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

FINAL FINDING AND DECISION
AQUATIC FARMSITE LEASE RENEWAL

APPLICANT: JON VAN HYNING
AQUABIONICS, INCORPORATED
ADL #225239

LOCATION: SOUTH BAY / PERRY ISLAND

This final finding and decision is intended to complement and update the preliminary finding and decision dated October 1, 2008

The applicant is requesting renewal of his existing aquatic farm site lease along with reducing the size of his farm to just under 1 acre of tide and submerged lands. The applicant currently holds a lease consisting of two sites. Site #1 will be reduced to an area measuring 20 ft. x 1500 ft. for shellfish culture, plus an area 12 ft. x 800 ft. for an up-welling platform and seed culturing area. Site #2 is a 3.5 acre area located on the uplands for facilities directly related to the operation of the aquatic farm site.

The total acreage for the tideland portion of the lease is 0.90 acres. The total area of the upland portion of the lease is 3.5 acres.

The applicant has been successfully culturing Pacific oysters and has met the required commercial use threshold for a 1.0 acres farm, which is a requirement to renew an existing aquatic farm tideland lease.

The farm site location is only accessible by boat or floatplane. A location map is attached to this decision.

AUTHORITY: AS 38.05.035; AS 38.05.070; AS 38.05.075; AS 38.05.083; AS 38.05.127; AS 38.05.128; 11 AAC 63.020

This decision addresses and is based on those issues under the authority of the Department of Natural Resources (DNR) under Title 38. While other issues may be addressed that are not within the scope of DNR's responsibilities, this decision's purpose is to determine whether or not to issue a DNR lease and does not make any determinations whatsoever on the issuance of other agency authorizations that are necessary for aquatic farming activities. Information included in the original preliminary decision document may not be included in this document if conditions have not been altered. Original preliminary decisions for this lease can be obtained by contacting the aquatic farm program manager for the DNR in Anchorage.

ADMINISTRATIVE RECORD: The administrative record for this lease renewal is file number **ADL 225239**.

LOCATION:

USGS MAP COVERAGE: Seward C-3

NAUTICAL CHART: 16705 Prince William Sound

LEGAL DESCRIPTION: Township 7 North, Range 9 East, Seward Meridian, And more specifically described as:

Section 20: NE ¼, those tide and submerged lands located within South Bay on Perry Island, encompassing an area measuring 20 ft x 1500 ft for grow-out of farmed stock containing approximately 0.68 acres more or less; and an area 12 ft x 800 ft consisting of a cable connected to rock outcropping at each end with individual units consisting of two 5-gallong plastic buckets placed end to end and spaced approximately 12-ft apart, up to a maximum of 25 units, to hold farm seed plus an 8 ft x 12 ft, up-welling platform in the northern-most area of the site, with eight, 4 ft x 4 ft white totes to contain farm seed. The additional requested area comprises 0.22 acres; and

Section 20: NE ¼, those uplands located on the south end of Perry Island, encompassing an area of approximately 3.5 acres, according to the drawing attached hereto and made a part of this lease amendment and labeled Attachment A. The following improvements are authorized on the uplands: dam, skiff shed, dwelling, warehouse, and a generator building. No other improvements are authorized.

GEOGRAPHIC: The proposed farm site is located on state-owned tide and submerged lands off the south side of Perry Island in Prince William Sound approximately 9 miles west of the City of Whittier.

POLITICAL INFORMATION:

BOROUGH/MUNICIPALITY: This application is outside of an organized borough.

COASTAL DISTRICT: The application lies outside of an approved coastal district. The nearest coastal district is the City of Whittier.

REGIONAL CORPORATION: Chugach Alaska Corporation

FISH AND GAME ADVISORY COMMITTEES: Southcentral Region Fish and Game Advisory Committees.

PLANNING AND CLASSIFICATION:

LAND MANAGEMENT PLAN: Prince William Sound Area Plan, Management Unit 9, Perry Island, Adopted in 1988.

SURFACE CLASSIFICATION: The Prince William Sound Area Plan designates state owned tidelands at the proposed location as general use.

SURFACE MINERAL ORDERS: The proposed site is open to mineral entry.

ALASKA COASTAL MANAGEMENT PROGRAM: The proposed aquatic farm was found consistent with the Alaska Coastal Management Program (ACMP) on December 10, 1996, under State I.D. No. AK 9010-06AA. The applicant's request to renew and amend his lease does not require another consistency review.

SURVEY AND APPRAISAL:

SURVEY: A survey is not required by law before issuing a 10-year negotiated lease. However, the department has the right to require one in the future, at the applicant's expense, if boundary conflicts or disputes over acreage arise.

APPRAISAL: The Division of Mining, Land and Water has approved an administrative lease fee schedule for aquatic farm sites that meet the conditions listed within the schedule. The most current lease fee schedule will be used to establish the fair market rental each lessee must pay. The applicant has the option to have a site-specific appraisal done, at the applicant's expense, before the lease is issued, if he or she does not wish to use the fee schedule. If an applicant opts for a site-specific appraisal, the division-approved appraisal will establish the rental for the lease and the fee schedule will no longer be an option.

PUBLIC/AGENCY NOTICE AND COMMENTS: Public notice of the proposal was sent to various newspapers, post offices, agencies, boroughs/cities, native corporations, , Fish and Game Advisory committees, etc. The public comment period began on October 13, 2008 and ended on November 14, 2008. **No public comments were received**.

