

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

## FINAL FINDING AND DECISION

**ADL 230034**

Application for Lease  
AS 38.05.070(c)

This Final Finding and Decision compliments and updates the Preliminary Decision dated January 15, 2014. To be eligible to appeal this decision, a person must have provided a written comment during the comment period of the Preliminary Decision.

Pursuant to AS 38.05.945, the Preliminary Decision was distributed and advertised for public comment on January 24, 2014 in the Anchorage Daily News and the Bristol Bay Times with the comment period ending on February 24, 2014. No comments were submitted during the comment period and are addressed starting on page 4 of this decision.

### **Changes to the Decision:**

There are no changes to the decision.

### **Action:**

Based upon the information provided, the Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), Southcentral Regional Office (SCRO) has made a Final Finding and Decision to issue a 20-year tideland lease to Leader Creek Fisheries, Inc. (LCF), for three acres of state tidelands on Naknek River and Leader Creek. The project location is further described as being within the NE ¼ SE ¼ of Section 33 and NW ¼ SW ¼ of Section 34, Township 16 South, Range 46 West, Seward Meridian. The lease will be issued for the continued use, operation, and maintenance of two barge landings, the extension of a third gravel ramp into tidelands, and a floating seasonal dock to transfer vessels and fish from Naknek River and Leader Creek to adjacent upland storage site and fish processing facility.

### **Authority:**

This lease application is being adjudicated pursuant to AS 38.05.035(b)(1) Delegation of the Powers and Duties of the Director; AS 38.05.035(e) Written Findings; AS 38.05.070(c) non-competitive lease; and AS 38.05.945 Public Notice. The authority to execute the Final Finding and Decision, the EEA, and the lease, has been delegated to the Regional Managers of DMLW.

### **Administrative Record:**

Case file ADL 230034 constitutes the administrative record for the Leader Creek Fisheries, Inc. lease application.

### **Legal Description, Location, and Geographical Features:**

The state land where this proposed lease site is located is described as follows:

- **Legal description:** NE ¼ SE ¼ of Section 33 and NW ¼ SW ¼ of Section 34, Township 16 South, Range 46 West, Seward Meridian
- **Geographical location:** Located on the Naknek River near the mouth of Leader Creek and in the mouth of Leader Creek.
- **Approximate Lat/Long:** 58° 44' 36.53" N/156° 56' 51.98" W; 58° 44' 35.57" N/156° 56' 53.22" W; 58° 44' 42.27" N/156° 56' 41.21" W
- **Area geographical features:** Naknek River, Leader Creek, tidal flats

- **Existing surveys:** adjacent upland survey USS 3009, dated 1949.
- **Municipality/Borough:** Bristol Bay Borough
- **Native Corporations/Federally Recognized Tribes:** Bristol Bay Native Corporation, Naknek Village Council

**Title:**

A DNR Title Report (RPT-4814) issued on 09/24/2013 from DNR's Realty Services states that the State of Alaska holds title to the subject tidelands under the Equal Footing Doctrine and the Tide and Submerged Lands Act of 1953.

**Third Party Interests:**

There are no third party interests.

**Classification and Planning:**

The project area is subject to the Bristol Bay Area Plan and the classification for this site is general use. Leader Creek Fisheries, Inc., owns the uplands adjacent to the tideland lease site. Development is permitted in this area, provided that the resources are protected.

**Access:**

The site is accessible via LCF's private parcel off Alaska Peninsula Highway near Naknek or via boat along Naknek River. Access to Naknek is via plane or boat.

**Access Along Navigable and Public Waters:**

Nearly all shore and tide lands in the State of Alaska are subject to an Along easement (AS 38.05.127 and 11 AAC 51.045 (d)(1)(b)). The purpose of this easement is to uphold the constitutional right of the public to have free access to, and use of, the state's waterways. At this site, the Along easement is 100 feet along the shoreline (per Naknek Planning and Zoning) and LCF allows access to their site via Leader Creek Road off Alaska Peninsula Highway. LCF does not restrict access except when vessels are launching or hauling a vessel from the ramps.

**Public Trust Doctrine:**

Pursuant to AS 38.05.126 all authorizations for this site will be subject to the principals 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, any construction, operation, use, and maintenance of the facility that infringes on these rights must be mitigated, as appropriate. Additionally, SCRO is reserving the right to grant other authorizations to the subject area consistent with the Public Trust Doctrine.

**Lease Discussion:**

LCF is a fish processing facility along the Naknek River that also stores fishing vessels on site for winter. LCF employs about 400 processors during the salmon season, providing jobs to local residents and Alaskans. Two upland parcels contain the bulk of LCF's operations, however, access to Naknek River and Leader Creek are vital to the company's success.

Attached to the uplands owned by LCF are three concrete ramps and a seasonal floating dock. The 300-foot long, four-foot wide seasonal floating dock is attached to a pump barge. Tender boats transfer their fish to the pump barge. A 10-inch plastic pipe carries fish from the pump barge to the processing facility located on LCF's private land.

In addition to processing fish, LCF also dry-docks vessels in winter. To facilitate the transfer of barges into and out of the river, two concrete boat ramps accommodate vessels of various sizes. The larger ramp is a 230-foot long, 50-foot wide reinforced concrete ramp used to haul out and launch large boats and barges on Naknek River. This ramp connects to a concrete slab on LCF's private parcel that leads to the winch house. The smaller 80 by 20 foot concrete ramp, located just inside the mouth of Leader Creek, is used for hauling out and launching smaller vessels. A third gravel and stone ramp currently exists only in the uplands along Naknek River. LCF would like to extend this gravel and stone ramp into the tideland to run

adjacent and just east of the existing concrete ramp. Work to extend the ramp will begin after the sockeye salmon run in the fall of 2014.

LCF originally applied for a lease in 2006 for one ramp and reapplied in 2013 with an updated development plan. The updated plan includes a seasonal floating dock, a small concrete ramp, a large concrete ramp with winch system, and a gravel/stone ramp. The seasonal floating dock and concrete ramps are built and in use. The gravel/stone ramp has not been built.

The state is considering the issuance of a 20-year lease, rather than the 55 years for which LCF applied, for several reasons. A 20-year lease allows the state to more effectively evaluate the site's use and the lessee's care of the site. Because rivers are constantly changing, the state will have the opportunity to evaluate the dock's efficiency and usefulness at the current location as the shoreline moves.

#### **Hazardous Materials and Potential Contaminants:**

Vessels being hauled out or launched are not permitted to transfer, load, or offload liquids, sewage, or hazardous materials. No hazardous materials are stored near the ramp or vessels. The winch house, located 500 feet from the high water mark on LCF's private parcel, is on level ground and does contain a winch hydraulic system and propane heating. However, LCF states that any leaks are easily contained on their private parcel.

The use and storage of all hazardous substances must be done in accordance with existing federal, state and local laws. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the sites and managed and disposed of in accordance with state and federal law.

#### **Lease Performance Guaranty (bonding):**

In accordance with 11 AAC 96.060, LCF will be required to submit two performance guarantees for the lease site.

- **\$1,500 EEA cash Penalty Bond:** This bond will serve as a default penalty to be forfeited, all or in part, by the expiration date of the EEA if LCF has not submitted an appraisal, the required fees, or fails to return the signed lease documents.
- **\$5,500 Performance Bond:** This bond will remain in place for the life of the proposed EEA and Lease(s). The bond amount is based upon the level of development, amounts of hazardous material/substances on site, and the perceived liability to the state. This bond will be used to insure LCF's compliance with the terms and conditions of the authorizations issued for this project. The bond amount will be subject to review on a five year basis (concurrently with the annual fee review) and may be adjusted upon approval of any amendments, assignments, re-appraisals, changes in the development plan, changes in the activities conducted, or changes in the performance of operations conducted on the authorized premises. It may also be re-adjusted as a result of any violations to the EEA or lease agreement.
- **Reclamation Bond:** SCRO is reserving the right to require a reclamation bond due to non-compliance issues during the term of the lease or near the end of the life of the project.

#### **Insurance:**

As per 11 AAC 96.065, LCF will be required to submit proof of liability insurance to SCRO, with the State of Alaska listed as a "NAMED" insured party. LCF will be responsible for maintaining such insurance throughout the term of the EEA and the lease.

#### **Survey:**

In accordance with AS 38.04.045, LCF must complete an Alaska Tideland Survey according to the requirements and standards of the DMLW Survey Section prior to lease issuance. The draft survey must be submitted for review to the Survey Section within **one year** of issuance of the survey instructions. If

the submitted survey is accepted by the division, the measurements identified will be used to accurately calculate the total acreage. The survey must depict the lease boundaries and existing structures in the tidelands.

