



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

**South-Central Regional Office**

**Preliminary Decision**

**ADL 231677 Designated Material Site**

**ADL 231669 Dept. of Transportation and Public Facilities**

**Negotiated Material Sale**

**AS 38.05.550-565, AS 38.05.810**

This Preliminary Decision (PD) is the State’s preliminary best interest finding regarding a proposed disposal of interest in state land. The public is invited to comment on this PD. The deadline for commenting is **May 29, 2026, at 11:59 pm**. Please, see the Public Notice section of this decision for requirements related to submitting comments for consideration.

**Requested Action**

The Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Southcentral Regional Land Office (SCRO) has received a request from the Department of Transportation and Public Facilities (DOT&PF) for a material sale contract to extract riprap and gravel from a 5-acre area near milepost 79 on the Denali Highway, along the Susitna River, approximately forty-seven miles south east of Cantwell, Alaska, and sixty-three miles west of Paxson, Alaska. The applicant is applying to designate this location for material extraction and purchase 100,000 cubic yards (cy) of material to be extracted from this site at the Public and Charitable rate (P&C), Summer 2026 through Winter 2030. The location of the proposed project area is further described as a 159-acre site more or less, within Section 11, Township 21 South, Range 1 East, Fairbanks Meridian.

**Proposed Action**

DOT&PF’s request has shown the need to designate the MP 79 Denali Highway Material Site, as required by Alaska Statutes (AS) 38.05.550(b). This site was originally assigned an ADL pursuant to the 2012 Preliminary and Final Finding regarding statewide Material Site Designations (referred to as the 2012 Omnibus Decision). The original designations were authorized under AS 38.05.550(b). However, the 2012 Omnibus Decision inadvertently lacked specific site information that would have allowed for meaningful public input and thus is proposed for designation through this decision. The Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), Southcentral Regional Office (SCRO) proposes establishing an approximately 159-acre site as designated material site ADL 231677 to allow for issuance of material sale contracts under AS 38.05.550-565. In accordance with AS 38.04.065 and AS 38.05.300, state land must be classified for surface use in areas considered proper and necessary.

## **Scope of Decision**

The scope of this decision is to determine if it is in the State's best interest to designate this portion of the Denali Highway as a material site, and what, if any, additional operating requirements should be implemented specific to this site. The scope is based on the statutes, regulations, and other facts contained in the case files for ADL 231677 and ADL 231669, and the body of this decision.

## **Authority**

The file is being adjudicated pursuant to Alaska Statutes AS 38.05.035(e) (best interest finding), AS 38.05.550-565 (material sales), AS 38.05.945 (notice), and AS 27.19 (reclamation).

The authority to execute the Preliminary Decision and the Final Finding and Decision has been delegated to the Regional Managers of DMLW. In SCRO, this authority has been further delegated to Natural Resource Manager 1's.

## **Administrative Record**

The administrative record for the proposed action consists of the Constitution of the State of Alaska, the Alaska Land Act as amended, applicable statutes and regulations referenced here-in, classification references described therein, and the casefile for the application serialized by DNR as ADL 231677 and 231669.

## **Location and Legal Description**

Location: The proposed material site is located on state-owned land along the Denali Highway approximately at milepost 79 as depicted in Attachment A, Site Map.

Legal Description: within the S ½ W ¼ and N ½ SW 1/4 portion of Section 11, Township 21 South, Range 1 East, Fairbanks Meridian, containing 159 acres, more or less.

Borough/Municipality: The site is located within the Matanuska-Susitna Borough.

Regional/Village Corp: Ahtna Inc. is the local Alaska Native Regional Corporation. No corporation land is involved in this sale or designation.

## **Title**

SCRO requested a title report from DMLW's Realty Services Section on October 29, 2025, which has not been received at the time of this decision. The lands were previously determined to be state-owned in Title Report 11556 from 2019.

## **Adjacent Landowners**

The proposed material site is surrounded by undeveloped land owned by the State of Alaska.

## **Third Party Interests**

There are no third-party interests within the site.

## **Background**

DMLW records indicate material extraction activities date back to at least 2015. DOT&PF shared this site was reportedly used for construction of the Denali Highway and the Valdez Creek Mine Road, however a formal record was not found. This proposed material site location is serialized by DOT&PF as MS 52-2-089-2. Historical use of this site encompassed a 19-acre site, more or less.

Additionally, Windy Creek Access Road (RST 517), and Gulkana-Denali route (RST 294), appear to cross through the proposed site and existing scar.

## **Planning and Classification**

The proposed site is in unit 1b, Denali Highway East, of the Talkeetna Mountains Subregion of Susitna Area Plan (SUAP). The unit is designated as Public Recreation, Wildlife Habitat, and Forestry (personal use) which converts to the classification of Public Recreation and Wildlife Habitat Land. The applicable management intent for unit 1b states the area contains relatively dense stands of trees with potential to screen development from views from the highway. Material sites should be screened from roads, residential areas, recreational areas and other areas of significant human use. Sufficient land would be allocated to the material site to allow for such screening.

