

A-2

MDNR Land Use Application Form



Michigan Department of Natural Resources

APPLICATION/PERMIT TO USE STATE LAND

This information is required under authority of Part 5 of Act 451 of 1994, as amended, MCL 324.501- 511 and the Rules for the Regulation of State Lands, R299.921 – R299.932.

FOR DNR USE ONLY		
Issuing Location		Application/Permit Number
Receipt Number	Date Permit Issued	Date Permit Expires
Application Fee	Total Other Charges	County
Performance Bond Type ☐ Surety ☐ Cash		Performance Bond Amount \$

For Application/Permit to Use State Land for an Event, use DNR PR1138.

"(h) "Event" means a single, structured, organized, consolidated, scheduled meeting or occurrence which is on state-owned lands and to which 1 or both of the following apply:

(i) A fee or donation is required for participation.

(ii) The number of people involved is 20 or more individuals."

*Excerpt from Rules for the Regulation of State Lands, R299.921 – R299.932.

PLEASE READ ALL ATTACHED APPLICATION INSTRUCTIONS AND REQUIREMENTS BEFORE COMPLETING.

Name of Applicant/Organization Kennecott Eagle Minerals Co.			Name of Contact Person Jonathan C Cherry		
Address 1004 Harbor Hills Dr Ste 103			Address 1004 Harbor Hills Dr Ste 103		
City, State, ZIP Marquette, MI 49855			City, State, ZIP Marquette, MI 49855		
Telephone (906) 225-5791	FAX (906) 225-5787	Federal ID Number	Telephone (906) 225-5791	Fax Number (906) 225-5787	e-mail address cherryj@kennecott.com
PROPOSED LOCATION ON STATE LAND (Name of Trail or Department Facility or Legal Property Description, and Attach Map, subject to correction by Department): NW 1/4, Section 12, Township 50N, Range 29W, Marquette County, Michigan					
Have alternatives to Use of State Land been considered?			☐ No ☒ Yes If Yes, explain: See MPA		
Duration - ☐ 1-2 Days ☐ 3-7 Days			☐ 8-31 Days ☐ Seasonal/Periodic ☒ Annual		
Involves use of parking lot/campground/access site?			☒ No ☐ Yes If Yes, explain:		
Will structures or equipment be placed on State Land?			☐ No ☒ Yes If Yes, explain: Mining support buildings		
Will sound amplification equipment be used?			☒ No ☐ Yes If Yes, explain:		
Will food, beverages or other items be sold?			☒ No ☐ Yes If Yes, explain:		
Will alcohol be served or consumed?			☒ No ☐ Yes If Yes, explain:		
Will require use of utilities?			☒ No ☐ Yes If Yes, explain:		
TYPE OF USE: ☐ Geocache ☐ Guiding ☐ Oil & Gas Development-Related Use ☐ Road Construction ☐ Seismic Survey ☐ Watercraft ☒ Other (specify) Mining					
Date(s) of Proposed Use 1/2007 through 12/2042			No. of Participants/Users Anticipate 110 employees during full mining production.		
DESCRIPTION OF PROPOSED TYPE OF USE (Attach additional information as needed to fully describe proposed use activity.) See Attachment A					

NOTE: THIS IS NOT AN APPLICATION FOR A MINERAL LEASE

APPLICANT CERTIFICATION

I certify that the information submitted herein, including all attachments, is accurate and complete and that I have read and understand and agree to abide by the requirements contained on all attachments, including Liability, Insurance and Performance Bonding requirements. I have enclosed an Application and Review Fee. I understand that if I have submitted a fee that is not the correct amount, any additional fee must be paid prior to review of my application. I also understand that the appropriate fee (if any) for the use of the State Land will be submitted upon approval of this application. The fee must be paid at least five (5) days prior to use, or permissions will be considered void. Checks or money orders must be made payable to the "State of Michigan."

Jonathan C. Cherry
Applicant/Authorized Representative - Print or Type

[Signature]
Signature

2-20-06
Date

APPLICANT: SUBMIT COMPLETED APPLICATION TO LOCAL DNR OFFICE WHERE PERMIT IS BEING SOUGHT.

