

EXHIBIT 1

to the
SOCIOECONOMIC ASSESSMENT
of the
CHUGACH REGION LAND STUDY and
REPORT

Conservation Easement between The English Bay
Corporation and the State of Alaska

CONSERVATION EASEMENT

THIS Conservation Easement is made this 29th day of October, 1997, by **English Bay Corporation**, 1637 Stanton Avenue, Anchorage, Alaska 99503 ("EBC") ("Grantor") and the **State of Alaska** ("Grantee") whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503-5936, under the authority of AS 38.05.035(a)(12) and pursuant to the Agreement for the Sale and Purchase of Lands from English Bay Corporation by the United States of America dated May 19, 1997 ("Agreement").

WHEREAS, the real property subject to this conservation easement (the "Protected Property") lies within the boundaries of the Alaska Maritime National Wildlife Refuge ("Refuge") in the State of Alaska, a conservation system unit administered by the U.S. Fish and Wildlife Service; and

WHEREAS, Grantor is the owner in fee simple of the surface estate of the Protected Property, which is described below; and

WHEREAS, the Protected Property is a natural area that provides significant habitat for migratory birds and other fish and wildlife and plant species that were injured as a result of the *Exxon Valdez* oil spill; and

WHEREAS, the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") has approved the use of joint settlement funds for acquisition by the United States of America of the Protected Property, subject to certain third-party rights to be held by the State of Alaska in order to assure that the restoration objectives for use of the settlement funds are achieved; and

WHEREAS, Grantor intends to convey its fee simple interest in the surface estate of the Protected Property to the United States of America ("United States"); and

WHEREAS, Grantor desires to provide to the State of Alaska an independent right in perpetuity to enforce the restrictive covenants as to the surface estate set forth herein;

NOW THEREFORE, pursuant to the laws of Alaska and in particular Alaska Statute § 34.17.010 - § 34.17.060, and for good and valuable consideration as described in the Agreement, Grantor does hereby grant and convey to Grantee, its successors and assigns, forever, with special warranties of title, subject to conditions, restrictions and limitations of record, including, but not limited to, conditions, restrictions and limitations contained in Interim Conveyance Number 1678, dated April 18, 1996, recorded in Book 87, Pages 305 through 310, Patent Number 50-96-0568, dated July 31, 1996, recorded in Book 87, Pages 311 through 316, and Interim

Conveyance Number 1727, dated August 11, 1997, recorded in Book 87, Pages 317 through 324, all in the records of the Seward Recording District, Third Judicial District, State of Alaska, a conservation easement in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth (the "Easement"), as to the property described as follows:

Seward Meridian, Alaska

T. 5 S., R. 3 W., unsurveyed,
Sec. 19, parcel C.

Containing approximately 5 acres, as shown on protraction diagram No. S16-16 officially filed May 8, 1963.

T. 8 S., R. 6 W.,
Sec. 14, lot 2;
Sec. 20, lot 2;
Sec. 21, lot 3;
Sec. 27, lots 1, 2, and 3;
Sec. 28, lots 1 and 2;
Sec. 29, lot 1;
Sec. 30, lot 3;
Secs. 31 and 32;
Sec. 33, lots 1 and 2;
Sec. 34, lots 1 and 2.

Containing 1,924.97 acres, as shown on the plat of survey officially filed April 14, 1989.

T. 7 S., R. 7 W.,
Sec. 5, lot 2;
Sec. 8, lots 2 and 3;
Sec. 9, lots 2, 3, and 4;
Sec. 11, lots 2, 3, and 4;
Sec. 12, lots 2, 3, and 4;
Sec. 13, lots 3 and 5;
Sec. 16, lot 2;
Sec. 24, lot 1.

Containing 9.77 acres, as shown on the plat of survey officially filed April 14, 1989.

T. 8 S., R. 7 W.,
Sec. 35;
Sec. 36, lots 1, 2, and 3.

Containing 339.05 acres, as shown on the plat of survey officially filed April 14, 1989.

T. 7 S., R. 8 W.,
Sec. 26, lots 2, 3, and 4.

Containing 0.38 acres, as shown on the plat of survey officially filed April 14, 1989.

Aggregating approximately 2,279.17 acres.