The preliminary best interest finding is subject to public comments received during the comment period. The final best interest finding will consider and address any comments related to the subject proposal and will be available on or about December 8, 2008. If significant changes occur to this decision as a result of public comments received, additional notice will be sent to those who provided comments, either in writing or by testifying at a public hearing.

ENVIRONMENTAL RISK ASSESSMENT: The applicant has submitted a signed environmental risk questionnaire. The questionnaire asks for information on potentially hazardous materials, such as plans for onsite storage of fuel or chemicals. The applicant has indicated that no on-site use, storage, transport, disposal, or otherwise, of any petroleum products will be used during the course of the proposed activities.

BONDING AND INSURANCE:

BONDING: Bonding, or another form of security, is required under AS 38.05.083 and 11 AAC 63.080. The bond must cover the costs of site cleanup and restoration, any associated cleanup costs after termination of the lease, including any unpaid rentals or other obligations accruing until site restoration is complete. The regulations require the minimum security amount of $2,500 (or $1,250 with an association bond) for an aquatic farm lease. Factors such as location and amount of improvements at the site are taken into consideration when the bond amount is determined. Please refer to the Recommendation section at the end of this decision for the bond amount that was determined appropriate for this proposal.

INSURANCE: At this time the DNR does not require this type of activity to have general liability insurance. General liability insurance may be required in the future depending on the aquatic farming operations and the procedures of the department at the time changes are made to the lease or a renewal lease is issued. The lessee is responsible for acquiring other types of insurance, such as Workman's Compensation Insurance that may be required under other local/state/federal laws.

POTENTIAL CONFLICTS/PENDING INTERESTS: There are no known pending interests at the location of the proposal.

TRADITIONAL USE FINDING: The existing aquatic farm has caused no known disruption of traditional and/or existing uses of the area, such as commercial and sport fishing, subsistence activities, boat travel, and recreation. Through agency and public input, more traditional and existing use information may surface. If such information becomes available, any potential and/or existing conflicts will be addressed in the final best interest finding.

PRINCE WILLIAM SOUND AREA PLAN INFORMATION SPECIFIC TO THIS PROPOSAL: This farm site lies within Management Unit 9, Perry Island. State land will be retained in public ownership and managed for multiple use with emphasis on public recreation. State land may be used for limited public recreation facilities such as public use cabins or mooring buoys. Management of the tidelands will ensure their unspoiled visual appearance.

Upland Owner/Management Intent: Perry Island is managed by the USFS. No federal timber harvest is expected during the life the management plan. The federal land is open to mining, though it is only weakly mineralized. The state has selected the majority of uplands on the island and owns the tidelands that surround the island. Over the course of the 10-year lease there have been no known conflicts between upland owner (USFS) and the lessee.

CONSIDERATIONS: The following criteria, set out in 11 AAC 63.050(b), has been considered and represents what is known at this time:

Land Management: There are no known land management policies or designations, other than those in the Alaska Coastal Management Program, the Prince William Sound Area Plan, and potentially the Chugach National Forest Land and Resource Management Plan that may impact this proposal. Measures taken to mitigate impacts on the resources identified in the above-mentioned plans are listed below.

Pending/Existing Uses:

1. There are no known pending use conflicts or potential impacts to nearby communities or residential land due to the on-going operation of this farm at Perry Island.

2. Information available suggests the aquatic farm has not disrupted traditional and existing uses of the site for use as an anchorage, commercial and sport fishing, recreation, and tourism.

3. There are no historic and cultural resources known to exist in the area.

4. There are no commercial or industrial facilities known to exist in the area.

Public Access: Public access has been and will be protected in accordance with 11 AAC 63.050(b)(6) and 11 AAC 53 and will be addressed in any resultant lease agreement.

Public Trust Doctrine: Any resultant lease agreement is subject to the principles of the Public Trust Doctrine in order to protect the public's right to use navigable waters and the land beneath them for navigation, commerce, fishing, and other purposes.

Mitigation Measures: In addition to the mitigation measures identified above under Pending/Existing Uses, paragraph 2, any resultant lease renewal may include additional stipulations necessary to mitigate conflicts identified during the public/agency comment period

Social, Economic, and Environmental Concerns: There are no known significant social, economic, and environmental effects from the existing lease.

Surface Area: The proposal does not encumber more than a third of the surface area of a bay, bight, or cove in accordance with 11 AAC 63.050(c).

This aquatic farm has provided opportunities to increase income and diversify the state's economy by utilizing state tide and submerged lands for this purpose. The advantage of renewing this lease on state owned tide and submerged lands is the continued employment opportunities as well as any secondary jobs created or increased from businesses involved in marketing, transport or sale of the farmed products.

After 10-years of successful operation of this site there seems to be no obvious disadvantages of renewing this activity on state owned tide and submerged lands. The public should be aware that access through the site, as well as access to any of the common property resources not being cultured at the site are public uses that remain intact. Therefore, and as mentioned above, any resultant lease would stipulate the requirement that signs be posted informing the public of their rights at the aquatic farm site.