MDNR USE ONLY						
Application / Permit Number	Date Received	Management Unit	Address			
Compartment Number (if applicable)		Legal Description	County(ies)			
DOCUMENTS ATTACHED ☐ Proof of Insurance ☐ Performance Bond ☐ Safety Plan ☐ Fire Plan ☐ Maps ☐ Local County Health Dept. Permit ☐ Written Permission for use of all Non-State lands (if any will be used)						
USE REVIEW AND APPROVALS <i>(Include written comments and recommendations below and attach additional sheet, if necessary. Include Name, Title, Division.)</i>						
☐ FISHERIES	☐ RECOMMEND APPROVAL	☐ RECOMMEND DENIAL	_____ <i>Authorized Signature</i>	_____ <i>Date</i>		
☐ WILDLIFE	☐ RECOMMEND APPROVAL	☐ RECOMMEND DENIAL	_____ <i>Authorized Signature</i>	_____ <i>Date</i>		
☐ _____ <i>Other, specify</i>	☐ RECOMMEND APPROVAL	☐ RECOMMEND DENIAL	_____ <i>Authorized Signature</i>	_____ <i>Date</i>		
☐ LAD UNIT MGR	☐ APPROVED ☐ RECOMMEND APPROVAL ☐ FORWARDED TO LAD DISTRICT	☐ DENIED ☐ RECOMMEND DENIAL	_____ <i>Authorized Signature</i>	_____ <i>Date</i>		
☐ LAD DIST MGR	☐ APPROVED ☐ RECOMMEND APPROVAL ☐ FORWARDED TO LANSING	☐ DENIED ☐ RECOMMEND DENIAL	_____ <i>Authorized Signature</i>	_____ <i>Date</i>		
☐ LAD LANSING	☐ APPROVED	☐ DENIED	_____ <i>Authorized Signature</i>	_____ <i>Date</i>		
LEVEL OF USE DETERMINATION (REFER TO PROCEDURE 2602.01 AND WORK INSTRUCTION)				POINTS		
FACILITY IMPACT	☐ VERY LOW (1-2)	☐ LOW (4)	☐ MEDIUM (6)	☐ HIGH (10)	☐ VERY HIGH (12)	_____
RESOURCE IMPACT	☐ VERY LOW (1-2)	☐ LOW (4)	☐ MEDIUM (6)	☐ HIGH (10)	☐ VERY HIGH (12)	_____
USE LEVEL	☐ VERY LOW (2)	☐ LOW (4)	☐ MODERATE (6)	☐ INTENSIVE (10)	☐ EXCLUSIVE (12)	_____
NUMBER OF PARTICIPANTS	☐ 1-50 (2)	☐ 51-100 (4)	☐ 101-200 (6)	☐ 201-300 (8)	☐ 301+ (10)	_____
DURATION	☐ 1-2 DAYS (1-2)	☐ 3-7 DAYS (3-5)	☐ 8-31 DAYS (6-8)	☐ SEASONAL/ PERIODIC (9-12)	☐ ANNUAL (14)	_____
POINT TOTAL:						_____
Application, Review, and Monitoring Fee		Use Fee	Performance Bond Type/Amount	Receipt Numbers	Expiration Date	
\$ _____		\$ _____	☐ Cash ☐ Surety \$ _____	_____	_____	

Comments and Recommendations: Continue on back if necessary. Include Name, Title, Division. Provide for additional Reviewers as applicable.

INSTRUCTIONS

Hereinafter, the Department of Natural Resources shall be referred to as "Department", and the Permit Applicant shall be referred to as "Permittee."

