

EXHIBIT 2

to the
RECOMMENDATIONS
of the
CHUGACH REGION LAND STUDY
and **REPORT**

TATITLEK AGREEMNTS
including

(1) Agreement for Sale and Purchase of Lands and
Interests in Land Among The Tatitlek Corporation and
the United States of America and the State of Alaska

(2) First Amendment to Agreement for Sale and
Purchase of Lands and Interests in Lands Among The
Tatitlek Corporation and the United States of America
and the State of Alaska

(3) Tatitlek Exchange Agreement

**AGREEMENT FOR SALE AND
PURCHASE OF LANDS
AND INTERESTS IN LAND
AMONG
THE TATITLEK CORPORATION
AND
THE UNITED STATES OF AMERICA
AND
THE STATE OF ALASKA**

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**AGREEMENT FOR SALE AND PURCHASE OF LANDS
AND INTERESTS IN LAND**

THIS AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND is entered into among The Tatitlek Corporation (Tatitlek), an Alaska Native Village Corporation, organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et seq.*, as amended ("ANCSA"), and duly organized under the business for profit laws of the State of Alaska; and the United States of America (United States); and the State of Alaska (State). Tatitlek, the United States and the State are collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, pursuant to Section 12 of ANCSA, 43 U.S.C. § 1611, Tatitlek owns the surface estate of, or will receive through exchange, Lands located in Eastern Prince William Sound, Alaska, consisting of approximately 70,455 acres, which are the subject of this Agreement;

WHEREAS, the subsurface estate associated with the Lands is owned by Chugach Alaska Corporation;

WHEREAS, the Lands are within the oil spill area as defined by the *Exxon Valdez* Oil Spill Trustee Council (Trustee Council) in its Final Restoration Plan, which was approved on November 2, 1994;

WHEREAS, by Resolutions of August 29, 1996, December 6, 1996 and December 23, 1997, the Trustee Council determined that the purchase of a fee interest and conservation easement in the Lands is an appropriate means to restore a portion of the injured resources and reduced services resulting from the *Exxon Valdez* Oil Spill of March 24, 1989 (EVOS), and has authorized the expenditure of a portion of the settlement funds received by the United States and the State of Alaska as a result of their claims against the Exxon Corporation, *et al.* (Exxon) arising from the EVOS;

WHEREAS, the United States, acting by and through the Forest Service within the U.S. Department of Agriculture, and the State desire to purchase a fee simple interest in a portion of the Lands and the United States desires to purchase a conservation easement in the remaining portion of the Lands;

WHEREAS, the Federal Trustees for the natural resources injured by the EVOS have authorized the expenditure of a portion of the federal EVOS restitution funds to assist in the funding of the acquisition of the Lands;

WHEREAS, the United States, acting by and through the Forest Service within the U.S. Department of Agriculture, and Tatitlek desire to exchange certain lands owned by the Forest Service within the oil spill area and adjacent to lands owned by Tatitlek for certain of the Lands;

NOW THEREFORE, in consideration of the mutual promises set forth herein, and other good and valuable consideration, the receipt and adequacy of which are acknowledged and confessed, the Parties hereby covenant and agree as follows:

1. **DEFINITIONS:**

For purposes of this Agreement, the following terms shall have the following meanings:

- a. **Agreement.** The term "Agreement" as used herein shall mean this "Agreement for the Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States of America and the State of Alaska," and all attached appendices and exhibits.
- b. **ANCSA.** The term "ANCSA" as used herein shall mean the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601, *et seq.*, as heretofore amended and supplemented.
- c. **ANILCA.** The term "ANILCA" as used herein shall mean the Alaska National Interest Lands Conservation Act, PL 96-487, 94 Stat. 2371, as heretofore amended and supplemented.
- d. **Development Lands.** The term "Development Lands" as used herein shall mean the interest in the surface estate of certain lands currently owned by Tatitlek and more fully described at Appendices J and K (such descriptions are subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- e. **EVOS.** The term "EVOS" as used herein shall mean the *Exxon Valdez* oil spill of March 24, 1989.
- f. **Easement for Subsistence Access.** The term "Easement for Subsistence Access" shall mean the rights reserved by Tatitlek for the rural residents of the Village of Tatitlek to access the Federal Conveyance Lands for purposes of conducting lawful subsistence activities as set forth in the United States Warranty Deed set forth at Exhibit XIV.

- g. **Exchange Agreement.** The term "Exchange Agreement" as used herein shall mean the agreement between Tatitlek and the United States to exchange the Federal Exchange Lands and the Tatitlek Exchange Lands in accordance with the Exchange Agreement set forth at Exhibit I.
- h. **Federal Conservation Easement at Galena, Landlocked, and Busby.** The term "Federal Conservation Easement at Galena, Landlocked, and Busby" as used herein shall mean an easement granted by Tatitlek to the United States in the form set forth at Exhibit II.
- i. **Federal Conservation Easement at Sawmill and Heather Bays.** The term "Federal Conservation Easement at Sawmill and Heather Bays" as used herein shall mean an easement granted by Tatitlek to the United States in the form set forth at Exhibit III.
- j. **Federal Conveyance Lands.** The term "Federal Conveyance Lands" as used herein shall mean those Tatitlek Conveyance Lands described at Appendix A to be conveyed to the United States in fee at closing as per Paragraph 3 of this Agreement together with all right, title, and interest in avulsed lands, if any, within the area described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964 (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- k. **Federal Exchange Lands.** The term "Federal Exchange Lands" as used herein shall mean those Federal Exchange Lands described at Appendix B to be conveyed by Tatitlek to the United States in fee at closing as per Paragraph 3 of this Agreement and the Exchange Agreement together with all right, title, and interest in avulsed lands, if any, within the area described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964 (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- l. **Hazardous Substances.** The term "Hazardous Substances" as used herein shall have the same meaning as given that term by Section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 94 Stat. 2767, as amended and supplemented, or Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*, or by AS 46.03.826(5).

- m. **Homesite Lands Conveyed.** The term "Homesite Lands Conveyed" as used herein shall mean the interests in the surface estate that have been conveyed by quitclaim deed by Tatitlek to its shareholders and more fully described at Appendix C (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- n. **Homesite Lands Retained.** The term "Homesite Lands Retained" as used herein shall mean the interests in the surface estate to be conveyed under this Agreement of certain lands currently owned by Tatitlek and more fully described at Appendix D (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- o. **Lands.** The term "Lands" shall mean the lands or interests in lands identified in Appendices A, B, C, D, E, F, G, H, I, J, K, M, and N to be conveyed in accordance with Exhibits I - XIV.
- p. **Restrictive Covenant.** The term "Restrictive Covenant" shall mean the restrictive covenants in the form set forth in the applicable Federal and State Conservation Easements and the Warranty Deeds.
- q. **Shareholder Homesite Program.** The term "Shareholder Homesite Program" as used herein shall mean the shareholder homesite program established by Tatitlek pursuant to Section 21 of ANCSA the terms of which are described in Exhibit XV.
- r. **State Conservation Easement.** The term "State Conservation Easement" as used herein shall mean an easement granted by Tatitlek to the State in the form set forth at Exhibit IV.
- s. **State Conveyance Lands at Galena, Landlocked, and Busby.** The term "State Conveyance Lands at Galena, Landlocked, and Busby" as used herein shall mean those lands described at Appendix E to be conveyed to the State in fee at closing as per Paragraph 3 of this Agreement together with all right, title, and interest in avulsed lands, if any, within the area described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964 (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- t. **State Conveyance Lands at Sawmill and Heather Bays.** The term "State Conveyance Lands at Sawmill and Heather Bays" as used herein shall mean those

lands described at Appendix F to be conveyed to the State in fee at the phase two closing as per Paragraph 4 of this Agreement together with all right, title, and interest in avulsed lands, if any, within the area described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964 (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).

- u. **Tatitlek Conservation Easement.** The term "Tatitlek Conservation Easement" as used herein shall mean the conservation easement granted by Tatitlek to the United States and the State in the form set forth at Exhibit VII.
- v. **Tatitlek Conservation Easement at Bligh and Reef Islands.** The term "Tatitlek Conservation Easement at Bligh and Reef Islands" as used herein shall mean the conservation easement granted by Tatitlek to the United States and the State in the form set forth at Exhibit VIII.
- w. **Tatitlek Conservation Easement Lands.** The term "Tatitlek Conservation Easement Lands" as used herein shall mean the interest in the surface estate to be conveyed under this Agreement of certain lands currently owned or to be received by Tatitlek and more fully described at Appendix G (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- x. **Tatitlek Conservation Easement Lands at Bligh and Reef Islands.** The term "Tatitlek Conservation Easement Lands at Bligh and Reef Islands" as used herein shall mean the interest in the surface estate to be conveyed under this Agreement of certain lands currently owned or to be received by Tatitlek and more fully described at Appendix H (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- y. **Tatitlek Conveyance Lands.** The term "Tatitlek Conveyance Lands" as used herein shall mean the fee interests in the surface estate of certain lands currently owned by Tatitlek to be conveyed under this Agreement and more fully described at Appendix I (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- z. **Tatitlek Development Easement Lands.** The term "Tatitlek Development Easement Lands" as used herein shall mean the interest in the surface estate to be conveyed under this Agreement of certain lands currently owned by Tatitlek and

more fully described at Appendix J (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).

