

STATEWIDE MATERIAL SITE INVENTORY

MATERIAL SITE
INSPECTION REPORT

Federal Project No. STP-000S(823)
AKSAS Project No. 76149

TAYLOR HIGHWAY

MS 785-055-2
57 Mile Quarry

July 29, 2015

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CATEGORY:

ACTIVE – OPEN

According to information found in the DOT&PF EDMS system in January 2009 and BLM and DNR case file abstracts, this site lies on State of Alaska lands managed by DNR. The site is within Sections 31 & 32, T26N, R17E, CRM. The land was tentatively approved to the State of Alaska in 1985 (F-79579 / TA 1984-0017 / GS 4629).

DOT&PF was issued a material sale contract (ADL 419241) by DNR in June 2015 that expires in 6-4-2025.

There are two DNR land disposal actions that may impact the site area. The first is the Taylor Mountain South Recreational Cabin Sites Staking Area (ADL 417724). The second is a land disposal area that is apparently still being setup (ADL 419358). DNR’s Alaska Mapper shows no active mining claims conflicting with the site.

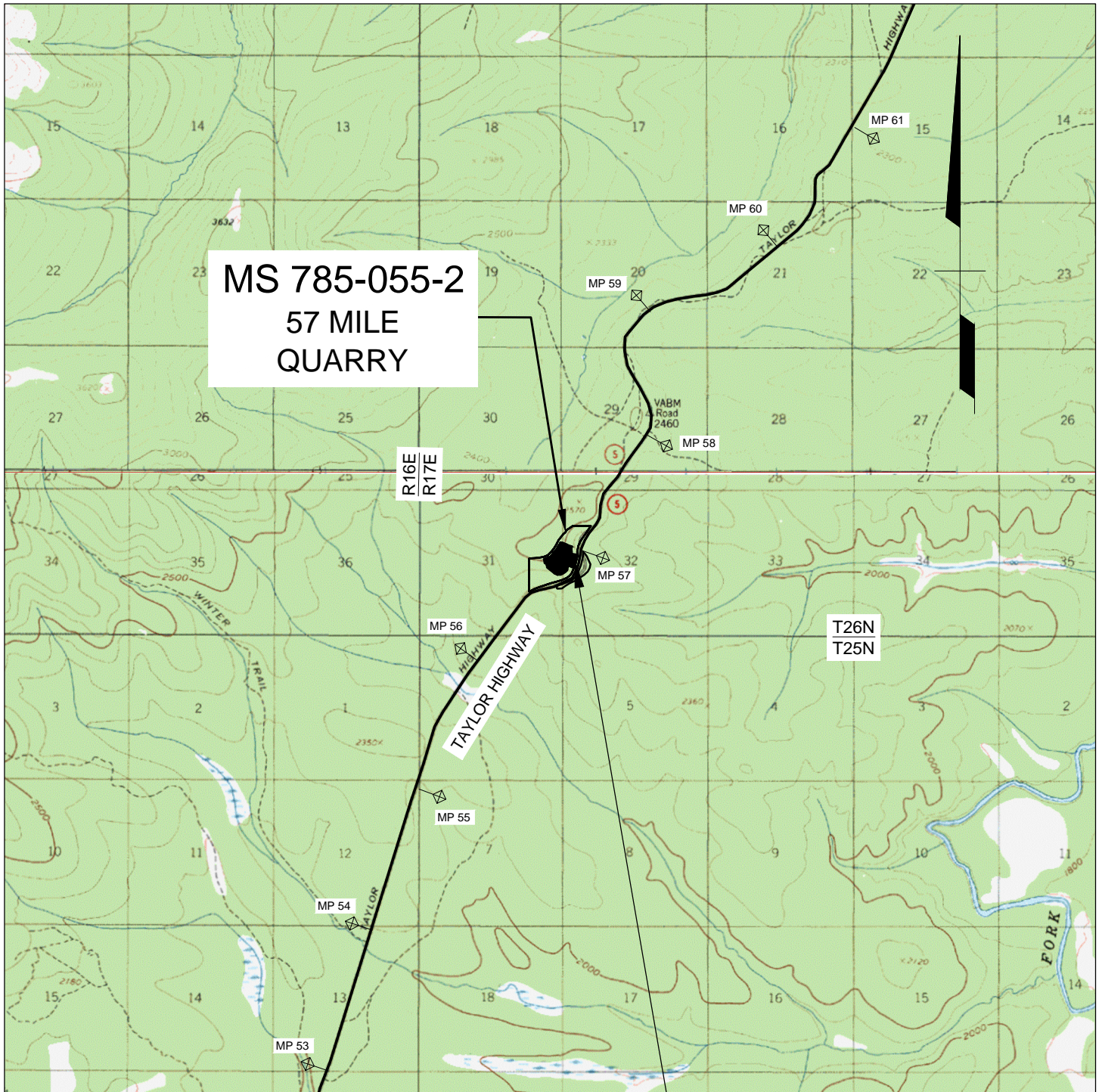
MS 785-055-2

The Taylor Mountain Road lies to the west of the site. The road connects the Taylor Highway and the summit of Taylor Mountain to access an Air Force Long Range Radar and Communication site (ADL 417432). An easement had not been issued as of 12-24-2013 as the survey had not been completed.

The site is currently a DMLW Northern Region Office (NRO) Designated Master Material Site (ADL 419294) under AS 38.05.550(b) for the use and operation for the long-term sale and extraction of materials until closed by DNR.

The site adjoins the Taylor Highway right-of-way and there is an existing excavation area on the west side of the highway right-of-way directly accessible from the highway. The existing mining area apparently extends to the edge of the right-of-way. A previously excavated area to the east of the Taylor Highway right-of-way has been permitted as a staging area. The site appears to contain significant quantities of bedrock and should be retained by DOT&PF for future use.

LOCATION MAP



**MS 785-055-2
57 MILE
QUARRY**

R16E
R17E

TAYLOR
HIGHWAY

T26N
T25N

U.S.G.S. QUADRANGLE: EAGLE (A-3) & TANACROSS (A-3)

GPS COORDINATES FROM GOOGLE EARTH

UTM (WGS84-METERS)
 ZONE 7: N 7,096,474 E 444,664
 AK STATE PLANE (NAD83-US SURVEY FT)
 ZONE 2: N 3,650,916 E 1,619,380

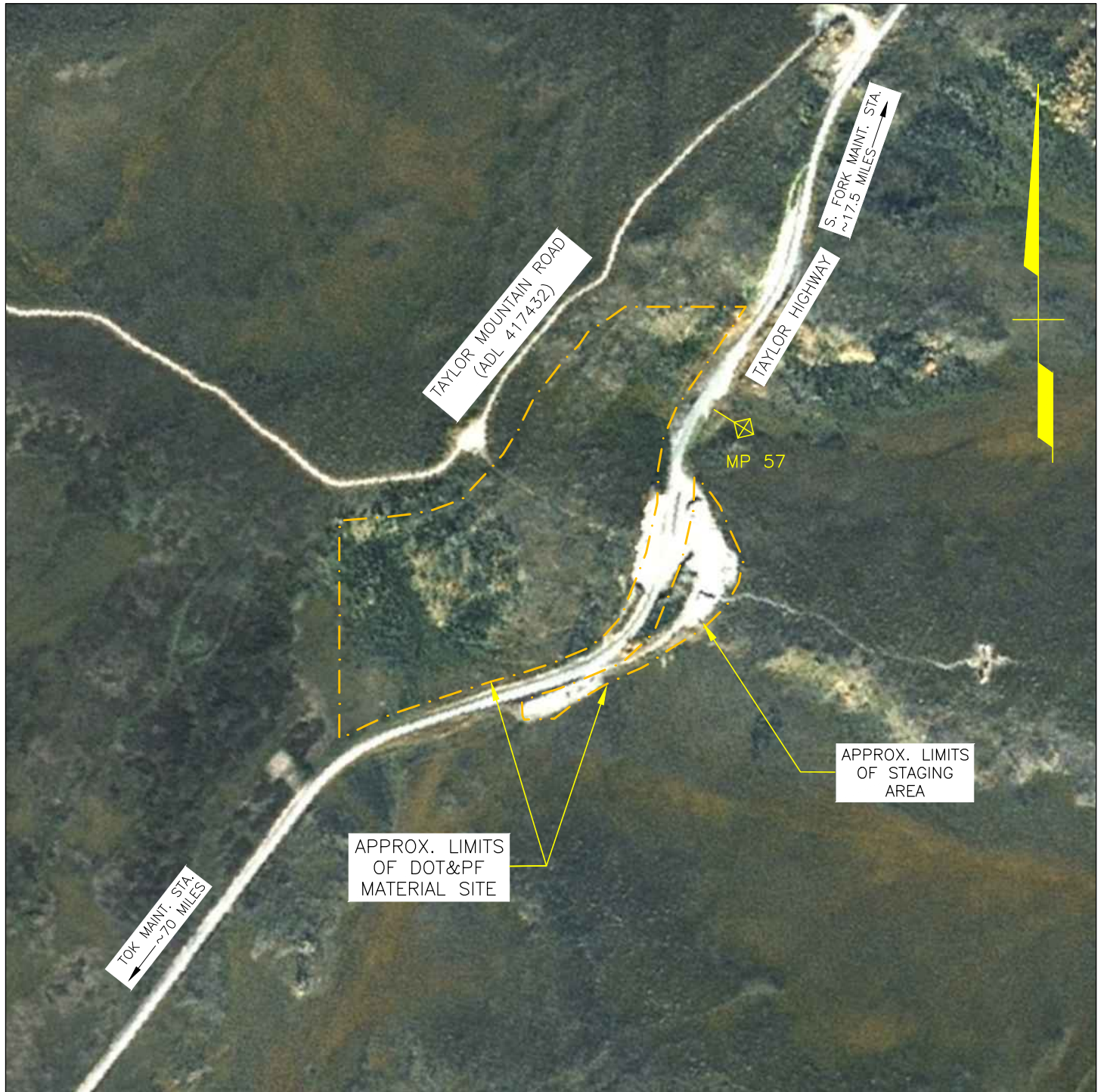
ACTIVE - OPEN



GRAPHIC SCALE IN MILES

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY MS 785-055-2			
SCALE AS SHOWN	DESIGNED T.G.H. CHECKED C.H.R.	DRAWN T.G.H. DATE JUNE 2014	PAGE 2

SITE MAP



BASE MAP IS AUGUST 29, 2006 DIGITALGLOBE SATELLITE IMAGERY.
 THIS IS A PLANNING DOCUMENT ONLY. THE MATERIAL SITE BOUNDARIES SHOWN ON THIS
 DRAWING ARE APPROXIMATE. OWNERSHIP OF THE LANDS ADJACENT TO THIS SITE ARE
 UNKNOWN. THE ACCESS ROW SHOULD BE VERIFIED.

ACTIVE - OPEN



Prepared By:
 R&M CONSULTANTS, INC.

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY			
MS 785-055-2			
SCALE	DESIGNED	DRAWN	PAGE 3A
AS SHOWN	T.G.H.	T.G.H.	
	CHECKED	DATE	
	C.H.R.	JUNE 2014	

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Plotted 7/29/2015 3:30 PM by Pete Hardcastle

SITE MAP



BASE MAP IS AUGUST 29, 2006 DIGITALGLOBE SATELLITE IMAGERY. THIS IS A PLANNING DOCUMENT ONLY. THE MATERIAL SITE BOUNDARIES SHOWN ON THIS DRAWING ARE APPROXIMATE. OWNERSHIP OF THE LANDS ADJACENT TO THIS SITE ARE UNKNOWN. THE ACCESS ROW SHOULD BE VERIFIED.

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SCALE	DESIGNED	DRAWN	PAGE 3B
AS SHOWN	T.G.H. CHECKED C.H.R.	T.G.H. DATE JUNE 2014	

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Plotted 7/29/2015 3:31 PM by Pete Hardcastle

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

THIS REPORT IS BASED ON A REVIEW OF EXISTING DATA AND BRIEF FIELD INSPECTIONS. THUS THE DATA CONTAINED HEREIN SHOULD BE CONSIDERED PRELIMINARY AND USED FOR PLANNING PURPOSES ONLY. USERS OF THIS DATA SHOULD VERIFY THE INFORMATION PRIOR TO USING IT FOR DESIGN OR CONSTRUCTION PURPOSES.

**IF OTHER IS SELECTED FOR A SECTION, EXPLAIN IT IN SECTION 44. NOTES.
IF AN ANSWER IS UNKNOWN SELECT "UNKNOWN" OR LEAVE BLANK**

1. **MS_ID** 785-055-2
Enter the full material site number e.g.. 31-3-045-2
2. **DATE_INSPECT** 7/30/2014
Date of field inspection
3. **FLD_INSPEC_ORG** TREVOR HUDSON / R&M CONSULTANTS
Name of inspector / Organization or Company

4. **REGION** NORTHERN
5. **LOCATION** TAYLOR HIGHWAY
Name of Highway Enter Name of Facility or Secondary Route Name
(i.e.Kotzebue Airport, Nash Road, etc.)

6. **MILEPOST** 57
List the closest main highway milepost

7. **NAME** 57 MILE QUARRY
Enter commonly used name (s), e.g. Hess pit, Gobblers Knob, Midway. List all that apply separated by commas.

8. **MAINT_DIST/STAT** District TOK Station SOUTH FORK
Highway Maintenance District and Station, for locations not on highways select other.

9. **QUAD** TANACROSS A-3
U.S.G.S. Quad. Map

10. **TOWNSHIP/RANGE** T#S R#E T26N R17E & Meridian CRM
Section 31 & 32

- | | | | |
|---------------------------|---------------|--|---------------|
| 11. COOR_UTM | ZONE <u>7</u> | 12. COOR_STATE_PLANE | ZONE <u>2</u> |
| NORTHING <u>7,096,474</u> | | NORTHING <u>3,650,916</u> | |
| EASTING <u>444,664</u> | | EASTING <u>1,619,380</u> | |
| UTM WGS84 - Meters | | Alaska State Plane NAD83 - Survey Feet | |

13. **BOROUGH/CITY** UNORGANIZED **TAX ID NO.**

14. **DNR_LAND_USE_PLAN** UPPER YUKON AREA PLAN

15. **CATEGORY** (To be filled in the office)

- 15a. **CLASSIFICATION** ACTIVE

- 15b. **STATUS** OPEN

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

16. **POTENTIAL_STATUS** SIGNIFICANT

Estimated quantity of material in the site at the time of inspection.

NONE	There appeared to be no useable material in the site.
LIMITED	There appeared to be less than 25,000 c.y. available within the developed site.
SIGNIFICANT	There appeared to be greater than 25,000 c.y. available within the developed site.
EXPANDABLE	There was limited material within the developed site, but there appeared to be significant material outside existing site limits.
UNDEVELOPED	The pit has not been mined/explored (used only for proposed sites).
CLOSED	There may be useable material left in the pit but it is not available.
UNKNOWN	
OTHER	The site does not fit any of the categories above. Explain in Section 44, Notes.

17. **PRESENT_USERS**

17a. **PRESENT_USER_1** DOT&PF MAINTENANCE

17b. **PRESENT_USER_2** DOT&PF CONSTRUCTION

17c. **PRESENT_USER_3** _____

18. **PERMITTED_ACREAGE** 64.5

Area within site permit or R.O.W. boundaries, from permit application or property plat.

19. **DEVELOPED_ACREAGE** 0.6

Area within an existing pit, excluding spoil berms lying outside the pit, access roads etc. Explain below.

The only developed area is within or just outside the Taylor Highway right-of-way. The area outside the right-of-way is about 0.6 acres in size.

20. **ACREAGE_COMP_METHOD** FROM MAP/PHOTO

Method used to determine developed acreage.

21. **EST_QUAN_AVAIL** 700,000 ROUGH ESTIMATE

Estimated quantity available (b.c.y.), may be based on acreage computed above plus expansion area.

Explain computation assumptions and calculations below.

Area	<u>Existing Pit</u>	<u>Working Area</u>	<u>Staging Area</u>
Acres	<u>0.6</u>	<u>20.1</u>	<u>7.2</u>
Est. Depth (ft.)	<u>0</u>	<u>35</u>	<u>0</u>
Factor (b.c.y. / acre-foot)	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Est. Quant. (c.y.)	<u>0</u>	<u>704,000</u>	<u>0</u>

Most of the existing pit is outside the proposed working area. The estimated quantity is based on the proposed 20.1 acre working area and an average working depth of 38 feet including 3 feet of overburden. Additional areas within the work area may be useable in the future.

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

<p>31. MAT_TYPE_1 Dominant type</p>	<p>BEDROCK</p> <hr/>	<p>32. MAT_TYPE_2 Subordinate type</p>
<p>BEDROCK</p> <p>WEATHER. BEDROCK</p> <p>FLUVIAL</p> <p>GLACIAL</p> <p>COLLUVIAL</p> <p>EOLIAN</p> <p>SILT</p>	<p>Bedrock sources requiring blasting</p> <p>Bedrock sources requiring ripping</p> <p>Water deposited sand and gravel, includes glaciofluvial</p> <p>Glacial till</p> <p>Talus slopes, etc.</p> <p>Sand Dunes, etc.</p> <p>Silt deposits, loess, fluvial, etc.</p>	

<p>33. PERMAFROST_1 New Site or Expansion Area</p>	<p>UNKNOWN</p> <hr/>
<p>34. PERMAFROST_2 Existing Site</p> <p>DETECTED IN MOST TEST HOLES</p> <p>DETECTED IN SOME TEST HOLES</p> <p>DETECTED IN IMMEDIATE VICINITY</p> <p>DETECTED IN NO TEST HOLES</p> <p>DATA OUTDATED</p> <p>UNKNOWN</p> <p>OTHER</p>	<p>UNKNOWN</p> <hr/>

<p>35. GROUNDWATER</p>	<div style="border: 1px solid black; padding: 10px; min-height: 100px;"> <p>During the July 2014 inspection there was no water observed within the site limits. Depth to the groundwater is unknown.</p> </div>
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**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

36. LITHOLOGY_1 Dominant type	<u>GRANITIC</u>	37. LITHOLOGY_2	Subordinate type
IGNEOUS ROCK		Undifferentiated Igneous Rocks	
GRANITIC		Granite/Monzonite/Granodiorite	
DIORITE/GABBRO		Diorite/Gabbro	
BASALT		Dark colored fine-grained Igneous Rocks	
GREENSTONE		Altered Volcanic Rocks w/green tint	
METAMORPHIC ROCK		Undifferentiated Metamorphic Rocks	
SCHIST/PHYLLITE		Includes rocks ranging from slate to schist	
GNEISS		Includes hard schistose rocks	
MARBLE			
CATACLASTIC		Incl. Valdez Formation Rocks, Kenai Penn.	
MÉLANGE		Incl. McHugh Formation Rocks, Kenai Penn.	
SEDIMENTARY ROCK		Undifferentiated Sedimentary Rocks	
CONGLOMERATE			
SANDSTONE		Includes greywacke, etc.	
SHALE/MUDSTONE			
LIMESTONE			
FLUVIAL		River and stream deposits (floodplain), includes outwash.	
ALLUVIAL		Alluvial / Debris Fan deposits	
GLACIOFLUVIAL		Eskers, kames, etc.	
GLACIAL		Till	
COLLUVIAL		Talus, etc.	
EOLIAN		Sand Dunes, etc.	
SILT		Loess, fluvial silts, etc.	
OTHER		Explain in Section 44.	