FINAL FINDING AND DECISION:

The Southcentral Regional Land Office of the Division of Mining, Land and Water recommends the renewal of a 4.40 acre (.90 acres of tidelands plus 3.5 acres of uplands), 10-year aquatic farm site lease in accordance with 11 AAC 63.050(b), subject to the following condition and stipulations, which will be included in the lease agreement:

Lease compensation: An administrative lease fee schedule for aquatic farm sites has been approved by the Division of Mining, Land and Water effective August 1, 2007 through July 31, 2009 under Appraisal Report 2522-9. The lease fee schedule is subject to review every two years. The annual rent for the proposal based on a 4.40-acre farm site, is **$1,650.00**. The annual fee is calculated as follows: For tide and/or submerged land for an aquatic farm site the fee is $450 for the first acre, plus $125 for each additional acre, or fraction thereof. For associated housing facilities for an aquatic farm site the fee is $875 for the first acre or portion thereof and, $125 per acre for each additional acre or portion thereof. The lease is subject to review of the annual rent every 5 years. In other words, should the fee be increased during the term of a lease, the lease will be amended at five-year intervals for fee adjustment.

In addition to the stipulations listed within the lease document, the following stipulations will be incorporated in the lease as Attachment A. The Regional Manager reserves the right to modify the following stipulations or include additional stipulations as necessary.

1. A lessee shall operate so as to cause no significant damage to land, public trust resources, and public uses of public trust resources.

2. A lessee shall obtain and remain in compliance with all other federal, state, and local authorizations necessary for lawful operations.

3. A proposed amendment to the lease development plan must be submitted to the department for approval before a change in development occurs, and must be accompanied by the amendment fee required by 11 AAC 05.010. However, under this paragraph:

   (A) the following changes do not require an amendment of the lease development plan nor do

they constitute a significant modification requiring
a new determination of consistency with the Alaska Coastal Management Program:

(i) any change in the species or number of shellfish or aquatic plants being raised if the change is permitted by the Department of Fish and Game;

(ii) a change in the number or type of rearing structures authorized within the lease boundaries, if the change does not increase obstructions to navigation or to other public use;

(B) the department will not authorize a proposed amendment to the lease development plan for a "change of use"; for the purpose of this subparagraph and AS 38.05.083(d), "change of use" means a change from the raising of shellfish and aquatic plants to any other use; and

(C) the approval of an amendment of an aquatic farm site lease does not relieve the lessee of the obligation to obtain other necessary authorizations.

4. A lessee may use an aquatic farm site only for the purposes authorized by the lease, and the state reserves all other interests in the site. The rights granted by the lease must be exercised in a manner that does not unreasonably interfere with the rights of the state or of its permittees, lessees, or grantees, consistent with the principle of reasonable concurrent uses as set out in art. VIII, sec. 8, of the Alaska Constitution. A lessee shall pay for any damages that are payable by reason of the lessee's failure to comply with the requirements of this paragraph.

5. A lessee shall comply with the approved development plan. Failure to comply with the commercial-use requirement set out in 11 AAC 63.030(b) is a default and cause for termination, unless the lessee shows to the Regional Manager's satisfaction that the failure is due to circumstances beyond the lessee's reasonable ability to foresee or control.

   The lessee shall report annually to the department, no later than January 31, on sales during the previous year of shellfish and aquatic plants raised on the lease site, not including sales of commercially harvested wild stock that had been stored at the lease site. If the lessee provides this sales information to the Department of Fish and Game by an annual report, by copies of fish tickets, or by other means, the lessee may fulfill this paragraph's requirement for a sales report by asking the Department of Fish and Game to give a copy of the information to the department.

6. A lessee's failure to timely comply with all express or implied provisions of the lease constitutes default. If a lessee fails to cure the default or to begin and diligently continue to remedy the default within 60 days after written notice of the default and an opportunity to be heard, the Regional Manager will order suspension of site development or operations until compliance is achieved, or will take other action that the Regional Manager finds appropriate, including termination of the lease or attachment of the site restoration security.

7. With the Regional Manager's written consent, a lease that is in good standing may be relinquished.

8. A lease that is in good standing may, with the prior written approval of the Regional Manager, be assigned. The assignee shall promptly and diligently seek to obtain all authorizations necessary for lawful operations. The assignee is subject to all provisions of the lease in the same manner as the original lessee.

9. The department reserves the right:

   (A) of reasonable access to the leasehold for purposes of inspection, including the lessee's improvements and rearing structures; when the department inspects the lessee's rearing structures, the department will not lift or handle underwater rearing structures without prior notice to the lessee; the notice to the lessee may include notice by the Department of Fish and Game in accordance with AS 16.40.150(b); and

   (B) upon 10 days' prior notice, to inspect records of the lessee necessary to verify the lessee's compliance with the lease provisions.

10. A bond, cash deposit, certificate of deposit, or other form of security acceptable to the Regional Manager at a minimum of **$17,500.00** must be posted and maintained during the life of this lease. The bond may be used to cover the cost of site cleanup and restoration and any associated cleanup costs after termination of the lease, including any unpaid rentals or other obligations accruing until site restoration is complete. The lessee is responsible for the full cost of site cleanup and restoration in the event the costs exceed the posted bond amount.

    If three or more lessees post an association bond to cover all of their leases, the minimum security amount is 50 percent of the amount individually calculated for each lease. The association must designate an agent for notification purposes. The association has the right to be notified of the termination of a lease covered by its association bond. If neither the former lessee nor the association completes the site restoration as required by AS 38.05.090, the department will use the association bond for this purpose, up to 100 percent of the amount individually calculated for that lease. The association may remove a lease in good standing from the coverage of its association bond after 60 days' notice to the department, during which time the affected lessee must make other arrangements to comply with this section. A lease that is in default or that has been terminated with site restoration still pending may not be removed from the coverage of the association bond.

11. If cultural or paleontological resources are discovered as a result of this activity, work that would disturb such resources must be stopped and the Alaska Office of History and Archaeology shall be contacted immediately at (907) 269-8721.