All land use activities should be conducted with appropriate planning and implementation to avoid or minimize foreseeable or potential adverse effects on fish and wildlife populations or their habitats. Consider contacting ADF&G as this unit is an important fish and wildlife habitat and public use area. Before allowing the extraction of materials, the manager will ensure that the requirements of the permit or lease give adequate protection to other important resources and uses including, but not limited to: existing water rights; water resource quantity and quality; navigation; fish and wildlife habitat and harvest; commercial forest resources; recreation resources and opportunities; historic and archaeological resources; adjacent land uses; and access to public or private lands.

There are no other public, DMLW managed material sites in the vicinity of the proposed location. The nearest designated public material source is ADL 231377 on state-owned land near MP 99 of the Denali Highway. Based on the above considerations, designating a material site and authorizing subsequent material extraction activities at this location would be consistent with SUAP.

## **Traditional Use Finding**

The subject material site is located within the Matanuska Susitna Borough (MSB), therefore a traditional use finding is not required.

## **Access**

A gravel access road, approximately 30 feet wide, runs from approximately MP 79 of the Denali Highway into the existing work area along the south side of the site in the approximate location

shown on the attached map. Valdez Creek Mine Road may also offer access to deeper into the proposed site. The gravel access road is approximately 200 feet long, and may be extended as necessary as the remainder of the site is developed. In DOT&PF's application, they provide that the intersection with the highway will have adequate site distances for safety, and that the total road area within the material site is less than one acre and will not exceed three acres at ultimate development.

Additionally, Windy Creek Access Road (RST 517), and Gulkana-Denali route (RST 294) traverse the material site and will not be mined or blocked but may be subject to traffic control during mining operations.

### **Waterbodies**

The site generally slopes uphill from the highway. A Final Wetlands and Waterbodies Delineation and Functional Assessment Report of the material site and those lands within a one-mile radius of the site, was completed in May 2012. A 100-foot-wide undisturbed buffer will be maintained along the identified creeks or water bodies (See Attachment Site Map).

The Susitna River is adjacent to this location, approximately 500 feet to the west. From what can be seen in the aerial imagery of the stream it does not look navigable for title purposes, AS 38.04.062. Windy Creek is considered navigable and public water per AS 38.05.127 as defined in AS 38.05.965 (14) and (21). Windy Creek passes east to west through the NE ¼ of the proposed site boundary.

### **Access Along Navigable and Public Waters**

AS 38.05.127 requires that when the department is disposing of any interest in state land, DNR identify navigable and public waters, and easements necessary to ensure access along the water is to be reserved unless regulating or limiting access is necessary for other public purposes. This site is located on the uplands of the Susitna River, which is considered navigable for title purposes under AS 38.04.62. While a material site designation is considered a disposal of an interest in state land whereby DMLW can sell material, the underlying land will remain in State ownership.

Because the proposed site is approximately 500 feet east of the Susitna River, access along the river is not altered, and no easement is required to ensure access continues should this designation become effective.

### **Public Trust Doctrine**

Pursuant to AS 38.05.126, all contracts issued pursuant to any site designation will be subject to the principles of the Public Trust Doctrine; specifically, the right of the public to use navigable waterways and the land beneath them for: navigation, commerce, fishing, hunting, protection of areas for ecological studies, and other purposes. These rights must be protected to the maximum extent practicable while allowing for the development of this project. As such, DMLW is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

## **Mineral Orders**

The proposed material site is not currently closed to mineral entry, and no restrictions/closures are recommended.

## **Environmental Risk**

The applicant submitted an Environmental Risk Questionnaire with the material sale application. No storage or authorization of hazardous materials or fuel will be authorized. The standard provisions regarding spill reporting will be included in any material sale authorizations issued from this material site.

## **Agency Comments**

The DMLW conducted an agency review from November 14, 2025, to December 5, 2025. Information and comments received from sections within DMLW prior to and during agency review have been considered and included in the preparation of this preliminary decision. The following agencies were solicited for comments regarding this proposed material site designation and material sale:

Department of Environmental Conservation  
Parks and Outdoor Recreation, DNR  
Alaska Division of Geological & Geophysical Surveys, DNR (DGGS)  
US Army Corp of Engineers  
ADFG Habitat Section  
ADFG Access Defense  
DOT&PF ROW

The following comments were received:

### Department of Fish and Game (ADF&G):

**Habitat Section :** The Habitat Section has reviewed the applications submitted by the Department of Transportation and Public Facilities (DOT&PF) for the Material Sale and Material Site Designation within the state-owned lands of the Denali Highway. The Habitat Section has no concerns for this project. The work site location is bordered by Windy Creek and Susitna River. However, the working boundaries of the project provide 50-foot buffer for each waterbody. Currently, the applicant does not need a fish habitat permit. If the project expands to include withdrawing water, modifying banks, has in water work, or work at or below the ordinary high-water line, the applicant may need a fish habitat permit.

**Access Defense :** Access Defense does not have any concerns with the designation, provided that public access is maintained along both RST 517 (Windy Creek Access Road) and RST 294 (Valdez Mining Trail). The development plan indicates that RST 294 will not be mined or blocked, though it may be subject to traffic control during mining operations, which seems reasonable. The same consideration should be noted for RST 517.