**Compensation/Appraisal:**

A formal appraisal is required for this site. LCF will have two years to complete the appraisal during which time their docks will be authorized through an Early Entry Authorization (EEA). The annual fee during the EEA will be **\$1,500** per year. Upon expiration of the EEA, the new annual fee will be based on the appraisal value of the parcel. Once appraisal value is determined, the difference of annual rent paid during the EEA period and new annual rent amount will be collected from LCF or credited to LCF's account should the annual rent be less than \$1,500.

**Early Entry Authorization:**

SCRO is proposing to authorize LCF entry onto State land through the issuance of an EEA while they are completing the required appraisal for the site. The EEA will be issued after the Final Finding and Decision has been approved.

**Sub-Leasing:**

Sub-leasing is permissible through AS 38.05.095, if the proposed lease is approved. All potential sub-leases must **first** be approved in writing by SCRO. Depending on the activity of any potential sub-leases, SCRO is reserving the right to re-evaluate the need for further agency review and/or public notice before making a determination on the appropriateness of the proposed sub-lease. Sublease compensation to the state will be determined by SCRO according to AS 38.05.073(m), under the authority of AS 38.05.075(a) Leasing Procedures. In any case, the sub-lease fee for commercial activities will not be less than 25 percent of the annual fee paid to LCF by the sub-lessee.

**Assignment of Lease:**

In accordance with AS 38.05.920, the proposed lease, if issued, may be transferred or assigned to another individual or corporation **only** with written approval from the State of Alaska.

**Public Notice of the Preliminary Decision:**

Pursuant to AS 38.05.945, this Preliminary Decision was advertised for a 30-day public comment period, starting on January 24, 2014. This notice was run in both the **Anchorage Daily News** and the **Bristol Bay Times** newspapers. Courtesy notices were mailed or e-mailed to neighboring property owners, permit/lease holders, and other interested parties on January 24, 2014.

In addition, the post offices located near the site (**Naknek, King Salmon**) were requested to post the notice per AS 38.05.945(b)(3)(B). The notice was posted on the department's web site located at <http://www.dnr.state.ak.us/pic/pubnotfrm.htm>.

**Public Notice Comment(s):**

SCRO received no comments from any agencies or other parties.

***Signature page follows:***

**Recommendation:**

DMLW has completed a review of the information provided by the applicant, examined the relevant land management documents, and has found that this project is consistent with all applicable statutes and regulations. This decision has also taken into account submitted agency and public comments. The issuance of this lease serves the best interest of the state it will provide seasonal employment, enhance the local economy, and encourage business in the state of Alaska.

It is therefore recommended that the DMLW issue Leader Creek Fisheries, subject to completion of the EEA requirements, a 20-year lease under the authority of AS 38.05.070(c) as shown in the following attachments:

- Attachment A – Sample Early Entry Authorization
- Attachment B – Sample Lease Document
- Attachment C – Lease Special Stipulations
- Attachment D – Development Plan

  
\_\_\_\_\_  
Jennifer Willoughby  
Natural Resource Specialist II

  
\_\_\_\_\_  
Date

**Final Finding and Decision**

The findings presented above have been reviewed and considered. Public Notice has been accomplished in accordance with AS 38.05.945. The case file has been found to be complete and the requirements of all applicable statutes have been satisfied. I find that it is in the best interests of the State to proceed with this lease as described above, under the authority of AS 38.05.070(b) and AS 38.05.035(e).

  
\_\_\_\_\_  
Regional Manager  
Southcentral Region Land Office, Division of Mining, Land & Water

  
\_\_\_\_\_  
Date

**Appeal**

A person affected by this decision (affected by this decision who provided timely written comment or public hearing testimony on this decision) may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of issuance of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to Joe Balash, Commissioner, Department of Natural Resources, 550 W. 7<sup>th</sup> Avenue, Suite 1400, Anchorage Alaska 99501; faxed to 1-907-269-8918; or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov).

If no appeal is filed by the appeal deadline, this decision goes into effect as a final administrative order and decision of the department on the 31<sup>st</sup> day after issuance. (*This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31<sup>st</sup> day after issuance.*) An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court (11 AAC 02.020(a) and (b)). A copy of 11 AAC 02 may be obtained from any regional office of the Department of Natural resources.



**Attachment A**  
**Sample Early Entry Authorization**

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

**Northern Region**  
3700 Airport Way  
Fairbanks, AK 99709  
(907) 451-2705

**Southcentral Region**  
550 W 7th Avenue, Ste 900C  
Anchorage, AK 99501-3577  
(907) 269-8552

**Southeast Region**  
400 Willoughby, #400  
Juneau, AK 99801  
(907) 465-3400

**Early Entry Authorization**  
AS 38.05.075(f)

Permit No. **ADL 230034**

**Leader Creek Fisheries, Inc** herein known as the Permittee, is issued this Early Entry Authorization (EEA) to use

**three acres** of state-owned tidelands located within the:

**NE ¼ SE ¼ of Section 33 and NW ¼ SW ¼ of Section 34, Township 16 South, Range 46 West,  
Seward Meridian. Located on the Naknek River near the mouth of Leader Creek and in the mouth  
of Leader Creek.**

This EEA is effective beginning **DATE** and ending **DATE** unless sooner terminated at the state's discretion. This EEA is not valid until it has been executed by the Division of Mining, Land and Water (DMLW), Southcentral Regional Office (SCRO).

**This EEA is issued for the purpose of authorizing:**

**The Permittee's initial entry onto state land for the construction and use of (describe site) in accordance with the approved Development Plan (Attachment A) while the Permittee completes the required survey, and appraisal before lease issuance.**

All activities authorized under the EEA shall be conducted in accordance with the following stipulations:

1. **Authorized Officer (AO):** The Authorized Officer for this EEA is the Regional Manager, Southcentral Region Land Office. The AO may designate a representative to administrate specific portions of this authorization. The AO has the authority to suspend all or any construction, operation, or maintenance activities suspected to be in violation of this EEA. Written notification of EEA violations will be sent to the address on record. If corrective action is not taken within the allotted timeframe specified in the notification, the EEA may be terminated. The AO has the right, but not the obligation, to undertake corrective action at the expense of the Permittee by moving against the performance bond, when such action is necessitated by neglect on the part of the Permittee to take corrective action.

## Attachment A

### Sample Early Entry Authorization

2. **Compliance with Requirements:** The Permittee shall observe all federal, state and local laws and regulations applicable to the authorized area, including regulations for the protection of fish and wildlife, and shall keep the premises in a neat, orderly, and sanitary condition. The issuance of this EEA does not relieve the Permittee from securing any other authorizations required by federal, state, or local law.

This authorization is revocable upon violation of any of its terms, conditions, stipulations. Failure to comply or meet the terms and conditions of this EEA could impede the ability of the Permittee to seek subsequent authorizations, including the pending lease for this site.

3. **Site Development and Operation Plan:** The Permittee is bound to the approved development plan (Attachment A) for this site. Use of the area for purposes other than those specified constitutes a breach of the EEA and may result in revocation. Failure to utilize and develop the site in accordance with the approved development plan shall constitute a violation of the EEA and is grounds for termination. Use of the site for illegal activities is also grounds for termination.
4. **Modifications to Development Plan:** Any proposed changes to the approved development plan (Attachment A) must be submitted to the AO for approval prior to construction or implementation of new activities. The AO reserves the right to re-evaluate the EEA compensation and other terms and conditions of the EEA based upon the proposed modifications. Depending upon the extent of the modifications a new survey and/or appraisal may be required at the Permittee's expense. No changes are allowed unless specifically authorized in writing by the AO.
5. **Annual Fee:** In accordance with 11 AAC 58.410 and for the purpose of this EEA, the annual fee will be \$XXXX which must be paid on or before DATE of every year during the EEA term. Payment for the first year of the EEA, and any other fees owed, shall be required prior to issuance of the EEA. A late payment penalty 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 state.

**Late Payment Penalty Charges:** The lessee shall pay a fee for any late payment. The fee amount 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) and will be assessed on a past-due account until payment is received by the state.

**Returned Check Penalty:** A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment. Late payment penalties shall continue to accumulate.

**Failure to Pay:** Failure to pay annual fees when due is a default of the terms and conditions of this EEA. Failure to cure such a default within the 60-day period following the receipt of a "Notice of Default" will, at the AO's discretion, result in EEA termination.

6. **Proper Location:** Issuance of this EEA is for authorization on state land only and does not authorize any activities on private or other non-state lands. The applicant is responsible for the accurate location of all pre-construction and construction activities within the authorized area.
7. **Survey Monuments:** The Permittee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, and bearing trees against damage, destruction, or obliteration. The Permittee shall notify the AO of any damaged, destroyed, or obliterated markers and shall re-establish the markers in accordance with accepted survey practices of the Department of Natural Resources.
8. **Survey:** (only used if a performance guarantee is required) The Permittee is responsible for completing an Alaska State Land Survey (ASLS)/Alaska Tidelands Survey (ATS) of the proposed lease site. The survey must be submitted to the DNR Survey Unit for approval no later than one year after issuance of the survey instructions. Failure to do so will cause the forfeiture of the performance guaranty as

## Attachment A

### Sample Early Entry Authorization

outlined in the Penalties stipulation listed below. The survey must properly locate the lease boundaries, all infrastructure, and easements. If the submitted survey is accepted by the division, the measurements identified will be used to accurately calculate the total acreage.