12. The United States Coast Guard (USCG) shall be contacted prior to placing any aquatic farm structures under this permit to determine lighting or marking requirements necessary for the protection of maritime navigation, in accordance with Title 33, Code of Federal Regulations, Part 64. Required markings of this nature are Private Aids to Navigation, and must be subject to an approved permit. The USCG may be reached at the following address and phone number: Commander (oan), 17th Coast Guard District, P. O. Box 25517, Juneau, AK 99802-5517, telephone (907) 463-2254.

13. The lessee is required to visibly mark the corners of the site authorized under the lease (suspended and/or submerged on-bottom culture) with buoys <u>and</u> in accordance with U.S. Coast Guard marking requirements. If a submerged site is not in full operation, or rotational planting is utilized as for geoduck culture, additional marking is required of the corners of the area that contains improvements at any given time.

14. The lessee is required to visibly identify the leased site by writing on at least one corner buoy/marker the lessee's name, telephone number, the DNR file number (ADL number), information concerning the presence of any submerged improvements, and, for on-bottom culture only,

identify the species being cultured.

15. All improvements shall be secured utilizing anchoring methods with sufficient weight and holding capability to keep them in their authorized location(s).

16. The use of adjacent uplands for activities related to the aquatic farm site, including shore ties, is not authorized under this lease without the prior written permission from the upland owner.

17. The lessee is not authorized to hold commercially harvested wild stock acquired under AS 16 (the Alaska Department of Fish and Game's commercial fisheries program) within the lease boundary.

The finding presented above has been reviewed and considered. The case file has been found to be complete and the requirements of all applicable statutes and regulations have been satisfied. It is the finding of the Regional Manager that it is in the best interest of the state to proceed with this disposal under the authority of AS 38.05.083.