- aa. **Tatitlek Development Easement Lands at Heather Bay and Bligh Island.** The term "Tatitlek Development Easement Lands at Heather Bay and Bligh Island" as used herein shall mean the interest in the surface estate to be conveyed under this Agreement of certain lands currently owned by Tatitlek and more fully described at Appendix K (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- bb. **Tatitlek Development Lands Easement.** The term "Tatitlek Development Lands Easement" as used herein shall mean the easement granted by Tatitlek to the United States and the State in the form set forth at Exhibit IX.
- cc. **Tatitlek Development Lands Easement at Heather Bay and Bligh Island.** The term "Tatitlek Development Lands Easement at Heather Bay and Bligh Island" as used herein shall mean the easement granted by Tatitlek to the United States and the State in the form set forth at Exhibit X.
- dd. **Tatitlek Exchange Lands.** The term "Tatitlek Exchange Lands" as used herein shall mean those lands described at Appendix L to be conveyed by the United States to Tatitlek in fee at closing as per Paragraph 3 of this Agreement and the Exchange Agreement (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- ee. **Tatitlek Exclusion Area Easement Lands at Two Moon Bay.** The term "Tatitlek Exclusion Area Easement Lands at Two Moon Bay" as used herein shall mean the interest in the surface estate to be conveyed under this Agreement of certain lands currently owned by Tatitlek and more fully described at Appendix M (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- ff. **Tatitlek Exclusion Area Easement at Two Moon Bay.** The term "Tatitlek Exclusion Area Easement at Two Moon Bay" as used herein shall mean the easement granted by Tatitlek to the United States and the State in the form set forth at Exhibit XI.

- gg. Tatitlek Homesite Lands Easement. The term "Tatitlek Homesite Lands Easement" as used herein shall mean the easement granted by Tatitlek to the United States and the State in the form set forth at Exhibit XII.
- hh. Tatitlek Timber Conservation Easement. The term "Tatitlek Timber Conservation Easement" as used herein shall mean the conservation easement granted by Tatitlek to the United States and the State in the form set forth at Exhibit XIII.
- ii. Tatitlek Timber Conservation Easement Lands. The term "Tatitlek Timber Conservation Easement Lands" as used herein shall mean the interest in the timber rights to be conveyed under this Agreement of certain lands currently owned or to be received by Tatitlek and more fully described at Appendix N (such description is subject to further review and changes, including acreage chargeability, as necessary to ensure accuracy).
- jj. Warranty Deed. The term "Warranty Deed" as used herein shall mean a deed by which Tatitlek shall convey to the United States or the State, and warrant that it has so conveyed all the rights, title and interests it received from the United States pursuant to ANCSA, except for those exceptions and reservations specifically provided for in this Agreement, and in the forms set forth at Exhibits V, VI, and XIV.

2. TATITLEK SELECTIONS:

- a. The Parties agree that Tatitlek has obtained its full ANCSA entitlement of lands within the Chugach National Forest or from State lands within the bounds of the Chugach National Forest, and that any additional ANCSA selections within the boundaries of the Chugach National Forest shall be contiguous to Tatitlek's existing interests at Taznuna River, Cleave Creek, and the Copper River basin. The Parties recognize that many of the lands to be conveyed hereunder have not been surveyed and that the precise charge against Tatitlek's ANCSA entitlement arising from such conveyances has not therefore been determined. The Parties mutually agree that the determination by the Bureau of Land Management, U.S. Department of the Interior, of acreage chargeability of the Lands shall be deemed final. The Parties also mutually agree that no change in the charge against Tatitlek's ANCSA entitlement shall be made as a result of any future survey of the Lands, notwithstanding any future change in the method of computing the acres charged to entitlement.

3. **PHASE ONE SALE AND PURCHASE OF INTEREST IN THE LANDS:**

Subject to the terms and conditions of this Agreement, at the first closing the Parties agree to the following:

- a. Tatitlek shall convey to the United States and the State the Tatitlek Conservation Easement with respect to the Tatitlek Conservation Easement Lands, the Tatitlek Timber Conservation Easement with respect to the Tatitlek Timber Conservation Easement Lands, the Tatitlek Development Lands Easement with respect to the Tatitlek Development Easement Lands, the Tatitlek Homesite Lands Easement with respect to the Homesite Easement Lands Conveyed and the Homesite Easement Lands Retained, the Tatitlek Exclusion Area Easement at Two Moon Bay with respect to the Tatitlek Exclusion Area Easement Lands at Two Moon Bay.
- b. Tatitlek shall convey to the State the State Conservation Easement with respect to the Federal Conveyance Lands in satisfaction of the requirements of paragraph 6 of this Agreement.
- c. Tatitlek shall convey to the United States by Warranty Deed all of the rights, title and interest of Tatitlek in the surface estate of the Federal Conveyance Lands, reserving therefrom the Easement for Subsistence Access and the right to enforce the Restrictive Covenant, which reservations the United States agrees to accept and further agrees to be bound by the terms thereof, and subject to the enforcement rights established in the related State Conservation Easement.
- d. Tatitlek shall convey to the United States the Federal Conservation Easement at Galena, Landlocked, and Busby with respect to the State Conveyance Lands at Galena, Landlocked, and Busby in satisfaction of the requirements of paragraph 6 of this Agreement.
- e. Tatitlek shall convey to the State by Warranty Deed all of the rights, title and interest of Tatitlek in the surface estate of the State Conveyance Lands at Galena, Landlocked, and Busby, reserving therefrom the right to enforce the Restrictive Covenant, which reservation the State agrees to accept and further agrees to be bound by the terms thereof, and subject to the enforcement rights established in the related Federal Conservation Easement at Galena, Landlocked, and Busby.

- f. The United States shall pay to Tatitlek the sum of Twenty Four Million One Hundred Fifty Thousand and no/100 Dollars (\$24,150,000.00) upon recordation of the easements and warranty deeds referred to in subparagraphs 3.a-e.
- g. With respect to the Tatitlek Conservation Easement Lands at Bligh and Reef Islands and the State Conveyance Lands at Sawmill and Heather Bays, Tatitlek hereby agrees to use and maintain said lands in an undeveloped state and in a manner that is consistent with the restrictions contained in the Tatitlek Conservation Easement at Exhibit VIII prior to the phase two closing set forth in Paragraph 4 of this Agreement. In the event the acquisition of the Tatitlek Conservation Easement for Bligh and Reef Islands or the conveyance of the State Conveyance Lands at Sawmill and Heather Bays is not completed pursuant to Paragraph 4 of this Agreement, said obligation of Tatitlek to observe such limitations on its use shall cease. Neither Tatitlek nor the United States nor the State may establish any third-party interest in said lands prior to closing.
- h. The phase one closing shall occur within sixty (60) days of shareholder approval pursuant to paragraph 21 of this Agreement or execution of this Agreement by the Parties, whichever last occurs, except that the time for this closing may be extended, at the request of any party, for a period not to exceed sixty (60) days from that date if, despite the good faith best efforts of the United States, court approval of disbursement of the funds is not obtained or the conditions precedent set forth in paragraph 8 have not been completed. The United States agrees to exert its good faith best efforts to obtain all approvals, including court approval, so as to make payment within said sixty (60) day period, and, if the time period is extended, will endeavor in good faith to complete this acquisition as soon as reasonably practical within the extended time period. In the event the United States fails to make timely payment, Tatitlek shall have the right, but not the obligation, to extend the closing further in order to complete the transaction as otherwise agreed to by the Parties upon satisfaction of the conditions precedent set forth in paragraph 8, to extend the period during which payment may be made, or to pursue other remedies as authorized by law..
- i. The Parties shall agree in writing on a time, date, and place of the phase one closing. The Parties shall execute and provide written closing instructions to the closing agent no later than ten days prior to the date of closing, unless otherwise agreed to by the Parties, which instructions shall provide, among other things, that documents will be recorded within ten days prior to the date the closing agent can disburse payment to the party entitled thereto, unless otherwise agreed to by the Parties. Costs of closing,

if any, shall be paid by the United States. The costs of surveying homesites and development sites exclusions, if any, shall be paid by Tatitlek. Any fees or costs for recordation of instruments or other curative material to release or subordinate mortgages, deeds of trust, judgments, or other encumbrances shall be paid by Tatitlek.