38. MATERIAL CLASSIFICATION

ASTM Classification, generally they should range from coarse to fine.

38a. _____ 38c. _____ 38e. _____ 38g. _____
 38b. _____ 38d. _____ 38f. _____ 38h. _____

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

39. COBBLES_AND_BOULDERS

Test Boring Callout / ASTM Classification, either a. or b. and c. not both (Can use ranges i.e. 0 to 20)

- 39a. CONTAINS _____
- 39b. Est. % by VOL. _____ (Est. From Visual Observations)
- 39c. MAX. SIZE (in.) _____ (Observed Size)

40. AGG_TEST_RESULTS

Year of test or report- Test result / Year of test or report- Test Results

- 40a. SG APP COARSE _____
- 40b. SG APP FINE _____
- 40c. ABSORPTION CRSE _____
- 40d. ABSORPTION FINE _____
- 40e. NORDIC ABRASION _____
- 40f. L.A. ABRASION _____
- 40g. DEGRADATION (T-13) _____
- 40h. NASO4 LOSS COARSE _____
- 40i. NASO4 LOSS FINE _____

41. POTENTIAL_USABILITY TYPES A AND B MATERIAL AVAILABLE

Best known potential use of the material, based on records, exploration and laboratory data.

- CONCRETE AGGREGATE PRODUCED The site has produced concrete aggregate
- PAVING AGGREGATE PRODUCED The site has produced paving aggregate
- CRUSHED PRODUCTS PRODUCED Base, Surface Coarse, Subbase, etc. has been produced.
- TYPE A AND B MATERIAL AVAILABLE 0 to 10 percent passing 200
- TYPE C AVAILABLE Compactable material
- TYPE C NOT AVAILABLE Uncompactable material (Lower Kuskokwim and Yukon River, etc.)
- UNKNOWN
- OTHER Explain in Section 44.

42. SPECIAL_PROBLEMS _____

Special problems encountered or anticipated with use of the material, based on records, exploration and laboratory data.

- ORGANIC CONTENT The material is very difficult to compact.
- HIGHLY WEATHERED GRAVEL The gravel is highly weathered and may break down when handled.
- BREAKS DOWN UNDER USE Material breaks down on grade.
- SENSITIVE TO WATER CONTENT Material is sensitive to water content, i.e.. some glacial tills, soft bedrock.
- VARIABLE MATERIAL Deposit contains mixture of suitable and unsuitable material.
- POSSIBLE CONTAMINATION Site may be contaminated by petroleum products or hazardous materials.
- CONTAINS ASBESTOS Site contains naturally occurring asbestos.
- POTENTIAL ASBESTOS Site in area where naturally occurring asbestos is mapped.
- ACID ROCK DRAINAGE Site contains rock susceptible to producing acid rock drainage.
- OTHER Explain in Section 44, Notes.

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

43. RIPRAP

POSSIBLE-FURTHER INVESTIGATION NEEDED

Class II or larger. Does not include production for erosion control riprap for ditches or culverts.

PREVIOUS PRODUCTION

There is a record of production.

POSSIBLE FURTHER INVESTIGATION NEEDED

The site is a bedrock quarry containing hard rock

NOT POSSIBLE

The site has soft rock or soil.

UNKNOWN

OTHER

Explain in Section 44, Notes.

44. NOTES

Note number of item being discussed.

Large empty rectangular box for notes.

**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
Juneau, AK 99801
(907) 465-3400

**MATERIAL SALE CONTRACT
AS 38.05.550 – 38.05.565**

Issuance Date: June 4, 2015

Expiration Date: June 4, 2025

ADL # 419241

Under AS 38.05.550-38.05.565 (Disposal of Materials) and AS 38.05.810(a) (Public and Charitable Use) and the regulations implementing these statutes, the State of Alaska, **Department of Natural Resources** (DNR), the seller, whose address is 3700 Airport Way, Fairbanks, Alaska 99709, agrees to sell, and the State of Alaska, **Department of Transportation and Public Facilities** (DOT&PF), the buyer, whose address is 2301 Peger Road, Fairbanks, Alaska 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 contract consists of approximately **70.70** acres. This area is designated by the boundaries shown on the attached sale area map, which is made a part of this contract, or as designated on the ground by the seller, and described as follows:

MS 785-055-2 located at MP 57 Taylor Highway within section 31 and 32, Township 26 North, Range 17 East, Copper River Meridian

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

<u>Type of Material</u>	<u>No. of Units</u>	<u>Unit Price **</u>	<u>Total Price **</u>
Gravel with silt & sand	300,000 cy	\$0.50	**

**** 11 AAC 05.010(e)(16) requires state, federal and local agencies to pay for materials used in constructing, reconstructing or maintaining a public project as follows: 1) no charge for the first 5,000 cy of material to be used on a project (each year of maintenance constitutes a separate project); and 2) material in excess of 5,000 cy will be charged at the unit price listed in the annual base price schedule established under 11 AAC 71.090 (currently \$ 0.50 cy).**

2. Payments and Deposits. 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) The buyer shall remit an earnest money 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.

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

(c) Each periodic installment payment becomes **due and payable on January 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 January 31 of each year.

(d) **An annual report is due by January 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. This report shall be filed regardless of whether material was removed during the reporting period. Failure to file the report by the deadline may result in suspension of the contract and financial penalties. A final accounting and payment for material removed, and a completion statement, must be submitted no later than 30 days following contract completion, 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 & Water (DMLW) within 30 days after receiving the final accounting report and completion statement.

(e) If the buyer fails to make a payment provided for in this contract, the seller may, under paragraph 8(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 DMLW only after the payments in arrears plus the penalty provided for in paragraph 2(f) have been paid.

(f) Material extraction in excess of the contract amount will be considered taken in trespass and at the discretion of the Director, DMLW, Lands Section, charged to and paid for by the buyer at no less than triple the current unit fair market value as established periodically by the Northern Regional Office or up to three times the pecuniary gain realized by the buyer as a result of the trespass. Said trespass penalties are in addition to any other administrative or legal proceedings imposed by state law.

(g) Late Payment Penalty will be the greater of either the fee specified in 11 AAC 05.010 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the seller.

(h) All payments and deposits must be remitted to the DMLW and must be made payable to the Alaska Department of Revenue.

(i) The following special provisions also apply to payments and deposits under this contract:

Should the administrative base price 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.

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) Based on a loose cubic yard quantity as determined by an "in-place" measurement multiplied by a factor of 1.3; or,

(2) Based on a loose cubic yard quantity as determined by a daily vehicle count designating type of vehicle and vehicle capacity.

(b) The buyer shall keep 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.

(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 or 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) 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.

(c) Survey. An as built survey of the material site is not required at this time.

(d) Extraction Area. This contract authorizes removal of material only from the area defined in Section 1(a) of this contract. The buyer is responsible for properly locating the material site and the working limits within that area, as shown on the attached map.

(e) Potential Processing Activities and Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity. Any asphalt processing or related activities and associated structures will not be allowed without prior approval from DNR, the Department of Environmental Conservation and other agencies that require authorizations from the buyer.

(f) 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. No construction material, fill, waste asphalt, damaged culverts or any other debris shall be stockpiled within pit boundaries. Stockpiled material and/or overburden shall not be placed in wetlands. After completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the seller, and reclaimed in accordance with the approved reclamation plan.

(g) Erosion Control and Protection of Waters. 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 95.010, Protection of Fish and Game Habitat.

(h) 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.

Road construction must be conducted so as to avoid damage to streams, lakes, or other waters and land adjacent to them.

(i) 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.

(j) Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity.

(k) Fire Protection. 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.

(l) 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.

(m) Agents. 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.

(n) 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.

(o) Alaska Historic Preservation Act. The buyer will consult the Alaska Heritage Resources Survey (907) 269-8721 so that known historic, archaeological and paleontological sites may be avoided. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation (907) 269-8721 and will be notified immediately.

(p) Vehicle Maintenance. Vehicle maintenance will be performed only over an effective impermeable barrier.

(q) Fuel and hazardous substances. No fuel or hazardous substances are to be stored on the subject parcel. Prior written approval from the seller is required for a change in this restriction. Such approval may include additional operating requirements and a change in the amount required for the performance guarantee. The disposal of hazardous substances or hydrocarbons is prohibited.

(r) Notification. The buyer will immediately notify the Department of Natural Resources and the Department of Environmental Conservation by phone of any unauthorized discharges of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons solely to land and outside an impermeable revetment. If a discharge of oil is greater than 10 gallons but less than 55 gallons it must be reported within 48 hours by phone or fax. If a discharge is less than 10 gallons it may be reported in writing on a monthly basis. If an unauthorized discharge greater than 55 gallons is made to a secondary containment, it must be reported within 48 hours by phone or fax. 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 oil spill report number is (800) 478-9300. DNR and DEC will be supplied with all follow-up incident reports.

(s) Reclamation. Upon completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the DMLW and reclaimed in accordance with the DNR approved Mining and Reclamation Guidelines. Reclamation shall be to the standards of the DMLW and shall include repair of access roads to and within the site, disposal of remaining stockpiles, other procedures that will be used to stabilize and reclaim the area and any other site specific measures that may be necessary. This contract is subject to the attached approved Mining and Reclamation Guidelines in accordance with AS 27.19.

(t) SWPP and APDES. The buyer shall comply with the requirement of the Alaska Pollutant Discharge Elimination System (APES) and if applicable, to maintain and operate the site in accordance with an approved Storm Water Pollution Prevention Plan (SWPP).

(u) Use of Material. This contract authorizes the excavation and use of material for the express purpose of providing material for construction and maintenance of public projects.

(v) Project Specific Operating Requirements.

- (1) Stockpiles. There will be no stockpiling in the adjacent private easement (ADL 418913) directly across the road from the material site.
- (2) Access. Access to and beyond the Taylor Mountain Road (ADL 417432) shall not be impacted or impeded.
- (3) Timber Salvage. Timber less than five inches in diameter, brush, and slash shall be disposed of so as to minimize the risk of fire and disease. To limit insect infestation, timber more than five inches in diameter shall be decked in areas of the forest with limited sunlight, but not against residual host trees. The log decks should be separated as much as possible from standing trees but also in areas with limited sunlight. Questions should be directed to the Area Forester at 907-883-1400.
- (4) Invasive Species. Implement best management practices for minimizing the introduction and proliferation of invasive plant species, including thoroughly washing equipment before deploying onsite.

5. Indemnity of Seller and Bonding. Not applicable.

(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.

(b) 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. If required, 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.

6. 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. Special provisions applicable to improvements and occupancy under this contract are listed in paragraph 4 of this contract.

7. 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.

8. 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 8(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.

9. 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.

10. 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 - 38.05.565, 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.

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

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

13. 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.

14. 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 (material sale regulations).

15. 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.

16. 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.

17. 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: Alaska Department of Natural Resources
Division of Mining, Land and Water
3700 Airport Way
Fairbanks, Alaska 99709-4699

To the Buyer: Alaska Department of Transportation and Public Facilities
2301 Peger Road
Fairbanks, Alaska 99709

18. 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.

19. 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.

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

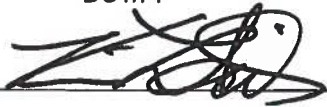
21. Headings. The headings of the numbered paragraphs in this contract shall not be considered in construing any provision of this contract.

22. "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.

23. 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 DMLW.

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
DOT/PF



Address:

SELLER: State of Alaska
Department of Natural Resources

for Jeanne Proulx
Director, Division of Mining, Land and Water

STATE OF ALASKA)
) ss.
4TH Judicial District)

THIS IS TO CERTIFY that on MAY, 7th 2015, before me appeared KEVIN SMITH, known by me to be the person named in and who executed this Material Sale Contract and acknowledged voluntarily signing it as buyer.



KANLIL A. WILSON
Notary Public in and for the State of Alaska
My commission expires: WITH OFFICE

Please do not write below this line. This space reserved for Department of Natural Resources.

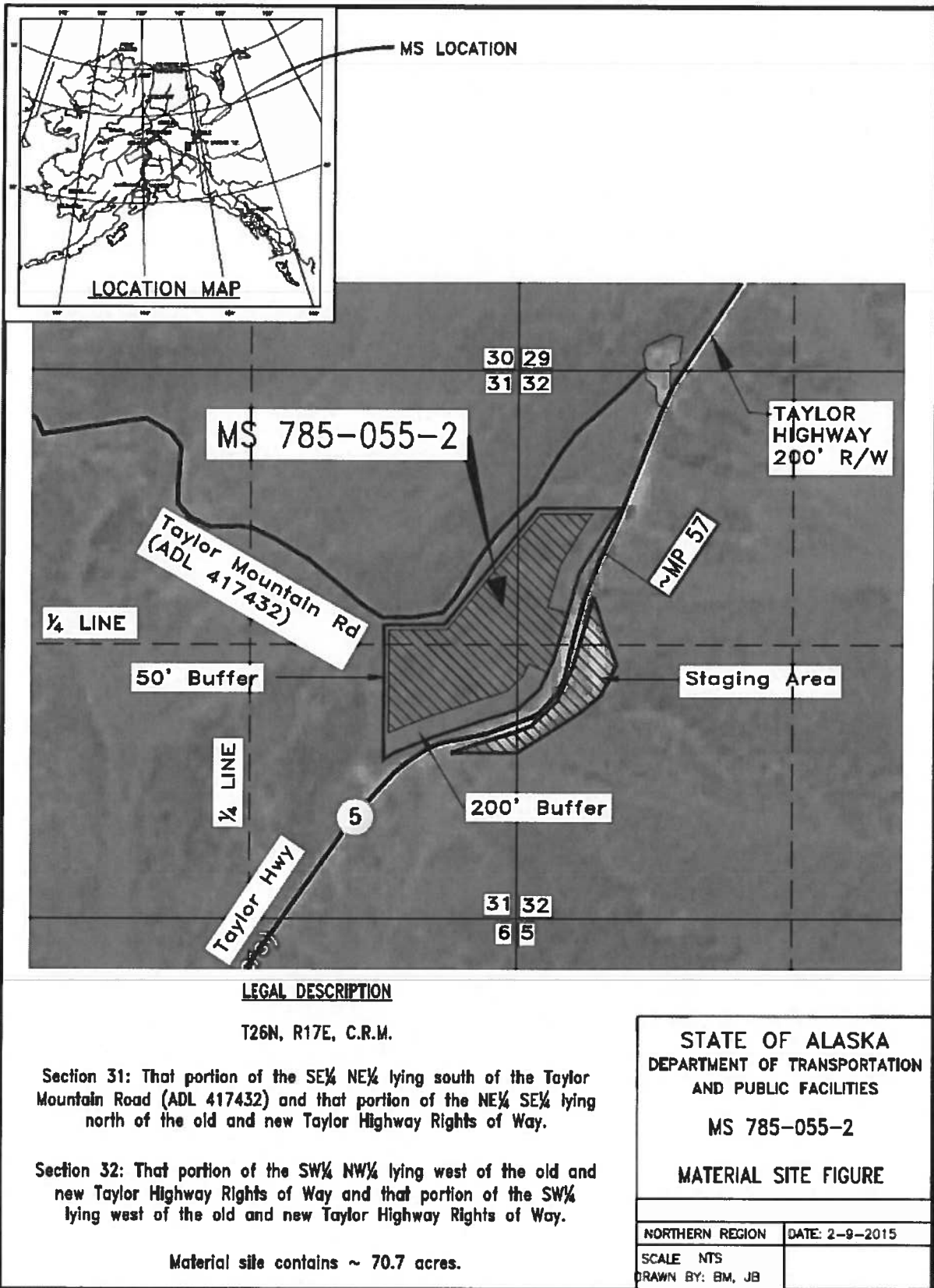
STATE OF ALASKA)
) ss.
4TH Judicial District)

THIS IS TO CERTIFY that on June 4th, 20 15, before me appeared Jeanne Proulx, 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, Department of Natural Resources, and who is fully authorized by the State to do so.



Jennifer R. Wynne
Notary Public in and for the State of Alaska
My commission expires: with office

Attachment A



H:\CGO\WTR\Materials\785-055-2\785-055-2-D-3-A

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

**Mining and Reclamation Guidelines
Material Site 785-055-2
Taylor Highway MP 57**

These guidelines are subject to the Alaska Department of Natural Resources (DNR) Material Sale Contract, ADL 419241, 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.

Legal Description

T26N, R17E, CRM

Section 31: That portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ lying south of the Taylor Mountain Road (ADL 417432) and that portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ lying north of the old and new Taylor Highway Rights of Way.

Section 32: That portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ lying west of the old and new Taylor Highway Rights of Way and that portion of the SW $\frac{1}{4}$ lying west of the old and new Taylor Highway Rights of Way.

Material site contains approximately 70.7 acres.

General Information

This bedrock site is located at 57 Mile Taylor Highway. It was developed from a road cut exposed during realignment of the highway in the 1980's. Material has been removed from the right-of-way for use in emergency repairs, construction, and maintenance. The material reportedly consists of weathered granite and has produced rip rap and crushed aggregate. Blasting is required. The developed portion of the site is not screened from the road. There is a staging area east of the rock face that includes the old highway right-of-way. No geotechnical exploration has been done, so no additional site information is available.

Mining Guidelines

The Plan will adhere to the following guidelines.

1. The contractor or user shall locate the material site boundaries to verify work areas are within the site.
2. Buffers: maintain an undisturbed 200-foot-wide buffer along the Taylor Highway right-of-way. In the active mining area, re-establish a 100-foot-wide buffer as soon as feasible, when there is sufficient room, allowing for access. The north and west boundaries shall have a 50-foot-wide undisturbed perimeter buffer. Buffers are to remain undisturbed: do not place vegetation, strippings or overburden inside of buffers. Clearly mark buffer lines on the ground in work areas.
3. Do not disturb/destroy bird nests when clearing. Migratory bird nesting typically occurs from May 1 to July 15; raptors may be present from mid-April thru August. If an eagle nest is observed within $\frac{1}{2}$ mile of site, stop activities and notify US Fish and Wildlife Service and DOT&PF Environmental staff.

4. Do not place organics or overburden stockpiles onto any future mining areas, where they might have to be moved again. Place overburden and organic material directly on reclaimed slopes and depleted areas. Alternately, place into separate piles adjacent undisturbed buffers for future reclamation.
5. Hard rock zones will require blasting and bench development. If blasting is planned, prior notice and coordination are required with appropriate agencies. Persons conducting blasting shall be licensed by the State of Alaska for such purposes and shall observe all applicable laws and regulations.
 - a. The contractor or user will describe blasting methods and equipment to be used in the Project Mining and Reclamation Plan.
 - b. Contractors or users are responsible for proper storage of explosives as set forth in Title 29 CFR 1910.109 and Title 27 CFR Part 555 as outlined in by the BATFE Regulation Book.
 - c. Mining shall occur in benches, nominally 20-feet high. Contractors or users may have specific plans or equipment constraints that make flexibility in bench size, height and location necessary. However, maximum bench height is 40 feet.
 - d. Individual benches will be no more than 40-feet apart vertically, and will be no narrower than 20-feet wide. Multiple benches can be in production at one time.
 - e. Individual bench faces may be vertical, but overall slope angles within the active pit will be no steeper than 1H: 4V, flatter slopes are acceptable.
 - f. Maintain access to all benches during and at the end of production.
 - g. At the end of each use, faces shall be scaled of loose or unstable rock.
 - h. As necessary, working faces will be posted and/or warning barriers constructed to protect the public from rockfall or falling hazards.
 - i. No undetonated explosives of any type will be left in or on the site at the end of a project or use, including undetonated explosives in the ground. Contractor or user is responsible for removal or detonation of all explosives.
6. Pit perimeter slopes (i.e. adjacent to buffers) shall not be steeper than 3H: 1V.
7. Grade the pit floor to gently slope away from the road. Do not mine much below road grade.
8. After each use, remove all equipment and man-made debris from the site. No waste concrete, damaged culverts, or any other demolition debris may be placed, stored, or abandoned in the site
9. All mining and stockpiling activities shall be in accordance with applicable Construction General Permits (CGP) and Storm Water Pollution Prevention Plans (SWPPP)

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 previous reclamation and surrounding topography.
3. To prevent erosion and sediment transport to surrounding areas.
4. To leave the site in a safe condition that does not endanger people or wildlife.
5. To allow reestablishment of native vegetation and wildlife habitat.