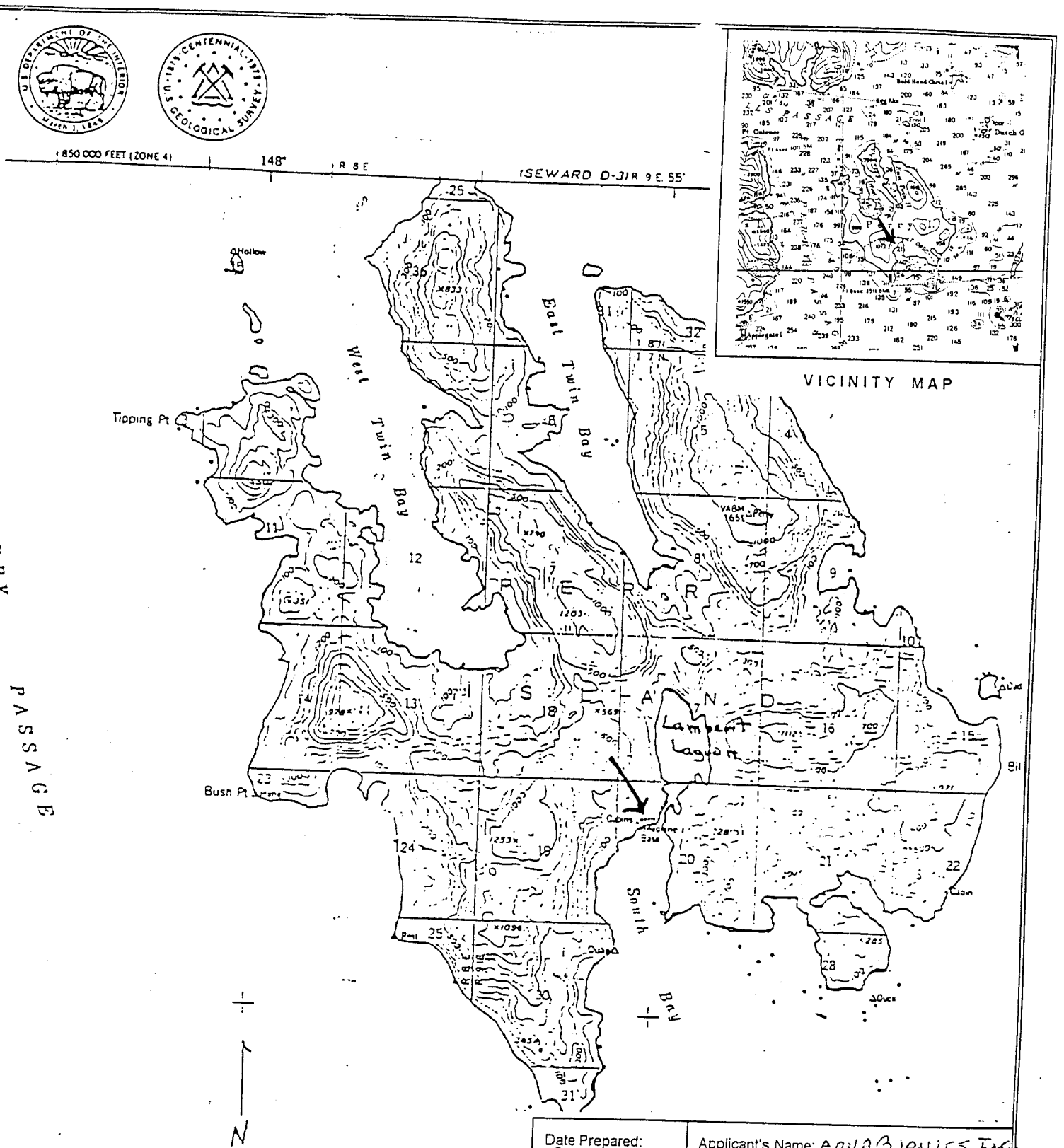
Richard Thompson

Richard B. Thompson, Regional Manager
Southcentral Regional Land Office

12/9/08
Date

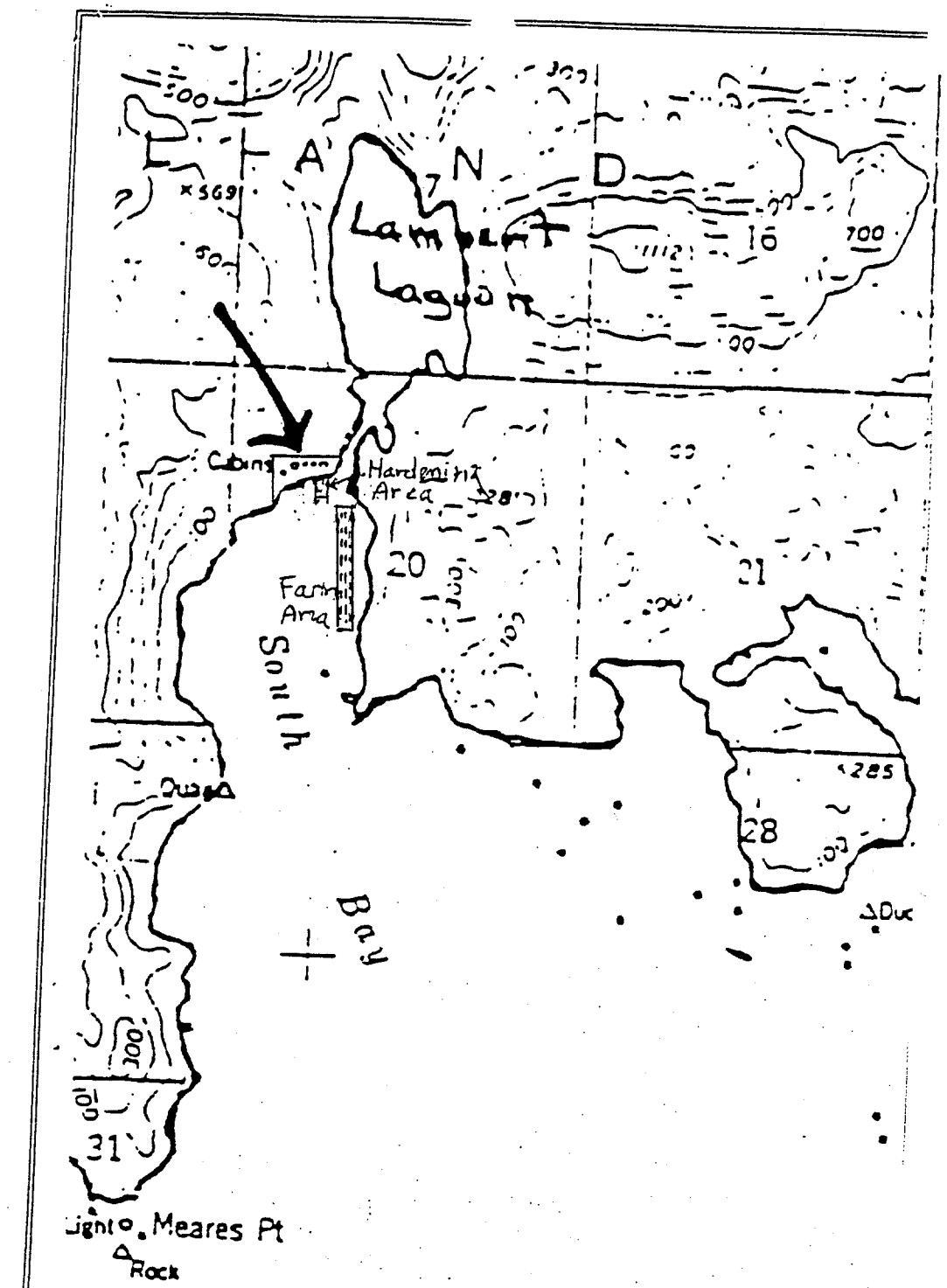
APPEAL PROVISION:

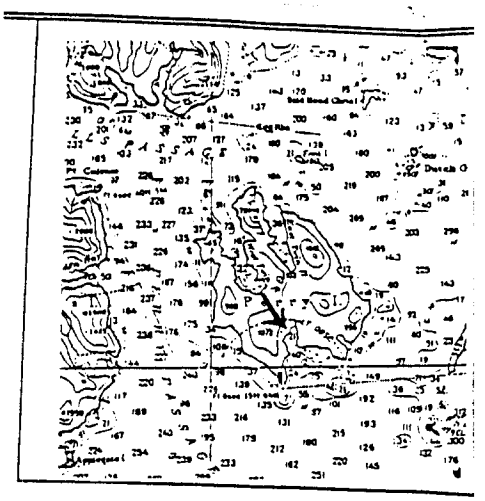
A person who is affected by this decision and who provided timely written comment or public hearing testimony on this decision (preliminary component), may appeal it, in accordance with 11 AAC 02. Any appeal must be received by December 23, 2008 and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501-3561; faxed to 1-907-269-8918; or sent by electronic mail to dnr_appeals@dnr.state.ak.us. If no appeal is filed by this date, this decision goes into effect as a final order and decision on December 23, 2008. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 is enclosed for your information.