1. **Application and Review Fee:** There will be a non-refundable Application and Review Fee for any application to use state land. The fee must be submitted at the time of application in the **minimum** amount specified in the Department fee schedule. The Department will then advise the Applicant if additional Review Fee is needed as provided in the Department fee schedule.
2. **Monitoring Fee:** In addition to the Application and Review Fee, there may be a Monitoring Fee required to cover the Department's costs of monitoring any approved use of state land.
3. **Use Fee:** There may be a fee associated for any approved use of State land.
4. **Proposed Use/Type of Use:** Applicant shall clearly and concisely state what the proposed use of state land is.
5. **Proposed Use Information:**
 - a. Provide date and time information as applicable to your proposed use.
 - b. Identify the State lands, Trails or Department facility requested for the proposed use.
 - c. Attach location map(s).
 - d. Provide estimated number of participants/users.
 - e. Detail alternative locations which were considered for your proposed use and state why they are not usable.
6. **Environmental Assessment:** An environmental assessment may be needed to complete your application to provide necessary information for the Department to complete its review.
7. **Insurance:** Applicant shall furnish to the Department, **prior to issuance of written permission**, a policy of liability insurance which provides as follows:
 - a. Names of Insured, the Applicant, its officers, employees, and agents;
 - b. Coverage against all known and unknown hazards arising from the acts and omissions of the Applicant, its officers, employees, and agents;
 - c. Coverage for Applicant's contractually assumed obligation to indemnify and hold harmless the State of Michigan, its departments, officers, employees and agents;
 - d. A term of coverage for not less than the term of use;
 - e. Liability insurance coverage with respect to personal injury, death, and property damage in the limits described in the Guidelines for Liability Insurance Requirements for User Groups, attached, and
 - f. That the policy will not be cancelled, or its provisions modified or deleted, unless and until the insurer first sends thirty (30) days' written notice to the appropriate LAND ADMINISTERING DIVISION, MICHIGAN DEPARTMENT OF NATURAL RESOURCES, PO BOX 30028, LANSING MI 48909.
8. **Performance Bond:** As a guarantee of faithful performance of the conditions of the written permission, the Applicant agrees to deliver, prior to issuance of written permission, a cash or surety bond. As soon as security for the performance of the terms of the written agreement or the settlement of claims incident thereto is no longer necessary, deposits in lieu of surety or cash bond will, subject to the conditions set forth in the sentence immediately following, be returned to the Applicant/Permittee.
9. **Camping:** If group camping (five or more camps) is involved, a Permit must be obtained from the local county health department. Copies of the Permit must be provided to the Department.
10. Permittee shall have a Permit copy available for inspection when operating on State-owned land.
11. Permission for use shall expire on the date indicated above, unless sooner terminated.
12. Payment in the amount specified above shall be made prior to use of land indicated above, or in installments as indicated above.
13. Permittee shall comply with all applicable (including but not limited to all environmental) laws, regulations and codes and will obtain any necessary Permits in connection with its use of the Premises.