4. PHASE TWO SALE AND PURCHASE OF INTEREST IN THE LANDS:

Subject to the terms and conditions of this Agreement, at the second closing the Parties agree to the following:

- a. Tatitlek shall convey to the United States and the State the Tatitlek Conservation Easement at Bligh and Reef Islands with respect to the Tatitlek Conservation Easement Lands at Bligh and Reef Islands, and the Tatitlek Development Lands Easement at Heather Bay and Bligh Island with respect to the Tatitlek Development Easement Lands at Heather Bay and Bligh Island.
- b. Tatitlek shall convey to the United States the Federal Conservation Easement for Sawmill and Heather Bays with respect to the State Conveyance Lands at Sawmill and Heather Bays in satisfaction of the requirements of paragraph 6 of this Agreement.
- c. Tatitlek shall convey to the State by Warranty Deed all of the rights, title and interest of Tatitlek in the surface estate of the State Conveyance Lands at Sawmill Bay and Heather Bay, reserving therefrom the right to enforce the Restrictive Covenant, which reservation the State agrees to accept and further agrees to be bound by the terms thereof, and subject to the enforcement rights established in the related Federal Conservation Easement at Sawmill and Heather Bays.
- d. Upon recordation of the conveyance documents referred to in subparagraphs a through c above, the United States shall pay to Tatitlek the sum of Ten Million Four Hundred Thousand Dollars and no/100 (\$10,400,000.00) plus an additional amount to be calculated by multiplying five hundred seventeen thousand dollars (\$517,000) by the number of days between the phase one and phase two closings divided by three hundred sixty five (365).
- e. The phase two closing shall occur on or after October 1, 1998 but not later than October 15, 1998. The time for this closing may be extended, at the request of any party, for a period not to exceed sixty (60) days from that date if, despite the good

faith best efforts of the United States, court approval of disbursement of the funds is not obtained or the conditions precedent set forth in paragraph 9 have not been completed. The United States agrees to exert its good faith best efforts to obtain all approvals, including court approval, so as to make payment within said sixty (60) day period, and, if the time period is extended, will endeavor in good faith to complete this acquisition as soon as reasonably practical within the extended time period. In the event the United States fails to make timely payment, Tatitlek shall have the right, but not the obligation, to extend the closing further in order to complete the transaction as otherwise agreed to by the Parties upon satisfaction of the conditions precedent set forth in paragraph 9.

- f. The Parties shall agree in writing on a time, date, and place of the phase two closing. The Parties shall execute and provide written closing instructions to the closing agent no later than ten days prior to the date of closing, which instructions shall provide, among other things, that documents will be recorded when the closing agent can disburse payment to the party entitled thereto. Costs of closing, if any, shall be paid by the United States. The costs of surveying homesites and development sites exclusions, if any, shall be paid by Tatitlek. Any fees or costs for recordation of instruments or other curative material to release or subordinate mortgages, deeds of trust, judgments, or other encumbrances shall be paid by Tatitlek.

5. EXCHANGE AGREEMENT:

In accordance with the Exchange Agreement, the United States shall convey by United States patent all of the rights, title and interest in the surface and subsurface estate of the Federal Exchange Lands (Appendix B), and, upon conveyance, such lands shall be subject to the Tatitlek Timber Conservation Easement. Tatitlek shall convey by general warranty deed all of the rights, title and interest of Tatitlek in the surface estate of the Tatitlek Exchange Lands (Appendix L).

6. ENFORCEMENT RIGHTS:

- a. In recognition of the joint Federal and State responsibility to ensure that expenditure of the EVOS settlement funds properly achieves the Trustee Council's restoration objectives, the Trustee Council has required that, in return for the commitment of settlement funds for this acquisition, certain rights be established in the United States and the State with respect to this transaction. Accordingly, with respect to the interests conveyed to the United States in the Federal Conveyance Lands, Tatitlek shall convey to the State a conservation easement authorizing the State to enforce the

restoration objectives of this acquisition and the title of the United States shall be subject to such easement. Further, with respect to the interest conveyed to the State in the State Conveyance Lands, Tatitlek shall convey to the United States a conservation easement authorizing the United States to enforce the restoration objectives of this acquisition and the title of the State shall be subject to such easement. The conveyance documents are attached as Exhibits II, III, IV, V, VI, and XIV and are subject to approval and necessary modifications prior to closing as to form and substance as may be required by United States Department of Justice (DOJ) and Alaska Department of Law (DOL) and agreed upon by the Parties.

- b. The Parties agree that this Agreement is not intended, and shall not be construed, to create any other third-party beneficiary rights.

7. **RESTRICTIVE COVENANT:**

- a. Tatitlek hereby confirms, and the United States and the State acknowledge, that Tatitlek is only willing to undertake the sale of the Federal and State Conveyance Lands under this Agreement because of their intended management for conservation and wilderness purposes respectively by the United States as National Forest System lands or by the State as park lands. Accordingly, the United States and the State agree that the Federal and State Conveyance Lands purchased pursuant to this Agreement shall be maintained in perpetuity in their natural, pristine state in accordance with the terms of the Restrictive Covenant contained in the applicable Federal and State Conservation Easements and the Warranty Deeds.
- b. **Federal Reverter.** In the event Tatitlek or the State becomes aware of an event or circumstance when the Federal Conveyance Lands or any portion thereof, cease to be in compliance with the terms of any applicable Restrictive Covenant, that party shall give notice to the United States of such event or circumstance of non-compliance, and make demand that it be enjoined, corrected and/or that the land be restored as is appropriate to the circumstances. If the event or circumstance of non-compliance is not ceased immediately and corrected promptly, Tatitlek or the State may institute suits to enjoin any breach of, or to enforce compliance with, the Restrictive Covenant, and to require that the Federal Conveyance Lands, or the affected portion thereof, be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected promptly and the Federal Conveyance Lands, or portion thereof, are not restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance,

then title to said lands or portion thereof shall be conveyed automatically to the State, provided that the State agrees to accept it. If the State does not accept fee title, it shall revert automatically to Tatitlek. If the State accepts fee title, in the event that the State subsequently attempts to convey said lands or any part thereof in fee simple or to convey the timber rights thereto to another entity, at the time of such conveyance title to said lands or timber rights shall revert automatically to Tatitlek. The Federal Conveyance Lands shall continue in any event to be subject to the Restrictive Covenant. The Federal Conveyance Lands shall also continue to be subject to the Easement for Subsistence Access except that Tatitlek agrees that if fee title to some or all of said lands is conveyed to the State, under this provision or otherwise, then the Easement for Subsistence Access shall terminate as to such lands, but the State will have the obligation referenced in paragraph 7(g) below to manage the property so as to ensure public access.

- c. **State Reverter.** If the State attempts to convey the State Conveyance Lands or any part thereof in fee simple or to convey the timber rights thereto to another entity, at the time of such conveyance title to said portion of the State Conveyance Lands or said timber rights shall be conveyed automatically to the United States, provided that the United States agrees to accept such lands or timber rights. If the United States does not accept fee title or said timber rights, such lands or timber rights shall revert automatically to Tatitlek. If the United States accepts fee title or said timber rights, in the event Tatitlek or the State becomes aware of an event or circumstance when the State Conveyance Lands or any portion thereof, cease to be in compliance with the terms of any applicable Restrictive Covenant, that party shall give notice to the United States of such event or circumstance of non-compliance, and make demand that it be enjoined, corrected and/or that the land be restored as is appropriate to the circumstances. If the event or circumstance of non-compliance is not ceased immediately and corrected promptly, Tatitlek or the State may institute suits to enjoin any breach of, or to enforce compliance with, the Restrictive Covenant, and to require that the State Conveyance Lands, or the affected portion thereof, be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected promptly and the State Conveyance Lands, or portion thereof, are not restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance, then title to said lands or portion thereof shall be conveyed automatically to Tatitlek. The State Conveyance Lands shall continue in any event to be subject to the Restrictive Covenant.

- d. If title automatically conveys or reverts under the conditions described in paragraphs 7(b) or 7(c) above, the party which ceases to hold fee title shall retain a conservation easement with restrictive covenants identical to those contained in the State and Federal Conservation Easements, over the land it formerly owned. The intention is that, should title to the State or Federal Conveyance Lands, or any portion thereof, ever be conveyed or revert as provided in paragraphs 7(b) or 7(c) above, as between Tatitlek, the State and the United States, one party will hold fee title, and the other two will hold conservation easements with enforceable restrictive covenants.
- e. In any retained conservation easement as described in the above paragraph 7(d), and in the State and Federal Conservation Easements, it shall be provided that the party named in the "Restricted Activities" section of the easement will change as ownership changes, so that the fee owner will always make the determinations called for in that paragraph. However, the easements shall also provide that if fee title is conveyed from the United States to any other entity, any determinations by that entity under the "Restricted Activities" section of the easement shall be subject to approval by Tatitlek and the State.
- f. The United States and the State further agree that the Restrictive Covenant shall run with the land and shall be binding upon the United States and the State and their assigns or successors in interest in perpetuity.
- g. The Federal Conveyance Lands and the State Conveyance Lands shall be managed so as to ensure public access, for purposes of subsistence use, sport fishing and hunting, personal use fishing, trapping, recreational uses and commercial fishing in accordance with applicable federal and State laws and regulations and the objective of restoring and protecting natural resources.
- h. In granting the Federal and State Conservation Easements, Tatitlek reserves the non-exclusive right to enforce the Restrictive Covenant therein contained. The United States and the State further agree that the Restrictive Covenant may be enforced by either Tatitlek or the United States or the State, as applicable, with respect to the Federal and State Conservation Easements and Warranty Deeds, respectively.