Scale: 1 inch = 1 mile

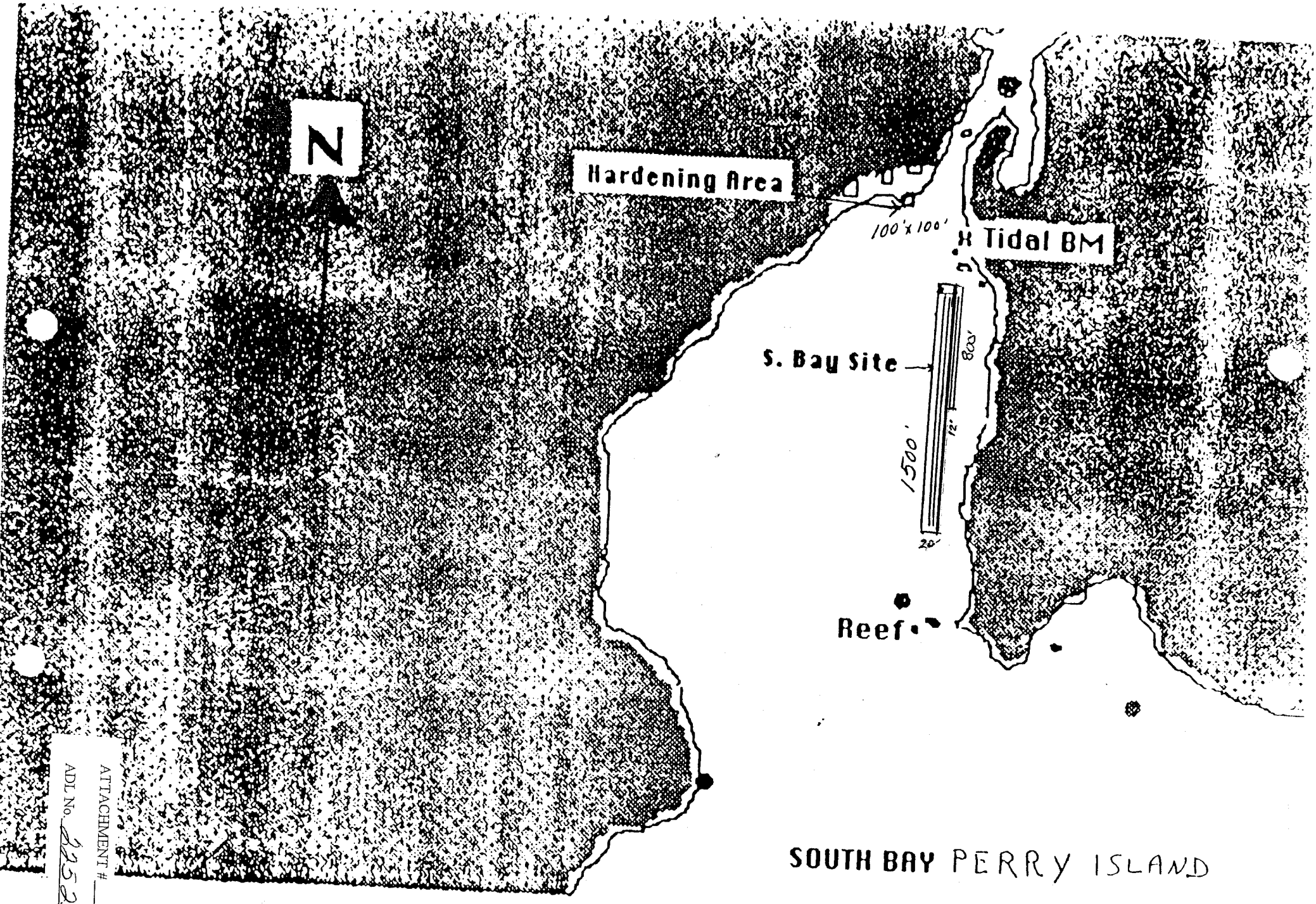
Date Prepared: 30 Sept. 97	Applicant's Name: AQUABIONICS INC Jack M. Van Hyning
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF LAND	
AQUATIC FARM DIAGRAM	
Sec.(s) 20 NE¼ Township 7N, Range 9E, Meridian Seward	
Scale: 1" = 1 mile	ATTACHMENT # 1
SHEET 1 OF 3	File # ADL No. 225239





VICINITY MAP

Date Prepared: 30 Sept. 97	Applicant's Name: AQUABIONICS INC. Jack M. Van Hyning
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF LAND	
AQUATIC FARM DIAGRAM	
Sec.(s) 20: NE¼ Township 7N, Range 9E, Meridian Seward	
Scale: 2" = 1 mile	ATTACHMENT # 2
SHEET 2 OF 3	File # ADL No. 225239



SOUTH BAY PERRY ISLAND

1,000 FEET

ATTACHMENT # 3

ADL No. 225239

Field Work 5-22-50
By H.E.A & J.H.C.
Revised 10-13-60
By P.B.L.
Revised 10-27-64
By C.S.W.
Revised 1-27-82
By D.T.W.
Revised 12-6-88
By J.R.K.