**Sport Fish Access:** No Comment

**Sport Fish Management:** No Comment

**Division of Wildlife:** No Comment

*DMLW Response:* Thanked for their comment.

Alaska Division of Geological & Geophysical Surveys, DNR (DGGS):

**Geologic Units:** Alluvial Deposits (alluvial fan); Glacial deposits (outwash)

**Suitability For Construction:** Areas of clean sand and gravel may be suitable, depending on the thickness of any fine-grained surface cover. Materials on slopes may be unsuitable due to potential instability issues. Areas of poor drainage may not be suitable. Use best construction practices.

**Permafrost:** Discontinuous (50-90%)

**Susceptibility To Frost Action:** Generally intense frost action where sediments are fine-grained and/or wet. Generally less intense where coarse-grained and/or well drained.

**Thaw Stability:** Thaw unstable where ice content is high, especially in areas of poor drainage. Generally, well-drained, coarse sediments are more thaw-stable than poorly drained, fine-grained sediments.

**Surface Drainage and Flooding Potential:** 1) Flooding is possible along streams in the spring and during intense rain events. 2) Surface drainage is often poor near swamps and areas of permafrost, especially where sediment is fine-grained. 3) Surface drainage is good drainage along slopes and where coarse-grained.

**Geologic Hazards:** The parcel is located ~60 miles from the Denali fault, which has been active within the last 150 to 15,000 years, and the Susitna Glacier fault, active within the past 150 years (Koehler, 2013). Recent noteworthy seismicity in the region includes the 7.9 M SLANA, MENTASTA LAKE, FAIRBANKS earthquake in 2002 and the 6.7 M CANTWELL, DENALI NATL PARK earthquake in 2002 (National Centers for Environmental Information, <https://www.ncei.noaa.gov/maps/hazards>). The region's overall seismic hazard potential is high (Powers and others, 2024). Standard best building practices should be used to accommodate the regional seismic hazard. This area has been subject to ash fall from erupting Cook Inlet and Alaska Peninsula volcanoes. Past ash events include Spurr 1992, Redoubt 1989, Novarupta (Katmai) 1912, and multiple older tephras (Mulliken and others, 2018; Worden and others, 2018). Radon, a naturally occurring cancer-causing radioactive gas, has been modeled to be high in this area (<https://maps.dggs.alaska.gov/radon/>). The Environmental Protection Agency's (EPA) Action Level for radon is 4 pCi/L; the EPA suggests homeowners consider radon mitigation for test results of 2–4 pCi/L. Any home, school, or building can have high levels of radon and should be tested.

**Mineral Resources:** No comment

*DMLW Response:* Thanked for their comment.

Office of History and Archaeology (OHA):

The Alaska Office of History and Archaeology (OHA) received your consultation request to review the subject project under the Alaska Historic Preservation Act (AHPA) (*AS 41.35.070*) on December 2, 2025.

Following our review of the materials provided, with the exception of Valdez Creek Mining District Access Road (HEA-00651), all other historic properties in the area have been determined not eligible for listing in the National Register of Historic Places (NRHP) in 2019. Because the location is being designated a material site, we request a new determination of eligibility (DOE) for HEA-00651 be submitted to our office for re-evaluation.

Please note our office may need to re-evaluate our recommendation if there are changes to project scope. Should inadvertent discoveries of cultural resources occur during project activities, work must halt, and our office must be notified so we can evaluate whether the resource(s) should be preserved in the public interest (*AS 41.35.070[d]*). Our response does not end the 30-day review period provided to other consulting parties.

*DMLW Response:* Thanked for their comment.

**Public Notice**

Pursuant to AS 38.05.945, this PD will be advertised for a 30-day public comment period, starting on April 29, 2026. In addition, the Cantwell Post Office will be requested to post the notice pursuant to AS 38.05.945(b)(3)(C). The notice will also be posted on the State of Alaska Online Public Notice website pursuant to AS 38.05.945(b)(3)(B) located at:

<https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>

In accordance with AS 38.05.946, the Matanuska-Susitna Borough, Ahtna Native Incorporation is a regional corporation entitled to receive notice under AS 38.05.945(c), and may hold a hearing within 30 days after the receipt of the notice.

The public is invited to comment on this PD. All comments received during the public comment period will be considered in the FFD. A copy of the FFD, along with instructions on filing an appeal, will be sent to all persons who comment on the PD. If public comments result in significant changes to the PD, additional public notice may be given.

To be eligible to appeal, a person affected by the FFD must provide written comments during the public comment period per AS 38.05.035(i).

**Written comments about this project must be received in this office no later than 11:59 PM on May 29, 2026, to be considered.**

To submit comments please choose one of the following methods:

Mail: Department of Natural Resources  
Division of Mining, Land and Water  
Southcentral Regional Land Office  
ATTN: Naelene Matsumiya  
550 West 7<sup>th</sup> Ave.  
Anchorage, Alaska 99501  
Email: [naelene.matsumiya@alaska.gov](mailto:naelene.matsumiya@alaska.gov)

Questions about this project can be directed to Naelene Matsumiya at (907) 269-8555.