Reclamation activities will include:

1. In areas with soil or soft rock that can be graded, leave final slopes at 3H: 1V or flatter.
2. Spread available overburden and then organic material on reclaimed slopes. Allow reclaimed areas to revegetate naturally.
3. In areas with steep quarry walls where no further mining will occur, rock faces will be left such that the overall slope angle are 1H:4V or flatter, benches are 20 feet wide or more and faces less than 40 feet high. Faces shall be scaled of loose or unstable rock to reduce rockfall hazards. Access to benches and top of worked faces will be blocked to protect the public.

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 A.S. 27.19 and 11 AAC 97 to DNR for approval by DNR, 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:

A drawing that includes:

1. Site boundaries
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
5. Scale of drawing, north arrow, and specific dimensions as appropriate

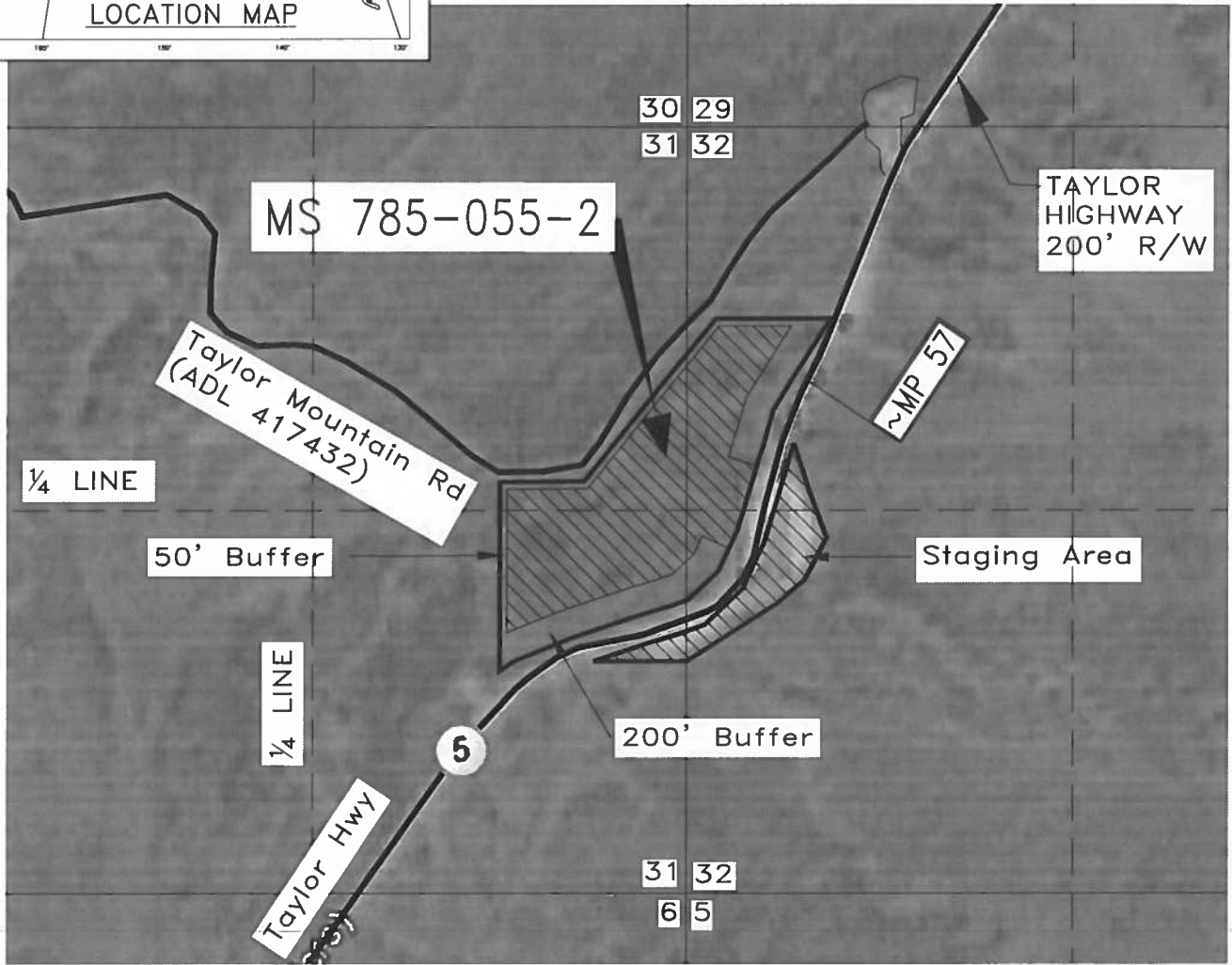
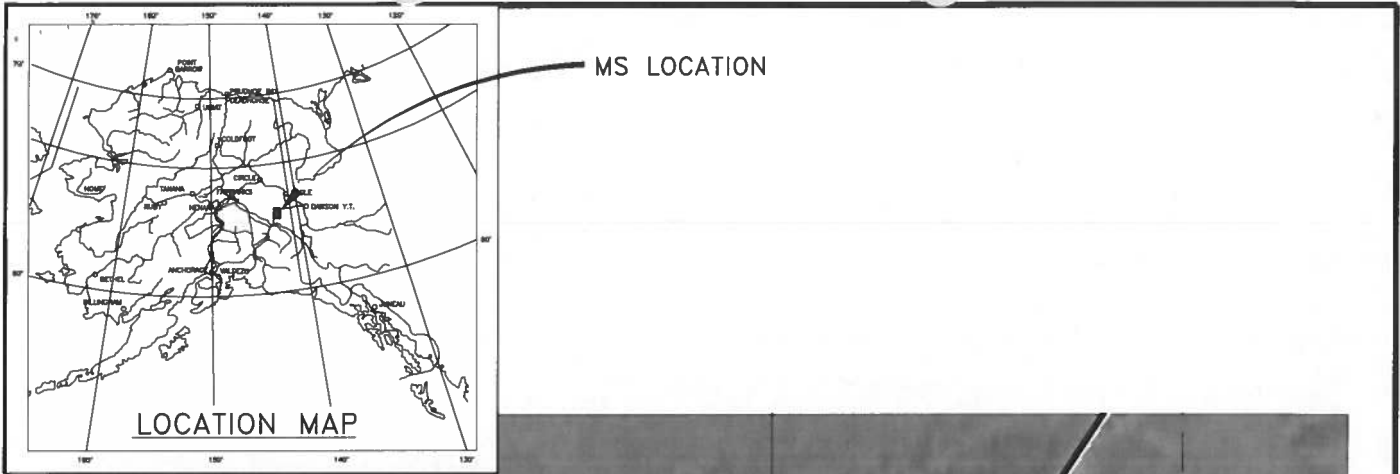
A narrative that includes:

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. They must be mutually agreed upon with proper approval obtained prior to implementation.

1. Minor changes are those that affect details of the operation, but remain in compliance with the development guidelines. These changes can be authorized by the DOT&PF Project Engineer.
1. 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.



LEGAL DESCRIPTION

T26N, R17E, C.R.M.

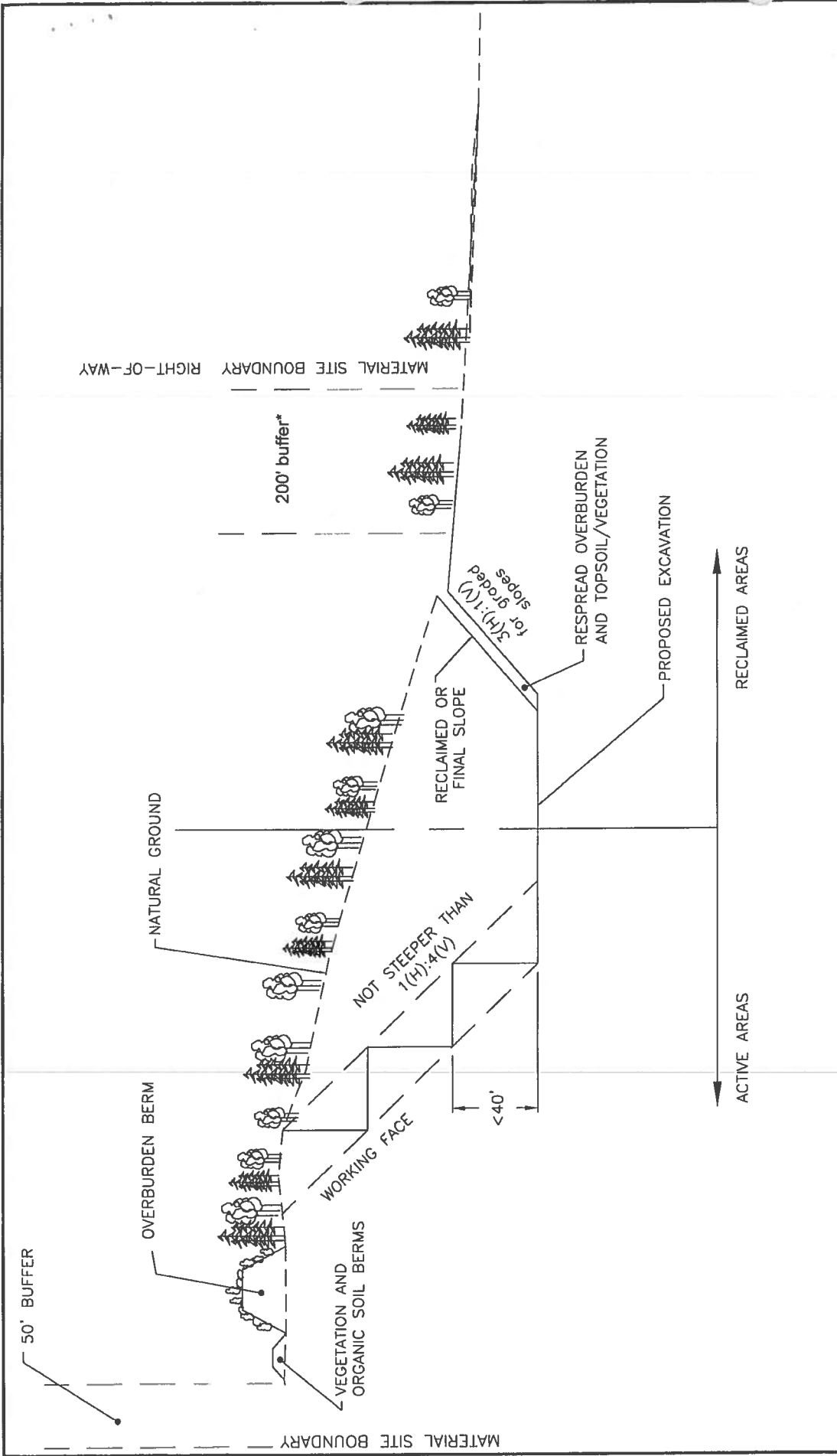
Section 31: That portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ lying south of the Taylor Mountain Road (ADL 417432) and that portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ lying north of the old and new Taylor Highway Rights of Way.

Section 32: That portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ lying west of the old and new Taylor Highway Rights of Way and that portion of the SW $\frac{1}{4}$ lying west of the old and new Taylor Highway Rights of Way.

Material site contains ~ 70.7 acres.

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES	
MS 785-055-2	
MATERIAL SITE FIGURE	
NORTHERN REGION	DATE: 2-9-2015
SCALE NTS	
DRAWN BY: BM, JB	

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TYPICAL CROSS SECTION OF ROCK QUARRY

NOT TO SCALE

* 100' buffer to be re-established in active road-side rock face, as soon as feasible.

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES	
DATA: JR	MATERIAL SITE DEVELOPMENT GUIDELINES
DRAWN: JR	PROJECT NO.
APPROVED:	DATE: MARCH 2011
C:\Temp\log\tr road cut-1	

STATEWIDE MATERIAL SITE INVENTORY

MATERIAL SITE
INSPECTION REPORT

Federal Project No. STP-000S(823)
AKSAS Project No. 76149

TAYLOR HIGHWAY

MS 785-031-2

June 24, 2014

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LOCATION MAP	2
SITE MAP	3A & 3B
INSPECTION FORM.....	4 thru 10

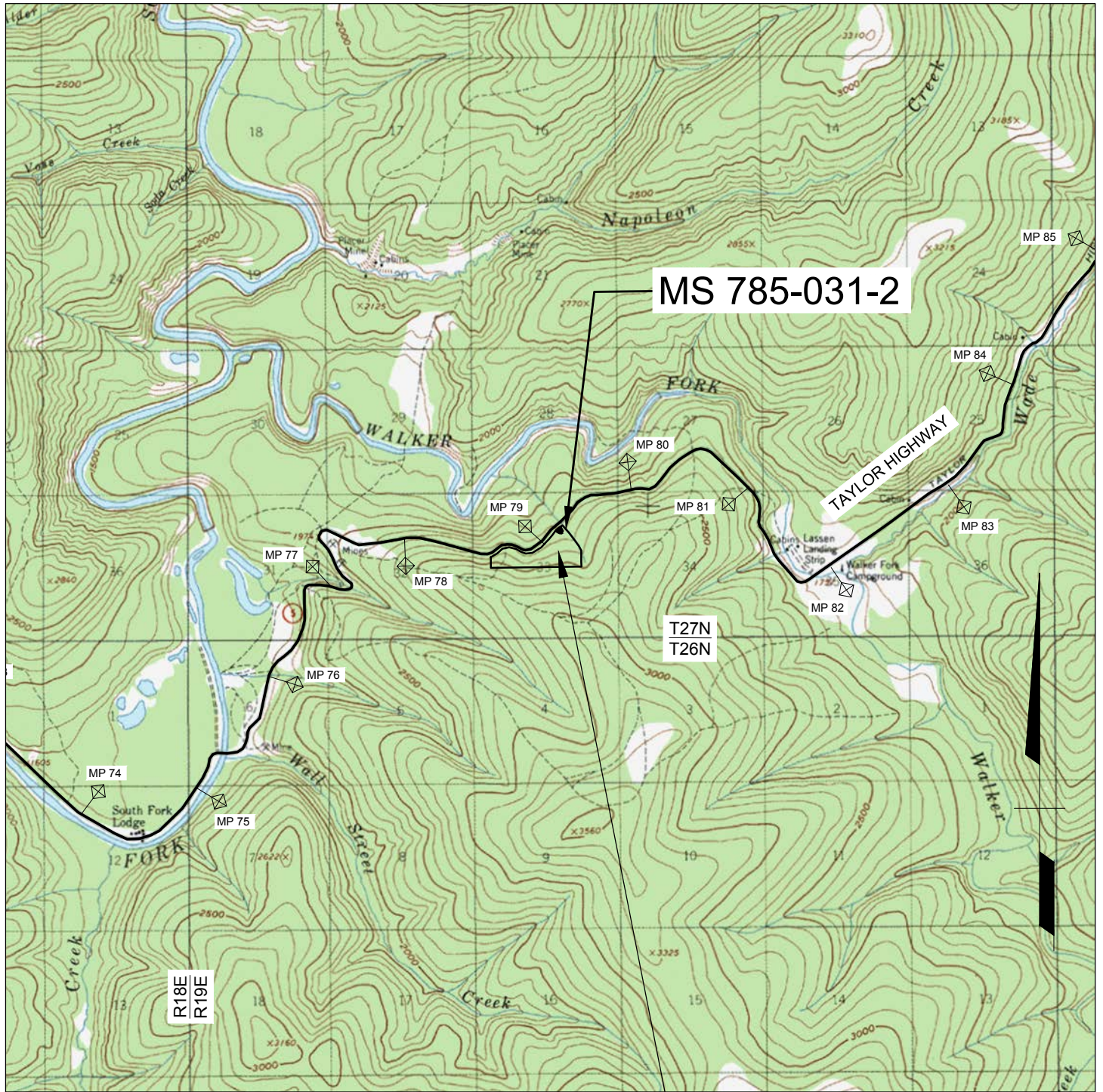
CATEGORY:

ACTIVE – OPEN

According to information found in the DOT&PF EDMS system in January 2009 and BLM and DNR case file abstracts, this site lies on State of Alaska lands managed by DNR. The site lies within Section 33, T27N, R19E, CRM. In 1976, an indefinite right-of-way grant (FF-21288) was issued to DOT&PF by BLM. The right-of-way was closed in 1987 when the land was transferred to the State of Alaska. The land was tentatively approved to the State of Alaska in 1985 (F-79600 / TA 1987-0052 / GS 4655). DOT&PF currently has a material sale contract from DNR that expires on August 31, 2016 (ADL 414232).

The site is currently a DMLW Northern Region Office (NRO) Designated Master Material Site (ADL 419703) under AS 38.05.550(b) for the use and operation for the long-term sale and extraction of materials until closed by DNR. It was on the November 29, 2012 list of sites selected for the DNR program. The site adjoins the Taylor Highway right-of-way and there is an existing access road into the pit. The site appears to contain significant quantities of weathered rock and should be retained by DOT&PF for future use.

