

Attachment A

Terms and Stipulations for Free Use Permit for mineral material AA-086690
Kawerak Inc.

- I. Permit Terms: During construction, operation, maintenance, and termination of the project you must:
- a) Comply with all existing and subsequently enacted, issued, or amended Federal laws and regulations and state laws and regulations applicable to the authorized use;
 - b) Rebuild and repair roads and established trails destroyed or damaged by the project;
 - c) Do everything reasonable to prevent and suppress wildfires on or in the immediate vicinity of the area;
 - d) Not discriminate against any employee or applicant for employment during any phase of the project because of race, creed, color, sex, or national origin. You must also require subcontractors to not discriminate;
 - e) If BLM requires, obtain, and/or certify that you have obtained, a surety bond or other acceptable security to cover any losses, damages, or injury to human health, the environment, and property in connection with your use and occupancy of the land, including terminating the permit, and to secure all obligations imposed by the permit and applicable laws and regulations. BLM may require a bond, an increase or decrease in the value of an existing bond, or other acceptable security at any time during the term of the grant;
 - f) Comply with project-specific terms, conditions, and stipulations, including requirements to:
 - g) When the state standards are more stringent than Federal standards, comply with state standards for public health and safety, environmental protection, and siting, constructing, operating, and maintaining any facilities and improvements on the lands; and
 - h) Immediately notify all Federal, state, tribal, and local agencies of any release or discharge of hazardous material reportable to such entity under applicable law. You must also notify BLM at the same time, and send BLM a copy of any written notification you prepared;
 - i) Not dispose of or store hazardous material on the lands, except as provided by the terms, conditions, and stipulations of your permit;
 - j) Comply with all other stipulations that BLM may require.
- II. Stipulations:
- 1. Non-Hazardous Solid Waste (trash/refuse) will be back hauled from the area and disposed in an approved waste disposal site.
 - 2. No hazardous materials will be stored at the site. The Permittee shall notify the BLM and the Alaska Department of Natural Resources of all spills that must be reported to the

Alaska Department of Environmental Conservation (ADEC) under 18 AAC 75.300 and under timelines of 18.AAC 75.300. These requirements can be found at the following website: <http://www.dec.state.ak.us/spar/spillreport.htm#requirements>. All fires and explosions must be reported to DNR immediately. The DNR 24 hour spill report number is (907) 451-2678; the fax number is (907) 451-2751. The DEC oil spill report number is (800) 478-9300. All spills shall be cleaned up in accordance with 18 AAC 75. DNR and DEC shall be supplied with all follow-up incident reports. Absorbent material shall be stored on site for any fuel spills and used in refueling of equipment.

3. All operations shall be conducted in such a manner as to avoid damage or disturbance to any prehistoric or historic sites or modern camp sites. The Archaeological Resource Protection Act prohibits the excavation, removal, damage, or disturbance of any archaeological resource located on public lands. Violation of this law could result in the imposition of both civil and criminal penalties of the violator. Should any historic or prehistoric site be located during the course of operations under this permit, the applicant shall immediately cease activities and notify the BLM authorized officer.
4. The boundary of the work area shall be prominently marked.
5. All overburden shall be stockpiled in previously disturbed areas of the pit or on non-wetland areas adjacent to the pit.
6. A detailed reclamation and pit closure plan shall be submitted and approved by BLM prior to closure of the site. The reclamation plan shall identify the amount of fertilizer and seeding mixtures to be used. The seed mixture and fertilizer must meet Weed Free standards and be comprised of Alaska native species or cultivars;
7. The side of the active work pit shall be sloped to prevent erosion and provide for safety of humans and animals. At the cessation of project activities at the site, side slopes shall be left at no more than 3H to 1V, unless natural topographic features preclude these slopes.
8. The pit floor shall be sloped so as to prevent erosion or create ponds to prevent degradation of the water quality of adjacent streams.
9. The disturbed areas that are unused and unneeded shall be reclaimed prior to opening new areas within the permitted area.
10. The applicant must be in compliance with Alaska Statutes 41.14.870.
11. Gravel extraction and gravel pit operations will not occur within 300 feet of Crete Creek. Silt fencing shall be employed along Crete Creek to prevent the deposit of silt from surface water discharge into Crete Creek.
12. Site reclamation is required and is subject to the submission of a satisfactory site reclamation plan. The reclamation plan must be submitted within ninety days of the termination of gravel extraction operations.
13. This permit will terminate according to its terms or upon conveyance of the land out of Federal ownership whichever occurs first.