### **Survey and Appraisal**

A survey for this material site is not required per AS 38.04.045. DMLW may require a survey in the future, should conditions arise that warrant a survey.

An appraisal is not required to sell materials under AS 38.05.555, and there has been no request from the applicant to perform an appraisal under AS 38.05.555(b)(2). The regional representative sale price for this site is currently \$3.00 per cubic yard.

### **Performance Guaranty**

Performance bonds are required at the discretion of the director per 11 AAC 71.095(a). As the applicant is a State Agency, a performance bond will not be required for the associated material sale contract but may be for subsequent contracts out of the site.

### **Insurance**

Consistent with AS 38.05.035(a) to protect the State from liability associated with the use of the site, all buyers from the proposed material site location shall provide and maintain a comprehensive general liability insurance policy with the State of Alaska named as an additional insured party per the terms of the executed material sale contract. The buyer shall secure or purchase at its own expense and maintain in force at all times during the term of any material sale contract issued from the proposed site, liability coverage and limits consistent with what is professionally recommended as adequate to protect the applicant and the State, its officers, agents and employees from the liability exposures of ALL the insured's operations on state land. The insurance requirement may be adjusted periodically.

### **Discussion**

DOT&PF has requested that DMLW designate material site ADL 231677 and issue a contract authorizing extraction and purchase of 100,000 cubic yards of sand and gravel beginning summer of 2026 through summer of 2030 under ADL 231669. The reason for requesting materials from this material site location is that it is close to the work location for which the materials are needed to provide material for road maintenance of the Denali Highway.

No potential issues were identified in the agency review comments received in response to designating the proposed location as a material site.

### **Material Site Designation**

The material site is being designated under disposal of material statutes AS 38.05.550 and AS 38.05.555. This decision will designate ADL 231677 as a material site for the long-term sale and extraction of materials until closed by the DMLW. Contracts for the sale of material may be issued by DMLW either by negotiated, competitive, limited, or public and charitable material sale methods. Contracts issued under AS 38.05.550-565, Material Sales, will be issued at a representative sale price per cubic yard determined by the DNR Commissioner or at fair market value determined by appraisal. Some sales under AS 38.05.565, Sale or Disposal of Materials for Special Purposes, may be without cost. Contracts issued under the authority of AS 38.05.810(a) Public and Charitable will be issued at less than fair market value.

Although DMLW may continuously sell materials without further finding once the site is designated, the DMLW must also ensure that state land and natural resources be available for the maximum use consistent with the public interest. To that end, the DMLW will continue to carefully review individual sale requests and operation plans once sites have been designated, to ensure resource consideration and multiple use issues are appropriately evaluated.

**Recommendation**

Based upon the information provided by the applicant, as well as review of relevant planning documents, statutes, regulations, and case files related to this application, the DNR, DMLW, SCRO proposes designating and authorizing the development of the ADL 231677 material site and subsequently issuing a 5-year contract known as ADL 231669 for 100,000 cy of sand and gravel to The Alaska Department of Transportation and Public Facilities, subject to the conditions described in this document, operating requirements and standard contract terms. This decision considers ownership of the site, the need for reasonable access to material sources in the region and the project site, agency concerns, and project-specific needs. The use of this material site will assist with the maintenance and upkeep of the Denali Highway. Operations in the site will be consistent with the mining and reclamation guidelines developed by DOT&PF and approved by DNR.

*Naelene Matsumiya* April 28, 2026  
\_\_\_\_\_  
Naelene Matsumiya Date  
Natural Resource Specialist 2