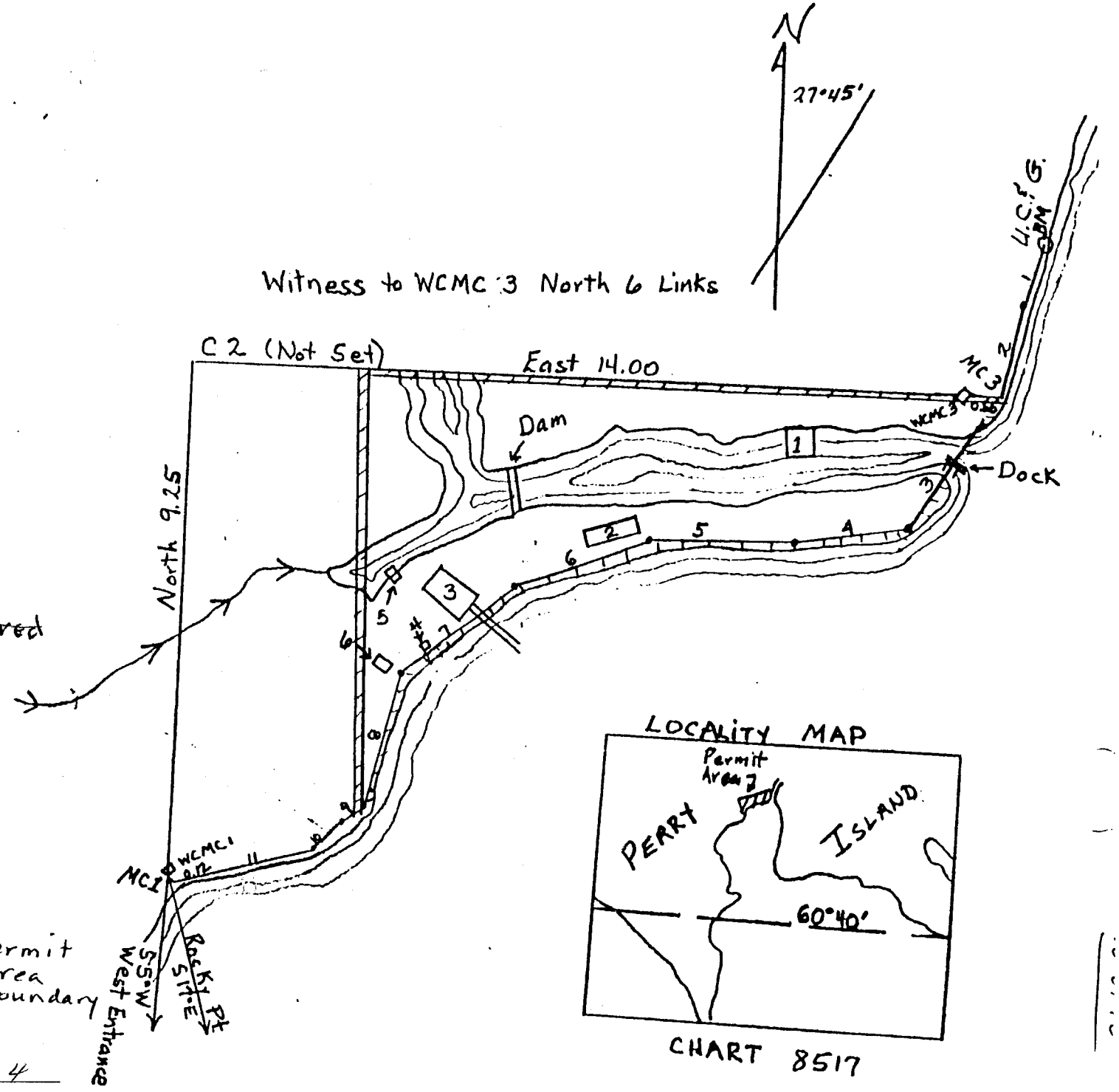
Development Legend

1. Skiff Shed
2. Dwelling
3. Warehouse
4. ~~Experimental Wind Powered Water Pump~~ Removed
5. ~~Windmill~~
6. ~~Aquaculture~~ Generator Building

Meanders

1. S 17° W 1.14 CHS.
2. S 10° W 1.64 "
3. S 34° W 2.86 "
4. S 81° W 2.00 "
5. N 88° W 2.50 "
6. S 69° W 2.50 "
7. S 50° W 2.50 "
8. S 12° W 2.50 "
9. S 53° W 0.53 "
10. S 43° W 0.64 "
11. S 74° W 2.50 "

Permit Area Boundary



ATTACHMENT # 4

ADL No. 225239

PROJECT DESCRIPTION - NARRATIVE

Our shellfish farm project began in 1987, but the 1989 Exxon Valdez Oil Spill wiped out most of our first oyster seed plants. The area was polluted and we could not begin operations again until 1991. We were then authorized under ADL Permit 225239 and have been in continuous operation since that time. This current application for a 10-year lease is basically the same as the Aquatic Farmsite Permit dated March 1, 1995, with the addition of: Amendment No. 1 which added 3.5 acres of uplands with buildings (formerly permitted by the U.S. Forest Service); and Amendment No. 2 which sets oyster seedstock acquisition at 250,000 per year.

At the end of 1997 we had an inventory of about 800,000 oysters (including the 200,000 seed oysters planted in 1997). We sold 51,000 oysters in 1997 at a value of $19,000. Personnel health problems and loss of the processing barge has postponed 1998 sales until late in the fall, but 1999 should be back on track with sales approaching 75,000 oysters.