9. **Appraisal:** (if applicable) The Permittee is responsible for obtaining and submitting the required Fair Market Value appraisal for this site. Once the survey has been submitted to DNR for review, please contact DNR's Appraisal Unit at 907-269-8513 to begin the appraisal process. The final appraisal report must be submitted to DNR for approval no later than **Date**.

10. **Performance Guarantee:** In accordance with AS 38.05.035(e) the following bonds are required:

- **\$XXXX EEA Cash Bond:** This bond will serve as a default penalty to be forfeited, either in whole or in part, by the timeframe established under this EEA if the Permittee has not completed all requirements outlined in this authorization. This includes, but is not limited to; **survey, appraisal, payment of fees, submittal of required information, or failing to return the signed lease contract.**
- **\$XXXX Performance Guarantee (Cash, CD, or Surety):** This guarantee shall remain in place throughout the life of this EEA and the subsequent lease (if granted) to assure the Permittee's compliance with the terms and conditions of both authorizations. Should the Permittee fail to abide by the terms of this authorization, this bond may be used by the AO to pay for any corrective actions the AO deems necessary.
  - Failure by the Permittee to provide replacement security for a CD or surety upon notice of non-renewal, shall be grounds for the AO to make a claim upon the existing security to protect the State's interests.
  - The Performance Guaranty amounts are subject to periodic adjustments (every 5 years) and may be adjusted upon approval of any amendments, assignments, modifications to the development plan, and as a result of any violations of these authorizations.
  - If a bond is taken as part of a penalty, either whole or in part, that bond must be replenished by the replacement deadline contained within the penalty notification letter. Failure to replace the bond is, at the discretion of the AO, grounds for termination of the EEA and possible denial of the subsequent lease.
  - The EEA Cash Bond will be released upon completion of all conditions of the EEA, including lease issuance.
  - The Performance Guaranty will be released upon expiration or closure of the lease provided that all terms and conditions of the lease have been met, including removal of infrastructure and restoration of the area to the satisfaction of the AO.

11. **EEA Penalties:** (only used if there will be a performance guarantee in place) The **\$XXXX** EEA cash bond submitted under the Performance Guarantee stipulation above will serve as a default penalty to guarantee the Permittees adherence to the timeframes established in this EEA. When assessing a penalty, the AO shall make allowance for circumstances which are beyond the ability of the Permittee to control. This allowance does not include delays which were caused by the Permittee. Once the Permittee has fulfilled all obligations of the EEA, the EEA cash bond will be released.

EEA penalties will be levied per the following schedule:

- a) **Survey Submittal:** In the event the required survey is not **submitted** to DNR for review within one year of the Survey Instruction issuance, the Permittee shall forfeit **\$XXXX** of the EEA cash bond.

## Attachment A Sample Early Entry Authorization

- b) **Survey Approval:** In the event the required survey is not **approved** by DNR before the expiration date of this EEA, the Permittee shall forfeit **\$XXXX** of the EEA cash bond. Exceptions will be made if DNR is the cause of the delay.
- c) **Appraisal:** (if applicable) In the event the required appraisal is not **approved** by DNR before the expiration date of this EEA, the Permittee shall forfeit the **\$XXXX** of the EEA cash bond.
- d) **Other:** (if applicable) In the event the required **other is not xxx** by DNR before the expiration date of this EEA, the Permittee shall forfeit the **\$XXXX** of the EEA cash bond.
- e) **Deliverables:** In the event the Permittee fails to submit required information or deliverables (insurance, etc), including the signed and notarized lease agreement within the time specified within written notifications, the Permittee shall forfeit **\$1,000** of the EEA cash bond for each failure to deliver.
12. **Indemnification:** The Permittee shall indemnify, defend, and hold the state harmless from and against all claims, demands, judgments, damages, liabilities, penalties, and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment, or worker's compensation claims, arising out of or in connection with the use or occupancy of the authorized site by the Permittee or by any other person holding under the Permittee, or at the Permittee's sufferance or invitation; and from any accident or fire on the site; and from any nuisance made or suffered on the site; and from any failure by the Permittee to keep the site in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the Permittee of all or any portion of the site or interest therein contrary to the covenants and conditions of this EEA. The Permittee holds all goods, materials, furniture, fixtures, equipment, machinery, and other property whatsoever on the parcel at the sole risk of the Permittee, and shall defend, indemnify and hold the state harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties.
13. **Insurance:** DNR requires the Permittee to carry liability insurance with the State of Alaska listed as an **additional "NAMED" insured party**. Case number **ADL XXXXXX** is to be referenced on the policy and the certificate of insurance. The insurance policy(s) must be written by one (or more) companies on the Division of Insurance's "Admitted" or the "Surplus Lines" insurance list. The broker/agent must be licensed to do business in the state, and, if surplus line insurance is provided, the broker must have a surplus broker license. Additional information regarding the Admitted and Surplus Line lists may be obtained from the Division of Insurance (1-907-269-7900). Pursuant to this authorization the Permittee shall:
- a) Consult, as appropriate, with an insurance professional licensed to do business under Alaska Statute Title 21, to determine what types and levels of insurance are adequate to protect the Permittee and the state relative to the liability exposures of the Permittee's commercial operations. The AO reserves the right to require additional coverage in order to protect the state's interests. Additionally, insurance amounts are subject to annual review and adjustment by the AO based upon changes in the Permittee's development plan or with increased risk.
- b) Secure or purchase at Permittee's own expense, and maintain in full force at all times during the term of the EEA, adequate insurance policies and coverage levels which have been approved of by the AO. The State will expect to see, at a minimum, the following types of coverage:
- **Commercial General Liability Insurance:** The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically

## Attachment A

### Sample Early Entry Authorization

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

- **Workers' Compensation Insurance:** The Permittee shall provide and maintain, for all its employees, Workers' Compensation Insurance as required by AS 23.30.045. Where applicable, coverage must comply with any other statutory obligations, whether Federal (i.e. U.S.L. & H. or Jones Act) or other state laws in which employees are engaged in work on the Permitted premises. The insurance policy must contain a waiver of subrogation clause in favor of the State of Alaska.
- c) Provide proof of insurance to the AO on a yearly basis. The certificate must provide for a 30-day prior notice to the State of Alaska in the event of cancellation, non-renewal or material change of conditions.
- d) In the event the Permittee becomes aware of a claim against any of its liability coverage, the Permittee shall notify and provide full disclosure of the claim to the AO within 20 days.
14. **Incurred Expenses:** All expenses incurred by the Permittee connected with this authorization shall be borne solely by the Permittee and the State of Alaska shall in no way be held liable for said expenses.
15. **Loss of Improvements:** The Permittee assumes all risk of loss of improvements resulting from natural or catastrophic events.
16. **Request for Data/Additional Information:** For purposes of information and review, the AO may require the Permittee to furnish data related to preconstruction, construction, and operation activities authorized under this EEA. The Permittee shall furnish the required data as soon as possible.
17. **Inspections:** The AO may designate representatives and other personnel to inspect the authorized area at any time. Non-compliance determinations will subject the site to re-inspection for which the Permittee may be assessed, at the AO's discretion, either a fee of \$100 or a fee equal to the actual expenses incurred by the Division of Mining, Land and Water (11 AAC 05.010).
18. **Historic Preservation:** 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 a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may cause damage will cease and the Office of History and Archaeology in the Division of Parks and Recreation (907) 269-8721/8720/8722 must be contacted.
19. **Public Access:** Neither the construction or the use of this project shall interfere with free public use of unencumbered state land. If a specific activity poses a safety concern, the AO may authorize a temporary closure of public access routes near the vicinity of the project area for a specific period of time. The Permittee is required to contact the AO in advance for approval to close public access routes. No closures are authorized unless specifically authorized in writing by the AO.

**This EEA is subject to the following public access easement reservations: (if applicable)**

a) To and Along easements; RS2477 trails, issued easements

b) ETC.

20. **Concurrent Use:** The AO reserves the right to grant additional authorizations to third parties for reasonable compatible uses on or adjacent to the land covered under this EEA, after due process. Authorized concurrent users of state land, their agents, employees, contractors, subcontractors and

## Attachment A

### Sample Early Entry Authorization

licensees shall not interfere with the operation or maintenance activities of other authorized concurrent users.