8. CONDITIONS PRECEDENT TO THE PHASE ONE CLOSING:

The Parties mutually agree to endeavor in good faith to obtain satisfaction of these conditions precedent at the earliest opportunity in order that the phase one closing may take place as soon as possible:

- a. The obligation of the United States to complete the phase one closing is subject to disbursement of the necessary joint settlement funds received from Exxon by the United States District Court for the District of Alaska.
- b. Completion of a title opinion or title review satisfying the DOJ regulations at 40 U.S.C. § 255 and the DOL, and receipt of an opinion of counsel for Tatitlek, satisfactory to DOJ and DOL, confirming its authority to enter into this Agreement and complete the transactions contemplated thereby. In order to obtain a title opinion or title review satisfying the DOJ and DOL requirements, the draft forms set forth at Exhibits I - XIV are subject to approval and necessary modifications prior to closing as to form and substance that may be required by DOJ or DOL and agreed upon by the Parties.
- c. No development or timber harvesting is to take place on the Lands prior to closing.
- d. A Hazardous Substance survey must be completed and establish that there are no releases of Hazardous Substances on the Lands, except for EVOS.
- e. Satisfactory compliance by the Parties with the National Environmental Policy Act (NEPA).
- f. Shareholder approval pursuant to paragraph 21 of this Agreement.
- g. All trespassers, lessees, licensees and other occupants shall be removed from the Federal and State Conveyance Lands prior to closing.
- h. The obligation of the Parties to complete this transaction is subject to the reacquisition by Tatitlek of timber and other rights that it has previously conveyed to Sound Timber Corporation, Seward Forest Products Joint Venture, Young and Morgan North, Inc., and Citigreen, Inc.
- i. The United States and Tatitlek shall execute the Exchange Agreement.

9. **CONDITIONS PRECEDENT TO THE PHASE TWO CLOSING:**

The Parties mutually agree to endeavor in good faith to obtain satisfaction of these conditions precedent at the earliest opportunity in order that the phase two closing may take place at the time set forth in this Agreement:

- a. The obligation of the United States to complete the phase two closing is subject to disbursement of the necessary joint settlement funds received from Exxon by the United States District Court for the District of Alaska.
- b. Completion of a title opinion or title review satisfying the DOJ regulations at 40 U.S.C. § 255 and the DOL, and receipt of an opinion of counsel for Tatitlek, satisfactory to DOJ and DOL, confirming its authority to enter into this Agreement and complete the transactions contemplated thereby. In order to obtain a title opinion or title review satisfying the DOJ and DOL requirements, the draft forms set forth at Exhibits III, VI, VIII, and X are subject to approval and necessary modifications prior to closing as to form and substance that may be required by DOJ or DOL and agreed upon by the Parties.
- c. No development or timber harvesting is to take place on the Lands to be conveyed at the phase two closing prior to that closing.
- d. A Hazardous Substance survey must be completed and establish that there are no releases of Hazardous Substances on the Lands to be conveyed at the phase two closing, except for EVOS.

10. DEVELOPMENT SITES:

- a. Tatitlek retains ownership of the Development Lands located in proximity or adjacent to the Tatitlek Conservation Easement Lands and Tatitlek Conveyance Lands. Tatitlek's intended commercial development and use of these lands is an integral part of Tatitlek's willingness to enter into this Agreement and Tatitlek retains the right to use these lands for commercial purposes by providing lodging, meals, rentals, transportation and related services as well as opportunities for eco-tourism, fishing, hiking, hunting, kayaking, sightseeing and other similar outdoor based recreational activities. Tatitlek shall have the right to construct structures and related facilities on these lands, as set forth in the Tatitlek Development Lands Easement and the Tatitlek Development Lands Easement at Heather Bay and Bligh Island.
- b. Tatitlek retains an easement for purpose of access across and entry upon lands adjoining the Development Lands to transport fresh potable water, which may be allocated to Tatitlek pursuant to federal or State law, necessary to support the development and use of the Development Lands and to construct and maintain waterlines and water systems required for such purposes. Tatitlek's right to construct waterlines and water systems is subject to the prior written consent of the United

States, or the State, depending on which entity holds title to the adjoining property, which consent shall not be delayed or withheld unreasonably. In determining whether to consent to Tatitlek's access for water, the United States or the State, as appropriate, shall consider the location and volume of water to be used, the reasonable availability of water in the areas to be developed, the proposed means and route of transport and any significant adverse effects on the ecosystem resulting from the removal of such water. The Parties intend that Tatitlek shall have access to a sufficient source of water in order to facilitate Tatitlek's economic development and use of the Development Lands. At such time as any waterlines and water systems are constructed pursuant to this paragraph, Tatitlek shall provide an as-built survey, with description(s), in recordable form, acceptable to the United States or the State, as appropriate, to locate all improvements.

- c. Tatitlek retains the right, to the extent it has the right, to use or construct structures and related facilities at a fifteen (15) acre site in the vicinity of the Lagoon area of Galena Bay for use only in support of a potential hydroelectric site. Tatitlek shall identify such site by survey, which shall be approved by the United States. Survey costs, if any, shall be paid by Tatitlek.

11. EXCLUSION AREA AT TWO MOON BAY:

- a. Tatitlek retains ownership of the Tatitlek Exclusion Area Easement Lands at Two Moon Bay located adjacent to the Tatitlek Conservation Easement Lands and Tatitlek Conveyance Lands. Tatitlek's intended commercial development and use of these lands is an integral part of Tatitlek's willingness to enter into this Agreement and Tatitlek retains the right to use these lands for commercial purposes as provided in the Tatitlek Exclusion Area Easement Lands at Two Moon Bay. Tatitlek shall have the right to construct structures and related facilities on these lands, as set forth in the Tatitlek Exclusion Area Easement at Two Moon Bay.

12. HOMESITES:

- a. Tatitlek retains ownership of the Homesite Lands Retained that are located adjacent to the Tatitlek Conservation Easement Lands and Tatitlek Conveyance Lands. The Parties acknowledge that Tatitlek has adopted a Shareholder Homesite Program pursuant to Section 21 of ANCSA as amended, and that Tatitlek intends to use these lands for purposes of that program. The Homesite Lands Retained shall be subject to the Tatitlek Homesite Lands Easement and said lands may be conveyed to the

United States or the State in accordance with the terms and conditions of that easement.

- b. Tatitlek has conveyed ownership of the Homesite Lands Conveyed to Tatitlek shareholders via quitclaim deed subject to restrictive covenants and reversionary rights retained by Tatitlek. The Homesite Lands Conveyed shall be subject to the Tatitlek Homesite Lands Easement and said lands may be required to be conveyed to the United States or the State in accordance with the terms and conditions of this Agreement. If Tatitlek becomes aware of a violation of a restriction in the quitclaim deed or the United States or the State notifies Tatitlek in writing that there is good reason to believe that there has been a violation of a restriction in the quitclaim deed, Tatitlek shall conduct an investigation to determine whether a violation of a quitclaim deed restriction has occurred and make the results of that investigation available to the United States and the State. If Tatitlek determines that there has been a violation of a restriction, or if the United States or the State, based upon the investigation by Tatitlek or based upon independent information, has good reason to believe that there has been a violation of a restriction and so notifies Tatitlek in writing, Tatitlek shall: (1) within ten days of Tatitlek's determination that there has been a violation of a restriction or within ten days of the receipt of the aforesaid written notice from the United States or the State, notify the homesite owner of record, in writing, that a violation has occurred; (2) require that the activity that constituted the violation immediately cease; and (3) require that, within thirty days, the homesite owner verify that such has ceased. If the homesite owner fails to cease and desist the activity that constituted the violation of the quitclaim deed restriction, Tatitlek shall institute legal proceedings against the homesite owner within fifteen days following the deadline for receipt of the homesite owner's verification. If the United States or State reasonably determines that the aforesaid investigation by Tatitlek did not adequately ascertain whether a violation has occurred, the United States or State may in its discretion require that Tatitlek conduct further investigation.
- c. The United States and the State shall each have the option either to require that Tatitlek enforce the quitclaim deed restrictions or to independently enforce the quitclaim deed restrictions in accordance with the provisions of the Tatitlek Homesite Lands Easement. If the restrictions are successfully enforced by Tatitlek, Tatitlek shall exercise its reversionary rights. Upon reacquiring title to the homesite, the homesite shall be subject to the restrictions contained in the Tatitlek Homesite Lands Easement pertaining to the Homesite Lands Retained, and Tatitlek shall convey to the United States and State at no cost a conservation easement to the homesite that

contains provisions identical to those that address the Homesite Lands Retained in the Tatitlek Homesite Lands Easement. If the restrictions are successfully enforced by the United States or the State and the homesite reverts to Tatitlek, Tatitlek shall immediately: 1) convey a conservation easement containing restrictions identical to those in either the State Conservation Easement or the Federal Conservation Easement to the government that did not enforce the restrictions; and 2) convey fee simple title to the reacquired homesite to the government that successfully enforced the restrictions. Fee simple title shall be by warranty deed containing restrictions identical to those in the United States Warranty Deed if the homesite is to be conveyed to the United States or the State Warranty Deed if the homesite is to be conveyed to the State. Tatitlek hereby confirms that, to date, it has not subordinated its reversionary rights on any of the Homesite Lands Conveyed and hereby covenants that it will not in the future subordinate its reversionary rights on any of the Homesite Lands Conveyed without the consent of the United States and the State.