LOCATION MAP



U.S.G.S. QUADRANGLE: EAGLE (A-2)

GPS COORDINATES FROM GOOGLE EARTH

UTM (WGS84-METERS)
 ZONE 7: N 7,106,146 E 466,351
 AK STATE PLANE (NAD83-US SURVEY FT)
 ZONE 2: N 3,683,770 E 1,690,045

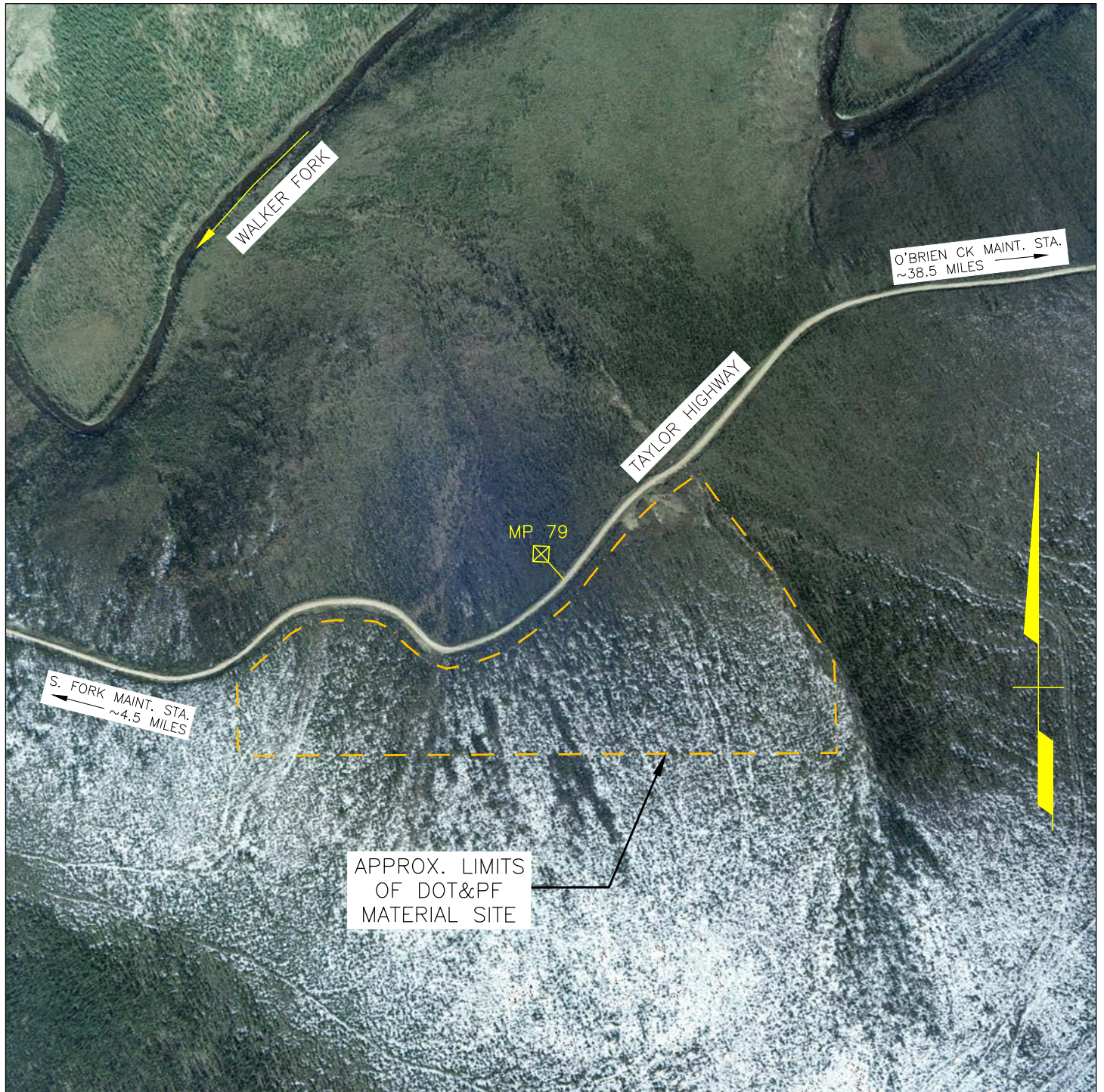
ACTIVE - OPEN



GRAPHIC SCALE IN MILES

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY			
MS 785-031-2			
SCALE AS SHOWN	DESIGNED CHECKED	T.G.H. C.H.R.	DRAWN DATE
			T.G.H. APR. 2014
			PAGE 2

SITE MAP



BASE MAP IS MAY 12, 1970 AERIAL PHOTOGRAPHY.
 THIS IS A PLANNING DOCUMENT ONLY. THE MATERIAL SITE BOUNDARIES SHOWN ON THIS
 DRAWING ARE APPROXIMATE. OWNERSHIP OF THE LANDS ADJACENT TO THIS SITE ARE
 UNKNOWN. THE ACCESS ROW SHOULD BE VERIFIED.

ACTIVE - OPEN



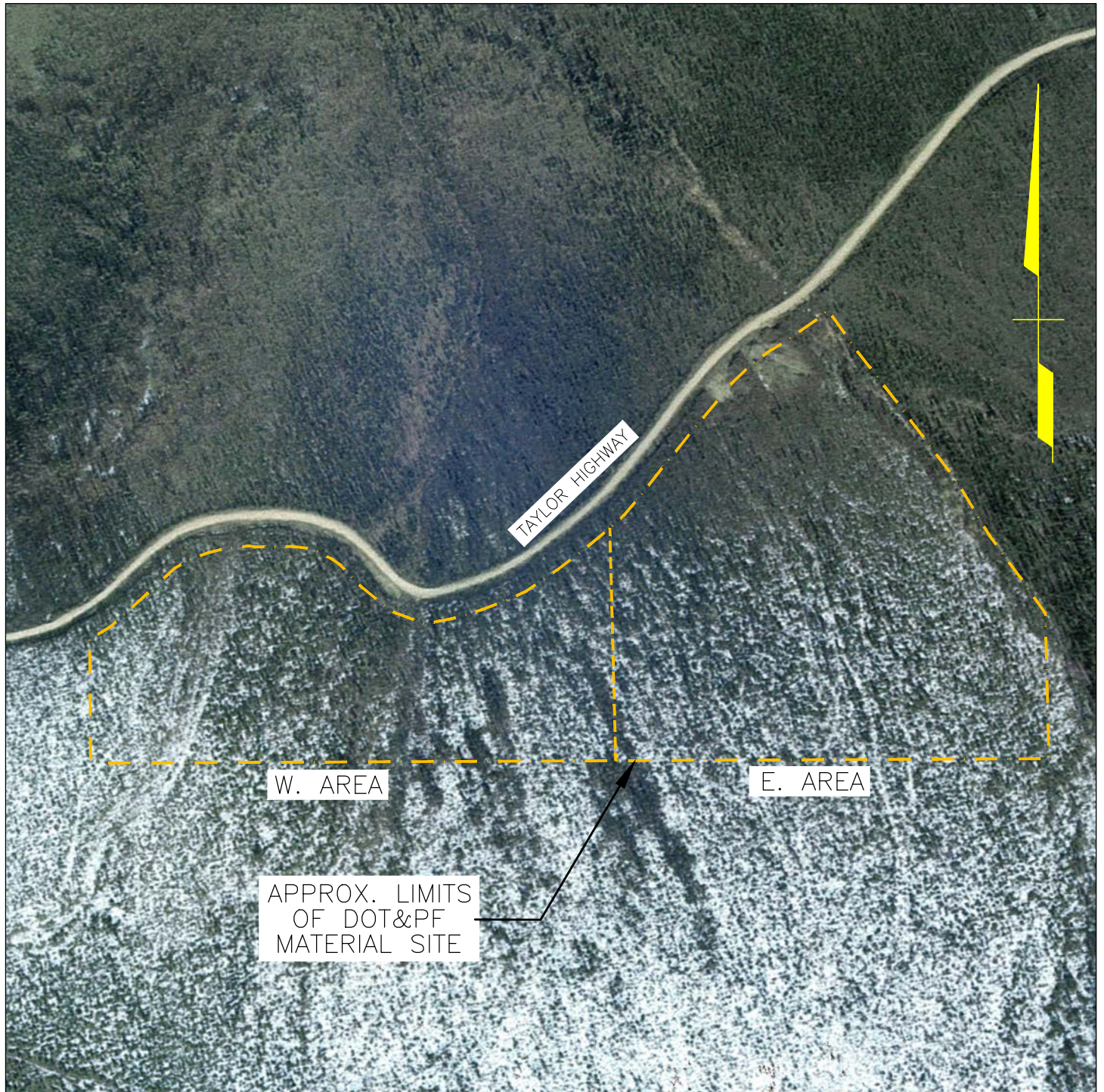
Prepared By:
 R&M CONSULTANTS, INC.

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY MS 785-031-2			
SCALE	DESIGNED	DRAWN	PAGE
AS SHOWN	T.G.H.	T.G.H.	3A
	CHECKED	DATE	
	C.H.R.	JUNE 2014	

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Plotted 7/26/2015 4:41 PM by Pete Hardcastle

SITE MAP



BASE MAP IS MAY 12, 1970 AERIAL PHOTOGRAPHY. THIS IS A PLANNING DOCUMENT ONLY. THE MATERIAL SITE BOUNDARIES SHOWN ON THIS DRAWING ARE APPROXIMATE. OWNERSHIP OF THE LANDS ADJACENT TO THIS SITE ARE UNKNOWN. THE ACCESS ROW SHOULD BE VERIFIED.

ACTIVE - OPEN



Prepared By:
R&M CONSULTANTS, INC.

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY MS 785-031-2			
SCALE	DESIGNED	DRAWN	PAGE 3B
AS SHOWN	T.G.H. CHECKED C.H.R.	T.G.H. DATE JUNE 2014	

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Plotted 7/26/2015 4:41 PM by Pete Hardcastle

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

16. **POTENTIAL_STATUS** SIGNIFICANT

Estimated quantity of material in the site at the time of inspection.

NONE	There appeared to be no useable material in the site.
LIMITED	There appeared to be less than 25,000 c.y. available within the developed site.
SIGNIFICANT	There appeared to be greater than 25,000 c.y. available within the developed site.
EXPANDABLE	There was limited material within the developed site, but there appeared to be significant material outside existing site limits.
UNDEVELOPED	The pit has not been mined/explored (used only for proposed sites).
CLOSED	There may be useable material left in the pit but it is not available.
UNKNOWN	
OTHER	The site does not fit any of the categories above. Explain in Section 44, Notes.

17. **PRESENT_USERS**

17a. **PRESENT_USER_1** DOT&PF MAINTENANCE

17b. **PRESENT_USER_2** DOT&PF CONSTRUCTION

17c. **PRESENT_USER_3** _____

18. **PERMITTED_ACREAGE** 64.3

Area within site permit or R.O.W. boundaries, from permit application or property plat.

19. **DEVELOPED_ACREAGE** 0.7

Area within an existing pit, excluding spoil berms lying outside the pit, access roads etc. Explain below.

20. **ACREAGE_COMP_METHOD** FROM MAP/PHOTO

Method used to determine developed acreage.

21. **EST_QUAN_AVAIL** 920,000 ROUGH ESTIMATE

Estimated quantity available (b.c.y.), may be based on acreage computed above plus expansion area.

Explain computation assumptions and calculations below.

Area	<u>Existing Pit</u>	<u>E. Undeveloped Area</u>	<u>W. Undeveloped Area</u>
Acres	<u>0.7</u>	<u>32.5</u>	<u>21.8</u>
Est. Depth (ft.)	<u>10</u>	<u>28</u>	<u>28</u>
Factor (b.c.y. / acre-foot)	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Est. Quant. (c.y.)	<u>7,000</u>	<u>910,000</u>	<u>610,000</u>

The estimate assumes an average working depth of 10 feet with no overburden for the existing pit. For the eastern undeveloped area an average working depth of 30 feet was used including 2 feet of overburden. Additional material would be available to expand the site west, but no exploration has been done here and the quantities are not included in the total.

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

22. **ACCESS_TYPE** EXISTING ROAD / OPEN

NONE	No access road has been built.
EXISTING ROAD / OPEN	Drivable. May have gate.
EXISTING ROAD / REVEG	Can be reopened with little effort.
EXISTING ROAD / CLOSED W/BERMS	Can be reopened with little effort.
EXISTING ACCESS / REMOVED	Can be reopened with much effort.
SNOW ROAD	Can only be accessed during winter.
ICE ROAD	Requires crossing river or lake ice in the winter.
BARGE	Material can only be moved by barge.
OTHER	The site does not fit any of the categories above. Describe in Section 44, Notes.

23. **ACCESS_LENGTH** 100

Approx. length from edge of pit to highway/secondary route (ft.)

24. **VEGETATION**

Vegetation surrounding the pit consisted of small black dead spruce trees still standing 2 to 5 inches in diameter on 5 to 20-foot centers with heights up to 20 feet. The understory consisted of medium bushes with a groundcover of moss and peat. Within the pit vegetation consisted of immature re-vegetated alders and birch.

25. **TYPE_1** BORROW PIT 26. **TYPE_2** QUARRY

Dominant type

Subordinate type

General Types of Materials Available Enter data in Type_2 only if two types of material site available

QUARRY	Bedrock sources requiring blasting
BORROW PIT	Soils or soft bedrock (rippable), above water table
BAILING	Requires production below the water table
RIVER BAR	Sand/gravel bars in active channels

27. **OB_CLASS_1** <3 FT. 28. **OB_CLASS_2** <3 FT.

New Site or expansion Area

Existing Pit (Spoil)

A site may have both. Data should be based on actual subsurface exploration, otherwise unknown.

Estimated average depth over the area.

NONE	3 TO 6 FT.	UNKNOWN
<3 FT.	>6 FT.	OTHER

29. **OB_TYPE_1** COLLUVIUM 30. **OB_TYPE_2** SPOIL

New Site or expansion Area

Existing Pit (Spoil)

A site may have both.

SILT	PEAT	SOLID WASTE	OTHER
COLLUVIUM	SPOIL	UNKNOWN	

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

<p>31. MAT_TYPE_1 Dominant type</p>	<p><u>WEATHER. BEDROCK</u></p>	<p>32. MAT_TYPE_2 Subordinate type</p>	<p><u>BEDROCK</u></p>
<p>BEDROCK</p> <p>WEATHER. BEDROCK</p> <p>FLUVIAL</p> <p>GLACIAL</p> <p>COLLUVIAL</p> <p>EOLIAN</p> <p>SILT</p>	<p>Bedrock sources requiring blasting</p> <p>Bedrock sources requiring ripping</p> <p>Water deposited sand and gravel, includes glaciofluvial</p> <p>Glacial till</p> <p>Talus slopes, etc.</p> <p>Sand Dunes, etc.</p> <p>Silt deposits, loess, fluvial, etc.</p>		

<p>33. PERMAFROST_1 New Site or Expansion Area</p>	<p><u>DETECTED IN MOST TEST HOLES OR PITS</u></p>
<p>34. PERMAFROST_2 Existing Site</p> <p>DETECTED IN MOST TEST HOLES</p> <p>DETECTED IN SOME TEST HOLES</p> <p>DETECTED IN IMMEDIATE VICINITY</p> <p>DETECTED IN NO TEST HOLES</p> <p>DATA OUTDATED</p> <p>UNKNOWN</p> <p>OTHER</p>	<p><u>DATA OUTDATED</u></p>

<p>35. GROUNDWATER</p>	<div style="border: 1px solid black; padding: 5px;"> <p>During the July 2014 inspection there was no water observed. Perched groundwater above permafrost was encountered at the site during a 1995 geotechnical investigation.</p> </div>
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**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

36. LITHOLOGY_1 Dominant type	<u>GRANITIC</u>	37. LITHOLOGY_2	<u>GNEISS</u> Subordinate type
IGNEOUS ROCK		Undifferentiated Igneous Rocks	
GRANITIC		Granite/Monzonite/Granodiorite	
DIORITE/GABBRO		Diorite/Gabbro	
BASALT		Dark colored fine-grained Igneous Rocks	
GREENSTONE		Altered Volcanic Rocks w/green tint	
METAMORPHIC ROCK		Undifferentiated Metamorphic Rocks	
SCHIST/PHYLLITE		Includes rocks ranging from slate to schist	
GNEISS		Includes hard schistose rocks	
MARBLE			
CATACLASTIC		Incl. Valdez Formation Rocks, Kenai Penn.	
MÉLANGE		Incl. McHugh Formation Rocks, Kenai Penn.	
SEDIMENTARY ROCK		Undifferentiated Sedimentary Rocks	
CONGLOMERATE			
SANDSTONE		Includes greywacke, etc.	
SHALE/MUDSTONE			
LIMESTONE			
FLUVIAL		River and stream deposits (floodplain), includes outwash.	
ALLUVIAL		Alluvial / Debris Fan deposits	
GLACIOFLUVIAL		Eskers, kames, etc.	
GLACIAL		Till	
COLLUVIAL		Talus, etc.	
EOLIAN		Sand Dunes, etc.	
SILT		Loess, fluvial silts, etc.	
OTHER		Explain in Section 44.	

38. MATERIAL CLASSIFICATION

ASTM Classification, generally they should range from coarse to fine.

38a. _____ 38c. _____ 38e. _____ 38g. _____
 38b. _____ 38d. _____ 38f. _____ 38h. _____

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

39. COBBLES AND BOULDERS

Test Boring Callout / ASTM Classification, either a. or b. and c. not both (Can use ranges i.e. 0 to 20)

- 39a. CONTAINS _____
- 39b. Est. % by VOL. _____ (Est. From Visual Observations)
- 39c. MAX. SIZE (in.) _____ (Observed Size)

40. AGG TEST RESULTS

Year of test or report- Test result / Year of test or report- Test Results

- 40a. SG APP COARSE _____ 1995- 2.64, 2.70
- 40b. SG APP FINE _____ 1977- 2.72 / 1995- 2.66, 2.66, 2.70
- 40c. ABSORPTION CRSE _____ 1977- 1.6
- 40d. ABSORPTION FINE _____
- 40e. NORDIC ABRASION _____ 1996- 9.2, 10.2, 9.3
- 40f. L.A. ABRASION _____ 1977- 71 / 1995- 22, 19
- 40g. DEGRADATION (T-13) _____ 1977- 47 / 1995- 75, 31, 26, 15
- 40h. NASO4 LOSS COARSE _____ 1995- 0.2, 0.4
- 40i. NASO4 LOSS FINE _____

41. POTENTIAL_USABILITY _____ **TYPES A AND B MATERIAL AVAILABLE**

Best known potential use of the material, based on records, exploration and laboratory data.

- CONCRETE AGGREGATE PRODUCED The site has produced concrete aggregate
- PAVING AGGREGATE PRODUCED The site has produced paving aggregate
- CRUSHED PRODUCTS PRODUCED Base, Surface Coarse, Subbase, etc. has been produced.
- TYPE A AND B MATERIAL AVAILABLE 0 to 10 percent passing 200
- TYPE C AVAILABLE Compactable material
- TYPE C NOT AVAILABLE Uncompactable material (Lower Kuskokwim and Yukon River, etc.)
- UNKNOWN
- OTHER Explain in Section 44.

42. SPECIAL PROBLEMS _____

Special problems encountered or anticipated with use of the material, based on records, exploration and laboratory data.

- ORGANIC CONTENT The material is very difficult to compact.
- HIGHLY WEATHERED GRAVEL The gravel is highly weathered and may break down when handled.
- BREAKS DOWN UNDER USE Material breaks down on grade.
- SENSITIVE TO WATER CONTENT Material is sensitive to water content, i.e.. some glacial tills, soft bedrock.
- VARIABLE MATERIAL Deposit contains mixture of suitable and unsuitable material.
- POSSIBLE CONTAMINATION Site may be contaminated by petroleum products or hazardous materials.
- CONTAINS ASBESTOS Site contains naturally occurring asbestos.
- POTENTIAL ASBESTOS Site in area where naturally occurring asbestos is mapped.
- ACID ROCK DRAINAGE Site contains rock susceptible to producing acid rock drainage.
- OTHER Explain in Section 44, Notes.

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

43. RIPRAP

POSSIBLE-FURTHER INVESTIGATION NEEDED

Class II or larger. Does not include production for erosion control riprap for ditches or culverts.

PREVIOUS PRODUCTION

There is a record of production.

POSSIBLE FURTHER INVESTIGATION NEEDED

The site is a bedrock quarry containing hard rock

NOT POSSIBLE

The site has soft rock or soil.

UNKNOWN

OTHER

Explain in Section 44, Notes.

44. NOTES

Note number of item being discussed.