21. **Environmental Impacts:** The Permittee shall take all reasonable precautions to prevent damage to state land, including, but not limited to, the following: *(add additional tips as appropriate)*

- a) **Site disturbance:** Site disturbances shall be kept to a minimum to protect local habitats. All activities shall be conducted in a manner that will minimize the disturbance of soil and vegetation, and changes in the character of natural drainage systems. Any ground disturbances that may occur shall be contoured to blend with the natural topography for human and wildlife health and safety. Waterbodies shall be protected from man-made pollution, erosion, and changes in sedimentation patterns.
- b) **Brushing:** Brush clearing is allowed in accordance with the development plan (Attachment A).
- c) **Timber Use:** The Permittee shall not cut standing timber within the leased area unless specifically authorized in the development plan. Any additional cutting located on general state land is managed by the Division of Forestry and any use of those trees must be approved by them.
- d) **Fire Prevention:** The Permittee shall take all reasonable precautions to prevent and suppress forest, brush, and grass fires and shall assume full liability for any damages to state land resulting from the negligent use of fire. The Department of Natural Resources does not assume any responsibility for protecting improvements or personal property from fires.

22. **Use and Storage of Hazardous Materials/Substances** (other than fuel):

- a) Use of herbicides and pesticides by the Permittee is prohibited without prior written approval from the AO.
- b) No permanent storage of hazardous material/substances is authorized within the project area without prior written approval from the AO.
- c) The use of hazardous substances/materials must be done in accordance with existing federal, state and local laws.
- d) Any hazardous substances/materials which are used on site and not approved for permanent storage (including petroleum products, oils, and lubricants) must be removed from the site in a timely manner and disposed of or managed in accordance with state, federal, and local laws.
- e) Debris (such as soil) contaminated with motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed from the site and managed/disposed of in accordance with state and federal law.

23. **Use and Storage of Fuel:** All fuel storage container(s) with a total combined capacity larger than 55 gallons shall not be placed within 100 feet from the high or ordinary water mark of any water body. When fuel storage container(s) exceed a total combined capacity of 110 gallons, the containers must be stored within an Alaska Department of Environmental Conservation approved double walled-tank, an impermeable diked area, or a portable impermeable containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be clearly marked with the contents and the Permittee's name and file number. Drip pans and other spill response materials, such as sorbent pads, must be on hand to contain and clean up any spills.

## Attachment A

### Sample Early Entry Authorization

24. **Spill Response:** The Permittee is responsible for preventing fuel, hydraulic fluid and oil spills that could result in contamination of contiguous land and water. Petroleum product spills shall be cleaned up immediately and any contaminated earth or vegetative materials shall be disposed of as required by the Alaska Department of Environmental Conservation Regulations. To facilitate rapid spill response, adequate sorbent materials (i.e., material that collects or absorbs petroleum products while at the same time repels water) will be kept on site to be used in the event a spill should occur. Should any unlawful discharge, leakage, spillage, emission or pollution of any type occur due to Permittee activities, the Permittee shall, at its expense, be obligated to clean the area to the reasonable satisfaction of the State of Alaska.
25. **Spill Notification:** The Permittee is responsible for notifying the State of Alaska of any pollutants which are discharged, released, or spilled in or around the project area by contacting the **DMLW's Hazardous Materials Coordinator at (907) 269-8552** and the **DEC Southcentral Area Response Team Office at (907) 269-3063** during business hours or the **DEC Spill Hotline at 1-800-478-9300** afterhours for the following situations:
- A. Oil/Petroleum Releases:**
- To Water:
    - Any release of oil to water *must be reported* as soon as the Permittee has knowledge of the discharge.
  
  - To Land:
    - Release(s) of oil in excess of 55 gallons must be reported as soon as the Permittee has knowledge of the discharge.
    - Release(s) of oil between 10 and 55 gallons must be reported within 48 hours after the Permittee has knowledge of the discharge.
    - The Permittee is responsible for providing, on a monthly basis, a written record of any discharge of oil between 1 to 10 gallons.
  
  - Within impermeable secondary containment areas:
    - Any release of oil in excess of 55 gallons must be reported within 48 hours after the Permittee has knowledge of the discharge.
- B. Hazardous Substance Releases:**
- Release(s) of all hazardous substances (other than petroleum products) in any amount must be reported as soon as the Permittee has knowledge of the discharge.
- The Permittee is responsible for following all timelines, and submitting all required information as outlined in 18 AAC 75.300 and other applicable spill regulations under Article 3.
26. **Waste and Debris Disposal:** On-site refuse disposal is prohibited. All waste generated during construction, operation, and termination activities under this authorization shall be removed and disposed of at an off-site DEC approved disposal facility. Until the waste can be removed from the site, it must be stored in a manner to prevent attracting wildlife.
27. **Lease Issuance:** Upon completion and fulfillment of all conditions and stipulations of this EEA a lease will be issued to the Permittee for a type of lease containing approximately xx acres more or less.
28. **Termination:** Should this EEA be terminated for due cause, and the subsequent lease denied, the Permittee will be subject to the stipulations contained within AS 35.08.090 Removal or reversion of improvements upon termination of lease.

# Attachment A

## Sample Early Entry Authorization

### Definitions

- a) "SCRO" means the Southcentral Regional Office
- b) "DMLW" means Division of Mining, Land and Water
- c) "AO" means Regional Manager, Southcentral Region, Division of Mining, Land and Water
- d) "Permittee" means Applicant name or their officers, agents, contractors, subcontractors and their employees.

Any correspondence concerning this EEA may be directed to the Department of Natural Resources, Division of Mining, Land and Water, Southcentral Region, Land Office, 550 W. 7<sup>th</sup> Ave., Suite 900C, Anchorage, AK 99501-3577, telephone (907) 269-8562. All correspondence sent by the Division of Mining, Land and Water (DMLW), Southcentral Regional Office (SCRO) in regards to this EEA will be sent to the below listed contact information.

I, the Permittee, have read the foregoing EEA and I agree to comply with all the conditions included within this authorization.

\_\_\_\_\_  
Signature of Permittee or Authorized Representative

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Permittee's Address

\_\_\_\_\_  
City State Zip

Phone Numbers: Home: \_\_\_\_\_

Work: \_\_\_\_\_

Fax: \_\_\_\_\_

e-mail: \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorized State Representative Title Date

**Attachment B  
Sample Lease Document**

**STATE OF ALASKA  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND AND WATER  
550 W. 7<sup>th</sup> Avenue, Suite 1070  
Anchorage, Alaska 99501-3579**

ADL No.

**LEASE AGREEMENT**

Effective this        day of        ,        , this lease agreement is entered into by the State of Alaska, hereafter referred to as "lessor," and        , hereafter referred to as "lessee," whether one or more, whose sole addresses for purposes of notification under this lease agreement are listed in section 28.

The lessor and the lessee agree that this lease, including all attachments and documents that are incorporated in this lease by reference, contains the entire agreement between the parties, and each of the covenants and conditions in this lease including any attachments will be binding upon the parties and upon their respective successors and assigns. The lessor and the lessee further agree that this lease is conditioned upon satisfactory performance by the lessor and the lessee of all covenants and conditions contained in this lease. The lessee is aware of the provisions of Title 38, Alaska Statutes, Title 11, Alaska Administrative Code, and other applicable laws, regulations, and ordinances, and fully understands the duties and obligations of the lessee under this lease, and the rights and remedies of the lessor.

This lease is subject to all applicable state, federal, and municipal statutes, regulations, and ordinances in effect on the effective date of this lease, and insofar as is constitutionally permissible, to all statutes, regulations, and ordinances placed in effect after the effective date of this lease. A reference to a statute, regulation, or ordinance in this lease includes any change in that statute, regulation, or ordinance, whether by amendment, repeal and replacement, or other means. This lease does not limit the power of the State of Alaska, its political subdivisions, or the United States of America to enact and enforce legislation or to adopt and enforce regulations or ordinances affecting, directly or indirectly, the activities of the lessee or its agents in connection with this lease or the value of the interest held under this lease. In case of conflicting provisions, statutes, regulations, and ordinances take precedence over this lease. This lease shall not be construed as a grant or recognition of authority for promulgation or adoption of municipal ordinances that are not otherwise authorized.

1. Grant. This lease is issued under the authority of **AS**        , for a term of        year(s) beginning on the        day of        and ending at 12 o'clock midnight on the        day of        , unless sooner terminated, subject to: compensation as specified in section 2; the attached development plan approved by the state on        ; and attached stipulations, if any, that are incorporated in and made a part of this lease, for the following, hereafter referred to as the "leasehold":

Excepting and reserving any general reservations to the lessor that are required by law and that may be stated elsewhere in this lease, and the following, which the state reserves for itself and others:

## Attachment B Sample Lease Document

**Subject to:**

**Platted easements and restrictions.**

**The conditions and stipulations in Attachment A, Special Stipulations.**

**Attachment B, Approved Development Plan, attached and made part of this lease agreement.**

2. Compensation. (a) The lessee shall pay to the lessor compensation as follows, without the necessity of any billing by the lessor: . The lessor may, upon 10 days' notice, review and copy any records of the lessee that are necessary to verify the lessee's compliance with this paragraph.