CONDITIONS AND REQUIREMENTS

1. Permittee shall have a Permit copy available for inspection when operating on State-owned land.
2. Permission for use shall expire on the date indicated above, unless sooner terminated.
3. Payment in the amount specified above shall be made prior to use of land indicated above, or in installments as indicated above.
4. Permittee shall maintain the area under Permit in a clean and orderly condition.
5. Requests for Permit renewals should be made to the Department thirty (30) days prior to the expiration date of this Permit. Such requests will be considered only when all stipulations in the original Permit have been complied with.
6. The rights accruing under this Permit shall not be assigned or transferred without the written consent of the Department Representative.
7. Permittee shall not commit, cause, or allow to be committed, any waste of, or injury to, said premises or any part thereof, nor use the same except for the purpose indicated.
8. Temporary improvements necessary for the efficient utilization of the said premises may be made as indicated above.
9. Improvements made by the Permittee on said premises and not removed within 30 days after cancellation or expiration of this Permit, and when such removal shall be requested by the Department, AT THE DEPARTMENT'S OPTION, shall become attached and remain a part of the premises.
10. The Department reserves the right to:
 - a. dispose of any portion of the premises herein described during the term of this Permit. If possible, proper notice of sale or disposition will be given Permittee. However, failure to notify Permittee will not affect this right.
 - b. lease said premises for exploration and production of any or all minerals, including coal, gas, oil, sand, gravel, etc.
 - c. grant rights-of-way and easements of any kind and nature over and across said premises, and to grant or exercise all other rights and privileges of every kind and nature not herein specifically granted.
11. **LIABILITY.** Permittee hereby releases, waives, discharges and covenants not to sue the State of Michigan, its departments, officers, employees and agents, from any and all liability to Permittee, its officers, employees and agents, for all losses, injury, death or damage, and any claims or demands therefore thereto, on account of injury to person or property, or resulting in death of Permittee, its officers, employees or agents, in reference to the activities authorized by this Permit.
12. **INDEMNIFICATION.** Permittee hereby covenants and agrees to indemnify and save harmless, the State of Michigan, its departments, officers, employees and agents, from any and all claims and demands, for all loss, injury, death or damage, that any person or entity may have or make, in any manner, arising out of any occurrence related to (1) issuance of this Permit; (2) the activities authorized by this Permit; and (3) the use or occupancy of the premises which are the subject of this Permit by the Permittee, its employees, contractors, or its authorized representatives.
13. Permittee and occupants are responsible for the payment of all utility bills including water, electricity, gas, etc.
14. Permittee agrees to comply with all requirements herein, and, if for any reason Permittee violates or neglects to fulfill such requirements, this permission for use shall terminate and Permittee shall forfeit all rights and payments made hereunder. Should Permittee remain in possession of said premises after cancellation or expiration of this Permit, said Permittee shall be considered as tenant or tenants holding over without permission and may be evicted from said premises.
15. Permittee shall comply with all applicable (including but not limited to all environmental) laws, regulations and codes and will obtain any necessary Permits in connection with its use of the Premises.
16. Permittee shall reimburse the Department for any repairs to the Premises resulting from damage.
17. Permittee shall report in writing to the Department Representative, all accidents that result in personal injury or property damage. Permittee shall make complete reports, in writing, to the Department Representative on forms provided by the Department Representative. Incidents resulting in serious injury, death or property damage estimated to exceed THREE Hundred and 00/100 (\$300.00) are to be reported to the Department Representative immediately by telephone or in person. A written report is to follow as described above.
18. The Department shall have the right at all reasonable times during the term of this Permit to enter the premises for the purposes of making any inspections, repairs, additions or alterations as may be deemed appropriate by the Department for the preservation of the Premises.

CONDITIONS AND REQUIREMENTS (CONT'D)

19. Permittee shall comply with the Elliot-Larsen Civil Rights Act, 1976 PA as amended, CML 37. 2101 et seq.; MSA 3.548 (101) et seq.; the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended MCL 37.1101; MSA 3.500 (101) et seq., and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Permittee agrees to include in every subcontract entered into for the performance of this Permit, this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Permit.
20. Permittee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980, PA 278, as amended, MCL 423.321 et seq., MSA 17.458 (21) et seq.
21. There shall not be any disturbance to survey corners and associated witness trees.

Insurance and Performance Bond

22. **Insurance:** Applicant shall furnish to the Department, **prior to issuance of written permission**, a policy of liability insurance which provides as follows:
 - a. Names of Insured, the Applicant, its officers, employees, and agents;
 - b. Coverage against all known and unknown hazards arising from the acts and omissions of the Applicant, its officers, employees, and agents;
 - c. Coverage for Applicant's contractually assumed obligation to indemnify and hold harmless the State of Michigan, its departments, officers, employees and agents;
 - d. A term of coverage for not less than the term of use;
 - e. Liability insurance coverage with respect to personal injury, death, and property damage in the limits described in the Guidelines for Liability Insurance Requirements for User Groups, attached, and
 - f. That the policy will not be cancelled, or its provisions modified or deleted, unless and until the insurer first sends thirty (30) days' written notice to the appropriate LAND ADMINISTERING DIVISION, MICHIGAN DEPARTMENT OF NATURAL RESOURCES, PO BOX 30028, LANSING MI 48909.
 - g. **Performance Bond:** As a guarantee of faithful performance of the conditions of the written permission, the Applicant agrees to deliver, prior to issuance of written permission, a cash or surety bond. As soon as security for the performance of the terms of the written agreement or the settlement of claims incident thereto is no longer necessary, deposits in lieu of surety or cash bond will, subject to the conditions set forth in the sentence immediately following, be returned to the Applicant/Permittee.
23. **Camping:** If group camping (five or more camps) is involved, a Permit must be obtained from the local county health department. Copies of the Permit must be provided to the Department.
24. **Penalty Notice:** Non-compliance with terms of the written permission, if granted, will be basis for forfeiture of some or all of the performance bond, termination of the written permission, and denial of future use applications. Permissions issued under this policy do not exempt the Applicant/User from complying with existing statutes.