- d. Tatitlek hereby commits to work in good faith with the United States and the State, through their EVOS small parcel acquisition process, to pursue additional acquisition opportunities of the Homesite Lands Conveyed and Homesite Lands Retained at the Two Moon Bay and Snug Corner Cove subdivisions. If the United States or the State acquires any block of six or more of the Homesite Lands Conveyed and Homesite Lands Retained from Tatitlek or individual shareholder homesite owners, Tatitlek shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of homesite lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State by Tatitlek. Survey costs that may result, if any, shall be paid by Tatitlek.

13. ARTIFACTS:

Tatitlek, to the extent it holds ownership, reserves ownership of all Alaska Native human remains, cultural artifacts, and sacred objects currently located on the Lands to the extent consistent with the rights that it may be afforded as specified in the Native American Graves Protection and Repatriation Act, the Archaeological Resources Protection Act, the National Indian Forest Resources Management Act, the National Museum of the American Indian Act, the Indian Arts and Crafts Act, the Native American Language Acts, and related laws of the State, including the Alaska Historic Preservation Act. Nothing in this Agreement affects the ownership by Chugach Alaska Corporation, to the extent it holds ownership, of

human remains, cultural artifacts, and sacred objects currently located in the subsurface estate.

14. FOREST PRACTICES ACT:

Following the phase one and phase two closings, Tatitlek shall comply with the requirements of AS 41.17 and regulations promulgated pursuant thereto on the Lands where Tatitlek has conveyed Conservation Easements or other easements to the State and the United States and the Lands where Tatitlek has conveyed fee simple title to the State or the United States as if Tatitlek still held fee simple title to the Lands, including but not limited to the requirements concerning reforestation, revegetation, brush, slash, debris, salvage of trees, soil erosion, and wasting of logging roads, including compliance with the requirements of 11 AAC 95.320 and 11 AAC 95.375-390.

15. REPRESENTATIONS AND WARRANTIES:

Tatitlek represents and warrants as follows:

- a. Subject to the provisions of subsections 14(g) and 17(b) of ANCSA, the provisions of the act of May 17, 1906, 34 Stat. 197, as amended, and Section 905 of ANILCA, to the extent applicable, the regulations promulgated thereunder, and the reservations, restrictions and limitations set forth in the conveyances from the United States to Tatitlek, Tatitlek will be at closing the sole legal owner of the surface estate of the Lands to be conveyed to the United States and the State under this Agreement except as provided in subparagraph 12.b. hereof.
- b. Title to the Lands to be conveyed to the United States and the State under this Agreement shall be, at closing, free and clear of all liens, charges, encumbrances, clouds and defects of record except for (i) liens, charges, encumbrances, clouds and defects of record, acceptable to DOJ and DOL; (ii) liens, charges, encumbrances, clouds and defects not of record which existed prior to the date(s) on which said Lands were conveyed to Tatitlek pursuant to Section 14 of ANCSA where Tatitlek had no actual knowledge of such liens, charges, encumbrances, clouds and defects not of record; (iii) all restrictions, reservations, encumbrances and limitations set forth in the conveyances from the United States to Tatitlek arising under ANCSA and the rules and regulations promulgated thereunder; (iv) Federal Conservation Easement; (v) State Conservation Easement; (vi) any exceptions and reservations included in the State and United States Warranty Deeds (Exhibits V, VI, and XIV).

- c. To the best of its knowledge and belief, Tatitlek has not placed, stored, spilled, dumped or released, nor has it allowed any other person or entity, not disclosed in the Hazardous Substance survey, since the conveyance of the Lands to Tatitlek by the United States pursuant to ANCSA, to place, store, spill, dump or release any Hazardous Substance or petroleum, including crude oil or any fraction thereof that is not otherwise considered a Hazardous Substance, on the Lands; the Lands are not now nor since conveyance to Tatitlek have they ever been used for industrial purposes other than activities associated with timber harvesting; nor, except as disclosed in the Hazardous Substance Survey, has any third party ever placed, stored, spilled, dumped or released any Hazardous Substance, or petroleum, including crude oil or any fraction thereof that is not otherwise considered a Hazardous Substance, on the Lands during the time the Lands were owned by Tatitlek. The Parties stipulate and agree that no violation of the warranties in this paragraph shall be deemed to occur as a result of oiling of the Lands by the EVOS.

16. RECORDATION:

A copy of this Agreement and any amendment hereto may be recorded by any party following execution thereof by the Parties.

17. EXECUTION IN SEPARATE COUNTERPARTS:

For purposes of expeditious execution of this Agreement or any amendments hereto, this Agreement or any amendments may be signed in separate counterparts by the Parties, which, when all have so signed, shall be deemed a single Agreement or amendment hereto, and the effective date of the Agreement or any amendment hereto shall be the date upon which the last of the subscribed Parties signs the Agreement or the amendment.

18. AUTHORITY:

Each signatory to this Agreement represents that the signatory is authorized to execute this Agreement.

19. UNANTICIPATED EVENTS:

The Parties acknowledge that there may exist circumstances beyond the reasonable control of a party that interfere with the Parties' ability to complete the transaction and to comply with the time constraints set forth in this Agreement. The Parties agree to use their best good faith efforts to complete the transactions contemplated by this Agreement as set forth herein.

In the event that circumstances occur beyond the reasonable control of a party that significantly impair or detract from the rights and benefits provided to any of the Parties, then the Parties will negotiate, in good faith, such reasonable modifications of this Agreement as are necessary to protect the rights, interests and duties of the Parties under this Agreement and to carry out the intent of this Agreement.

20. RESERVATION OF EXXON CLAIMS:

Tatitlek reserves and retains any and all claims and causes of action against Exxon Corporation, Exxon Shipping Company and any other person or entity for any and all loss, injury or damage, including compensatory and punitive damages, sustained by Tatitlek as a result of the EVOS. The Parties further agree that nothing in this Agreement or any document executed pursuant to this Agreement shall be deemed a release, waiver or assignment of any claim Tatitlek, or its individual shareholders, may have against Exxon Corporation, Exxon Shipping Company and any other person or entity as a result of the EVOS, including, but not limited to, real property damage or loss.

21. SHAREHOLDER VOTE:

Pursuant to AS § 10.06.570 this Agreement or a final draft thereof shall be submitted to the shareholders of Tatitlek for a vote of approval of at least two-thirds of the outstanding voting shares of Tatitlek stock as soon as reasonably possible either before or after execution of this Agreement. If the Agreement fails to receive the required shareholder approval, it shall be null and void and have no effect.

22. GENERAL PROVISIONS:

- a. This Agreement embodies the entire agreement and understanding among the Parties and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.
- b. This Agreement may be modified, supplemented, or amended only by a document in writing executed by all of the Parties hereto.
- c. The failure of any party to this Agreement to insist upon the strict performance of any provision of this Agreement or to exercise any right, power, or remedy consequent upon a breach thereof shall not constitute a waiver by said party of any such provision, breach, or subsequent breach of the same or any other provision.

- d. Except as otherwise provided in this Agreement, the Parties hereto shall be entitled to any and all remedies provided by law.
- e. If, prior to closing, any material provision of this Agreement or any application thereof shall be invalid or unenforceable, this Agreement as a whole likewise shall be deemed invalid or unenforceable. However, after closing, if any material provision of this Agreement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate, in good faith, such reasonable modifications of this Agreement as are necessary to protect the rights, interest and duties of the Parties under this Agreement and to carry out the intent of this Agreement.
- f. This Agreement shall be interpreted, construed, and enforced in accordance with applicable federal or State law. To the extent allowed by law, jurisdiction for resolution of any dispute related to implementation of this Agreement or to the terms of any of the conveyance instruments granted thereunder, shall rest in the applicable federal or state court.
- g. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. Any lease, sale, transfer or other disposition by Tatitlek of any interest in the Tatitlek Conservation Easement Lands, the Tatitlek Conservation Easement Lands at Bligh and Reef Islands, the Tatitlek Development Lands, the Tatitlek Development Lands at Bligh Island, the Tatitlek Exchange Lands, or the Tatitlek Timber Conservation Easement Lands shall be made subject to this Agreement and any amendments thereto. Any authorization to use said lands granted by Tatitlek shall be subject to this Agreement and any amendments thereto.
- h. The Parties hereby agree to take any and all actions, and to execute, acknowledge, and deliver any and all documents, reasonably necessary to effect the purposes of this Agreement.
- i. The descriptive paragraph headings throughout this Agreement are for convenience and reference only, and the words contained therein shall not be used to expand, modify, or amplify the meaning of this Agreement or to aid in the interpretation or construction of this Agreement.
- j. No member of or Delegate to Congress, or Resident Commissioner, after his election or appointment, and either before or after he has qualified, and during his

continuance in office, shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom.