(b) In accordance with AS 38.05.105, the lease compensation is subject to adjustment by the lessor at the commencement of the sixth year of the term and every fifth year thereafter (the "adjustment date"). The compensation adjustment takes effect on the applicable adjustment date, regardless of whether the adjustment determination occurs before or after that date. All reasonable costs of the adjustment, including reappraisal if required by the lessor, will be borne by the lessee.

3. Denial of Warranty. The lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the leasehold, including, without limitation, the soil conditions, water drainage, access, natural or artificial hazards that may exist, or the profitability or fitness of the leasehold for any use. The lessee represents that the lessee has inspected the leasehold and determined that the leasehold is suitable for the use intended, or has voluntarily declined to do so, and accepts the leasehold "as is" and "where is."

4. Use of Leasehold. Prior to execution of this lease and to commencing use or development of the leasehold, the lessee shall submit a development plan for the leasehold to the lessor and obtain the lessor's approval of the plan. Any use or development of the leasehold must be consistent with the development plan approved by the lessor. Any proposed revisions to the development plan must be submitted to the lessor for approval before any change in use or development occurs. The lessee shall use and occupy the leasehold in compliance with the approved development plan and all applicable laws, regulations, ordinances, and orders that a public authority has put into effect or may put into effect, including those of a building or zoning authority and those relating to pollution and sanitation control. The lessee may not permit any unlawful occupation, business, or trade to be conducted on the leasehold. The lessee shall properly locate all activities and improvements on the leasehold, and may not commit waste of the parcel. The lessee shall maintain and repair the leasehold including improvements in a reasonably neat and clean condition, and shall take all necessary precautions to prevent or suppress grass, brush, or forest fires, and to prevent erosion, unreasonable deterioration, or destruction of the land or improvements. The lessee agrees not to place any aboveground or underground fuel or chemical tanks on the leasehold without the prior written approval of the lessor.

5. Encumbrance of Leasehold. The lessee may not encumber or cloud the lessor's title to the leasehold, or any portion of the leasehold, nor enter into any lease, easement, or other obligation of the lessor's title without the prior written approval of the lessor.

6. Assignment of Interest. The lessee may not assign or sublet any interest held under this lease, including a security interest, without the prior written approval of the lessor. The lessor may approve such assignment or subletting if the lessor finds it to be in the best interest of the state. No

## Attachment B Sample Lease Document

such assignment or subletting will be effective until approved by the lessor in writing, and the assignee agrees to be subject to and governed by the provisions of this lease, any subsequent amendments to this lease, any additional stipulations, or reappraisal as deemed appropriate by the lessor, and all applicable laws, regulations, and ordinances in the same manner as the original lessee. No assignment or subletting of the leasehold, or any portion thereof, by the lessee will annul the lessee's obligation to pay the compensation required for the full term of this lease. Except as provided in this lease, no subdivision of the leasehold interest may occur without the prior written approval of the lessor.

7. Conditional Lease. If all or part of the leasehold has been tentatively approved, or approved, but not yet patented, by the United States to the lessor, then this lease will be conditioned upon receipt by the lessor of such patent. If for any reason the lessor does not receive patent, any compensation paid to the lessor under this lease will not be refunded. Any prepaid compensation for land to which patent is denied the lessor will be refunded to the lessee of record in the amount of the pro-rata portion of the unexpired term. The lessor will have no further liability to the lessee for the termination of the lease.

8. Payment of Taxes and Assessments. The lessee shall pay prior to delinquency all taxes and assessments accruing against the leasehold.

9. Section Line Rights-of-Way. If the leasehold borders on or includes one or more section lines, the lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way or rights-of-way pursuant to AS 19.10.010.

10. Navigable and Public Waters. (a) Pursuant to AS 38.05.127 and 11 AAC 53.330, the lessor reserves a public access easement to and along all public or navigable water bodies that border on or are included in this leasehold. No public access easement may be obstructed or otherwise rendered incapable of reasonable use for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without the prior written approval of the lessor.

(b) The Public Trust Doctrine guarantees public access to, and the public right to use, navigable and public waters and the land beneath them for navigation, commerce, fishing, and other purposes. This lease is issued subject to the principles of the Public Trust Doctrine regarding navigable or public waters. The lessor reserves the right to grant other interests to the leasehold consistent with the Public Trust Doctrine.

11. Condemnation of Leasehold or Improvements. If the whole or any part of the leasehold is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

(1) Taking of the entire leasehold. If all of the leasehold is taken by condemnation, this lease and all rights of the lessee will immediately terminate, and the compensation will be adjusted so that it is due only until the date the lessee is required to surrender possession of the leasehold. The lessor is entitled to all the condemnation proceeds, except that the lessee will be paid the portion of the proceeds attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned leasehold by the lessee in accordance with the approved development plan.

(2) Taking of substantial part of the leasehold. If the taking is of a substantial part of the leasehold, the following rules apply:

(A) If the taking by condemnation reduces the ground area of the leasehold by at least 30 percent or materially affects the use being made by the lessee of the leasehold, the lessee

## Attachment B Sample Lease Document

has the right to elect to terminate the lease by written notice to the lessor not later than 180 days after the date of taking.

(B) If the lessee elects to terminate, the provisions in subsection (1) of this section govern the condemned portion of the leasehold and the covenants and conditions of the lease govern disposal of the remainder of any buildings or improvements made by the lessee in accordance with the approved development plan.

(C) If the lessee does not elect to terminate, the lease continues and the lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value, as determined in the condemnation proceedings, of any buildings or improvements taken that were placed on the condemned portion of the leasehold by the lessee in accordance with the approved development plan. Compensation at the existing rate will terminate on the date the lessee is required to surrender possession of the condemned portion of the leasehold. Except as it may be adjusted from time to time under the covenants and conditions of the lease and applicable statutes, compensation for the balance of the term will be adjusted by the lessor to reflect the taking.

(3) Taking of insubstantial part of the leasehold. If the taking by condemnation reduces the ground area of the leasehold by less than 30 percent and the lessor determines that the taking is of such an insubstantial portion that the lessee's use of the leasehold is not materially affected, the lessee may not elect to terminate the lease and the compensation provisions of subsection 2(C) of this section will govern.

12. Valid Existing Rights. This lease is subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land in existence on the date of execution of this lease.

13. Inspection. The lessor will have reasonable access to the leasehold for purposes of inspection.

14. Mineral Reservations. This lease is subject to the reservations required by AS 38.05.125 and the rights and obligations imposed by AS 38.05.130.

15. Concurrent Use. This lease is subject to reasonable concurrent uses as provided under Article VIII, Section 8 of the Constitution of the State of Alaska. The concurrent user who is found to be at fault for damage or injury arising from noncompliance with the terms governing the user's concurrent use is liable for damages and the user's interest is subject to forfeiture or termination by the lessor. In this context, the term "concurrent user" includes the lessee and any other person or entity who lawfully uses the land subject to this lease, but does not include the State of Alaska.

16. Surface Resources. Unless otherwise provided by this lease or other written authorization, the lessee may not sell or remove from the leasehold any timber, stone, gravel, peatmoss, topsoil, or any other material valuable for building or commercial purposes. Material required for the development of the leasehold may be used only in compliance with the approved development plan.

17. Appropriation or Disturbance of Waters. During the term of this lease, the lessee will have the right to apply for an appropriation of ground or surface water on the leasehold in accordance with AS 46.15 and 11 AAC 93.060.

18. Acquisition of Rights or Interests. Any right or interest acquired during the term of this lease and accruing to the benefit of the leasehold will remain appurtenant to the leasehold, and may not be severed or transferred from the leasehold without the prior written approval of the lessor. In the event of termination or forfeiture of this lease, any such right or interest will vest in the lessor.

## Attachment B Sample Lease Document

19. Land Alterations Due to Natural or Artificial Causes. The interest described in this lease constitutes the entire leasehold. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the leasehold, the Lessee has no right to occupy or use the accreted land unless a separate lease is entered with the Lessor with respect to such lands. The rules of law usually applicable to accretion or reliction of land do not apply to this lease, nor to the interest described in this lease.

20. Waiver or Forbearance. The receipt of compensation by the lessor, with or without knowledge of any default on the part of the lessee, is not a waiver of any provision of this lease. No failure on the part of the lessor to enforce a covenant or condition of this lease, nor the waiver of any right under this lease by the lessor, unless in writing, will discharge or invalidate the application of such covenant or condition. No forbearance or written waiver affects the right of the lessor to enforce any covenant or condition in the event of any subsequent default. The receipt of compensation by the lessor after termination or any notice of termination will not reinstate, continue, or extend this lease, or destroy, or in any manner impair the validity of any notice of termination that may have been given prior to receipt of the compensation, unless specifically stated by the lessor in writing.

