STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF AGRICULTURE

[] Northern Region 3700 Airport Way Fairbanks, AK 99709 (907) 451-2780 [x] Central Office
 1800 Glenn Highway, Suite 12
 Palmer, Alaska 99645-6736
 (907) 745-7200

LAND USE PERMIT

Under AS 38.05.850

PERMIT # ADL

is issued this permit to use the following described land:

Within the Seward Meridian

TOWNSHIP 4 SOUTH, RANGE 10 WEST SEC. 30 TOWNSHIP 4 SOUTH, RANGE 11 WEST SEC. 25

CONTAINING 30 ACRES, MORE OR LESS.

This permit is issued for the purpose of: Authorizing the grazing of livestock of ADL 231214 (Grazing Land Use Permit Application)

This permit is issued subject to: payment of an **annual use fee** in the amount of \$100.00; and compliance with the attached special stipulations, if any, in addition to those noted on the back of this document.

This permit is not a property right. It is a temporary authorization, revocable by the state with or without cause. This permit is effective beginning August 31, 2011, and ending on August 31, 2016, unless sooner terminated at the state's discretion.

Signature of Authorized State Representative Signature of Permittee or Authorized Representative				Date	
				Date	
Permittee's Address		City		State	Zip
Home Phone	Work Phone	Contact Person			

* A returned check fee as provided in 11 AAC 05.010 will be assessed for any check on which the bank refuses payment.

* Permittee is responsible for maintaining a current address with the division during the life of this authorization.

* Permittee is responsible for obtaining authorizations required by other agencies for the permitted activity.

1. This Land Use Permit conveys no interest or property right in state land. This permit may be reissued upon application by the permittee at the state's discretion. This permit is revocable immediately, with or without cause. If revoked without cause, the permittee will be allowed 30 days within which to remove the permittee's possessions and vacate the premises. If revoked for breach of any condition, the permittee shall immediately vacate the premises. This permit is not transferrable. It is issued to authorize specific activities requested by the applicant and that are not included in the category of "generally allowed uses."

- 2. This Land Use Permit is subject to the following provisions:
 - a. Activities employing wheeled or tracked vehicles shall be conducted in such a manner as to minimize surface damage.
 - b. Existing roads and trails shall be used wherever possible. Trail widths shall be kept to the minimum necessary. Trail surface may be cleared of timber, stumps, and snags. Due care shall be used to avoid excessive scarring or removal of vegetative ground cover.
 - c. All activities shall be conducted in a manner that will minimize disturbance of natural drainage systems, that will not cause a change in character, pollution, or siltation of streams, lakes, ponds, water holes, seeps, and marshes, and that will not disturb fish and wildlife resources. Cuts, fills, or other activities causing any of the above disturbances, if not repaired immediately, are subject to any corrective action as may be required by the director.
 - d. Unless specifically authorized by this permit, the director prohibits the disturbance of vegetation within 300 feet of any waters located in specially designated areas as prescribed in 11 AAC 96.010(2) except at designated stream crossings. These special designations are noted on the State of Alaska land status plats.
 - e. All activities shall be undertaken in a manner which causes the least possible interference with other authorized uses of state lands.
 - f. Trails and campsites shall be kept clean. All garbage and foreign debris shall be eliminated by removal, burning, or burial, unless otherwise authorized.
 - g. All survey monuments, witness corners, reference monuments, mining claim posts, and bearing trees shall be protected against destruction, obliteration, or damage. Any damaged or obliterated markers shall be reestablished in accordance with accepted survey practices of the division.
 - h. Every reasonable effort shall be made to prevent, control, or suppress any fire in the permitted area. Uncontrolled fires shall be reported immediately.
 - i. Holes, pits, and excavations shall be filled, plugged, or repaired. Holes, pits and excavations necessary to verify discovery on prospecting sites, mining claims, and mining leasehold locations may be left open but shall be maintained so as to minimize erosion and siltation and shall be consistent with public safety and welfare.
 - j. No person may engage in mineral exploration activity on land open to such use, the surface of which has been granted or leased to third parties by the State of Alaska, or on land in which the state has received the reserved interest of the United States until good-faith attempts have been made to agree with the surface owner or lessee on a settlement for damages which may be caused by such activity. If agreement cannot be reached, or lease or surface owner cannot be found within a reasonable time, operations may be commenced on the land only after specific approval of the director, and after making adequate provision for full payment of any damages which the surface owner or lessee may suffer.
 - k. Entry on all lands under prospecting permit, lease, or claim, by other than the holder of the permit, lease, or claim, or his authorized representative, shall be made in a manner which will prevent unnecessary or unreasonable interference with the rights of the permittee, lessee, or claimant.