- k. Nothing herein shall be construed as obligating the Forest Service or the United States or the State to the expenditure of funds or the future payment of money in excess of that authorized by law.
- l. Unless expressly provided otherwise, all notices, requests, orders and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally to the addresses, or upon receipt if mailed by certified or registered mail, return receipt requested, with postage prepaid, as follows:

1) To Tatitlek:

President
The Tatitlek Corporation
P. O. Box 650
Cordova, AK 99574

With copies to:

Roy Jones, Esq.
Birch, Horton, Bittner, and Cherot
1155 Connecticut Avenue, NW, Suite 1200
Washington, DC 20036

Philip Blumstein, Esq.
Birch, Horton, Bittner, and Cherot
1127 W. Seventh Ave.
Anchorage, AK 99501

2) To the State:

Commissioner, Department of Natural Resources
State of Alaska
3601 C Street, Suite 1210
Anchorage, AK 99503-5921

With a copy to:

Attorney General
State of Alaska
P. O. Box 110300 - Dimond Courthouse
Juneau, AK 99811-0300

3) To the United States:

Regional Forester
U.S. Department of Agriculture
Forest Service
709 West 9th Street, Room 549
Juneau, AK 99802

With a copy to:

U.S. Department of Agriculture
Office of the General Counsel
P.O. Box 021628
Juneau, AK 99802

- m. The commitments, representations and warranties contained in this Agreement shall survive closing and delivery of the easements and the Warranty Deeds. In the event of any conflict between this Agreement and the terms of any of the conveyance instruments granted hereunder, the terms of the conveyance instruments shall control.
- n. The United States and the State intend to work cooperatively in research activities on the Federal and State Conveyance Lands. If the United States conveys fee title to the Federal Conveyance Lands the State shall have a right to conduct research on said land as follows: to plan, arrange for, and conduct: (1) fish, wildlife, and habitat surveys and research by all customary means and techniques, which include the use of aircraft, radio telemetry, and capture drugs; (2) the establishment of multi-year vegetation plots; and (3) with the prior written consent of the owner of the land, which consent shall not be delayed or withheld unreasonably, the right to establish, construct and operate weir sites and sonar sites and reasonably related facilities for the purposes of fish and wildlife management and general monitoring of ecosystem health. To the extent reasonably possible such sites shall be constructed, managed and operated in a manner that is consistent with the goal of maintaining the land in

perpetuity for conservation and wilderness purposes, and, must be designed in a rustic manner so as to blend into the natural character of the area. Information on fish and wildlife collected through such activities and projects will be made available to Tatitlek upon its request to the extent authorized by law.

- o. When performing research, study, or survey activities and projects on the Lands, the United States and the State agree, to the extent allowed by law and to the extent funding is available, to provide Tatitlek with notice and an opportunity to respond to requests for proposals that may be issued to participate in such activities and projects.
- p. Nothing herein shall be deemed to pertain to, affect or in any way limit, the rights of the subsurface owner to utilize that estate in accordance with applicable law.
- q. Nothing herein shall be deemed or construed to grant any rights to the public or to entities that are not Parties to this Agreement or in privity with said Parties.
- r. Tatitlek shall retain the right, to the extent allowed by law, to comment upon and object to applications for permits and leases on tidelands adjacent to lands conveyed in surface fee to the United States or to the State through this Agreement.

IN WITNESS WHEREOF, the Parties have set their hands and seals as of the date herein written.

THE TATITLEK CORPORATION

By Carroll Kompkoff
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 13th day of MAY, 1998, me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared Carroll Kompkoff, to me known to be the individual described and who executed the within and foregoing AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.



L. Gary McDaniel
Notary Public in and for Alaska
My commission expires: 3/29/2000

STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES

By: Marty Rutherford
Marty Rutherford
Deputy Commissioner

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 13th day of May, 1998, at Healy, Alaska, the foregoing AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.



Maretta V. Jeffery
Notary Public in and for Alaska
My commission expires: 6-22-99

**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY THE U.S. DEPARTMENT OF
JUSTICE AND THE ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P. O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT I

TATITLEK EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (the "Exchange Agreement") is entered into by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, as amended, 43 U.S.C. § 1601 *et. seq.* ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, and the **United States of America** ("United States"), acting by and through the Forest Service, Department of Agriculture, whose address is P. O. Box 21628, Juneau, Alaska 99802-1628, in consideration of the interests in land herein described and other good and valuable considerations, the receipt of which is hereby acknowledged. Tatitlek and the United States hereby agree as follows:

WITNESSETH:

This Exchange Agreement authorizes an equal value exchange of interests in land between Tatitlek and the United States (the "Exchange"). The purpose of this Exchange is to eliminate a surface and subsurface estate in-holding within the Tatitlek lands and to consolidate Forest Service lands and Tatitlek lands.

Pursuant to the Agreement for Sale and Purchase of Lands and Interests in Land among Tatitlek, the United States, and the State of Alaska, dated _____, 1998, (the "Agreement") and to the authority of ANCSA and the Alaska Native Interest Lands Conservation Act, Tatitlek does hereby agree to convey to the United States the surface estate to the real property described in Appendix L attached hereto. In exchange therefore the United States agrees to convey to Tatitlek by U.S. Patent issued by the United States, the surface and subsurface estates to the real property described in Appendix B attached hereto. Upon conveyance by the United States of the real property

described in Appendix B, such lands shall be subject to the Timber Conservation Easement at Exhibit XIII of the Agreement.

The Exchange shall proceed as follows: First, Tatitlek agrees to convey, when requested by the United States, by general warranty deed, in accordance with Department of Justice standards, the lands or interests in land described in Appendix L. to the United States and its assigns, together with necessary documents required to convey good title, free from all encumbrances except those set forth in Appendix L. Then, Tatitlek agrees to furnish title evidence on the real property described in Appendix L in a form satisfactory to the Office of the General Counsel of the United States Department of Agriculture.

When title is acceptable to the United States, pursuant to the General Exchange Act, the Federal Land Policy and Management Act, the Federal Land Exchange Facilitation Act and the Alaska National Interest Lands Conservation Act, the United States agrees to convey by U.S. Patent the real property described in Appendix B, subject to valid existing rights and any encumbrances noted therein, and subject to the Timber Conservation Easement at Exhibit XIII of the Agreement.

Both parties agree not to do, or suffer others to do, any act by which the value of the real property that is the subject of this Exchange Agreement may be diminished or further encumbered. In the event any such loss or damage occurs from any cause, including acts of God, to the real property described in Appendices B and L, before execution of deed or issuance of patent, either party may refuse without liability to complete the Exchange.

This Exchange Agreement terminates in the event that either party cannot convey good and sufficient title to the real property agreed to be exchanged.

No Member of Congress or Resident Commissioner shall be admitted to any share or part of this Exchange Agreement or to any benefit that may arise therefrom unless it is made with a corporation for its general benefit (18 U.S.C. 431, 433).

IN WITNESS WHEREOF, Tatitlek and the Regional Forester, acting on behalf of the United States, have executed this Exchange Agreement. This Exchange Agreement shall be effective on the last date signed.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPKEOFF, to me known to be the individual described and who executed the within and foregoing TATITLEK EXCHANGE AGREEMENT as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.

Notary Public in and for Alaska
My commission expires: _____

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

BOOK 135 PAGE 341
Valdez Recording District

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by PHIL JANIK, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendices B and L

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P.O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT II

FEDERAL CONSERVATION EASEMENT

**On Lands to be Conveyed in Surface Fee By Tatitlek to the
State at Galena and Landlocked Bays and
Busby Island in Phase I**

THIS CONSERVATION EASEMENT is made this _____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, as amended, 43 U.S.C. § 1601 *et. seq.* ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), whose address is P. O. Box 21628, Juneau, Alaska 99802-1628, as grantee. under the authority of 7 U.S.C. § 428a and pursuant to the Agreement for Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States of America and the State of Alaska, dated _____, 1998 (the "Agreement"), and for good and valuable consideration.

WHEREAS, the real property subject to this conservation easement (the "Protected Property") is a natural area located near the Chugach National Forest 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 of March 24, 1989; and

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

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

WHEREAS, Tatitlek intends to convey its interest in the surface estate of the Protected Property to the State; and

WHEREAS, Tatitlek desires to provide to the United States 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 the Agreement, Tatitlek does hereby grant and convey to the United States, its successors and assigns, forever, with special warranties of title, subject to conditions, restrictions and limitations of record, a conservation easement (the "Easement") in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth herein, as to the Protected Property described as follows:

See Attached Appendix E

Containing in sum 679 acres more or less;

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964;

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

The acquiring federal agency is the U.S. Department of Agriculture, Forest Service.

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

1. RESTRICTED ACTIVITIES:

The activities listed below are prohibited on the Protected Property except as determined to be necessary for conveying information to the public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal

of maintaining the Protected Property in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the land, and must be operated for use by research or land management personnel only. Determinations under the provisions of this section will be made by the owner of the fee simple estate if the owner is the State or the United States. If the owner of the fee simple estate is any other entity, determinations under this section shall be made by the owner subject to approval by the United States and Tatitlek.