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

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Northern Region
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2740 | <input type="checkbox"/> Southcentral Region
550 W 7th Ave., Suite 900C
Anchorage, AK 99501-3577
(907) 269-8552 | <input type="checkbox"/> Southeast Region
400 Willoughby, #400
Juneau, AK 99801
(907) 465-3400 |
|--|--|---|

**MATERIAL SALE CONTRACT
AS 38.05.550 – 38.05.565**

Issuance Date: September 2, 2015

Expiration Date: September 1, 2025

ADL 420463

Under AS 38.05.550-38.05.565 (Disposal of Materials) and AS 38.05.810(a) (Public and Charitable Use) and the regulations implementing these statutes, the State of Alaska, **Department of Natural Resources** (DNR), the seller, whose address is 3700 Airport Way, Fairbanks, Alaska 99709, agrees to sell, and the State of Alaska, **Department of Transportation and Public Facilities** (DOT&PF), the buyer, whose address is 2301 Peger Road, Fairbanks, Alaska 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 contract consists of approximately **79.4** acres. This area is designated by the boundaries shown on the attached sale area map, which is made a part of this contract, or as designated on the ground by the seller, and described as follows:

MS 785-031-2 within Section 33, Township 27 North, Range 19 East, Copper River Meridian.

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

<u>Type of Material</u>	<u>No. of Units</u>	<u>Unit Price **</u>	<u>Total Price **</u>
Gneiss and schist bedrock	100,000 cy	\$0.50	**

*** 11 AAC 05.010(e)(16) requires state, federal and local agencies to pay for materials used in constructing, reconstructing or maintaining a public project as follows: 1) no charge for the first 5,000 cy of material to be used on a project (each year of maintenance constitutes a separate project); and 2) material in excess of 5,000 cy will be charged at the unit price listed in the annual base price schedule established under 11 AAC 71.090 (currently \$ 0.50 cy).*

2. Payments and Deposits. 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) The buyer shall remit an earnest money 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.

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

(c) Each periodic installment payment becomes **due and payable on January 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 January 31 of each year.

(d) **An annual report is due by January 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. This report shall be filed regardless of whether material was removed during the reporting period. Failure to file the report by the deadline may result in suspension of the contract and financial penalties. A final accounting and payment for material removed, and a completion statement, must be submitted no later than 30 days following contract completion, 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 & Water (DMLW) within 30 days after receiving the final accounting report and completion statement.

(e) If the buyer fails to make a payment provided for in this contract, the seller may, under paragraph 8(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 DMLW only after the payments in arrears plus the penalty provided for in paragraph 2(f) have been paid.

(f) Material extraction in excess of the contract amount will be considered taken in trespass and at the discretion of the Director, DMLW, Lands Section, charged to and paid for by the buyer at no less than triple the current unit fair market value as established periodically by the Northern Regional Office or up to three times the pecuniary gain realized by the buyer as a result of the trespass. Said trespass penalties are in addition to any other administrative or legal proceedings imposed by state law.

(g) Late Payment Penalty will be the greater of either the fee specified in 11 AAC 05.010 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the seller.

(h) All payments and deposits must be remitted to the DMLW and must be made payable to the Alaska Department of Revenue.

(i) The following special provisions also apply to payments and deposits under this contract:

Should the administrative base price 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.

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) Based on a loose cubic yard quantity as determined by an "in-place" measurement multiplied by a factor of 1.3; or,

(2) Based on a loose cubic yard quantity as determined by a daily vehicle count designating type of vehicle and vehicle capacity.

(b) The buyer shall keep 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.

(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 or 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) 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.

(c) Survey. An as built survey of the material site is not required at this time.

(d) Extraction Area. This contract authorizes removal of material only from the area defined in Section 1(a) of this contract. The buyer is responsible for properly locating the material site and the working limits within that area, as shown on the attached map.

(e) Potential Processing Activities and Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity. Any asphalt processing or related activities and associated structures will not be allowed without prior approval from DNR, the Department of Environmental Conservation and other agencies that require authorizations from the buyer.

(f) 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. No construction material, fill, waste asphalt, damaged culverts or any other debris shall be stockpiled within pit boundaries. Stockpiled material and/or overburden shall not be placed in wetlands. After completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the seller, and reclaimed in accordance with the approved reclamation plan.

(g) Erosion Control and Protection of Waters. 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 95.010, Protection of Fish and Game Habitat.

(h) 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.

Road construction must be conducted so as to avoid damage to streams, lakes, or other waters and land adjacent to them.

(i) 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.

(j) Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity.

(k) Fire Protection. 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.

(l) 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.

(m) Agents. 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.

(n) 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.

(o) Alaska Historic Preservation Act. The buyer will consult the Alaska Heritage Resources Survey (907) 269-8721 so that known historic, archaeological and paleontological sites may be avoided. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation (907) 269-8721 and will be notified immediately.

(p) Vehicle Maintenance. Vehicle maintenance will be performed only over an effective impermeable barrier.

(q) Fuel and hazardous substances. No fuel or hazardous substances are to be stored on the subject parcel. Prior written approval from the seller is required for a change in this restriction. Such approval may include additional operating requirements and a change in the amount required for the performance guarantee. The disposal of hazardous substances or hydrocarbons is prohibited.

(r) Notification. The buyer will immediately notify the Department of Natural Resources and the Department of Environmental Conservation by phone of any unauthorized discharges of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons solely to land and outside an impermeable revetment. If a discharge of oil is greater than 10 gallons but less than 55 gallons it must be reported within 48 hours by phone or fax. If a discharge is less than 10 gallons it may be reported in writing on a monthly basis. If an unauthorized discharge greater than 55 gallons is made to a secondary containment, it must be reported within 48 hours by phone or fax. 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 oil spill report number is (800) 478-9300. DNR and DEC will be supplied with all follow-up incident reports.

(s) Reclamation. Upon completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the DMLW and reclaimed in accordance with the DNR approved Mining and Reclamation Guidelines. Reclamation shall be to the standards of the DMLW and shall include repair of access roads to and within the site, disposal of remaining stockpiles, other procedures that will be used to stabilize and reclaim the area and any other site specific measures that may be necessary. This contract is subject to the attached approved Mining and Reclamation Guidelines in accordance with AS 27.19.

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 DOTPF review. The Plan describes the proposed plan of operation and shall be in compliance with guidelines listed in the approved DOTPF Mining and Reclamation Guidelines. Upon approval, the Plan will be followed by the contractor or user. The Plan should include a sketch map, narrative, and supplements and amendments as outlined in the DOTPF Mining and Reclamations Guidelines.

(t) SWPP and APDES. The buyer shall comply with the requirement of the Alaska Pollutant Discharge Elimination System (APES) and if applicable, to maintain and operate the site in accordance with an approved Storm Water Pollution Prevention Plan (SWPP).

(u) Use of Material. This contract authorizes the excavation and use of material for the express purpose of providing material for construction and maintenance of public projects.

(v) Project Specific Operating Requirements: **N/A**

5. Indemnity of Seller and Bonding. Not applicable.

(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.

(b) 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. If required, 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.

6. 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. Special provisions applicable to improvements and occupancy under this contract are listed in paragraph 4 of this contract.

7. 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.

8. 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 8(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.

9. 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.

10. 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 - 38.05.565, 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.

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

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

13. 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.

14. 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 (material sale regulations).

15. 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.

16. 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.

17. 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: Alaska Department of Natural Resources
Division of Mining, Land and Water
3700 Airport Way
Fairbanks, Alaska 99709-4699

To the Buyer: Alaska Department of Transportation and Public Facilities
2301 Peger Road
Fairbanks, Alaska 99709

18. 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.

19. 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.

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

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

22. "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.

23. 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 DMLW.

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
DOT/PF

SELLER: State of Alaska
Department of Natural Resources

Martin O'R

for Jeannine Prody
Director, Division of Mining, Land and Water

Address:
DOT/PF, Northern Region

STATE OF ALASKA)
4TH Judicial District) ss.

THIS IS TO CERTIFY that on SEPTEMBER 2, 2015, before me appeared MARTIN O'HARA, known by me to be the person named in and who executed this Material Sale Contract and acknowledged voluntarily signing it as buyer.

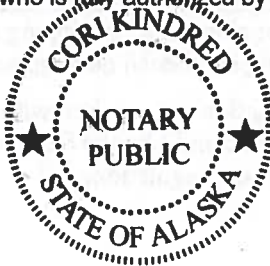


Kahlil Wilson
Notary Public in and for the State of Alaska
My commission expires: WITH OFFICE

Please do not write below this line. This space reserved for Department of Natural Resources.

STATE OF ALASKA)
4TH Judicial District) ss.

THIS IS TO CERTIFY that on Sept. 2nd, 2015, before me appeared Jeannine Prody, 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, Department of Natural Resources, and who is fully authorized by the State to do so.



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

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

**Mining and Reclamation Guidelines
Material Site 785-031-2
Taylor Highway - MP 79**

These guidelines are subject to the Alaska Department of Natural Resources (DNR) Material Sale Contract, ADL 420463, 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 419703, under AS 38.05.550 (b).

Legal Description

T27N, R19E, CRM, within Section 33. The site contains approximately 79.4 acres.

General Information

This material site is located south of MP 79 Taylor Highway. This is a weathered bedrock site composed of schist and gneiss. Blasting will be required for mining hard rock zones while conventional excavation methods would work in soft rock zones. DOT&PF conducted exploration including core drilling in 2007. Both soft and hard zones are present. Up to 15 feet of silty overburden overlies bedrock in undisturbed areas. Permafrost and perched water were noted. Additional site information is available at the DOT&PF Materials office in Fairbanks.

Mining Guidelines

The Plan will adhere to the following guidelines.

1. The contractor or user shall locate the material site boundaries to verify work areas are within the site.
2. Maintain an undisturbed 100-foot-wide buffer along the highway right-of-way. The rest of the site perimeter has a 50-foot-wide undisturbed buffer. Buffers are to remain undisturbed: do not place vegetation, strippings or overburden inside of buffers. Clearly mark buffer lines on the ground in work areas and leave buffers undisturbed.
3. If new clearing is required, place organic material and overburden in separate piles adjacent to buffers where they will not hinder future mining. Stockpile for future reclamation or use directly for reclamation of previously mined areas.
4. Reclaim depleted areas as soon as feasible to minimize active pit size.
5. The rock can likely be mined using conventional methods of ripping and excavation. However, hard rock zones may require blasting and bench development.
6. If blasting is planned, prior notice and coordination are required with appropriate agencies. Persons conducting blasting shall be licensed by the State of Alaska for such purposes and shall observe all applicable laws and regulations.

- a. The contractor or user will describe blasting methods and equipment to be used in the Project Mining and Reclamation Plan.
 - b. Contractors or users are responsible for proper storage of explosives as set forth in Title 29 CFR1910.109 and Title 27 CFR Part 555 as outlined in by the BATFE Regulation Book.
 - c. Mining shall occur in benches, nominally 20-feet high. Contractors or users may have specific plans or equipment constraints that make flexibility in bench size, height and location necessary. However, maximum bench height is 40 feet.
 - d. Individual benches will be no more than 40-feet apart vertically, and will be no narrower than 20-feet wide. Multiple benches can be in production at one time.
 - e. Individual bench faces may be vertical, but overall slope angles within the active pit will be no steeper than 1H: 4V, flatter slopes are acceptable.
 - f. At the end of each use, faces shall be scaled of loose or unstable rock.
 - g. No undetonated explosives of any type will be left in or on the site at the end of a project or use, including undetonated explosives in the ground. Contractor or user is responsible for removal or detonation of all explosives.
7. Final reclaimed slopes shall be 3H: 1V of flatter (except bench/face development).
 8. Grade the pit floor flat to gently sloping to blend with earlier depth limits and to keep drainage within the pit area.
 9. After each use, remove all equipment and man-made debris from the site. No waste concrete, asphalt, paving, bitumen, damaged culverts, or any other demolition debris may be placed, stored, or abandoned in the site
 10. All mining and stockpiling activities shall be in accordance with applicable Construction General Permits (CGP) and Storm Water Pollution Prevention Plans (SWPPP).

Reclamation Objectives and Guidelines

The reclamation plan has several objectives:

1. To blend with previous reclamation and surrounding topography.
2. To prevent erosion and sediment transport to surrounding, undisturbed areas.
3. To not preclude or hinder future development of un-mined 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 of soft rock that can be graded, leave slopes adjacent to buffers, or where future development is not anticipated at 3H: 1V or flatter. Spread available overburden and then organic material on reclaimed slopes; allow to revegetate naturally.
2. In areas with steep quarry walls where no further mining will occur, rock faces will be left such that the overall slope angle are 1H:4V or flatter, benches are 20 feet wide or more and faces less than 40 feet high. Faces shall be scaled of loose or unstable rock

to reduce rockfall hazards. Access to benches and top of worked faces will be blocked to protect the public.

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 A.S. 27.19 and 11 AAC 97 to DNR for approval by DNR, 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:

Sketch Map

The sketch map shall include:

1. Site boundaries
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
5. Scale of drawing, north arrow, and specific dimensions as appropriate

Narrative

The narrative shall include:

1. Methods of operation
2. Estimated quantities for removal and areal extents (acreage)
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

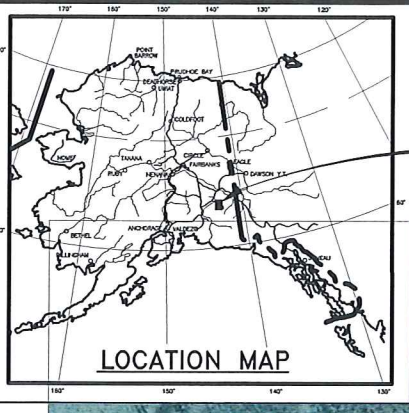
Supplements and amendments

Supplements and amendments to an approved mining and reclamation plan may be initiated by the contractor, user or the Project Engineer, when conditions warrant such action.

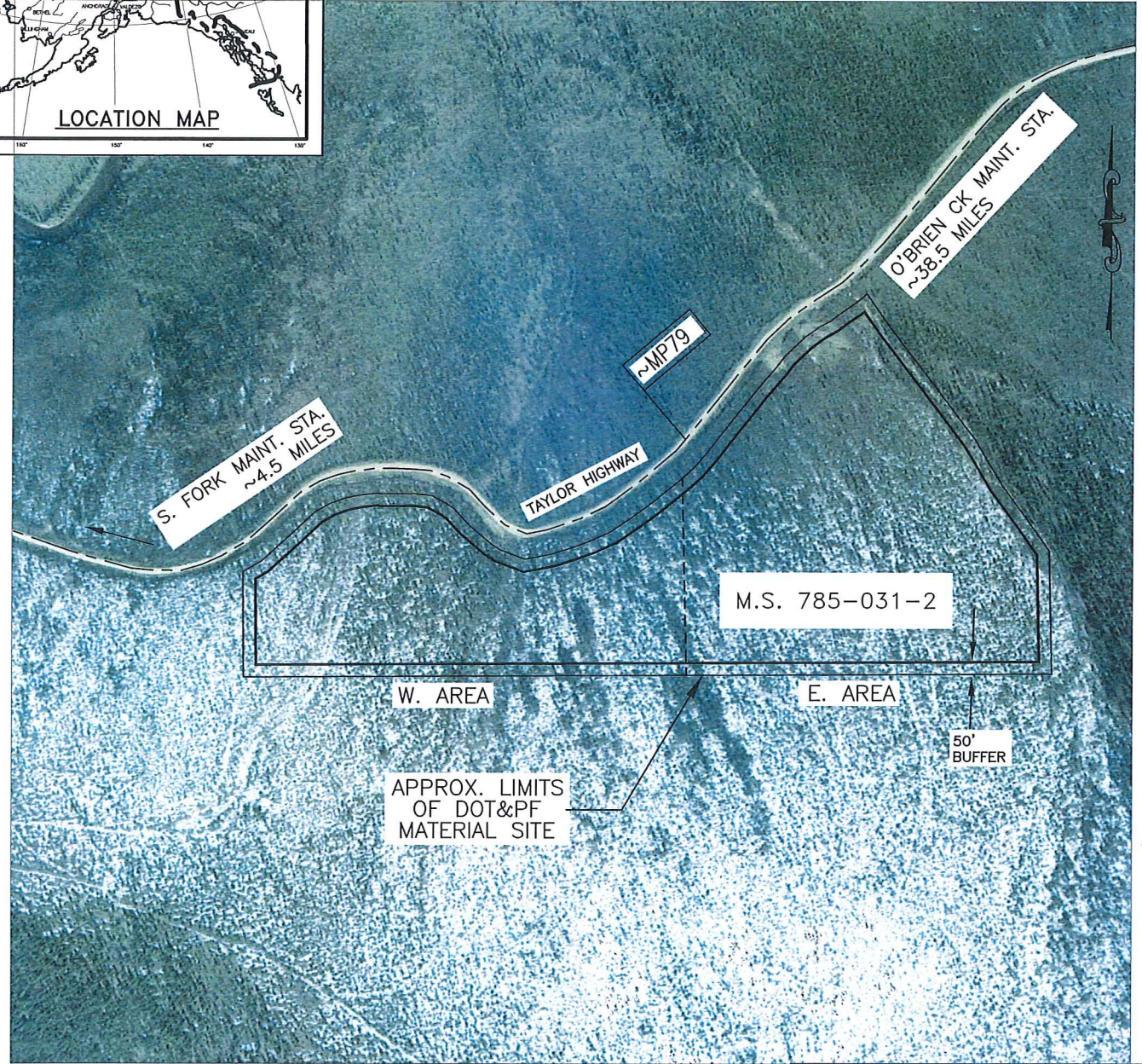
Supplements and amendments must be mutually agreed upon and proper approval obtained prior to commencement of work of a changed nature.

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 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 NRO and coordination with appropriate regulatory agencies prior to approval by the Engineer.

STATE	PROJECT DESIGNATION	YEAR	SHEET NO.	TOTAL SHEETS
ALASKA	####	####	####	####



MS LOCATION



M.S. 785-031-2
T27N, R19E, CRM

Section 33: That portion of the N $\frac{1}{2}$ lying south of TAYLOR R/W;
Material site contains ~64.3 acres.