21. Default and Remedies. (a) Time is of the essence in this lease. If the lessee defaults on the performance of any of the covenants or conditions of this lease, and the default is not remedied within 60 days after the lessor issues written notice of such default to the lessee and to the holder of a security interest in the leasehold approved by the lessor, or within any additional period the lessor allows for good cause, the lessee will be subject to legal or any other administrative action deemed appropriate by the lessor, including termination of this lease. The lessor may, in the notice of the default or in a separate written notice, state that if the default is not remedied, this lease shall terminate on a date certain, which shall be at least 60 days after issuance of the notice of default. Upon the date specified in such notice, unless the default has been remedied, the lease shall expire automatically without further notice or action by the lessor and this lease and all rights of the lessee under the lease shall terminate. Upon termination of the lease the lessor shall have an immediate right to possession of the leasehold and any possession by the lessee shall be unlawful. It is specifically agreed that no judicial action shall be necessary to terminate this lease or to allow the lessor to retake possession in the event of default by the lessee. No improvements may be removed from the leasehold while the lease is in default except with the lessor's prior written approval. If this lease is terminated for default, all compensation paid by the lessee is forfeited to the lessor. The lessor is not liable for any expenditures made or undertaken by the lessee under this lease. Any costs or fees, including attorney's fees, reasonably incurred by the lessor for the enforcement of this lease, shall be added to the obligations due and payable by the lessee.

(b) The rights, if any, of third-party security interest holders or lienholders are controlled solely by AS 38.05.103 and 11 AAC 58.590. If the lessee fails to remedy the default within the time allowed in subsection (a) of this section, the holder of an approved security interest who has received notice under subsection (a) of this section may remedy the default. The holder shall act within 60 days from the date of receipt of notice under subsection (a) of this section, or within any additional period the lessor allows for good cause.

(c) The lessor may, at the lessor's option, following the lessee's default and failure to remedy, or after termination of this lease due to such default and failure to remedy, accelerate the unpaid compensation for the remainder of the term of this lease. The lessee's obligation to pay such accelerated rent to the lessor survives termination of this lease.

(d) If this lease is terminated, or all or any portion of the leasehold is abandoned by the lessee, the lessor may immediately enter, or re-enter and take possession of the leasehold, and without liability for any damage, remove all persons and property from the leasehold and may, if necessary, use summary proceedings or an action at law. The words "enter" and "re-enter" as used are not restricted to their technical legal meaning. Any entry, re-entry, possession, repossession, or

## Attachment B Sample Lease Document

dispossession by the lessor, whether taken with or without judicial action, does not absolve, relieve, release, or discharge the lessee, either in whole or part, of any liability under the lease.

(e) The lessor, upon or at any time after giving written notice of any default, may enter or re-enter the leasehold to remedy any default by the lessee or exercise any right given under this lease, all without the intervention of any court being required. The curing of such default shall not be deemed for any purpose to be for the benefit of the lessee.

(f) At any time after termination of this lease, the lessor may re-let the leasehold, or any part thereof, in the name of the lessor for such term and on such conditions as the lessor may determine, and may collect and receive the compensation therefor. The lessor shall not be responsible or liable for failure to re-let the leasehold or for any failure to collect any compensation due upon such re-letting, nor shall the lessor be required to account for or pay to the lessee any excess compensation received as a result of such re-letting. The lessee shall be liable for any deficiency, and for all costs, expenses, and fees incurred by the lessor arising out of the default, including the lessor's efforts to re-let the leasehold.

(g) No right or remedy conferred upon or reserved to the lessor in this lease or by statute, or existing in law or equity, is intended to be exclusive of any other right or remedy, and each and every right shall be cumulative.

22. Disposition of Improvements and Chattels After Termination. AS 38.05.090 will govern disposition of any lessor-approved chattels or improvements left on the leasehold after termination. At the lessor's sole option, improvements not approved by the lessor shall be removed from the leasehold and the site restored to its original condition at the lessee's sole expense, or be forfeited to the lessor. The lessee shall be liable to the lessor for any costs, expenses, or damages arising out of the disposition of improvements not approved by the lessor, and may be required to pay rent on any improvements or chattels left on the parcel in accordance with 11 AAC 58.680.

23. Indemnity to Lessor. The lessee shall indemnify, defend, and hold the lessor harmless from and against all claims, demands, judgments, damages, liabilities, penalties, and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment, or worker's compensation claims, arising out of or in connection with the use or occupancy of the leasehold by the lessee or by any other person holding under the lessee, or at the lessee's sufferance or invitation; and from any accident or fire on the leasehold; and from any nuisance made or suffered on the leasehold; and from any failure by the lessee to keep the leasehold in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the lessee of all or any portion of the leasehold or interest therein contrary to the covenants and conditions of this lease. The lessee holds all goods, materials, furniture, fixtures, equipment, machinery, and other property whatsoever on the parcel at the sole risk of the lessee, and shall defend, indemnify and hold the lessor harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties.

24. Insurance. If required by the lessor, the lessee shall obtain insurance in an amount determined by the lessor to be sufficient. The lessor shall be named as an additional insured party of any such insurance. The types and amount of insurance shall be specified in the attached stipulations made a part of this lease agreement and may be adjusted periodically. The lessee shall maintain that insurance as long as required by the lessor. Any insurance acquired by the lessee for the purpose of providing insurance coverage under this lease must be issued by an insurer authorized to do business in the State of Alaska under the provisions of AS 21.09.010 and AS 21.27.010 for the type of policy being written.

25. Bonding. If required by the lessor, the lessee shall furnish a bond, cash deposit, certificate of deposit, or other form of security acceptable to the lessor in an amount determined by the lessor to

## Attachment B Sample Lease Document

be sufficient to ensure faithful performance of the covenants and conditions of this lease, and to cover the cost of site cleanup and restoration and any associated costs after termination of the lease. The amount and conditions of the bond shall be specified in the attached stipulations made a part of this lease agreement. The lessee shall maintain the bond as long as the lessor deems necessary, and in the amount required by the lessor, which amount may be adjusted periodically.

26. Environmental Compliance. (a) The lessee shall, at the lessee's own expense, comply with all existing and hereafter enacted environmental responsibility laws ("Environmental Laws"). The lessee shall, at the lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Environmental Laws.

(b) Should the Authority require that a remedial action plan be prepared and that a remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge, or threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, then the lessee shall, at the lessee's own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. The lessee's obligations under this section shall arise if there is any event or occurrence at the leasehold during the term of this lease, or arising out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease, that requires compliance with the Environmental Laws.

(c) At no expense to the lessor, the lessee shall promptly provide all information requested by the lessor for preparation of affidavits or other documents required by the lessor to determine the applicability of the Environmental Laws to the leasehold, and shall sign the affidavits promptly when requested to do so by the lessor.

(d) The lessee shall indemnify, defend, and hold harmless the lessor from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of or contamination by hazardous materials at the leasehold that occurs during the term of the lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease; and from all fines, penalties, suits, judgements, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of the lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spill, discharge, or contamination that occurs during the term of this lease or arises out of or in connection with the lessee's use or occupancy of the land described in section 1 of this lease.

(e) The lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water.

(f) In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the leasehold (i) has been released on the leasehold; (ii) has resulted from acts or omissions of the lessee or its agents; and (iii) has occurred during the term of this lease. The lessee has the burden of rebutting the presumptions by clear and convincing evidence.

(g) This section of this lease does not in any way alter the State of Alaska's powers and rights or the lessee's duties and liabilities under Title 46 (or its successor) of the Alaska Statutes or other state, federal, or municipal statutes, regulations, or ordinances. For example, notwithstanding the provisions of this lease, the State of Alaska shall not be precluded from claiming under AS 46.03.822 that the lessee is strictly liable, jointly and severally, for damages and costs incurred by

## Attachment B Sample Lease Document

the state for clean up of contamination on the leasehold. The obligations and provisions of this section 26 shall survive the termination of this lease.

(h) As used in this lease, the term "hazardous materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

27. Surrender of Leasehold. Upon the expiration, termination, or cancellation of this lease, the lessee shall peacefully leave and deliver up all of the leasehold in good, sanitary, and marketable condition, order, and repair.

28. Notices. (a) Any notice or demand by the lessee will be made by hand delivery to the Director, Division of Mining, Land and Water, or by certified mail, postage prepaid, addressed as follows (or to a new address that the lessor designates in writing), with delivery occurring upon receipt by the lessor:

To the Lessor:

Division of Mining, Land and Water  
550 W. 7<sup>th</sup> Avenue, Suite 1070  
Anchorage, Alaska 99501-3579

(b) Any notice or demand by the lessor will be issued as provided in 11 AAC 02.040(c). If issuance is by mail, the notice or demand will be addressed as follows (or to a new address that the lessee or its successor in interest designates in writing):

To the Lessee:

The lessor will issue a copy of any such notice or demand to each holder of a security interest in the leasehold whose assignment has been approved by the lessor under section 6 of this lease. Any security interest not approved as provided in section 6 is insufficient to require notice by the lessor under AS 38.05.103.