We have three 1,200 foot longlines in use in the permitted 5.16 acres in upper South Bay and 800 lantern nets and 300 plastic trays in use and on hand. One additional line is permitted and will be added in 1999. A 16 x 32 foot processing barge was anchored at the north end of the lines but suffered winter storm damage and has been retired. The 20-foot aluminum work raft that has been used for handling gear and cleaning oysters has been improved with the addition on a shelter and will be used for sorting and packaging the product for market The number of 9-12 mm oyster seed approved (250,000) will stay the same in the near term. The

ATTACHMENT # 5

ADL No. 225239

0.23 acres (100 x 100 feet) of intertidal area is permitted for 50 3 x 3 foot racks for placing bags of oysters for hardening. The upland contains building which will be described later.

The activity will be primarily the commercial production of Pacific oysters, with planned amendments for some research and developmental work on littleneck clams, scallops and spot prawns. Mussel culture has not proven viable. During the course of the lease we plan to request the addition of a small area in Lambert Lagoon and an increase in the hardening area to approximately one-half acre. With our experience and better equipment we expect survival from seed to market of 50% or more which will bring annual production to some 100,000 oysters.

Legal Description.

The operation is at the head of South Bay and the entrance to Lambert Lagoon of Perry Island, Prince William Sound: Township 7 North, Range 9 East, Seward Meridian, Section 20. The farm area lies 2.5 miles north of the Perry Point Meares Point (Perry Point) light which is at 60° 39.3' N, 147° 55.8' W (U.S. Coast Pilot). We utilize 5.16 acres in South Bay, 0.23 acres of intertidal beach, and 3.5 acres of uplands. The upland area was formerly 5.0 acres under U.S. Forest Service permit, but was arbitarily reduced to 3.5 acres by that agency. That placed the fresh water supply dam and rocky point, site of an old dock, out of the permitted area. The dam is badly in need of repair. The dock was largely destroyed by the 1964 earthquake and tsunami and we would like to rebuild it at some future time to prior specifications, based on historical records, at the same site.

Terrain/ground cover.

The terrain slopes steeply to the beach and is covered with spruce/hemlock/alder forests and shrubs. There will be no change.

Access.

Access is only by boat or float plane and public access is not restricted. Lambert Lagoon is not navigable except around high slack tide.

Buildings.

The uplands have a dwelling, warehouse, skiff shed and generator shed (map attached). The Corporation owns the buildings and they are of historical significance from the fox farming and early commercial fishing era. From the Forest Service sketch map, the windmill and water pumps have been removed and the "Aquaculture Building" has been returned to its original use as a generator shed.

Power.

Power is provided by small diesel generators.

Waste Disposal.

All garbage, largely household wastes, is taken to Whittier for disposal. All sewage is contained and disposed of a least three miles at sea.

Hazardous substances.

Only gasoline and diesel would be considered hazardous and small quantities are kept in 50 gallon barrels until use in boats, pumps and generators.

Water supply.

Household fresh water is from an upland stream and reservoir and a pipeline. The dam is badly in need of repair and we will make a future amendment request that the upland lease area be increased to 5.0 acres to include the dam site. Sea water is pumped for washing oysters, nets, etc.

Storage areas.

Gasoline and diesel oil is stored in the generator shed. Aquaculture nets, lines, buoys and other equipment are stored in the warehouse. A small one-room bunkhouse is also in the warehouse for seasonal helpers. Skiffs are stored in a skiff shed which is actually in the intertidal zone.

Number of people using the site.

A caretaker couple reside permanently on the site. Another person is employed temporarily during the summer and corporate members work periodically. Occasional boaters drop in to purchase oysters and visit the area.

Maintenance and operation.

The husband-wife caretaker team will cover maintenance and operation with assistance from seasonal helpers and corporation members.

Closure/reclamation plans.

We have a large investment in this and other fisheries of Prince William Sound and intend the aquatic farm to be a long term project. We carry a $16,500 cleanup bond as a Certificate of Deposit with the National Bank of Alaska should there be a problem. The buildings are of historical significance and we are preserving them as much as possible.

DEVELOPMENT PLAN

Species Pacific Oyster

YEAR (1998, etc)	MINIMUM PRODUCTION/ SEED ACQUISITION	MAXIMUM PRODUCTION/ SEED ACQUISITION	MINIMUM GEAR(ie., longlines, racks)	MAXIMUM GEAR (ie., longlines, racks)	ESTIMATED SALES $
1 1998	0 / 0	10,000 / 100,000	3 1,200' longlines 3 racks	3 1,200' longlines 3 racks	3,500
2 1999	25,000 / 100,000	75,000 / 250,000	3 1,200' longlines 3 racks	4 1,200' longlines 25 racks	15,000
3 2000	25,000 / 200,000	75 / 250,000	4 1,200' longlines 10 racks	4 1,200' longlines 25 racks	18,000
4 2001	50,000 / 200,000	100,000 / 250,000	4 1,200' longlines 10 racks	4 1,200' longlines 25 racks	18,000
5 ** 2002	50,000 / 200,000	100,000 / 250,000	4 ~~1,200~~ 1,200' longlines 25 racks	4 1,200' longlines 35 racks	36,000
6 2003	↓	↓	↓	↓	↓
7 2004	↓	↓	↓	↓	↓
8 2005	↓	↓	↓	↓	↓
9 2006	↓	↓	↓	↓	↓
10 2007	↓	↓	↓	↓	↓

**Three thousand dollars per acre or fraction of an acre, or $15,000 per farm, worth of product must be sold in years 5 to 10 of the lease agreement.

ATTACHMENT # 6

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ADL No. 225239