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
MATERIAL SITE PLAN
M.S. 785-031-2

NORTHERN REGION	DATE: 8/27/15
SCALE NTS	
DRAWN BY: BM	

C:\Users\barniller\Desktop\8-25-15 acad files\MS 785-031-2-A\MS_Site_Map_785-031-2-rev1-Env

ENGINEER'S STATEMENT

APPLICANT'S CERTIFICATE

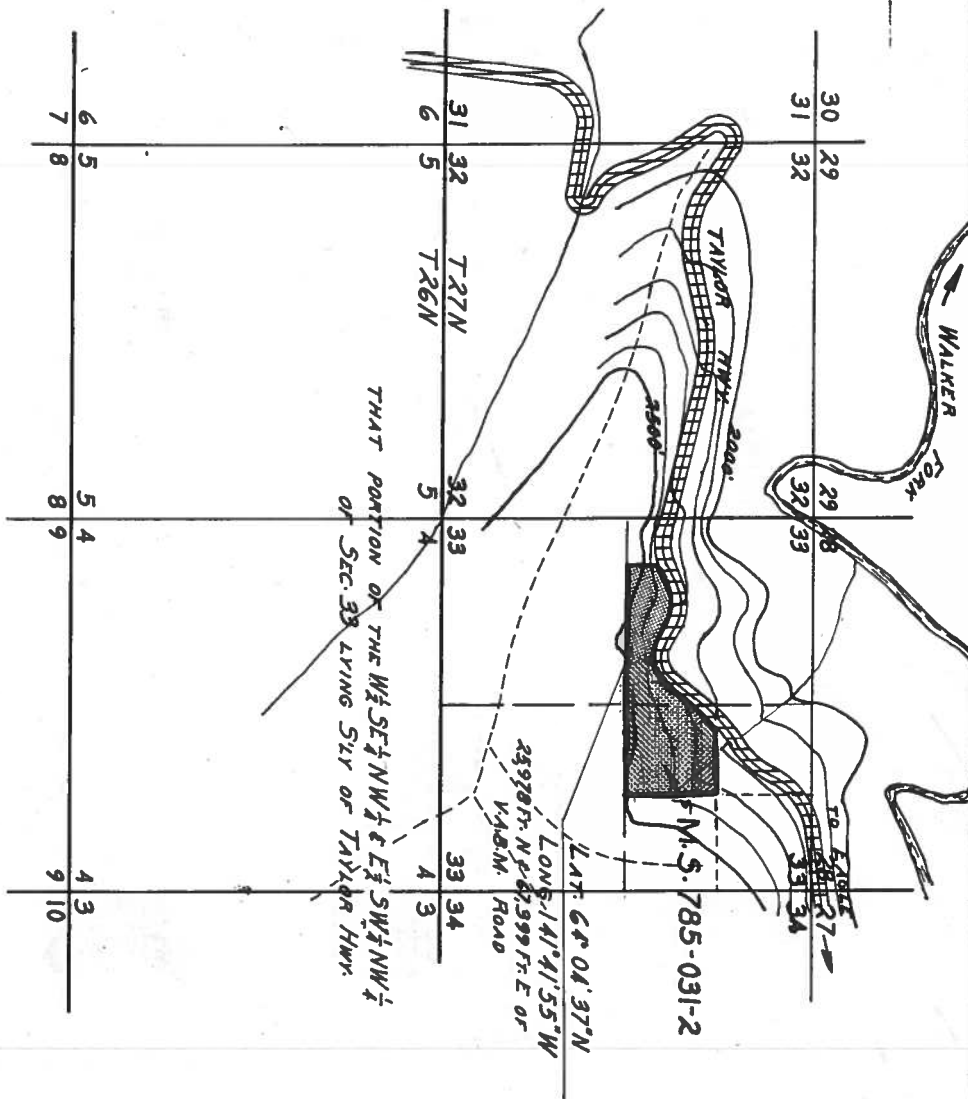
ANDY ZAHARE STATES THAT HE IS BY OCCUPATION A CIVIL ENGINEER EMPLOYED BY ALASKA DEPARTMENT OF HIGHWAYS TO SUPERVISE THE SURVEY OF HIGHWAY PROJECT NO. R5-0785(4) AS SHOWN ON THIS PLAT; THAT THE SURVEY OF SAID PROJECT WAS MADE UNDER HIS SUPERVISION AND UNDER AUTHORITY, THAT THIS PARCEL WAS SURVEYED DURING THE SURVEY OF THIS HIGHWAY PROJECT WHICH WAS CONDUCTED IN 1976, AND THAT SUCH SURVEY IS ACCURATELY REPRESENTED UPON THIS PLAT

THIS IS TO CERTIFY THAT **ANDY ZAHARE** WHO SUBSCRIBED THE STATEMENT HEREON IS THE PERSON EMPLOYED BY THE UNDERSIGNED APPLICANT TO SUPERVISE THE PREPARATION OF THIS PLAT, WHICH HAS BEEN ADOPTED BY THE APPLICANT AS THE APPROXIMATE FINAL LOCATION OF THE PROJECT THEREBY SHOWN, AND THAT THIS PLAT IS FILED AS PART OF THE COMPLETE APPLICATION, AND IN ORDER THAT THE APPLICANT MAY OBTAIN THE BENEFITS OF THE ACT OF AUGUST 27, 1958 (72 STATUTE 885, 23 U.S.C. 317) AND I FURTHER CERTIFY THAT THE RIGHT OF WAY HEREIN DESCRIBED IS DESIRED FOR ALASKA PROJECT NO. R5-0785(4)

ENGINEER Bob C. Phares for

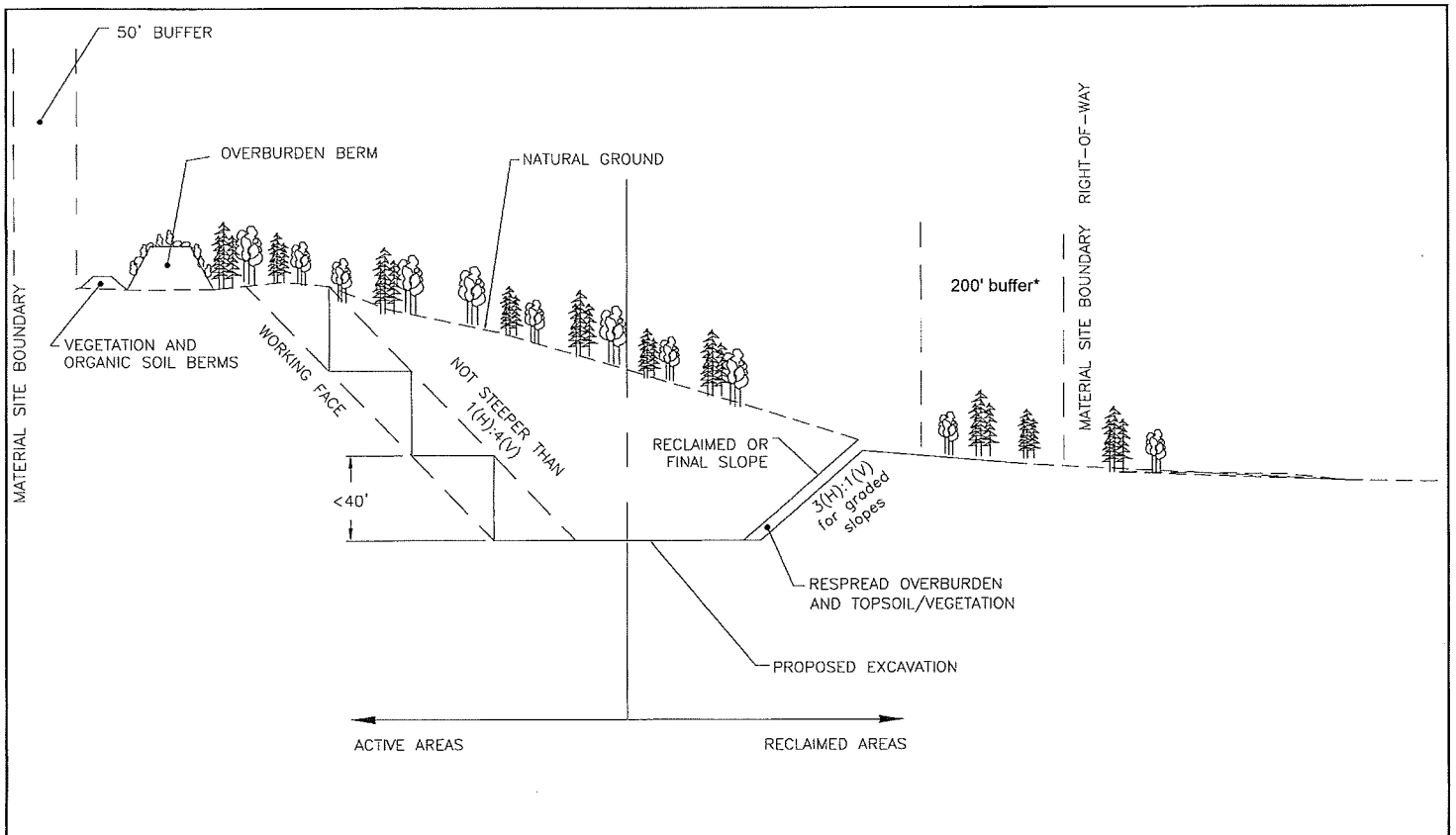
COMMISSIONER PREVIOUSLY SIGNED

ATTEST



STATE OF ALASKA	
Department of Highways	
PLAT	
SHOWING MATERIAL SOURCE REQUIRED	
FOR	
ALASKA PROJECT NO	
R5-0785(4)	
PARCEL NO.	M.S. 785-031-2
INTERIOR DISTRICT	DATE Feb. 20, 1976
SCALE 1"=2000'	SO. FT.
DRAWN BY L.S.	79.4 ACRES

PROTRACTED SEC. 33
T27N, R19E C.R.M.



TYPICAL CROSS SECTION OF ROCK QUARRY
NOT TO SCALE

* 100' buffer to be re-established in active road-side rock face, as soon as feasible.

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES	
DATA: JR	MATERIAL SITE DEVELOPMENT GUIDELINES
DRAWN: JR	PROJECT NO.
APPROVED:	
DATE: MARCH 2011	C:\temp\logfor road cut-1

STATEWIDE MATERIAL SITE INVENTORY

MATERIAL SITE
INSPECTION REPORT

Federal Project No. STP-000S(823)
AKSAS Project No. 76149

TOK CUTOFF HIGHWAY

MS 46-2-020-5

July 18, 2015

<u>CONTENTS</u>	<u>PAGE</u>
COVER SHEET.....	1A & 1B
LOCATION MAP	2
SITE MAP	3A & 3B
INSPECTION FORM.....	4 thru 10

CATEGORY:

ACTIVE – POTENTIAL

According to information found in the DOT&PF EDMS system in January 2009 and DNR and BLM master title plats and case abstracts, this site lies on State of Alaska land managed by DNR. The site lies within Sections 1 and 12, T17N, R12E, CRM. There was discussion of relinquishing the portion in Section 12 in the material data file but it apparently has not happened.

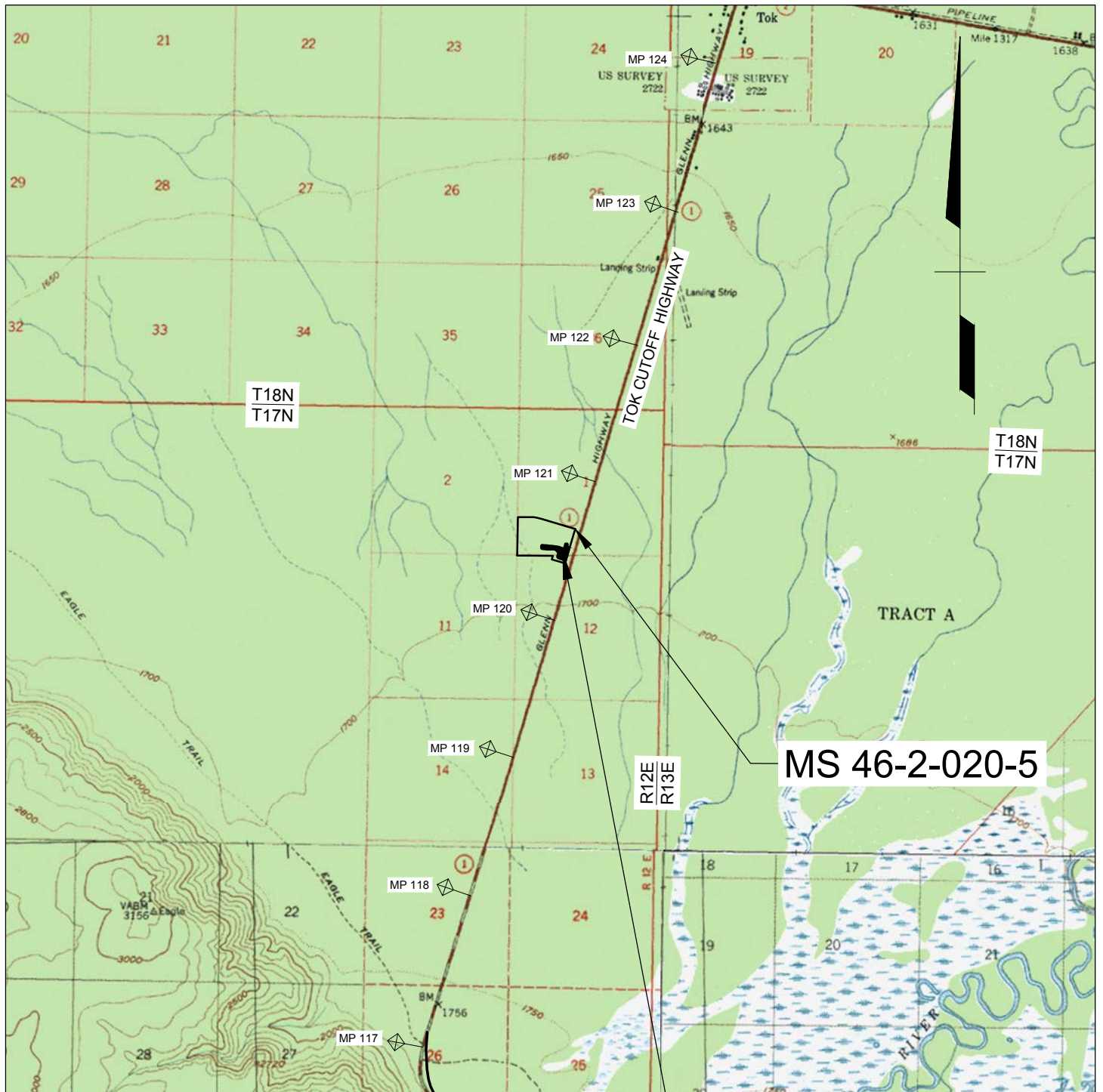
The land was patented to the State of Alaska (PA 1234509 / GS 900 / F-28150) in 1964. In 1968, DNR issued a FUP to DOT&PF (ADL 27158) that expired in 1970. In 1970 DNR reissued an indefinite FUP for the site. The site was enlarged in 1998 to coincide with the Glenn Subdivision. It became Tract D of the Subdivision (Plat 83-86). The FUP was closed in 2015 as “All material allowed under contract has been extracted/over-extracted”.

MS 46-2-020-5

The site is currently a DMLW Northern Region Office (NRO) Designated Master Material Site (ADL 419490) under AS 38.05.550(b) for the use and operation for the long-term sale and extraction of materials until closed by DNR. It was on the November 29, 2012 list of sites selected for the DNR program.

The site adjoins the west side of the Tok Cutoff Highway right-of-way and there is an existing access road into the site. The site appears to contain significant quantities of sand and gravel and should be retained by DOT&PF for future use.

LOCATION MAP



U.S.G.S. QUADRANGLE: TANACROSS (A-4), (A-5), (B-4), & (B-5)

GPS COORDINATES FROM GOOGLE EARTH

UTM (WGS84-METERS)
 ZONE 7: N 7,018,319 E 398,391
 AK STATE PLANE (NAD83-US SURVEY FT)
 ZONE 2: N 3,392,102 E 1,471,562

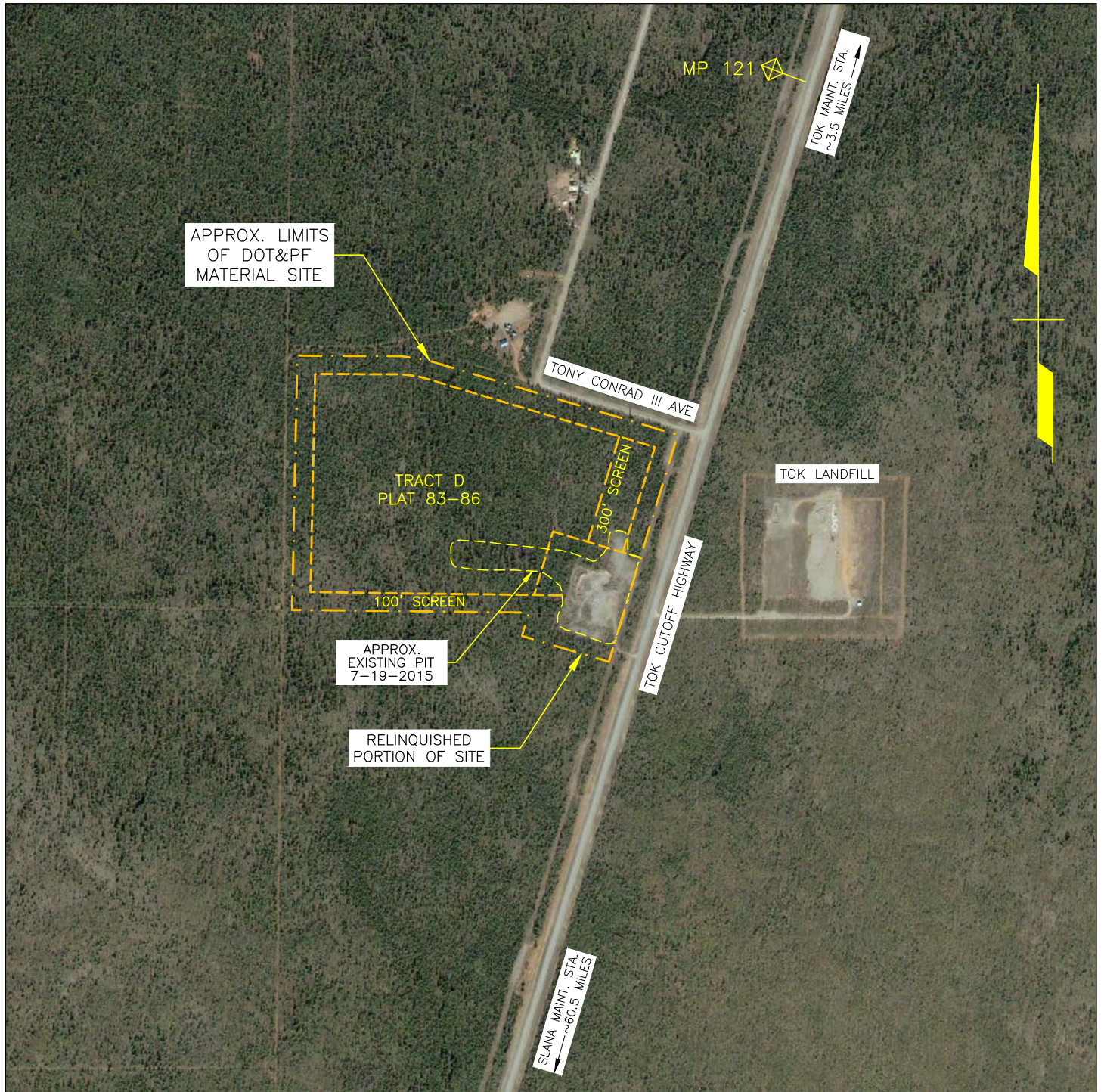
ACTIVE - POTENTIAL



GRAPHIC SCALE IN MILES

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY			
MS 46-2-020-5			
SCALE AS SHOWN	DESIGNED CHECKED K.G.T C.H.R.	DRAWN DATE K.G.T FEB. 2014	PAGE 2

SITE MAP



BASE MAP IS SEPTEMBER 07, 2009 DIGITALGLOBE SATELLITE IMAGERY. THIS IS A PLANNING DOCUMENT ONLY. THE MATERIAL SITE BOUNDARIES SHOWN ON THIS DRAWING ARE APPROXIMATE. OWNERSHIP OF THE LANDS ADJACENT TO THIS SITE ARE UNKNOWN. THE ACCESS ROW SHOULD BE VERIFIED.