(c) Any notice or demand regarding the lease must be in writing and will be complete if given as set out above.

29. Penalty Charges. The lessee shall pay a fee for any late payment or returned check issued by the lessee as follows:

(1) Late Payment Penalty: 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 lessor. Acceptance of a late payment or of a service charge for a late payment is subject to the lessor's rights under sections 20 and 21 of this lease.

(2) Returned Check Penalty: A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under subsection (1) of this section shall continue to accumulate.

30. Modification. This lease may be modified or amended only by a document signed by both parties. Any purported amendment or modification has no legal effect until placed in writing and signed by both parties.

## **Attachment B**

### **Sample Lease Document**

31. Choice of Law. This lease shall be construed under the laws of the State of Alaska. The lessee confers personal jurisdiction on the courts of the State of Alaska for any litigation under this lease.

32. Severability of Clauses of Lease Agreement. If any clause or provision of this lease is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the lessor and the lessee agree that the remainder of this lease will not be affected, and in lieu of each clause or provision of this lease that is illegal, invalid, or unenforceable, there will be added as a part of this lease a clause or provision as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.

DRAFT

**Attachment B  
Sample Lease Document**

By signing this lease, the lessor and the lessee agree to be bound by its provisions.

LESSEE:

\_\_\_\_\_

LESSOR:

\_\_\_\_\_

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 THIS \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me personally appeared \_\_\_\_\_, known to me to be the person named and who signed the foregoing lease and acknowledged voluntarily signing the same.

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

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

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me personally appeared \_\_\_\_\_, of the Division of Mining, Land and Water of the Department of Natural Resources of the State of Alaska, who executed the foregoing lease on behalf of the State of Alaska, and who is fully authorized by the State to do so.

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

Approved as to form February 9, 1994, and September 25, 2001.

\_\_\_\_\_  
/s/ Elizabeth J. Barry, Assistant Attorney General

**Recorder's Office: Return the recorded document to:**

## Attachment C

### Lease Special Stipulations

- 1. Authorized Officer (AO):** For the purpose of this lease the Authorized Officer (AO) is the Regional Manager of the Southcentral Regional Land Office. The AO may designate a representative for specific administrative portions of this authorization.
- 2. Preference Right:** No preference right to a sale of this leasehold is granted or implied by the issuance of this lease. Any renewal of this lease will be subject to current statutes and regulations at the time of lease expiration.
- 3. Lease Utilization:** [Section 4 of the lease document is hereby amended to include the following:](#) In accordance with 11 AAC 58.510, the lessee is bound to the approved Development Plan submitted as part of the application for lease. Use of the land, or any portion of it, for purposes other than those specified in the Development Plan constitutes a breach of the lease and may result in revocation. Failure to develop and/or utilize the lease site for a period of five years or more will, at the discretion of the AO, constitute grounds for termination of the lease.
- 4. Modifications to the Development Plan:** [Section 4 & 30 of the lease document is hereby amended to include the following:](#) To adequately address any modifications to the approved Development Plan, the Lessee will be required to provide advance written notice to the AO for approval of those changes prior to construction or implementation. The AO reserves the right to re-evaluate the lease compensation and other terms and conditions of the lease prior to approval. Based upon the extent of the modifications, the Lessee may be required to submit a new a survey and/or appraisal, the cost of which is born by the Lessee. No modifications are approved unless specifically authorized in writing by the AO.
- 5. Request for Data/Additional Information:** For purposes of information and review, the AO may require the Lessee to furnish data related to the use, maintenance, and operational activities undertaken in connection with this leasehold. The Lessee shall furnish the required data as soon as possible or as otherwise required under the terms of this Lease.
- 6. Inspections:** [Section 13 of the lease document is hereby amended to include the following:](#) The AO may designate representatives to inspect the leased area at any time. Sites which are determined to be in Non-Compliance will be subject to re-inspection for which the Lessee may be assessed, at the AO's discretion, either a fee of \$100 or a fee equal to the actual expenses incurred by the Department of Mining, Land and Water (11 AAC 05.010) for the inspection.
- 7. Assignment:** [Section 6 of the lease document is hereby amended to include the following:](#) In the event the Lessee desires to transfer their interest of this lease to another party, the Lessee must submit a letter to the AO requesting the assignment and include a copy of the draft assignment agreement with that letter for review. The AO reserves the right to renegotiate new terms or conditions for the lease prior to approving any assignment. The AO reserves the right to require an assignment between the Lessee and another party in the event of a change in corporate ownership, or LLC/LLP membership/name change.
- 8. Sub-Leasing:** [Section 6 of the lease document is hereby amended to include the following:](#) The AO reserves the right to require revenue sharing as a condition of a sublease approval. Said fee shall be determined by negotiation between the Lessee and the AO, but shall not be less than 25% of all compensation paid annually to the Lessee by the Sub-lessee for commercial usage. The amount of revenue sharing shall be subject to change at the same time as the lease compensation adjustment and whenever the terms or conditions of the sub-lease agreement are amended. "Sublease" shall be defined to include any lease, rental, storage, or accommodation agreement between the Lessee and another individual, business, or corporation utilizing or benefiting from the leasehold. "Sub-lessee" shall be defined to mean any individual, business, or corporation executing an agreement, as above, with the Lessee.

Before approval of a sub-lease will be given, the Lessee must:

## Attachment C Lease Special Stipulations

- a) Be in compliance with all lease terms and conditions and in good standing with all other authorization per 11 AAC 96.145;
- b) Submit a draft copy of the agreement(s) which will govern the sub-lease relationship; and
- c) Submit a proposed development and operational plan for the subleased area and, if necessary, an amended development plan for the leasehold.

Additionally, the AO is reserving the right to require a public notice period for any sub-leases that significantly changes the use or infrastructure of the approved leasehold.

**9. Performance Guarantee:** Per section 25 of the lease agreement: The Lessee must post a performance guaranty in the amount of **\$5000.00** to secure faithful performance with all terms and conditions of the lease and to insure site restoration of the leasehold. This performance guarantee must remain in effect for the duration of the lease term or until released in writing by the AO. **Failure by the Lessee to provide replacement security shall be grounds for the AO to make a claim upon the existing security to protect the Lessor's interests.**

The guaranty amount will be subject to periodic adjustments and may be adjusted upon approval of any amendments to the lease, assignments, re-appraisals, changes in the development plan, approval of a reclamation plan, any change in the activities conducted, or performance of operations conducted on the leasehold and as a result of any violations to the lease agreement.

The guaranty may be utilized by the AO to cover actual costs incurred by the State of Alaska to pay for any necessary corrective actions in the event the lessee does not comply with the site utilization, restoration requirements and/or other stipulations contained in the Lease agreement. If the lessee fails to perform the obligations under the Lease agreement within a reasonable timeframe, the AO may perform the lessee's obligations at the lessee's expense. The lessee agrees to pay within 60 days following notice, all costs and expenses reasonably incurred by the State of Alaska as a result of the failure of the lessee to comply with the terms and conditions of the Lease agreement. The provisions of this authorization shall not prejudice the State's right to obtain a remedy under any applicable law or regulation.

The performance guaranty will be released upon expiration of the lease provided that all terms and conditions of the lease have been met, including restoration of the leasehold to a safe and clean condition found acceptable by the AO.

**10. Insurance:** Per section 24 of the lease agreement: The Lessee is required to carry commercial liability insurance with the State of Alaska listed as an **"additional insured party"**. The case number **ADL 226872** is to be referenced on the policy.

Insurance is required and is subject to annual review and adjustment by the AO. The AO may require a reasonable increase based on a change in the Lessee's development plan or with increased risk. The insurance policy(s) must be written by a company(s) on the Division of Insurance's "admitted list" and the broker/agent must be licensed to do business in the state. If surplus lines insurance is provided, the broker must have a surplus broker license and be listed on the "surplus lines insurance list". Additional information regarding the admitted and surplus lines lists may be obtained from the Division of Insurance at 907-269-7900.

- a) Consult, as appropriate, with an insurance professional licensed to transact the business of insurance under Alaska Statute, Title 21, to determine what types and levels of insurance are adequate to protect the Lessee and Lessor (the State, its officers, agents and employees) relative to the liability exposures of the Lessee's commercial operations.
- b) Secure or purchase at Lessee's own expense, and maintain in full force at all times during the term of the Lease, adequate insurance policies and coverage levels recommended by an insurance professional,

## Attachment C Lease Special Stipulations

licensed to transact the business of insurance under Alaska Statute, Title 21, and acceptable to the State of Alaska. The State will expect to see at a minimum, the following types of coverage:

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

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

d) In the event the Lessee becomes aware of a claim against any of its liability coverage, the Lessee shall notify, and provide documentation and full disclosure of the claim to the AO within 20 days.