**Preliminary Decision**

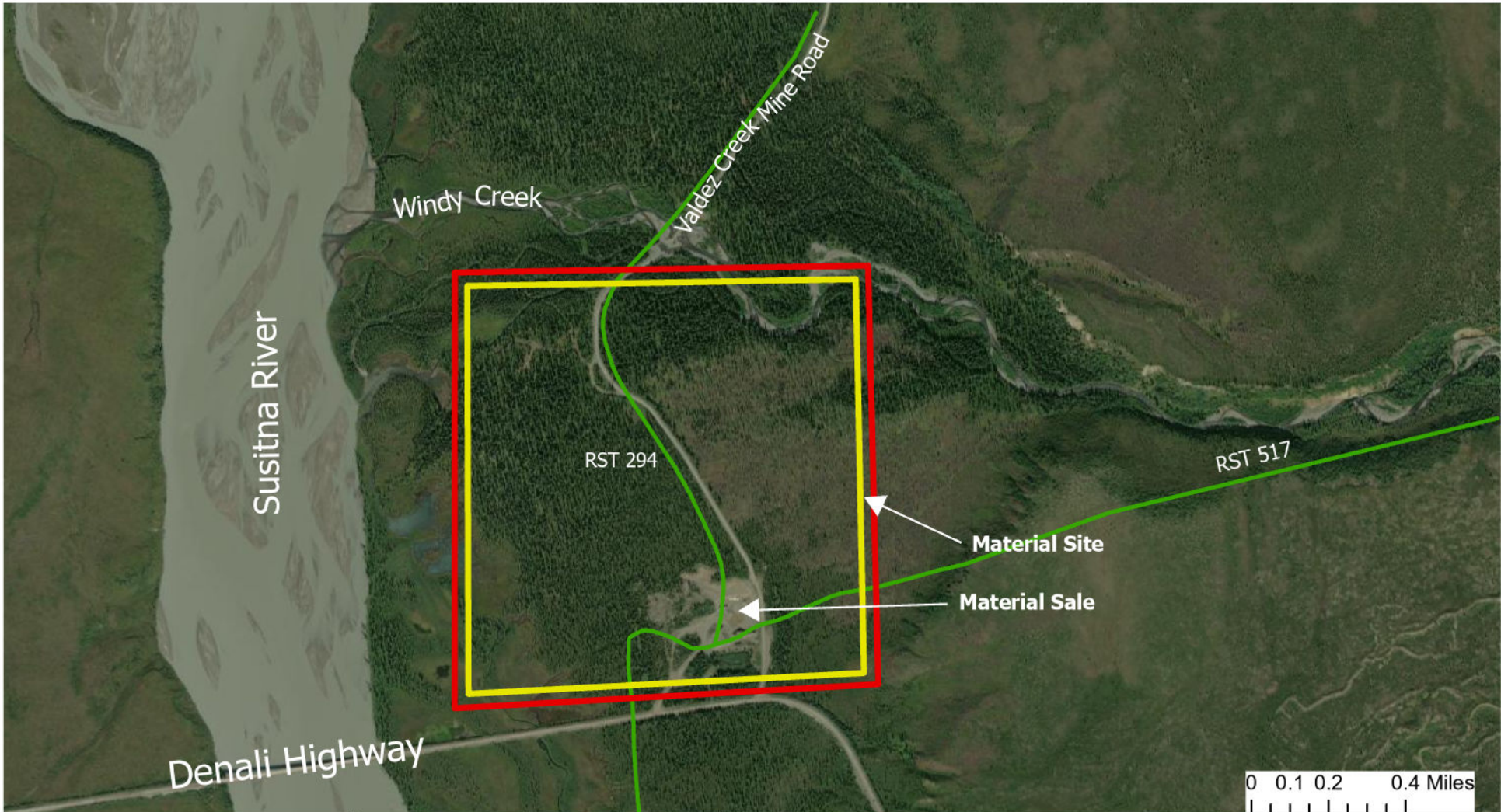
I find that the proposed action as recommended above may be in the state’s best interest and is hereby approved to proceed to public notice. Additional operating requirements identified during the public comment period may be included in the Final Finding and Decision and subsequent authorization.

*Kate Dufault* 4/28/2026  
\_\_\_\_\_  
Kate Dufault Date  
Natural Resource Manager 2

**Attachments**

- Attachment A – Site Maps
- Attachment B – Material Sale Designation Application, ADL 231677
- Attachment C – Example Material Sale Contract, ADL 231669

Attachment A



**General Location Map**  
**Material Site ADL 231677**  
**Material Sale ADL 231669**

- Material Site Boundary
- Material Sale Boundary
- RST 294, 517

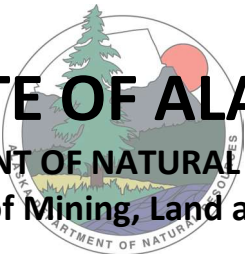
Material Site ADL 231677 is located along the Denali Highway off MP 79, southeast of Cantwell, Alaska. This site encompasses approximately 159 acres. The proposed area within Material Sale ADL 231669 is approximately 20 acres, more or less. This site is further described as being located within Section 11, Township 21 South, Range 1 East, Fairbanks Meridian.

Note: This is a planning document only. Boundaries shown on this drawing are approximate. This does not convey property interest, as such, is used only as a representation of the project. World Imagery.



Date: 4/28/2026

Attachment B



**STATE OF ALASKA**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Mining, Land and Water**

Northern Region Land Office  
3700 Airport Way  
Fairbanks, AK 99709-4699  
(907) 451-2740  
[nro.lands@alaska.gov](mailto:nro.lands@alaska.gov)

Southcentral Region Land Office  
550 West 7<sup>th</sup> Ave, Suite 900C  
Anchorage, AK 99501-3577  
(907) 269-8503  
[dnr.pic@alaska.gov](mailto:dnr.pic@alaska.gov)

Southeast Region Land Office  
P. O. Box 111020  
Juneau, AK 99811-1020  
(907) 465-3400  
[sero@alaska.gov](mailto:sero@alaska.gov)

Statewide TTY – 771 for Alaska Relay or 1-800-770-8973

**MATERIAL SITE DESIGNATION APPLICATION**  
**AS 38.05.550**

ADL # (assigned by DNR) \_\_\_\_\_

Applicant's Name: AK DOT&PF Doing business as: \_\_\_\_\_

Mailing address: 2301 Peger Rd. Email address: \_\_\_\_\_

City/State/Zip: Fairbanks, AK 99709

Message Phone: 970 451-5425 Work Phone: 970 451-5425 Fax: \_\_\_\_\_

What kind of designation are you applying for?  New site  Expansion of existing site  Site amendment