- a. constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information; provided that, notwithstanding the above limitation for use by research or management personnel only, this provision shall not be construed to prohibit the State, if it is the owner of all or any applicable portion of the Protected Property, from having the right to construct one public use cabin and occupancy support facilities on the two-acre public access parcel on Busby Island (Tract B), so long as Tatitlek has given written consent to the State's design of such structure, which consent may not be delayed or withheld unreasonably, and from having the right to construct public use cabins and occupancy support facilities on the Galena Bay and Landlocked Bay parcels so long as Tatitlek has given written consent to the State's design of such structures, which consent may not be delayed or withheld unreasonably. To the extent reasonably possible, any such public use cabin must be designed in a rustic manner so as to blend into the natural character of the area and must be constructed and managed in a manner that minimizes adverse effects on the land;
- b. changing the topography of the Protected Property in any manner;
- c. removing or destroying plants except for subsistence uses or medicinal uses;
- d. using biocides;
- e. manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water purity on the Protected Property; and
- f. operating motorized vehicles; provided that this provision shall not be construed to prohibit the use of float equipped aircraft on waterbodies within the Protected Property.

2. PROHIBITED ACTIVITIES:

The following listed activities by any person are prohibited:

- a. removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except for subsistence uses or for the purpose of implementing the activities identified in Section 1 (Restricted Activities) above;
- b. introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- c. dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material.

3. GENERAL PROVISIONS:

- a. The parties make no representations as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.
- b. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- c. Nothing herein shall be deemed to create in any third party the right to enforce these covenants.
- d. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- e. Tatitlek agrees that these restrictive covenants shall run with the land and shall be binding upon Tatitlek, its successors and assigns.
- f. Tatitlek hereby covenants to and with the United States and its assigns, that Tatitlek is lawfully seized of the surface estate in fee simple of the Protected Property, has

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 Tatitlek will forever warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek 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 United States and its assigns, against the lawful claims and demands of all persons.

TO HAVE AND TO HOLD unto the United States, its successors, and assigns forever.

IN WITNESS WHEREOF, Tatitlek and the United States have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Carroll Kompkoff, President of The Tatitlek Corporation, to me known and known to be the President of The Tatitlek Corporation and the person who executed the above and foregoing FEDERAL CONSERVATION EASEMENT on behalf of The Tatitlek Corporation, and who acknowledged to me that he signed the same as President of The Tatitlek Corporation, in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders for the use and purposes therein mentioned.

BOOK 135 PAGE 347
Valdez Recording District

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

Notary Public in and for Alaska

(SEAL)

My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Conservation Easement conveying to the United States and its assigns, those interests in lands described therein.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 1998, before me, that undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Phil Janik, known to me and to me known to be the Regional Forester, Alaska Region, USDA Forest Service, and he acknowledged to me that he signed as accepting the foregoing Conservation Easement conveying to the United States, those lands described therein, and he executed the foregoing instrument freely and voluntarily.

BOOK 135 PAGE 348
Valdez Recording District

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

(SEAL)

Notary Public in and for Alaska

My commission expires: _____

LOCATION INDEX:
See attached Appendix E

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P.O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT III

FEDERAL CONSERVATION EASEMENT

**On Lands to be Conveyed in Surface Fee by Tatitlek to the
State at Sawmill and Heather Bays in Phase II**

THIS CONSERVATION EASEMENT is made this ____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.* as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), Department of Agriculture, Forest Service, whose address is P. O. Box 21628, Juneau, Alaska, 99802-1628, as grantee, under the authority of 7 U.S.C. § 428a and pursuant to the Agreement for Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States of America and the State of Alaska, dated _____, 1998 (the "Agreement"), and for good and valuable consideration.

WHEREAS, the real property subject to this conservation easement (the "Protected Property") is a natural area located near the Chugach National Forest 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 of March 24, 1989; and

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

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

WHEREAS, Tatitlek intends to convey its interest in the surface estate of the Protected Property to the State; and

WHEREAS, Tatitlek desires to provide to the United States 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 the Agreement, Tatitlek does hereby grant and convey to the United States, its successors and assigns, forever, with special warranties of title, subject to conditions, restrictions and limitations of record, a conservation easement (the "Easement") in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth, as to the Protected Property described as follows:

See Attached Appendix F

Containing in sum 3698 acres more or less;

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964;

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

The acquiring federal agency is the U.S. Department of Agriculture, Forest Service.

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

1. RESTRICTED ACTIVITIES:

The activities listed below are prohibited on the Protected Property except as determined to be necessary for conveying information to the public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal

of maintaining the Protected Property in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the land, and must be operated for use by research or land management personnel only. Determinations under the provisions of this section will be made by the owner of the fee simple estate if the owner is the State or the United States. If the owner of the fee simple estate is any other entity, determinations under this section shall be made by the owner subject to approval by the United States and Tatitlek.

- a. constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information; provided that, notwithstanding the above limitation for use by research or management personnel only, this provision shall not be construed to prohibit the State, if it is the owner of all or any applicable portion of the Protected Property, from having the right to construct one public use cabin and occupancy support facilities at Heather Bay so long as such cabin and occupancy support facilities are not located in Section 27, T10S, R10W, CRM, and so long as Tatitlek has given written consent to the State's design of such structures, which consent may not be delayed or withheld unreasonably, and from having the right to construct public use cabins and occupancy support facilities at Sawmill Bay so long as Tatitlek has given written consent to the State's design of such structures, which consent may not be delayed or withheld unreasonably. To the extent reasonably possible, any such public use cabins must be designed in a rustic manner so as to blend into the natural character of the area and must be constructed and managed in a manner that minimizes adverse effects on the land;
- b. changing the topography of the Protected Property in any manner;
- c. removing or destroying plants except for subsistence uses or medicinal uses;
- d. using biocides;
- e. manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water purity on the Protected Property; and
- f. operating motorized vehicles, provided that this provision shall not be construed to prohibit the use of float equipped aircraft on waterbodies within the Protected Property.

2. PROHIBITED ACTIVITIES:

The following listed activities by any person are prohibited:

- a. removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except for subsistence uses or for the purpose of implementing the activities identified in Section 1 (Restricted Activities) above;
- b. introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- c. dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material.

3. WATER EASEMENT:

Tatitlek retains an easement for purpose of access across and entry upon any portions of the Protected Property adjoining the Development Lands described in the Tatitlek Development Lands Easement recorded simultaneously herewith, to transport fresh potable water, which may be allocated to Tatitlek pursuant to federal or State law, necessary to support the development and use of the Development Lands and to construct and maintain waterlines and water systems required for such purposes. Tatitlek's right to construct waterlines and water systems is subject to the prior written consent of the State, or its assigns, which consent shall not be delayed or withheld unreasonably. In determining whether to consent to Tatitlek's access for water, the State, or its assigns, shall consider the location and volume of water to be used, the reasonable availability of water in the areas to be developed, the proposed means and route of transport and any significant adverse effects on the ecosystem resulting from the removal of such water. The parties intend that Tatitlek shall have access to a sufficient source of water in order to facilitate Tatitlek's economic development and use of the Development Lands. At such time as any waterlines and water systems are constructed pursuant to this paragraph, Tatitlek shall provide an as-built survey, with descriptions, in recordable form, acceptable to the State, to locate all improvements.

4. **GENERAL PROVISIONS:**

- a. The parties make no representations as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.
- b. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- c. Nothing herein shall be deemed to create in any third party the right to enforce these covenants.
- d. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface to utilize the estate in accordance with applicable law.
- e. Tatitlek agrees that these respective covenants shall run with the land and shall be binding upon Tatitlek, its successors and assigns.
- f. Tatitlek hereby covenants to and with the United States and its assigns, that Tatitlek is lawfully seized of the surface estate in fee simple of the Protected Property, has 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 Tatitlek will forever warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek 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 United States and its assigns, against the lawful claims and demands of all persons.

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

IN WITNESS WHEREOF Tatitlek and the United States have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Carroll Kompkoff, to me known and known to be the President of The Tatitlek Corporation and the person who executed the above and foregoing FEDERAL CONSERVATION EASEMENT on behalf of The Tatitlek Corporation, and who acknowledged to me that he signed the same as President of The Tatitlek Corporation, in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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 written above.

(SEAL)

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Conservation Easement conveying to the United States and its assigns, those interests in lands described therein.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Phil Janik, known to me and to me known to be the Regional Forester, Alaska Region, USDA Forest Service, and he acknowledged to me that he signed as accepting the foregoing FEDERAL CONSERVATION EASEMENT conveying to the United States, those lands described therein, and he acknowledged to me that he executed the foregoing instrument freely and voluntarily.

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

(SEAL)

Notary Public in and for Alaska
My commission expires: _____

BOOK 135 PAGE 356
Valdez Recording District

LOCATION INDEX:
See attached Appendix F .

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:

State of Alaska
Department of Law
Environmental Section
1031 W. 4th Avenue, Suite 200
Anchorage, Alaska 99501

EXHIBIT IV

STATE CONSERVATION EASEMENT

**On Lands to be Conveyed in Surface Fee By Tatitlek
to the United States**

THIS CONSERVATION EASEMENT (the "Conservation Easement") is made this _____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 et. seq., as amended ("ANCSA") and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **State of Alaska**, ("State"), and its assigns, whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantee, under authority of AS § 38.05.035(a)(12) and the Agreement for Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States of America and the State of Alaska, dated _____, 1998 (the "Agreement").