11. **Historic Preservation:** 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 a lease from the commissioner. Should any sites be discovered during the course of field operations or activities that may cause damage will cease and the Office of History and Archaeology in the Division of Parks and Recreation (907) 269-8721/8720/8722 and the appropriate coastal district shall be notified immediately.

12. **Incurred Expenses:** All expenses incurred by the Lessee connected with the exercise of the privileges covered by this authorization shall be borne solely by the Lessee and the State of Alaska shall in no way be held liable for said expenses.

13. **Survey Monuments:** The Lessee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and un-surveyed Lease corner posts against damage, destruction, or obliteration. The Lessee shall notify the AO of any damaged, destroyed, or obliterated markers and shall reestablish the markers in accordance with accepted survey practices of the Department of Natural Resources.

14. **Waste and Debris Disposal:** [Section 4 of the lease document is hereby amended to include the following:](#) On-site refuse disposal is prohibited. All waste generated during the construction, operation, maintenance, or termination of this lease shall be removed and disposed of at an off-site DEC approved disposal facility. Waste, in this paragraph, means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, petroleum products, ashes and discarded equipment. The leasehold must be kept clean at all times.

15. **Use and storage of Fuel:** [Section 26 of the Lease document is hereby amended to include the following:](#) All fuel storage container(s) with a total combined capacity larger than **55 gallons** shall not be placed within 100 feet from the ordinary high water mark of any water body. When fuel storage container(s) exceed a total combined capacity of **110 gallons**, the containers must be stored within a DEC approved double walled-tank, or an impermeable diked area, or a portable impermeable

## Attachment C Lease Special Stipulations

containment structure capable of containing 110% of the capacity of the largest independent container. All containers must be clearly marked with the contents and the Lessee's name and ADL #. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up all spills.

**16. Hazardous Substances:** (other than fuel): [Section 26 of the Lease document is hereby amended to include the following:](#)

- a) Use of herbicides and pesticides by the Lessee is prohibited without prior written approval from the AO.
- b) No storage of hazardous material/substances is authorized within the leasehold without prior written approval from the AO.
- c) The use of hazardous substances/materials must be done in accordance with existing federal, state, and local laws.
- d) After use, all hazardous substances/materials, including contaminated debris, must be removed from the site and disposed of or managed in accordance with state, federal, and local laws.

**17. Spill Response:** [Section 26 of the lease document is hereby amended to include the following:](#) The Lessee is responsible for preventing fuel, hydraulic fluid, and oil spills that could result in contamination of contiguous land and water. Petroleum product spills shall be cleaned up immediately and any contaminated earth or vegetative materials shall be disposed of as required by the Alaska Department of Environmental Conservation regulations. To facilitate rapid spill response, adequate sorbent materials (i.e., material that collects or absorbs petroleum products while at the same time repels water) will be kept on site to be used in the event of a spill. Should any unlawful discharge, leakage, spillage, emission or pollution of any type occur due to Lessee activities, the Lessee shall, at its expense, be obligated to clean the area to the reasonable satisfaction of the State of Alaska.

**18. Spill Notification:** [Section 26 of the lease document is hereby amended to include the following:](#) The Lessee is responsible for notifying the State of Alaska of any pollutants they have caused to be discharged, released, or spilled in or around the project area by contacting the DML&W's Hazardous Materials Coordinator at (907) 269-8552 and the DEC Southcentral Area Response Team Office at (907) 269-3063 during business hours (after hours call the DEC Spill Hotline at 1-800-478-9300) for the following situations:

Oil/Petroleum Releases:

To Water

- **Any** release of oil to water *must be reported* as soon as the Lessee has knowledge of the discharge.

To Land

- Release(s) of oil **in excess of 55 gallons** must be reported as soon as the Lessee has knowledge of the discharge.
- Release(s) of oil **between 10 and 55 gallons** must be reported within 48 hours after the Lessee has knowledge of the discharge.
- The Lessee is responsible for providing, on a monthly basis, a written record of any discharge of oil **between 1 to 10 gallons**.

Within impermeable secondary containment areas

- Any release of oil **in excess of 55 gallons** must be reported within 48 hours after the Lessee has knowledge of the discharge.

Hazardous Substance Releases:

## Attachment C Lease Special Stipulations

- Release(s) of all hazardous substances (other than oil) **in any amount** must be reported as soon as the Lessee has knowledge of the discharge.

The Lessee is responsible for following all timelines, and submitting all required information as outlined in 18 AAC 75.300 and other applicable spill regulations under Article 3.

**19. Lease Expiration and Site Reclamation:** No later than one (1) year prior to lease expiration, the lessee shall file with the AO:

a) A complete renewal/reissuance lease application; or

b) An approved reclamation plan for the leasehold. *Reclamation plans must include a description of the methods and techniques that will be used to rehabilitate affected areas of the leasehold. The plan must also include a specific time line showing when each step of the restoration process will be completed.*

DRAFT

# Attachment D

## Development/Operational Plan ADL 230034

### Leader Creek Fisheries Development plan ADL 230034 August 6, 2013

Leader Creek Fisheries owns two parcels of land adjacent to the Naknek River, in Naknek, Alaska and has developed two corners of the parcels to be used as vessel haul out facilities. The development of these parcels has included construction of two concrete ramps and one gravel ramp. The first concrete ramp (on parcel 3009) is a 230' long by 50' wide by 10" thick reinforced concrete ramp along with a winch to haul out and launch vessels and barges. A 1.5' base layer of compacted rock was installed before the concrete was poured. This ramp connects, above the tide line, to another poured and reinforced concrete slab that continues up to a winch house. This additional section is 470' long by 50' wide by 10" thick. The second concrete ramp (on parcel 2490) is located in the SE corner of the property and is used for hauling out and launching smaller vessels. This ramp was constructed using reinforced concrete slabs laid over compacted rock. The gravel ramp, which is above the tide line, is located just upriver from the first concrete ramp. On the gravel ramp; heavy, inflatable rubber bags are used to "roll" barges out of the river and onto flat ground. Bulldozers connect to the barges with wire cables and tow the barges up the Incline.

We are requesting permission to extend the gravel ramp further out into the river 230' to match the length of the first concrete ramp. This extension would also be of rock and gravel, and would be angled down river so that it connected with the gravel ramp. A map is included, showing the existing ramp and proposed extension. Currently the concrete ramp is 50' wide. The in-river overall width of both the concrete and gravel ramp (as proposed) would be 150'. This work would be done after the sockeye salmon run as ended in the fall of 2014.

Also included in the use of tidelands is a floating 4' wide walkway that extends from shore out appx 300' to an anchored pump barge. This walkway is primarily used to allow personnel to transfer from the pump barge to shore and back. This pump barge is used to transfer fish from our tender boats up to the processing plant. The fish are transferred via a floating 10" plastic line that carries fish and refrigerated seawater to the plant. There is an 8" and 6" floating plastic lines that are used to return the refrigerated seawater. There is also a power cable that runs out to the pump barge.

The property description is USS 3009, a 5 acre parcel, tax lot number 12-138-037. The latitude and longitude of the ramp is 58.7446 N and 156.9441 W and in appx 1.25 miles northeast of Naknek, AK. The property is on the Naknek river, a seasonally accessible river. The normal operating season for this facility/ramp is late April until late October.

All three ramps are strictly used for launching and hauling out vessels and barges. No freight, liquids or materials are handled on these ramps. For hauling out a vessel or barge on the larger concrete ramp; large, heavy duty moving dollies are pulled down the ramp and into the river using the winch. The vessel is maneuvered onto the dollies and once centered, the winch is used to pull the vessel up the ramp and out of the water. Once past the top of the ramp and onto the second pad, the dolly wheels are rotated and the dollies and vessel are moved as a unit to a storage spot in the yard where the vessel is blocked up.

## **Attachment D**

### **Development/Operational Plan ADL 230034**

The process for launching a vessel is just reversed. The dollies and vessel are moved as a unit to the ramp. At that point, the wheels are rotated and the entire unit is pulled down the ramp with the winch until the vessel floats off.

While on either ramp and in the yard, vessels are not allowed to transfer, remove or load liquids. No sewage will be pumped from the vessel once out of the water. No liquids or hazardous materials are stored in close proximity to the ramp or where vessels are stored.

On the smaller concrete ramp, a large boat trailer is used to either launch or haul out a vessel. The vessel, if being hauled out, it is driven to its storage location and put on blocks.

The only other construction related to this project was the construction of a shelter for the winch. This is a 15' x 20' wood frame building. There is electrical for operation of the winch and propane for heating.

The hydraulic lifting/lowering system for the dollies is inspected at least weekly and before each usage. The winch house is located more than 500' from the highwater line and is on level ground. Any leaks on the winch hydraulic system are easily contained.

Attachment D  
Development/Operational Plan ADL 230034



- 1 - Current gravel ramp above tide line.
- 2 - Proposed extension of gravel ramp.
- 3 - Current concrete ramp.