Material site location: Designated material site ADL # (if existing) \_\_\_\_\_ ADOT/PF MS# 52-2-089-2

Legal description: That portion of the S1/2NW1/4 and that portion of the N1/2SW1/4 lying north of the Denali Highway

Meridian FM Township 21S, Range 1E, Section 11 \_\_\_\_\_ 1/4 \_\_\_\_\_ 1/4

Municipality Matanuska Susitna Borough Approximate size of the material site in acres 25

What is the current condition of the proposed site? Partially Developed

State the desired development date for the proposed site? Summer 2026

Describe the proposed method of excavation, including the type of equipment to be used:

Material will be excavated by dozer/scrapper or excavator depending on the specific project.

Describe the type of material, (e.g., coarse, un-sized angular rocks; well-sorted and sized gravel; sand and gravel mixed with some shale; class or rip rap; ballast):

Well-sorted and sized gravel: sand and gravel mix

Describe all known geotechnical exploration conducted at this site (attach any known reports, or compilations of data showing the material type and quantity located at this site):

see attached

ADL # \_\_\_\_\_

(Rev 08/22)

If permits are required by other agencies, have they been applied for?  Yes  No. If yes, what permits have been applied for? MSB permit. Attached

A diagram of the proposed site location is required, have you provided a diagram showing the proposed site, including the extraction area, stockpile sites, overburden disposal areas, stream diversions, etc.?  Yes, see attached  No.

To your knowledge, is the general shoreline in the vicinity of the proposed site undergoing any of the following?  
 Erosion;  accretion;  neither.

Do you anticipate any mining activity to take place within any state-owned tidelands, state-owned shorelands, or other state-owned submerged lands?  Yes  No.

If yes, please complete and attach the "Material Sales Supplemental Questionnaire for State Submerged Land, Shoreland, or Tideland Activities" to your application materials.

Do you anticipate development of this material source to require blasting or the use of explosives?  Yes  No.

If yes, please complete and attach the "Material Sales Supplemental Questionnaire for Use of Explosives" to your application materials.

By signing below the applicant affirming the information provided in this application, and all attachments, are correct and complete to the best of their knowledge.



Applicant's Signature

10/8/2025

Date

**NOTICE: This application will not be considered complete unless accompanied by a sketch map sufficiently detailed to enable the Division of Mining, Land and Water to locate the application site. If the Division of Mining, Land and Water considers it necessary, the applicant may be required to submit a more detailed map or survey plat.**

In submitting this form, the applicant certifies that he or she has not changed the original text of the form or any attached documents provided by the Division.

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)(8) and confidentiality is requested, or qualifies for confidentiality AS 43.05.230, AS 45.48, or other state or federal laws. Public information is open to inspection by you or any member of the public. A person who is the subject of the personal information may challenge its accuracy or completeness under AS 40.25.310, 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. In submitting this form, the applicant agrees with the Department to use "electronic" means to conduct "transactions" (as those terms are used in the Uniform Electronic Transactions Act, AS 09.80.010 – AS 09.80.195) that relate to this form and that the Department need not retain the original paper form of this record: the department may retain this record as an electronic record and destroy the original.

For Department Use Only  
Application received date stamp

Receipt Types:

17 Application designation, amendment, or expansion of material site or source

Attachment C

**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:** \_\_\_\_\_, 2026

**Expiration Date:** December 31, 2030

**ADL # 231669**

**Federal Tax I.D.:**

Under Alaska Statutes (AS) 38.05.550-565 (Material Sales), other applicable statutes, and the regulations implementing these statutes, the State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), the seller, whose address is 550 West 7th Ave., Suite 900C, Anchorage, AK 99501-3577, agrees to sell and the buyer, Department of Transportation & Public Facilities, doing business as (DOR&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 20 acres, more or less. This area is designated by the boundaries shown on the attached sale area map, which is made a part of this contract:

Designated Material Site ADL 231677, DOT MS 52-2-089-2 located at MP 79 on the Denali Highway within Section 11, Township 21 South, Range 1 East, Fairbanks 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 & Gravel	100,000		See 4(k)(21)(i) below

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 of the contract term without prior notice to the buyer, for the value of material extracted during the reporting period. 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) 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, and 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 seller only after the payments in arrears plus the penalty provided for in paragraph 2(f) have been paid.

(f) Late Payment Penalty: The greater of either the fee specified in 11 AAC 05.030 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 State of Alaska.

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

(1) The buyer shall prepare an annual Accounting Voucher which becomes due on December 31 of each year that details the volume of material removed during the calendar year from January 1 through December 31. The Accounting Voucher must be based on the information collected in the daily extraction records. If the Accounting Voucher and payment due under paragraph 2(c) is not received by February 1 in the calendar year following the December 31 due date, the contract may be suspended. This voucher shall be filed regardless of whether material was removed during the reporting period.

(2) Should the administrative base price, representative regional sales price, or fair market

value be changed during the term of this contract, the new price will be effective and apply to the material remaining to be extracted under this contract as of the effective date of the price adjustment.