ADDITIONAL REQUIREMENTS

25. The Permittee shall be held liable for any damages caused by operations under this Permit which may arise to forest growth, fences, crops, buildings or other improvements on State-owned property. This shall be as determined by the Department Representative.
26. Cutting or removal of trees within the Permit area shall occur only if specifically authorized, in writing, by the Department Representative. The area utilized and cleared for this road shall be paid for at the Department of Natural Resources' standard fee schedule rates.
27. Permittee shall take all reasonable precautions to prevent and suppress forest fires.
28. All brush, stumps, or debris resulting from operations under this Permit shall be disposed of as directed by the Department Representative.
29. No bridges, culverts, corduroy, or other road improvements made by Permittee on said premises shall be removed unless authorized in writing by the Department Representative.



GUIDELINES FOR INSURANCE REQUIREMENTS FOR USERS OF STATE LAND

The following list represents the broad spectrum of Use activities for which Land Administering Divisions (LAD) issue Use Permits, Leases, Concession Agreements, and other forms of written permission.

STATE OF MICHIGAN SPONSORSHIP

If the use activity or event is sponsored by the LAD, its management unit or by the management unit's Friend's Group, liability insurance may be incurred under State of Michigan coverage. In order to be covered by the State of Michigan in the above situations, it is imperative that the unit manager be made aware of and authorize final approval of all use activities that take place. A separate Volunteer Agreement may also be required to cover the use.

ALL OTHER TYPES OF USE

The guidelines listed below shall apply to Use activities or events sponsored or conducted by groups or individuals other than the State of Michigan. Some of the activities listed do not require a Use Permit, Lease, Concession Agreement or other written permission. If the unit manager or LAD determines that a Use Permit should be issued, insurance coverage may be required. The use activities and event types listed below have been categorized into "risk factor groups." The groupings have a dollar figure attached which represents the amount of liability insurance the Department requires for activities listed within that grouping.

DEFINITIONS:

- Aggregate:** This represents the total monetary amount an insurance company would be obligated to pay during the entire event, no matter how many individual accidents may occur.
- Per Occurrence:** This represents the amount of money an insurance company would be obligated to pay for each accident that occurs during the entire event, no matter how many individual accidents may occur.

When an insurance policy is required, the policy must specifically state that the State of Michigan, its departments, boards, agencies, commissions, officers, and employees are included as additional insureds. Groups that have "standard" policies must obtain a specific amendment to the policy for the use activity or event. A copy of the Proof of Insurance must be in the possession of the Permittee, Lessee or Concessionaire before and during the activities outlined in the Use Permit, Lease or Concession.

The guidelines for liability insurance requirements are based on year 2000 pricing standards which will be adjusted periodically. These guidelines are intended to be used when issuing the standard Use Permit, Lease or Concession Agreement and are as follows. The risk category for the listed types of uses and others not listed may vary dependent on the size of the activity, the intensity of use and other factors. Also, not all listed activities are permissible uses on all Lands. If you are unable to determine the risk factor grouping for an unlisted activity, contact Office of Land and Facilities, Real Estate Services Section, 517-241-1240 or the LAD office for further guidance.

VERY LITTLE RISK	
<u>Use Permit MAY Not BE Required</u> (opt at LAD discretion)	
Examples: <i>Family Reunions/Company Picnics w/o attractions*</i> <i>Day Camps</i> <i>Boy/Girl Scout picnics/banquets</i> <i>Environmental Classes</i>	NO INSURANCE REQUIRED Examples: <i>Wedding – no reception</i> <i>Wedding Reception/Family Reunion without alcohol</i> <i>(if park shelter or temporary shelter is NOT used)</i> <i>Volunteer Groups, without power tools</i>
VERY LITTLE RISK	
<u>Use Permit Required**</u>	
Examples: <i>Canoe Races</i> <i>Snowshoe Activities</i>	NO INSURANCE REQUIRED Examples: <i>Tree Planting</i> <i>Firewood Cutting</i> <i>Sharecropping</i>