ACTIVE - POTENTIAL

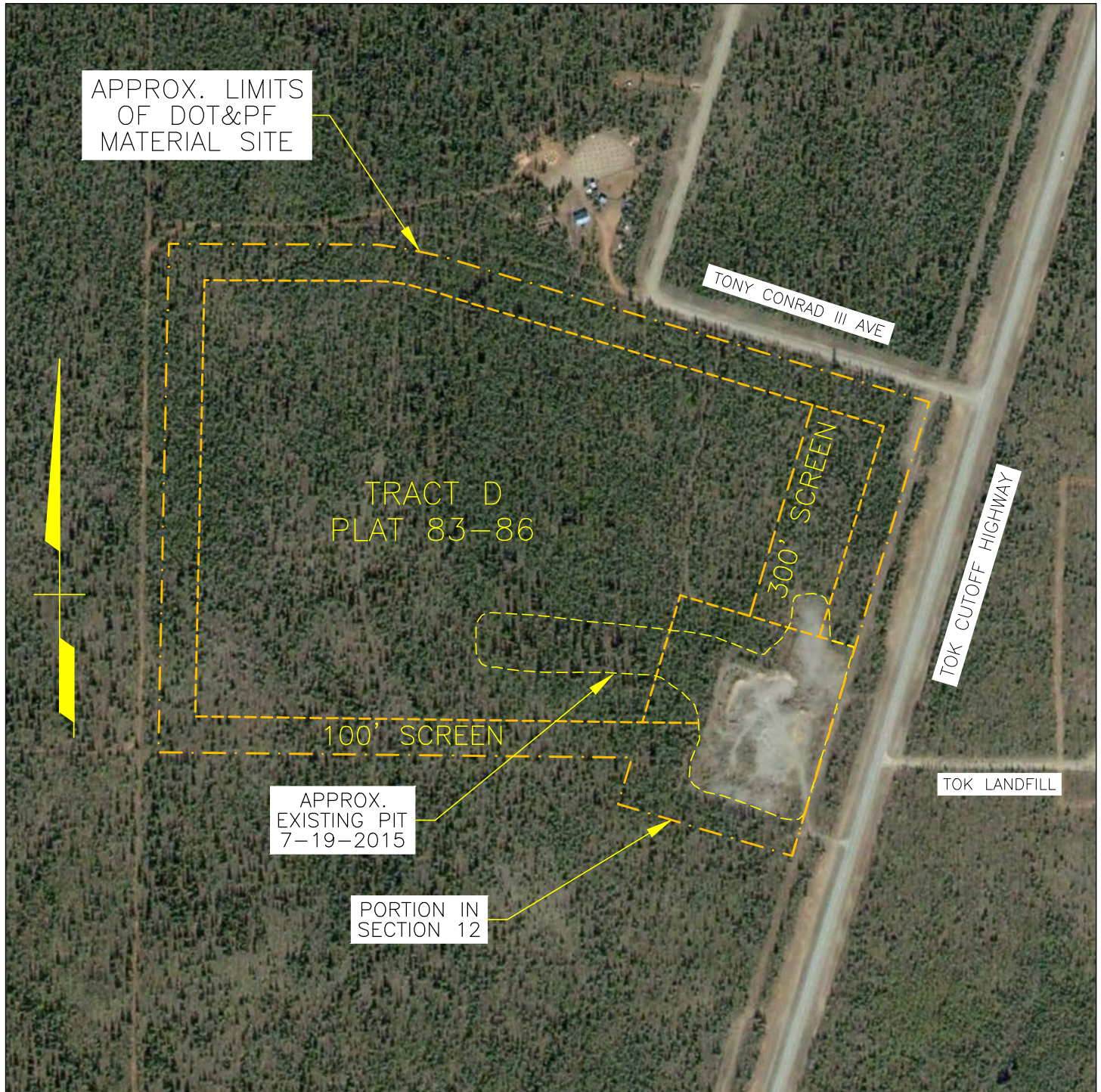


STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY MS 46-2-020-5			
SCALE AS SHOWN	DESIGNED P.K.H. CHECKED C.H.R.	DRAWN P.K.H. DATE JAN. 2014	PAGE 3A

Z:\project\1443.03\46_Tok_Cutoff_Highway\MS 46-2-020-5-A\acad\MS_Site_Map_46-2-020-5.dwg

Plotted 7/18/2015 2:50 PM by Pete Hardcastle

SITE MAP



BASE MAP IS SEPTEMBER 07, 2009 DIGITALGLOBE SATELLITE IMAGERY. THIS IS A PLANNING DOCUMENT ONLY. THE MATERIAL SITE BOUNDARIES SHOWN ON THIS DRAWING ARE APPROXIMATE. OWNERSHIP OF THE LANDS ADJACENT TO THIS SITE ARE UNKNOWN. THE ACCESS ROW SHOULD BE VERIFIED.

ACTIVE - POTENTIAL



STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES			
STATEWIDE MATERIAL SITE INVENTORY			
MS 46-2-020-5			
SCALE	DESIGNED	DRAWN	PAGE
AS SHOWN	P.K.H. CHECKED C.H.R.	P.K.H. DATE JAN. 2014	3B

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Plotted 7/18/2015 2:50 PM by Pete Hardcastle

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

THIS REPORT IS BASED ON A REVIEW OF EXISTING DATA AND BRIEF FIELD INSPECTIONS. THUS THE DATA CONTAINED HEREIN SHOULD BE CONSIDERED PRELIMINARY AND USED FOR PLANNING PURPOSES ONLY. USERS OF THIS DATA SHOULD VERIFY THE INFORMATION PRIOR TO USING IT FOR DESIGN OR CONSTRUCTION PURPOSES.

**IF OTHER IS SELECTED FOR A SECTION, EXPLAIN IT IN SECTION 44. NOTES.
IF AN ANSWER IS UNKNOWN SELECT "UNKNOWN" OR LEAVE BLANK**

1. **MS_ID** 46-2-020-5
Enter the full material site number e.g.. 31-3-045-2
2. **DATE_INSPECT** 7/19/2014
Date of field inspection
3. **FLD_INSPEC_ORG** KYLE THERRIEN/ R&M CONSULTANTS
Name of inspector / Organization or Company

4. REGION	<u>NORTHERN</u>	
5. LOCATION	<u>TOK CUTOFF HIGHWAY</u> Name of Highway	<u></u> Enter Name of Facility or Secondary Route Name (i.e. Kotzebue Airport, Nash Road, etc.)
6. MILEPOST	<u>120.5</u> List the closest main highway milepost	
7. NAME	<u></u> Enter commonly used name (s), e.g. Hess pit, Gobblers Knob, Midway. List all that apply separated by commas.	
8. MAINT_DIST/STAT	District <u>TOK</u>	Station <u>TOK</u> Highway Maintenance District and Station, for locations not on highways select other.
9. QUAD	<u>TANACROSS</u>	<u>B-5</u> U.S.G.S. Quad. Map
10. TOWNSHIP/RANGE	T#S R#E <u>T17N R12E</u> & <u></u> Section <u>1 & 12</u>	Meridian <u>CRM</u>
11. COOR_UTM	ZONE <u>7</u> NORTHING <u>7,018,319</u> EASTING <u>398,391</u> UTM WGS84 - Meters	12. COOR_STATE_PLANE ZONE <u>2</u> NORTHING <u>3,392,102</u> EASTING <u>1,471,562</u> Alaska State Plane NAD83 - Survey Feet
13. BOROUGH/CITY	<u>UNORGANIZED</u>	TAX ID NO. <u>NA</u>
14. DNR_LAND_USE_PLAN	<u>EASTERN TANANA BASIN AREA PLAN</u>	
15. CATEGORY	(To be filled in the office)	
15a. CLASSIFICATION	<u>ACTIVE</u>	
15b. STATUS	<u>POTENTIAL</u>	

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

16. **POTENTIAL_STATUS** SIGNIFICANT

Estimated quantity of material in the site at the time of inspection.

NONE	There appeared to be no useable material in the site.
LIMITED	There appeared to be less than 25,000 c.y. available within the developed site.
SIGNIFICANT	There appeared to be greater than 25,000 c.y. available within the developed site.
EXPANDABLE	There was limited material within the developed site, but there appeared to be significant material outside existing site limits.
UNDEVELOPED	The pit has not been mined/explored (used only for proposed sites).
CLOSED	There may be useable material left in the pit but it is not available.
UNKNOWN	
OTHER	The site does not fit any of the categories above. Explain in Section 44, Notes.

17. **PRESENT_USERS**

17a. **PRESENT_USER_1** DOT&PF CONSTRUCTION

17b. **PRESENT_USER_2** DOT&PF MAINTENANCE

17c. **PRESENT_USER_3** _____

18. **PERMITTED_ACREAGE** 60

Area within site permit or R.O.W. boundaries, from permit application or property plat.

19. **DEVELOPED_ACREAGE** 6.2

Area within an existing pit, excluding spoil berms lying outside the pit, access roads etc. Explain below.

Includes the existing pit that lies within the site limits.

20. **ACREAGE_COMP_METHOD** FROM MAP/PHOTO

Method used to determine developed acreage.

21. **EST_QUAN_AVAIL** 1,030,000 ROUGH ESTIMATE

Estimated quantity available (b.c.y.), may be based on acreage computed above plus expansion area. Explain computation assumptions and calculations below.

Area	<u>Existing Pit</u>	<u>Undeveloped Area</u>	_____
Acres	<u>2.5</u>	<u>37.3</u>	_____
Est. Depth (ft.)	<u>10</u>	<u>27</u>	_____
Factor (b.c.y. / acre-foot)	<u>1,000</u>	<u>1,000</u>	_____
Est. Quant. (c.y.)	<u>25,000</u>	<u>1,007,000</u>	_____

Estimate assumes an additional 10 feet of mining in the existing pit. Estimate assumes an average working depth of 28 ft. across the undeveloped portion of the site with one foot of overburden. The expansion area takes into consideration the 100 and 300 ft. screens.

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

22. **ACCESS_TYPE** EXISTING ROAD / OPEN

- | | |
|--------------------------------|---|
| NONE | No access road has been built. |
| EXISTING ROAD / OPEN | Drivable. May have gate. |
| EXISTING ROAD / REVEG | Can be reopened with little effort. |
| EXISTING ROAD / CLOSED W/BERMS | Can be reopened with little effort. |
| EXISTING ACCESS / REMOVED | Can be reopened with much effort. |
| SNOW ROAD | Can only be accessed during winter. |
| ICE ROAD | Requires crossing river or lake ice in the winter. |
| BARGE | Material can only be moved by barge. |
| OTHER | The site does not fit any of the categories above. Describe in Section 44, Notes. |

23. **ACCESS_LENGTH** 100
Approx. length from edge of pit to highway/secondary route (ft.)

24. **VEGETATION**

Vegetation is comprised of spruce and aspen trees to 14 inches in diameter on an average of 10 ft. centers. Low ground cover is mainly sphagnum moss and various species of low bush.

25. **TYPE_1** BORROW PIT 26. **TYPE_2** _____

- | | |
|--------------------------------------|---|
| Dominant type | Subordinate type |
| General Types of Materials Available | Enter data in Type_2 only if two types of material site available |
| QUARRY | Bedrock sources requiring blasting |
| BORROW PIT | Soils or soft bedrock (rippable), above water table |
| BAILING | Requires production below the water table |
| RIVER BAR | Sand/gravel bars in active channels |

27. **OB_CLASS_1** <3 FT. 28. **OB_CLASS_2** <3 FT.

- | | |
|---|----------------------|
| New Site or expansion Area | Existing Pit (Spoil) |
| A site may have both. Data should be based on actual subsurface exploration, otherwise unknown. | |
| Estimated average depth over the area. | |
| NONE | 3 TO 6 FT. |
| <3 FT. | >6 FT. |
| | UNKNOWN |
| | OTHER |

29. **OB_TYPE_1** SILT 30. **OB_TYPE_2** SILT

- | | |
|----------------------------|----------------------|
| New Site or expansion Area | Existing Pit (Spoil) |
| A site may have both. | |
| SILT | PEAT |
| COLLUVIUM | SPOIL |
| | SOLID WASTE |
| | OTHER |
| | UNKNOWN |

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

<p>31. MAT_TYPE_1 Dominant type</p>	<p><u>FLUVIAL</u></p>	<p>32. MAT_TYPE_2 Subordinate type</p>
<p>BEDROCK</p> <p>WEATHER. BEDROCK</p> <p>FLUVIAL</p> <p>GLACIAL</p> <p>COLLUVIAL</p> <p>EOLIAN</p> <p>SILT</p>	<p>Bedrock sources requiring blasting</p> <p>Bedrock sources requiring ripping</p> <p>Water deposited sand and gravel, includes glaciofluvial</p> <p>Glacial till</p> <p>Talus slopes, etc.</p> <p>Sand Dunes, etc.</p> <p>Silt deposits, loess, fluvial, etc.</p>	
<p>33. PERMAFROST_1 New Site or Expansion Area</p>	<p><u>DETECTED IN NO TEST HOLES OR PITS</u></p>	
<p>34. PERMAFROST_2 Existing Site</p> <p>DETECTED IN MOST TEST HOLES</p> <p>DETECTED IN SOME TEST HOLES</p> <p>DETECTED IN IMMEDIATE VICINITY</p> <p>DETECTED IN NO TEST HOLES</p> <p>DATA OUTDATED</p> <p>UNKNOWN</p> <p>OTHER</p>	<p><u>DATA OUTDATED</u></p>	
<p>35. GROUNDWATER</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>No water table was noted in the test holes during February and March of 1998, one of which extended 48.5 feet beneath the surface.</p> </div>		

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

36. LITHOLOGY_1 Dominant type	<u>FLUVIAL</u>	37. LITHOLOGY_2 Subordinate type
IGNEOUS ROCK		Undifferentiated Igneous Rocks
GRANITIC		Granite/Monzonite/Granodiorite
DIORITE/GABBRO		Diorite/Gabbro
BASALT		Dark colored fine-grained Igneous Rocks
GREENSTONE		Altered Volcanic Rocks w/green tint
METAMORPHIC ROCK		Undifferentiated Metamorphic Rocks
SCHIST/PHYLLITE		Includes rocks ranging from slate to schist
GNEISS		Includes hard schistose rocks
MARBLE		
CATACLASTIC		Incl. Valdez Formation Rocks, Kenai Penn.
MÉLANGE		Incl. McHugh Formation Rocks, Kenai Penn.
SEDIMENTARY ROCK		Undifferentiated Sedimentary Rocks
CONGLOMERATE		
SANDSTONE		Includes greywacke, etc.
SHALE/MUDSTONE		
LIMESTONE		
FLUVIAL		River and stream deposits (floodplain), includes outwash.
ALLUVIAL		Alluvial / Debris Fan deposits
GLACIOFLUVIAL		Eskers, kames, etc.
GLACIAL		Till
COLLUVIAL		Talus, etc.
EOLIAN		Sand Dunes, etc.
SILT		Loess, fluvial silts, etc.
OTHER		Explain in Section 44.

38. MATERIAL CLASSIFICATION

ASTM Classification, generally they should range from coarse to fine.

38a. <u>GW</u>	38c. <u>GW-GM</u>	38e. <u>GM</u>	38g. _____
38b. <u>GP</u>	38d. <u>GP-GM</u>	38f. _____	38h. _____

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

39. COBBLES AND BOULDERS

Test Boring Callout / ASTM Classification, either a. or b. and c. not both (Can use ranges i.e. 0 to 20)

39a. CONTAINS	<u>CONTAINS COBBLES AND BOULDERS</u>	
39b. Est. % by VOL.	<u>5 TO 15</u>	(Est. From Visual Observations)
39c. MAX. SIZE (in.)	_____	(Observed Size)

40. AGG TEST RESULTS

Year of test or report- Test result / Year of test or report- Test Results

40a. SG APP COARSE	<u>1998- 2.76, 2.79 / 2001- 2.79</u>
40b. SG APP FINE	<u>1998- 2.75, 2.76 / 2001- 2.76</u>
40c. ABSORPTION CRSE	_____
40d. ABSORPTION FINE	_____
40e. NORDIC ABRASION	_____
40f. L.A. ABRASION	<u>1998- 14, 15, 15</u>
40g. DEGRADATION (T-13)	<u>1998- 69, 73, 77</u>
40h. NASO4 LOSS COARSE	<u>1998- 0.9, 1.1, 1.4</u>
40i. NASO4 LOSS FINE	<u>1998- 2.4, 3.4, 3.9</u>

41. POTENTIAL_USABILITY

CRUSHED PRODUCTS PRODUCED

Best known potential use of the material, based on records, exploration and laboratory data.

CONCRETE AGGREGATE PRODUCED	The site has produced concrete aggregate
PAVING AGGREGATE PRODUCED	The site has produced paving aggregate
CRUSHED PRODUCTS PRODUCED	Base, Surface Coarse, Subbase, etc. has been produced.
TYPE A AND B MATERIAL AVAILABLE	0 to 10 percent passing 200
TYPE C AVAILABLE	Compactable material
TYPE C NOT AVAILABLE	Uncompactable material (Lower Kuskokwim and Yukon River, etc.)
UNKNOWN	
OTHER	Explain in Section 44.

42. SPECIAL PROBLEMS

Special problems encountered or anticipated with use of the material, based on records, exploration and laboratory data.

ORGANIC CONTENT	The material is very difficult to compact.
HIGHLY WEATHERED GRAVEL	The gravel is highly weathered and may break down when handled.
BREAKS DOWN UNDER USE	Material breaks down on grade.
SENSITIVE TO WATER CONTENT	Material is sensitive to water content, i.e.. some glacial tills, soft bedrock.
VARIABLE MATERIAL	Deposit contains mixture of suitable and unsuitable material.
POSSIBLE CONTAMINATION	Site may be contaminated by petroleum products or hazardous materials.
CONTAINS ASBESTOS	Site contains naturally occurring asbestos.
POTENTIAL ASBESTOS	Site in area where naturally occurring asbestos is mapped.
ACID ROCK DRAINAGE	Site contains rock susceptible to producing acid rock drainage.
OTHER	Explain in Section 44, Notes.

**STATEWIDE MATERIAL SITE INVENTORY
MATERIAL SITE INSPECTION FORM**

43. RIPRAP

NOT POSSIBLE

Class II or larger. Does not include production for erosion control riprap for ditches or culverts.

PREVIOUS PRODUCTION

There is a record of production.

POSSIBLE FURTHER INVESTIGATION NEEDED

The site is a bedrock quarry containing hard rock

NOT POSSIBLE

The site has soft rock or soil.

UNKNOWN

OTHER

Explain in Section 44, Notes.

44. NOTES

Note number of item being discussed.

22. The material site access road is gated and locked.

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

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Northern Region
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2740 | <input type="checkbox"/> Southcentral Region
550 W 7th Ave., Suite 900C
Anchorage, AK 99501-3577
(907) 269-8552 | <input type="checkbox"/> Southeast Region
400 Willoughby, #400
Juneau, AK 99801
(907) 465-3400 |
|--|--|---|

**MATERIAL SALE CONTRACT
AS 38.05.550 – 38.05.565, AS 38.05.810**

Issuance Date: March 16, 2021

Expiration Date: March 15, 2026

ADL 421599

Under AS 38.05.550-38.05.565 (Disposal of Materials) and AS 38.05.810(a) (Public and Charitable Use) and the regulations implementing these statutes, the State of Alaska, **Department of Natural Resources (DNR)**, the seller, whose address is 3700 Airport Way, Fairbanks, Alaska 99709, agrees to sell, and the buyer, State of Alaska, **Department of Transportation and Public Facilities (DOT&PF)**, whose address is 2301 Peger Road, Fairbanks, Alaska 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 contract consists of approximately **59.25 acres**. This area is designated by the boundaries shown on the attached sale area map, which is made a part of this contract, or as designated on the ground by the seller, and described as follows:

Designated Material Site ADL 419490, MS 46-2-020-5 located at MP 120.5 Tok Cutoff Highway within S1/2 SW1/4 of Section 1, and N1/2 NW1/4, Township 17 North, Range 12 East, Copper River Meridian.