(3) Material extraction in excess of the contract amount may be considered taken in trespass and at the discretion of seller, charged to and paid for by the buyer at triple the contract unit price 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.

(4) Material extraction outside of an active contract term is considered taken in trespass and is to be charged to and paid for by the buyer at triple the unit contract price.

### 3. Method of Volume Determination.

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

(1) 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 and shall take all prudent precautions to prevent or suppress grass, brush, or forest fires, and to prevent erosion or destruction of the land.

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

(d) Fire Prevention. 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. No material of any type, including excavated material or vegetation, shall be placed, stockpiled, discarded, or otherwise disposed of in such a way as to block access to the material site.

(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) Waste. No waste shall be deposited or buried on the authorized site of this contract. Waste in this subparagraph means all discarded matter, including, but not limited to, construction material, fill, waste asphalt, human waste, trash, garbage, refuse, litter, oil drums, petroleum products, ashes, scrap steel or used culverts and discarded equipment. 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.

(2) Extraction Area. This contract authorizes removal of material only from the area defined in this contract. All work will be confined within the site boundaries. The buyer is responsible for properly locating the material site and the working limits within the material sale area, as shown on the attached map.

(3) Site Development. Overburden and topsoil shall be stockpiled separately and must be placed in a stable location, protected from contamination by acidic or toxic materials, and in a manner which will prevent erosion and preclude runoff from contaminating adjacent waterways. Topsoil is not permitted to be removed from site unless written authorization is received from the seller.

(4) Water Quality. The buyer shall comply with the State of Alaska water quality standards pursuant to 18 AAC 70, including discharge standards when conducting material washing operations. Disposal of grey or black water waste into the ground surface or nearby water sources from any operation associated with this authorization is specifically prohibited.

(5) Other Authorizations. The issuance of this authorization does not alleviate the necessity of the buyer to obtain authorizations required by any municipal or local, state, or federal entity for this activity. Any asphalt processing, related activities, or associated structures will not be allowed without obtaining prior written authorization from DNR. Failure to obtain any necessary authorizations shall be considered a breach of the terms and conditions of this contract and may be cause for contract revocation or suspension.

(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, archaeological, or paleontological site without written approval from the DNR Commissioner. Should any sites be discovered, the buyer shall cease any activities that may cause damage and immediately contact the seller and the Office of History and Archaeology in the Division of Parks and Recreation.

(7) Equipment or Vehicle Maintenance. Equipment or vehicle maintenance will be performed over an effective impermeable barrier.

(8) Fuel, Hazardous Substances, and Explosives. No fuel, hazardous substances, or explosives are to be stored on the subject parcel without a Land Use Permit or other written approval by the seller. All petroleum, oil and lubricants (POL) (e.g., motor oil and fuel) will be stored in double walled tanks or a lined bermed area designed to contain at least 110 percent of the total amount of POL stored. The use and storage of hazardous substances and explosive material by the contractor must be in accordance with existing federal, state, and local laws, regulations and ordinances. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous waste and must be removed from the site and managed and disposed of in accordance with state and federal law. Sorbent material in sufficient quantity to handle operational spills must be on site at all times for use in the event of a spill. Oil and fuel spills shall be cleaned up immediately and contaminated ice, snow or earth material shall be disposed of as required by the Alaska Department of Environmental Conservation (DEC) regulations.

(9) Notification of Discharge. The grantee shall immediately notify the Department of Environmental Conservation (DEC) and AO by phone of any unauthorized discharge of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported immediately.

If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the grantee shall report the discharge within 48 hours. Any discharge of oil greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

Notification of discharge during normal business hours must be made to the nearest DEC Area Response Team: Anchorage (907) 269-7500, fax (907) 269-7687; Fairbanks (907) 451-2121, fax (907) 451-2362; Juneau (907) 465-5340, fax (907) 465-5245. For discharges in state off shore waters call (907) 269-0667. The DEC oil spill report number outside normal business hours is (800) 478-9300.

Notification of discharge must be made to the appropriate DNR Office: Anchorage (907) 269-8503, fax (907) 269-8913; Fairbanks (907) 451-2678, fax (907) 451-2751, email [dnr.nro.spill@alaska.gov](mailto:dnr.nro.spill@alaska.gov); Juneau (907) 465-3400, fax (907) 465-3886. The grantee shall supply the AO with all incident reports.

(10) Mining and Reclamation. Mining shall be done in accordance with the DNR approved Mining and Reclamation plan (M&R plan). Upon completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to DMLW and reclaimed in accordance with the approved M&R plan. Reclamation shall be to the standards of DMLW and shall include repair of access roads to and within the site, disposal of remaining stockpiles, 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 DEC's Alaska Pollutant Discharge Elimination System (APDES), and if applicable, to maintain and operate the site in accordance with an approved Storm Water Pollution Prevention Plan (SWPPP).

(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 other users in the site, which may include the Department of Transportation and Public Facilities (DOTPF) or other contractors. Coordination shall take place 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.