SUBJECT, however, to easements, rights and reservations of the United States, and third parties if any, of record:

The Grantee shall be entitled to enforce on a non-exclusive basis the terms of the following restrictive covenants against the Grantor, its successors or assigns:

- (a) The following listed activities are prohibited on the Protected Property except as determined by the U.S. Fish and Wildlife Service, or its successors in administrative function ("Service"), to be necessary for either refuge or conservation research or management of the subject lands (whether carried out by the Service, an entity approved by the Service, or its successors in law or interests), or for conveying information to the public to protect public safety or natural resources:
 - (i) the construction or placing of buildings, fixed or improved camping accommodations or mobile homes, fences, billboards or signs;
 - (ii) the changing of the topography of the Protected Property in any manner;
 - (iii) the removal, destruction or cutting of trees or plants except for local subsistence uses;
 - (iv) the use of biocides except as necessary to control or remove non-indigenous fish, wildlife or plants; and
 - (v) the manipulation or alteration of natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water purity on the Protected Property.
- (b) The following listed activities by any person are prohibited:
 - (i) the introduction of non-indigenous fish, wildlife or plants, including, but not limited to, the grazing of domestic animals or the introduction of reindeer; and
 - (ii) the dumping of trash, garbage, or other unsightly or offensive material.

The foregoing restrictions shall not apply to the activities related to the reservation by EBC of ownership of archeological and cultural artifacts as provided in the Warranty Deed to the United States for the Protected Property and recorded immediately after this easement.

Nothing herein shall be deemed to cause a merger of the surface and subsurface estates, and nothing herein shall be deemed to pertain to, affect, expand or limit the rights of the subsurface owner to utilize that estate in accordance with applicable law.

Grantor agrees that these restrictive covenants shall run with the lands and shall be binding upon Grantor, its successors and assigns.

The Grantor hereby covenants to and with the Grantee and its assigns, that the Grantor is lawfully seized of the surface estate in fee simple of the above granted real property, has a good and lawful right and power to sell and convey the same, that the same is free and clear of encumbrances, except as shown above, and that the Grantor will forever warrant and defend the title thereto and the quiet possession thereof, such warranty and defense being limited to that portion of the chain of title from the moment of conveyance by the United States to Grantor or its predecessors in interest pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601, et. seq., to and including the moment at which this Easement is validly conveyed to the State of Alaska and its assigns, against the lawful claims and demands of all persons.

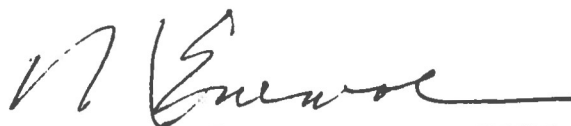
TO HAVE AND TO HOLD unto Grantee, its successors, and assigns forever.

IN WITNESS WHEREOF Grantor and Grantee have set their hands on the day and year first above written.

(Grantor)

English Bay Corporation

By:



Donald D. Emmal, President

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 29th day of Cecheber, 1997, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Donald D. Emmal, President of English Bay Corporation, to me known and known to be the person he represented himself to be, and the same identical person who acknowledged before me that he executed the above and foregoing CONSERVATION EASEMENT on behalf of English Bay Corporation, in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors for the use and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)

Ella O. Flowers
Notary Public in and for Alaska

My commission expires: 7-25-98

ACCEPTANCE BY THE STATE OF ALASKA

Pursuant to AS 38.05.035(a)(12) and the Agreement for the Sale and Purchase of Lands from English Bay Corporation by the United States of America dated May 19, 1997, the Grantee hereby accepts this Conservation Easement conveying title to the State of Alaska and its assigns those interests in lands described herein.

By: 
Marty K. Rutherford
Deputy Commissioner
Alaska Department of Natural Resources

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 31st day of November, 1997, by Marty K. Rutherford, Deputy Commissioner, Alaska Department of Natural Resources.



(SEAL)

Mayetta V. Jeffery
(Signature)
Mayetta V. Jeffery
(Printed or typed name of Notary)
NOTARY PUBLIC in and for Alaska
My Commission Expires: 11/22/99

Location Index: (See above)

AFTER RECORDING RETURN TO:
State of Alaska
Department of Law
Environmental Section
1031 W. 4th Avenue, Suite 200
Anchorage, Alaska 99501

97-1687
RECORDED - FILED 3022
Seward Recording District
Date 11/3 1997
Time 12:45 0 PM
Requested by SCA