3. In the case of a permit authorizing early entry, pending issuance of a final authorization, permittee agrees to remove any improvements and to rehabilitate the area to a condition acceptable to the director if the final lease/right-of-way permit is not issued or the permittee fails to complete the lease/right-of-way process within one year of the date of the execution of this entry authorization. Permittee also understands that early entry is undertaken at his/her own risk in the event that the final authorization is not issued.

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4. Permittee and permittee's contractors, subcontractors and all personnel shall indemnify the State of Alaska and hold it harmless from any and all claims, suits, loss, liability and expense for injury to or death of persons and damage to or loss of property arising out of or in connection with permittee's entry on and use of this land.

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER SUPPLEMENTAL CONDITIONS PERMIT # ADL 231214

1) <u>Compensation</u>: (a) Pursuant to 11 AAC 05.010 (e)(7) a fee per head month that is 70 percent of the Federal head-month grazing fee for the western states published by the United States Forest Service, United States Department of Agriculture (2011 Federal fee is \$1.35), with a minimum charge of \$100 per year for each permit; (6 animals per month for 5 months = 30 AUM. $30 \times $1.35 \times \%70 = 28.35) The minimum **\$100 yearly fee** applies, due on or before August 31, of each year.

2) <u>Livestock conflicts:</u> If, due to livestock moving off the permitted area on to private property, boundary conflicts arise at some time in the future, it will be the responsibility of the permittee (at no expense to the lessor) to properly locate and place fencing or other deterrents to the movement of livestock. This may require a partial survey of the permit area.

3) <u>Use of the Parcel</u>. A Grazing Development Plan must be submitted and approved prior to stocking this permit area. The plan must include range information and the permittee's general proposed development and operating plans and time lines. In addition to the initial stocking rate established by a range specialist under criteria established in the NRCS Handbook will establish allowable stocking levels. Compliance and operation in conformance with the Plan in its current or amended form is required by this permit. Utilization or development of the permitted land for other than the uses allowed within the Plan or this permit document shall be grounds for cancellation of the permit. Failure to make substantial use of any part of the land, consistent with the Plan and accepted range practices may result in the lessor reducing the permit area to reflect the actual level of use or may constitute grounds for cancellation. If utilization of the permitted area, even under an approved practice, causes or begins to cause substantial damage to vegetation, soil stability, water quality, or any other valuable resource it is the responsibility of the permittee to take immediate actions to abate and correct the problem. The permittor should be notified as soon as possible of the required actions that were taken and the proposed changes in management that will address the situation into the future. Failure to take corrective actions or to notify the permittor shall be grounds for cancellation.

4) <u>Grazing Development Plan.</u> The minimum requirements of the grazing development plan are: 1) A cooperative agreement between the lessee and the Alaska Soil Conservation District or appropriate subdistrict; 2) proposed feedlot sites, stock watering sites, supplemental feeding stations, corrals, temporary shelter structures, etc; 3) proposed fencing location and construction; 4) existing facilities on the land; 5) any proposed fields or cropland; 6) adjacent improvements owned by the lessee; 7) A record of the lessee's proposed management activities, including: a) Range management practices considered essential or desirable; b) livestock species to be stocked (only cattle and horses are approved).

5) <u>Non-use of the Parcel</u>. To maintain the land at its highest productive capacity, the permitor may, at any time during the life of the permit, when deemed necessary, declare all or a portion of the permit to be in non-use. The period of non-use may be for any specified length of time up to the expiration of the permit itself. The permittee shall be give written notice at least 60 days prior to a declaration of non-use. The permittor shall adjust the required AUM's to conform with the reduced area of the permit that may be utilized. The permittee may at any time during the life of the permit take non-use on any or all of the grazing permit to adjust or improve operations under the permit; however non-use may not be used merely to hold a grazing permit. If the permitor determines ADL

the intended purpose of placing acreage into non-use is merely to hold on to the permit and is not a temporary management action the area proposed for non-use will be withdrawn from the permit and the permit amended to reflect the change in acreage. (non-use is defined as the discontinuance of use of all or a part of a permitted area to allow the resource to return to its normal productivity.)

6) <u>Identification of Livestock</u>. All livestock permitted on a state grazing permit shall be properly identified and such identification registered in accordance with AS 03.40.010 - 03.40.270. Such identification shall be permanently placed on each animal in a manner that allows for identification of the mark from a distance of 20 feet. In addition each animal will be numbered (by ear tag or other acceptable method) to allow for the identification of individual animals for health and other monitoring purposes.