The buyer shall not disturb or remove material from existing stockpiles unless the buyer is the owner of the stockpile. Buyer is not authorized to stockpile material in the material site beyond the active term of the contract. A permit or other written approval is required to stockpile material after the term of the contract. Prior to granting final approval for storage of the stockpile, the seller will require payment in full for the stockpiled material. The seller may also charge a storage fee for the stockpiled material. Unless authorized in writing by the seller, stockpiles will be regraded and reclaimed upon contract completion. Any stockpiles left in the pit outside the contract term 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) 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, and Water, or a minimum of \$500.00. (11 AAC 05.130). Reimbursement for costs for the field inspection under this section may be taken from the performance guaranty.

(17) Contract. The buyer or their agent shall carry a copy of the executed contract while operating in the material site. No material will be removed without the issued contract on site.

(18) Insurance. The buyer shall secure or purchase at its own expense, and maintain in force at all times during the term of this contract, liability coverage and limits consistent with what is professionally recommended as adequate to protect the buyer (the insured) and seller (the State, its officers, agents and employees) from the liability exposures of ALL the insured's operations on state land. Certificates of Insurance must be furnished to the seller prior to issuance of this contract and must provide for a 60-day prior notice to the State before they cancel, not renew or make material changes to conditions to the policy. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, are material breaches of this contract and shall be grounds, at the option of the State, for termination of the permit. All insurance policies shall comply with, and be issued by, insurers licensed to transact the business of insurance under Alaska Statute, Title 21. The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Department of Administration. The State must be named as an additional named insured on the policy with respect to the operations of the buyer on or in conjunction with the permitted premises, referred to as the above ADL number.

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

(20) Notice. Notice referred to in paragraph 17 of this contract may also be accomplished via email between authorized representatives of buyer and seller. Buyer shall maintain a current, valid, mailing address and email on file with the seller at all times.

The buyer shall notify the seller when a contractor or subcontractor has been selected to perform work in the material site on behalf of the buyer. The notice must include the name and contact information for the contractor or subcontractor, the project name or number, the expected time period for the contractor or subcontractor to be working in the material site, and the estimated volume of material to be extracted by the contractor or subcontractor.

(21) Project Specific Operating Requirements.

- i) Under 11 AAC 05.130(e), The fee for the sale of materials to a federal, state, or municipal agency for use in constructing, reconstructing, or maintaining a public project is as follows: for the first 5,000 cubic yards of materials to be used on the project, no charge; each year of maintenance on an ongoing basis constitutes a separate project; for each cubic yard of materials beyond 5,000 cubic yards, the base fee listed in the annual base price schedule established under 11 AAC 71.090.

Under AS 38.05.872(b), The commissioner may convey materials at less than fair market value to municipalities, other state and federal agencies, or other entities, and make other arrangements for land and materials as mitigation of a flooding area where excess material deposition significantly contributes to the flooding, consistent with a site-specific flood mitigation plan approved by the commissioner and determined to be in the best interests of the public. Materials extracted under this site-specific flood mitigation plan will be free of charge.

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 consistent with 11 AAC 71.095, 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 reasonable and necessary improvement or facilities, including crushers, mixing plants, buildings, bridges, roads, etc., constructed by the buyer in connection with this sale and placed within the sale area must be in accordance with plans approved in writing 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;

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

(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;

(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, AS 38.05.810, AS 38.05.872, 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.

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, and notify the seller promptly of any change in address:

To the Seller:

Alaska Department of Natural Resources Division of Mining, Land and Water  
550 West 7th Avenue, Suite 900C  
Anchorage, Alaska 99501-3576

To the Buyer:

Department of Transportation and Public Facilities (DOR&PF)  
2301 Peger Road  
Fairbanks, AK 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 Division of Mining, Land and Water.

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: DOR&PF

SELLER: STATE OF ALASKA

Address:

2301 Peger Road  
Fairbanks, Alaska 99709

Director, Division of Mining, Land and Water

Approved:

Commissioner,  
Department of Natural Resources

STATE OF ALASKA )  
 ) ss.  
\_\_\_\_\_ Judicial District )

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

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

STATE OF ALASKA )  
 ) ss.  
\_\_\_\_\_ Judicial District )

THIS IS TO CERTIFY that on \_\_\_\_\_, \_\_\_\_\_, before me appeared \_\_\_\_\_, 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.

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

CERTIFICATE OF CORPORATE BUYER  
(if applicable)

I, \_\_\_\_\_, certify that I am the Secretary of the corporation named as buyer in this contract and that \_\_\_\_\_, who has signed this contract is(was) at the time of signing the contract the \_\_\_\_\_ of \_\_\_\_\_ that corporation, and that he(she) did so for and on behalf of the corporation at the direction and by the authority of the corporation's governing body acting within the scope of its corporate powers.

Corporate Seal

\_\_\_\_\_  
Secretary

STATE OF ALASKA                    )  
  )ss.

\_\_\_\_\_Judicial District            )

**THIS IS TO CERTIFY** that on \_\_\_\_\_, \_\_\_\_\_, before me appeared \_\_\_\_\_, known by me to be the Secretary of the corporation named as buyer in this contract and who acknowledged voluntarily signing as Secretary of the corporation.

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