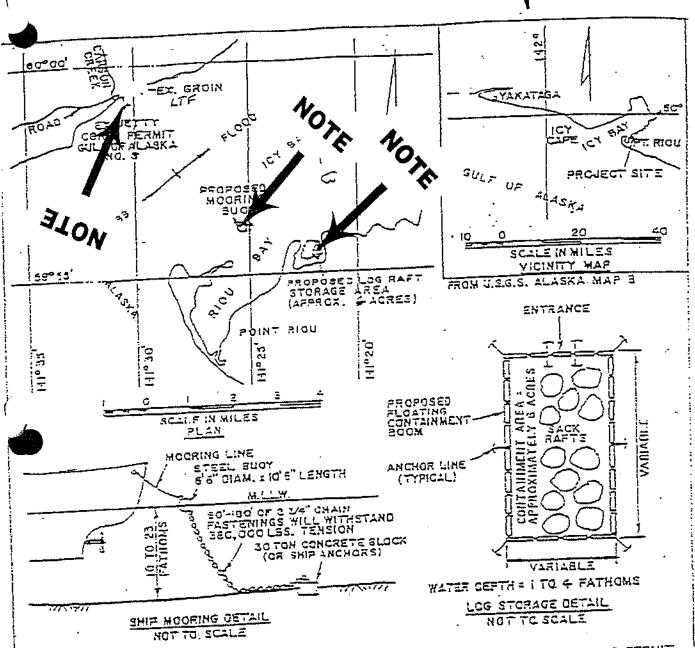
Log Transfer Facility West Side of Icy Bay

That certain tract of tide and submerged lands described as follows: beginning at GPS point North 59°59.22', West 191° 30.98' thence N 72½° E for 300.0 feet along high tide line to the true point of beginning; thence N 72½° E for 156 feet; thence N 33½° E for 754.5 feet; thence S 56½° E for 500 feet; thence S 33½° W for 959.5 feet; thence S 72½° W for 326 feet; thence N 27½° W 500 feet to the true point of beginning, containing 12.6 acres more or less.

Up to three sets of boom sticks will be set down at low tide in the permitted site. The front end loader will bring bundles down and set them on the upper end; a tracked cat will push the bundles to the end and as the tide comes in the bundles float off and are rafted in bags by the work boats. No machinery is operated in the water. For 20 million board feet of annual log production this would require about 250 hours of beach activity in five separate operations for approximately 5 ship loads of logs. About 300,000 board feet of logs can be placed in the water per tide cycle.







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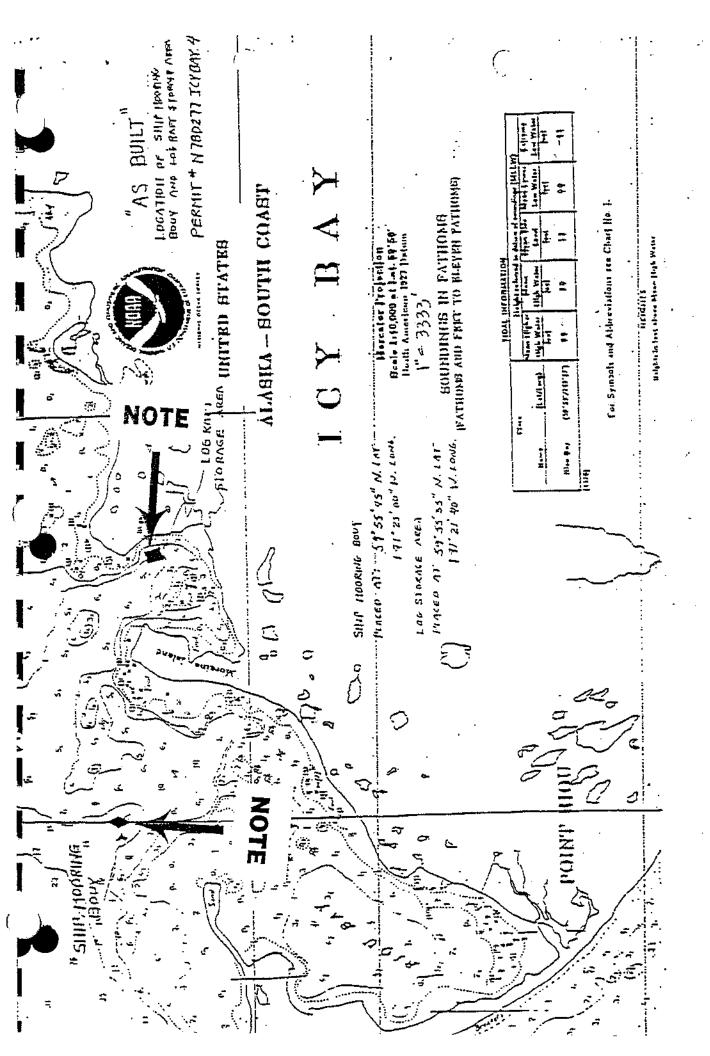
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