7) <u>Health of Livestock</u>. Prior to placing livestock on the permit area all stock shall be examined, and if determined necessary treated for the following diseases and parasites: Brucella-Tuberculosis, Blue Tongue, Anaplasmosis, Leptospirosis, Malignant Edema, Black Leg, Pasturella, Parainfluenza III, Respiratory Syncytial Virus, Infectious Bovine Rinstracheiti (IBR), Contagious Ecthyma, Equine Infectious Anemia, Scabies, Ovine Viral Diarrhea, Ovine Progressive Pneumonia, Endoparasites, Ectoparasites. The permittee shall supply the permittor with a listing by species, identification mark and individual animal identification number, of the animals inspected and the result of those inspections. The permittee must be in possession of that certificate prior to any livestock being placed on the state lease.

8) <u>Range Improvements</u>. permittee shall not make range improvements without first obtaining the <u>written</u> approval of the permittor. Permittee must make separate application to construct range improvements. That application shall indicate the location of the proposed improvements, the necessity for the improvements, the estimated cost thereof, photographic imagery of the site prior to construction, and that the improvements, as proposed, will not impair the value of the land or interfere with the other reasonable uses thereof. Range improvements include but are not limited to fencing and clearing of brush or trees. Range improvements made without written approval shall constitute grounds for cancellation of the permit. Approval of an operation plan does not authorize range improvements unless specifically stated in that approval. Photographic imagery of completed range improvements shall be provided in the following years annual report.

9) <u>Other Improvements</u>. Improvements other than those that can be considered as range improvements (see above) are not allowed on this permit area. Specifically more permanent improvements such as housing, barns, silos, slaughterhouses, permanent and substantial feed storage facilities, etc. may not be authorized on this grazing permit area. Placement of any unauthorized improvement on the permitted area by the permittee or a person authorized by the permittee shall constitute grounds for cancellation of the lease.

10. <u>Recreation and Other Compatible Uses</u>. The permittee shall not interfere with the right of the public to enter the land for the lawful pursuit of game animals, the taking of fish, the trapping of fur animals, the picking of berries, or for temporary camping or other compatible uses. Permittee shall not prohibit or otherwise interfere with reasonable access to and through the permitted area for other uses. Permittee may apply for and the lessor may grant the right to post certain key areas. If fencing is placed across a recognized public access an unlocked gate will be provided.

11) <u>Assignment</u>. Under no circumstances shall permittee be permitted to assign it's rights to this grazing permit without prior authorization from the director, Division of Land.

12) <u>Reservation of Easements</u>. The permittor expressly reserves the right to take for the use of the State of Alaska and the right to grant to third parties, easements or rights-of-way of unlimited size across the Parcel herein permitted if it is determined to be in the best interest of the State to do so, even though the creation of the easement or right-of-way terminates the entire permitted estate; provided, however, that the permittee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such

easement or right-of-way. Permittee will not be entitled to compensation for loss of AUM capacity, however the minimum stocking rates will be adjusted to reflect any changes in total AUM's.

13) The permittor makes no representations or warranty that it will construct or maintain access to the Parcel.

14) <u>Surface Reservations</u>. The permittor hereby expressly saves and reserves out of the grant hereby made, unto itself, its permittees', successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of exploring for, opening, developing, harvesting, drilling and working surface mines, excavations, or timber sales on these or other lands and taking out and removing therefrom all valuable surface resources such as timber, stone, gravel or any other material valuable for building or commercial purposes and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient to such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, that no rights reserved hereunder shall be exercised by the permittor or its agents, until provision has been made by the permittor or its agents to pay to the permittee of the land upon which the rights are herein reserved, full payment for all damages sustained by said permittee by reason of entering upon said land; and provided that, if said permittee for any cause whatever refuses or neglects to settle said damages, the permittor or its agents, or any applicant for a sale or contract or option from the Permittor for the purpose of exploring for or extracting valuable surface resources shall have the right, after posting a surety bond with the permittor issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or after posting with the Lessor and after due notice and an opportunity to be heard, to exercise rights granted to it for reasonable use of the surface required for the full enjoyment of the reserved surface resource rights which it holds. Each surety bond and the Permittor or agent shall have the standing which may be necessary to determine the damages which the surface Permittee of such lands may suffer, and the security appropriate to hold the surface Permittee harmless in relation thereto.

- 15) <u>Annual Report</u>. An annual report shall be submitted on April 1st of each year and upon termination of authorized activities. This report shall contain the following information:
 - 1. Type(s) and numbers of livestock grazed upon the permit area.
 - 2. A report covering any known incidents of damage to the vegetative mat and underlying substrate, and follow-up corrective actions that may have taken place while operating under this authorization.
 - 3. Photographic imagery of authorized range improvements taken before, during and after the proposed activity to document permit compliance. Photographs must consist of a series of ground level view photos that clearly depict the authorized range improvement.

Permittee,

Date

Authorized Representative, Deptartment Of Natural Resources

Date

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