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

<u>Type of Material</u>	<u>No. of Units</u>	<u>Unit Price</u>	<u>Total Price</u>
Sand and Gravel	500,000 cy	\$0.50/cy	\$250,000

2. Payments and Deposits. 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) The buyer shall remit an earnest money 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.

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

(c) 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 following the date the installment is due.

(d) **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 and must be submitted to the seller no later than the fifth working day following the date the installment is due. This report shall be filed regardless of whether material was removed during the reporting period. Failure to file the report by the deadline may result in suspension of the contract and financial penalties. A final accounting and payment for material removed, and a completion statement, must be submitted no later than 30 days following contract completion, 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 & Water (DMLW) within 45 days after receiving the final accounting report and completion statement.

(e) If the buyer fails to make a payment provided for in this contract, the seller may, under paragraph 8(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 DMLW only after the payments in arrears plus the penalty provided for in paragraph 2(f) have been paid.

(f) Late Payment Penalty will be the greater of either the fee specified in 11 AAC 05.010 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the seller.

(g) All payments and deposits must be remitted to the DMLW and must be made payable to the Alaska Department of Revenue.

(h) The following special provisions also apply to payments and deposits under this contract:

Should the administrative base price 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.

Material extraction in excess of the contract amount will be considered taken in trespass and at the discretion of the Director, DMLW, Lands Section, charged to and paid for by the buyer at no less than triple the current unit fair market value as established periodically by the Northern Regional Office or up to three times the pecuniary gain realized by the buyer as a result of the trespass. Said trespass penalties are in addition to any other administrative or legal proceedings imposed by state law.

11 AAC 05.010(e)(16) requires state, federal and local agencies to pay for materials used in constructing, reconstructing or maintaining a public project as follows: 1) no charge for the first 5,000 cy of material to be used on a project (each year of maintenance constitutes a separate project); and 2) material in excess of 5,000 cy will be charged at the unit price listed in the annual base price schedule established under 11 AAC 71.090 (currently \$ 0.50 cy).

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) Based on a loose cubic yard quantity as determined by an "in-place" measurement multiplied by a factor of 1.3; or,

(2) Based on a loose cubic yard quantity as determined by a daily vehicle count designating type of vehicle and vehicle capacity; or

(3) Based on an industry standard method acceptable to the department.

(i) If the method of volume determination is based on a weight measurement of the extracted material, the buyer must provide to the seller the standard of density and conversion rate from weight to cubic yards.

(b) The buyer shall keep 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.

(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 or 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. No construction material, fill, waste asphalt, damaged culverts or any other debris shall be stockpiled within pit boundaries. Stockpiled material and/or overburden shall not be placed in wetlands. After completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the seller, and reclaimed in accordance with the approved reclamation plan.

(c) Erosion Control and Protection of Waters. 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 95.010, Protection of Fish and Game Habitat.

(d) Fire Protection. 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. 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.

(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.

(2) Extraction Area. This contract authorizes removal of material only from the area defined in Section 1(a) of this contract. The buyer is responsible for properly locating the material site and the working limits within that area, as shown on the attached map.

(3) Potential Processing Activities and Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity. Any asphalt processing or related activities and associated structures will not be allowed without prior approval from DNR, the Department of Environmental Conservation (DEC) and other agencies that require authorizations from the buyer.

(4) 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.

(5) Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity.

(6) Alaska Historic Preservation Act. The buyer will consult the Alaska Heritage Resources Survey (907) 269-8721 so that known historic, archaeological and paleontological sites may be avoided. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation (907) 269-8721 and will be notified immediately.

(7) Vehicle Maintenance. Vehicle maintenance will be performed only over an effective impermeable barrier.

(8) Fuel and hazardous substances. No fuel or hazardous substances are to be stored on the subject parcel. Prior written approval from the seller is required for a change in this restriction. Such

approval may include additional operating requirements and a change in the amount required for the performance guarantee. The disposal of hazardous substances or hydrocarbons is prohibited.

(9) 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. 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.

(10) Reclamation. Upon completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the DMLW and reclaimed in accordance with the DNR approved Mining and Reclamation plan. Reclamation shall be to the standards of the DMLW and shall include repair of access roads to and within the site, disposal of remaining stockpiles, other procedures that will be 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 at the end of each season.

(11) SWPPP and APDES. The buyer shall comply with the requirement of the 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).

(12) 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.

(13) Coordination. The buyer shall coordinate all operations with the 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.

(14) Stockpiles. The buyer shall not disturb or remove material from existing stockpiles. Any material extracted by the buyer must be mined according to the approved mining and reclamation plan. 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.

(15) 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.

(16) Use of Material. This contract authorizes the excavation and use of material for the express purpose of providing material for construction and maintenance of public projects.

(17) Completion Report. A final accounting and payment for material removed and a completion report must be submitted no later than 30 days following contract completion, or following termination of the contract by the seller or by operation of law. The completion report shall include a series of ground level photographs taken before, during, and after the extraction along with a statement confirming:

- i.) compliance with stipulations requiring the removal of personal property, restoration of the extraction area to a clean condition, and reclamation.

- ii.) accuracy of the photographs accompanying the report as depicting the site before extraction, during operations, and 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 for which the buyer may be assessed, at the Director's discretion, either the actual cost incurred by the Division of Mining, Land & Water, or a minimum of \$100.00. (11 AAC 05.010). Reimbursement for costs for the field inspection under this section may be taken from the performance guaranty.

(18) Project Specific Operating Requirements.

- i.) **Timber Salvage.** Timber less than five inches in diameter, brush, and slash shall be disposed of so as to minimize the risk of fire and disease. To limit insect infestation, timber more than five inches in diameter shall be decked in areas of the forest with limited sunlight, but not against residual host trees. The log decks should be separated as much as possible from standing trees but also in areas with limited sunlight. Questions should be directed to the Area Forester at 907-451-2601.
- ii.) **Land Clearing Activities.** The Migratory Bird Treaty Act (MBTA) prohibits the willful killing or harassment of migratory birds. To protect nesting migratory birds and to ensure compliance with the MBTA, it is recommended that initial land disturbing activities be completed before June 1 or after July 31 in Northern Alaska. This will render the area unsuitable for breeding birds prior to their spring arrival and would minimize the likelihood for impacts to nesting birds. Guidelines for timing land clearing to protect nesting birds can be found at http://alaska.fws.gov/fisheries/fieldoffice/anchorage/pdf/vegetation_clearing.pdf.
- iii.) **Eagle Nests.** The Bald Eagle and Golden Eagle Protections Act protects eagles from take, as well as disturbance of their nests, roosts, and foraging sites. Should an eagle nest be observed within ½ mile the project area at any time during the project, contact the FWS Regional Office at 907-786-3685 or at permitsR7MB@fws.gov.

5. Indemnity of Seller and Bonding. Not applicable.

(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.

(b) 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. If required, 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.

6. 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. Special provisions applicable to improvements and occupancy under this contract are listed in paragraph 4 of this contract.

7. 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.

8. 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 8(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.

9. **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.

10. **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 - 38.05.565, 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.

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

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

13. **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.

14. **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 (material sale regulations).

15. **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.

16. **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.

17. 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: Alaska Department of Natural Resources
Division of Mining, Land and Water
3700 Airport Way
Fairbanks, Alaska 99709-4699

To the Buyer: Alaska Department of Transportation and Public Facilities
2301 Peger Road
Fairbanks, Alaska 99709

18. 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.

19. 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.

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

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

22. "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.

23. 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 DMLW.

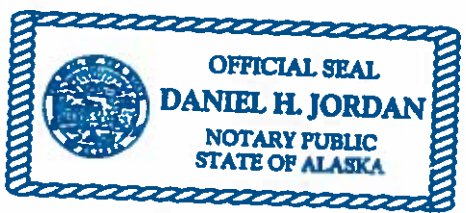
BY SIGNING THIS CONTRACT, the State of Alaska, as seller, and the buyer, agree to be bound by its provisions as set out above.

BUYER:
Barry Hooper
Buyer: Alaska Department of Transportation
and Public Facilities
2301 Peger Road
Fairbanks, Alaska 99709

SELLER: STATE OF ALASKA
[Signature] for
Director, Division of Mining, Land and Water
Approved:
[Signature]
Commissioner, Department of Natural Resources

STATE OF ALASKA)
4TH Judicial District) ss.

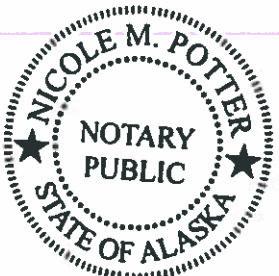
THIS IS TO CERTIFY that on March 15, 2021, before me appeared Barry Hooper known by me to be the person named in and who executed this Material Sale Contract and acknowledged voluntarily signing it as buyer.



Daniel H. Jordan
Notary Public in and for the State of Alaska
My commission expires: with time

STATE OF ALASKA)
4TH Judicial District) ss.

THIS IS TO CERTIFY that on March 16, 2021, before me appeared AJ Wait 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, Department of Natural Resources, and who is fully authorized by the State to do so.



N. Potter
Notary Public in and for the State of Alaska
My commission expires: with service

Submit by Email

Print Form

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

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Northern Region
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2740 | <input type="checkbox"/> Southcentral Region
550 W 7th Ave., Suite 900C
Anchorage, AK 99501-3577
(907) 269-8552 | <input type="checkbox"/> 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:

- | | |
|--|---|
| <input checked="" type="checkbox"/> 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) | <input type="checkbox"/> 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. |
| <input type="checkbox"/> B. RECLAMATION PLAN—VOLUNTARY (for an operation below limits shown in Box A but wanting to qualify for the statewide bonding pool) | |

2021-2026

THIS RECLAMATION PLAN/LETTER OF INTENT IS FOR CALENDAR YEAR _____.
(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	Alaska	99709	(907) 451-5425
CITY	STATE	ZIP CODE	TELEPHONE

State of Alaska

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

MMS 419490

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

2. LEGAL DESCRIPTION OF PROPOSED MINING SITE

Within the SW1/2 NW1/4 of Section 1, Tract D, ASLS 81-205	17 North	12 East	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)

- a. <10 acres Total acreage to be mined or disturbed during the year.
- b. as needed cu. yds. Estimated total volume to be mined or disturbed, including overburden.
- c. Sand and Gravel Type of material (sand, gravel, peat, etc.).
- d. 6 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

- a. The total acreage that will be reclaimed during the year (or each year, if for a multi-year reclamation plan) is:

- b. Provide a list of equipment (type and quantity) to be used during the reclamation operation.
- c. 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

2/2/2021

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 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) 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 44.99.310, 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.

8. **ANNUAL RECLAMATION STATEMENT—REQUIRED IF YOU FILED A LETTER OF INTENT (CHECKED BOX C ON THE FIRST PAGE) FOR THIS OPERATION. DUE DATE: DECEMBER 31, _____ YOU MUST FILE EVEN IF THE MINING DESCRIBED IN YOUR LETTER OF INTENT DID NOT TAKE PLACE.**

This _____ annual reclamation statement is for:
(year)

- a. _____ acres Total acreage mined.
- b. _____ cu. yds. Total volume mined or disturbed, including overburden.
- c. _____ acres Total acreage reclaimed.
- d. _____ acres Cumulative total of unreclaimed acreage.
- e. Reclamation measures that were used (check appropriate measures from Section 4, DESCRIPTION OF THE RECLAMATION OPERATION, and attach list of additional or stricter measures if applicable).

The above annual reclamation statement and all attachments are correct and complete to the best of my knowledge.

Signature of Miner

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. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) 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 44.99.310, 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 46-2-020-5
Tok Cutoff Highway MP 120.5

These guidelines are subject to the Alaska Department of Natural Resources (DNR) Material Sale Contract, ADL 421599 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 419490, under AS 38.05.550 (b).

Legal Description

West of MP 120.5 Tok Cutoff Highway, within the SW1/2NW1/4, Tract D ASLS 81-205 of Section 1, Township 17 North, Range 12 East, Copper River Meridian. The site contains approximately 60 acres.

General Information

This site is located at milepost 120.5 on the Tok Cutoff Highway. A short access road leads to the site from the Alaska Highway. This site contains sandy gravel from an alluvial fan deposit. No water table is expected. Additional site information is available at the DOT&PF Materials 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 is a 100' vegetative screen surrounding the entire site and a 300' Screen in the North East corner which shall remain undisturbed. Clearly mark buffer lines in work areas.
2. Continue working within the existing cleared area taking the floor down.
3. Overburden will be stockpiled along the Southern limits of the material site.
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 future. It should only be allowed on areas of lowest quality rock 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 2H:1V or flatter, benches are 20 feet wide and faces less than 20 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

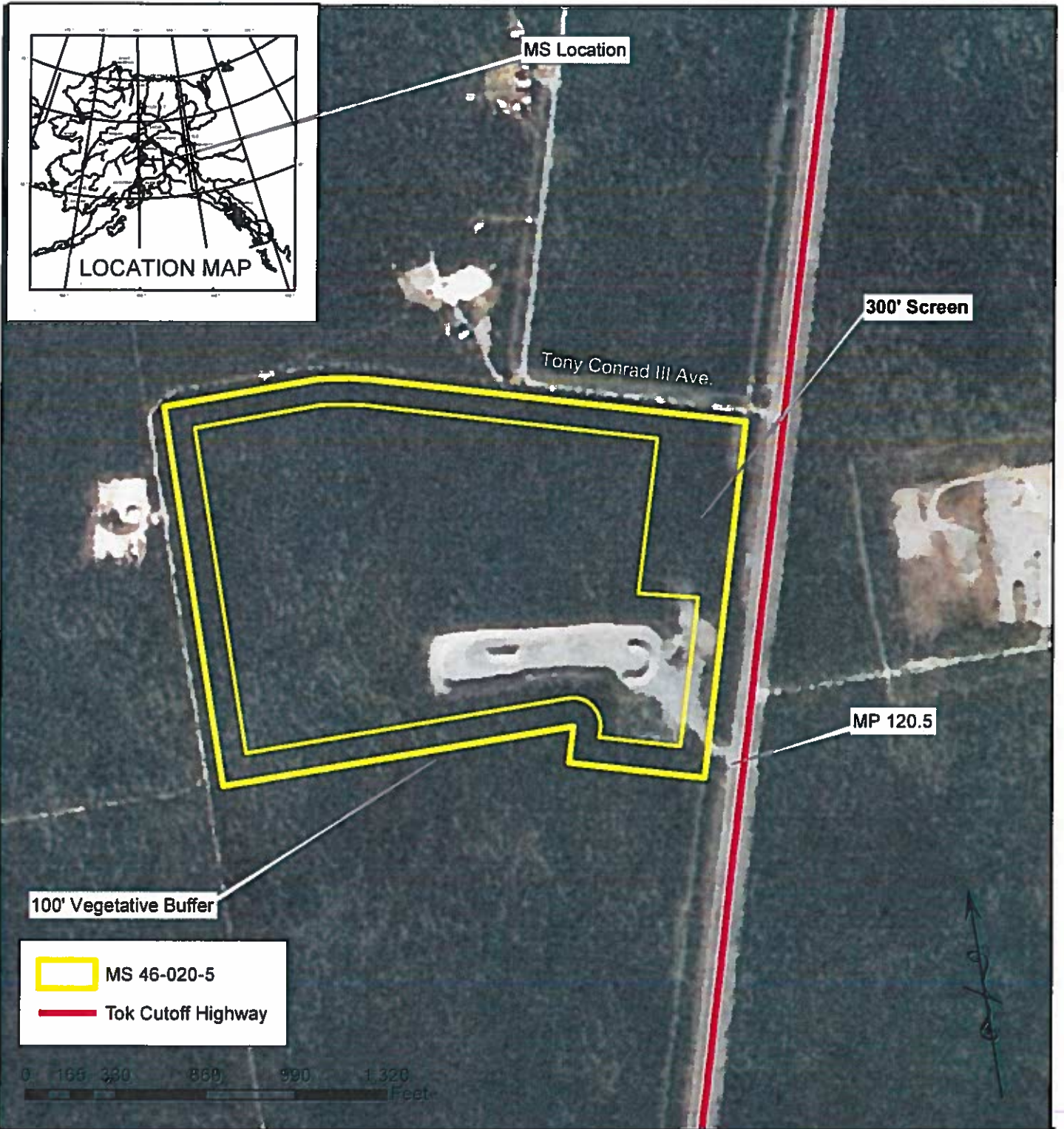
The **narrative** shall include:

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.



100' Vegetative Buffer

MS Location

300' Screen

Tony Conrad III Ave.

MP 120.5

MS 46-020-5

Tok Cutoff Highway

0 165 330 660 990 1,320 Feet

M.S. 46-2-020-5

T17N, R12E CRM

SECTION 1: S1/2SW1/4, Tract D, ASLS 81-205.

STATE OF ALASKA

**DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**

MATERIAL SITE PLAN

M.S. 46-2-020-5

NORTHERN REGION

Date: 2/2/2021

SCALE NTS
DRAWN BY: KAW

~60 Acres



STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
REQUIRED CONTRACT PROVISIONS
for
FEDERAL-AID (FHWA) CONSTRUCTION CONTRACTS

FHWA-1273 -- Revised May 1, 2012
Supplement , Cargo Preference Act – Effective February 15, 2016

REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS

- I. General
- II. Nondiscrimination
- III. Nonsegregated Facilities
- IV. Davis-Bacon and Related Act Provisions
- V. Contract Work Hours and Safety Standards Act Provisions
- VI. Subletting or Assigning the Contract
- VII. Safety: Accident Prevention
- VIII. False Statements Concerning Highway Projects
- IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
- X. Compliance with Governmentwide Suspension and Debarment Requirements
- XI. Certification Regarding Use of Contract Funds for Lobbying

immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's

II. NONDISCRIMINATION

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27)

and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of

employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurance Required by 49 CFR 26.13(b):

a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.

b. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on [Form FHWA-1391](#). The staffing data should

represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. (1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for

determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that

the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency..

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed,

as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity

requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

- (1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
- (2) the prime contractor remains responsible for the quality of the work of the leased employees;
- (3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
- (4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is

evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.

2. That the contractor agrees to include or cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

1. Instructions for Certification – First Tier Participants:

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this

covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which

this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the

department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

**ATTACHMENT A - EMPLOYMENT AND MATERIALS
PREFERENCE FOR APPALACHIAN DEVELOPMENT
HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS
ROAD CONTRACTS**

This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

**SUPPLEMENT to Form FHWA -1273
CARGO PREFERENCE ACT REQUIREMENTS**

This provision requires compliance with the Cargo Preference Act (CPA) and its implementing regulations in 46 CFR 381 for all Federal Aid Projects awarded after February 15, 2016.

In accordance with 46 CFR 381.7, the following language must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of 46 CFR 381.7 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

(a) Agreement Clauses. Use of United States-flag vessels:

(1) Pursuant to Pub. L. 664 (43 U.S.C. 1241(b)) at least 50 percent of any equipment, materials or commodities procured, contracted for or otherwise obtained with funds granted, guaranteed, loaned, or advanced by the U.S. Government under this agreement, and which may be transported by ocean vessel, shall be transported on privately owned United States-flag commercial vessels, if available.

(2) Within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (a)(1) of this section shall be furnished to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590."

(b) Contractor and Subcontractor Clauses. Use of United States-flag vessels: The contractor agrees—

(1) To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels.

(2) To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b) (1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590.

(3) To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this contract."