GUIDELINES FOR LIABILITY INSURANCE REQUIREMENTS FOR USER GROUPS (CONT'D)

LOW RISK <u>SIGNED USE PERMIT REQUIRED</u>		\$250,000 AGGREGATE (Total amount of coverage for the use activity or event)	
Typical limits for a \$250,000 aggregate: ✓ Each Occurrence \$250,000 ✓ Personal & Advertising Injury \$250,000 Examples: <i>Family Reunions with attractions*</i> <i>Dog Shows</i> <i>Corporate picnics with attractions*</i>		Medical Payments \$10,000 Examples: <i>Commercial Photo Shoot</i> <i>Bike-a-thon</i> <i>Police/Fire Department training</i>	
MEDIUM RISK <u>SIGNED USE PERMIT REQUIRED</u>		\$500,000 PER OCCURRENCE (For each accident that may occur during the use activity or event)	
Typical limits for a \$500,000 aggregate: ✓ Each Occurrence \$500,000 ✓ Personal & Advertising Injury \$250,000 Examples: <i>Water Sports-other than those listed</i> <i>Ice Fishing Tournaments</i> <i>Kite Flying Events</i> <i>Snow Plowing</i> <i>Fishing Tournaments</i>		✓ Products/Completed Operations Aggregate \$500,000 ✓ Medical Payments \$10,000 Examples: <i>Sports Tournaments (volleyball, soccer)</i> <i>Outdoor Center Leases</i> <i>Festivals – w/o Alcohol</i> <i>School Cross Country Meets</i> <i>Field Trials</i>	
HIGH RISK <u>SIGNED USE PERMIT REQUIRED</u>		\$1,000,000 AGGREGATE (Total amount of coverage for the use activity or event)	
Typical limits for a \$1,000,000 aggregate: ✓ Each Occurrence \$1,000,000. ✓ Personal & Advertising Injury \$500,000 Examples: <i>Horse Drawn Hay Rides</i> <i>Entertainment (beer) Tents</i> <i>Wedding Reception/Family Reunion with alcohol</i> <i>Water Ski Events</i> <i>Walk/Run races</i>		✓ Products/Completed Operations Aggregate \$1,000,000 ✓ Medical Payments \$20,000 Examples: <i>Bow Hunting Events</i> <i>X-Country Ski Events</i> <i>Encampment/Reenactment</i> <i>Horse Related Events</i> <i>Dog Sled Races</i>	
VERY HIGH RISK <u>SIGNED USE PERMIT REQUIRED</u>		\$2,000,000 AGGREGATE (Total amount of coverage for the use activity or event)	
Typical limits for a \$2,000,000 aggregate: ✓ Each Occurrence \$1,000,000 ✓ Personal & Advertising Injury \$1,000,000 Examples: <i>Mountain Bike Races</i> <i>ORV Events</i>		✓ Products/Completed Operations Aggregate \$1,000,000 ✓ Medical Payments \$20,000 Examples: <i>Tip-Up Town Activities</i> <i>Balloon Festivals</i> <i>Seismic Survey Permits</i>	
EXTREMELY HIGH RISK <u>SIGNED USE PERMIT REQUIRED</u>		\$5,000,000 AGGREGATE (Total amount of coverage for the entire event)	
Typical limits for a \$5,000,000 aggregate: ✓ Each Occurrence \$1,000,000 ✓ Personal & Advertising Injury \$100,000,000 Examples: <i>Hydroplane Races</i> <i>Diving Events</i> <i>Boat Races</i>		✓ Products/Completed Operations Aggregate \$1,000,000 ✓ Medical Payments \$20,000 Examples: <i>Hang Glider Activities</i> <i>Fireworks Displays</i> <i>Paragliding</i> <i>Hill Climb Events</i> <i>Commercial Set-up of Temp Construction Equip</i> <i>Jet Ski Races</i> <i>Snowmobile Races</i>	

*Attractions may include moonwalks, pony rides, dunk tanks and mechanical rides, etc. ** Do not issue Shelter Permit AND Use Permit when park shelter or temporary shelter is used. Only one Permit is used in this situation, but the "hold harmless" clause MUST BE included on the Permit used.

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