WHEREAS, the real property subject to this Conservation Easement (the "Protected Property") lies within the boundaries of the Chugach National Forest, in the State of Alaska, administered by the U.S. Department of Agriculture Forest Service; and

WHEREAS, Tatitlek 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 of March 24, 1989; 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 ("United States") of the Protected Property, subject to certain third-party rights to be held by the State in order to assure that the restoration objectives for use of the settlement funds are achieved; and

WHEREAS, Tatitlek intends to convey its fee simple interest in the surface estate of the Protected Property to the United States; and

WHEREAS, Tatitlek desires to provide the State an independent and non-exclusive right in perpetuity to enforce the restrictive covenants as to the surface estate set forth herein and to undertake limited research on the Protected Property under specified circumstances;

NOW THEREFORE, pursuant to the laws of Alaska and in particular Alaska Statute § 34.17.010 - § 34.17.060, and the Agreement, Tatitlek does hereby grant and convey to the State, its successors and assigns, forever, with special warranties of title, subject to conditions, restrictions and limitations of record, a Conservation Easement in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth, as to the Protected Property described as follows:

See Attached Appendix A

Containing in sum 28,746 acres more or less.

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

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

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

1. **RESTRICTED ACTIVITIES:**

The activities listed below are prohibited on the Protected Property except as determined to be necessary for conveying information to the public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal of maintaining the Protected Property in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the land and must be operated for use by research and land management personnel only. Determinations under the provisions of this section will be made by the owner of the fee simple estate if the owner is the State or the United States. If the owner of the fee simple estate is any other entity, determinations under this section shall be made by the owner subject to approval by the State and Tatitlek.

- a. constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information;
- b. changing the topography of the Protected Property in any manner;
- c. removing or destroying plants except for subsistence uses or medicinal uses;
- d. using biocides;
- e. manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water purity on the Protected Property; and
- f. operating motorized vehicles; provided that this provision shall not be construed to prohibit the use of float equipped aircraft on waterbodies within the Protected Property nor of four-wheel drive vehicles nor all-terrain vehicles along the road/trail easement reserved hereby by Tatitlek to transport passengers and supplies to and from the Exclusion Area at Two Moon Bay to the development site at Hells Hole.

2. **PROHIBITED ACTIVITIES:**

The following listed activities by any person are prohibited:

- a. removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except for subsistence uses, and for the purpose of implementing the activities identified in Section 1 (Restricted Activities) above;
- b. introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- c. dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material.

If the United States conveys fee title to the Protected Property, the State shall have a right to conduct research on the Protected Property to plan, arrange for, and conduct: (1) fish, wildlife, and habitat surveys and research by all customary means and techniques, which include the use of aircraft, radio telemetry, and capture drugs; (2) the establishment of multi-year vegetation plots; and (3) with the prior written consent of the owner of the land, which consent shall not be delayed or withheld unreasonably, the right to establish, construct and operate weir sites and sonar sites and reasonably related facilities for the purposes of fish and wildlife management and general monitoring of ecosystem health. To the extent reasonably possible such sites shall be constructed, managed and operated in a manner that is consistent with the goal of maintaining the land in perpetuity for conservation and wilderness purposes, and, must be designed in a rustic manner so as to blend into the natural character of the area. Information on fish and wildlife collected through such activities and projects will be made available to Tatitlek upon its request to the extent authorized by law.

3. WATER EASEMENT:

Tatitlek retains an easement for purpose of access across and entry upon any portions of the Protected Property adjoining the Development Lands described in the Tatitlek Development Easement recorded simultaneously herewith, to transport fresh potable water, which may be allocated to Tatitlek pursuant to federal or State law, necessary to support the development and use of the Development Lands and to construct and maintain waterlines and water systems required for such purposes. Tatitlek's right to construct waterlines and water systems is subject to the prior written consent of the United States, or its assigns, which consent shall not be delayed or withheld unreasonably. In determining whether to consent to Tatitlek's access for water, the United States, or its assigns, shall consider the location and volume of water to be used, the reasonable availability of water in the areas to be developed,

the proposed means and route of transport and any significant adverse effects on the ecosystem resulting from the removal of such water. The Parties intend that Tatitlek shall have access to a sufficient source of water in order to facilitate Tatitlek's economic development and use of the Development Lands. At such time as any waterlines and water systems are constructed pursuant to this paragraph, Tatitlek shall provide an as-built survey, with descriptions, in recordable form, acceptable to the United States, to locate all improvements.

4. ROAD/TRAIL EASEMENT:

Tatitlek retains a road/trail easement for purposes of access from the Exclusion Area (see Exhibit XI and Appendix M to the Agreement) at Two Moon Bay to the development site at Hells Hole through the Protected Property. Such easement shall be 25 feet in width and shall be available only for use by Tatitlek in connection with the use of the Campsite and development site provided for in Exhibits IX and XI of the Agreement.

5. GENERAL PROVISIONS:

- a. Nothing herein shall be deemed to create in any third party the right to enforce these covenants.
- b. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface in accordance with applicable law.
- c. Tatitlek agrees that these restrictive covenants shall run with the land and shall be binding upon Tatitlek, its successors and assigns.
- d. The parties make no representation as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.
- e. Tatitlek hereby covenants to and with the State and its assigns, that Tatitlek is lawfully seized of the surface estate in fee simple of the Protected Property, has 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 Tatitlek will forever warrant and defend this Conservation Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, to and including the

moment at which this Conservation Easement is validly conveyed to the State of Alaska and its assigns, against the lawful claims and demands of all persons.

- f. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development and removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.

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

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

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared CARROLL KOMPCKOFF, President of The Tatitlek Corporation, to me known and known to be the person who executed the above and foregoing STATE CONSERVATION EASEMENT on behalf of The Tatitlek Corporation, and who acknowledged to me that he signed the same as President of The Tatitlek Corporation, in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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)

Notary Public in and for Alaska

My commission expires: _____

ACCEPTANCE BY THE STATE OF ALASKA

Pursuant to AS § 38.05.035(a)(12), I do hereby accept title to the above described interest in real property on behalf of the State of Alaska.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____

Marty Rutherford
Deputy Commissioner

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by MARTY RUTHERFORD, who is known to me to be the Deputy Commissioner of the Department of Natural Resources, State of Alaska.

(SEAL)

Notary Public in and for Alaska

My commission expires: _____

BOOK 135 PAGE 364
Valdez Recording District

LOCATION INDEX:

See attached Appendices A, J, K, and M

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May 13, 1998

**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

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

EXHIBIT V

STATE WARRANTY DEED

**For Lands to Be Conveyed in Surface Fee by Tatitlek
to the State at Galena and Landlocked Bays
and Busby Island in Phase I**

THIS STATE WARRANTY DEED (the "Deed") is made this ____ day of _____, 1998, between **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **State of Alaska, Department of Natural Resources** ("State"), and its assigns, whose address is 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantee, under the authority of AS § 41.21.020(a)(3), and the Agreement for the Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States of America and the State of Alaska, dated _____, 1998 (the "Agreement").

WITNESSETH, that Tatitlek, for and in consideration of the terms of the Agreement, which provides for conveyances of lands and interests in lands from Tatitlek to the State and to the United States, of which this is one, for a sum of Twenty-four Million One Hundred Fifty Thousand and no/100 Dollars (\$24,150,000), to it in hand paid by the United States, the receipt of which is hereby acknowledged, conveys and warrants to the State and its assigns, forever, the surface estate of all

those lands lying and being in the Eastern Prince William Sound, State of Alaska (the "Protected Property"), containing approximately 679 acres, more or less; and more particularly described as follows:

See Attached Appendix E

Containing 565 acres, more or less, at Galena Bay; 112 acres, more or less, at Landlocked Bay, which includes MS 738-B; and two acres, more or less, at Busby Island in Tract B.

TOGETHER WITH all right, title, and interest in avulsed lands, if any, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD THE SAME, together with all the hereditaments and appurtenances thereunto belonging or in anywise appertaining, to the State and its assigns, forever.

SUBJECT, however, to:

1. PUBLIC ACCESS:

The State shall manage the Protected Property so as to ensure public access, including access by the Shareholders of Tatitlek for purposes of Subsistence Use, sport fishing and hunting, personal use fishing, trapping, recreational uses, and commercial fishing in accordance with applicable laws and regulations and the objective of restoring and protecting natural resources.

2. RESTRICTIVE COVENANTS:

Tatitlek reserves unto itself the non-exclusive right to enforce the following Restrictive Covenants:

a. Restricted Activities:

The activities listed below are prohibited on the Protected Property except as determined to be necessary for conveying information to the public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal of maintaining the Protected Property in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent

reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the land, and must be operated for use by research or land management personnel only. Determinations under the provisions of this section will be made by the owner of the fee simple surface estate if the owner is the State or the United States. If the owner of the fee simple estate is any other entity, determinations under this section shall be made subject to approval by the State and Tatitlek:

- (1) constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information; provided that, notwithstanding the above limitations for use by research or management personnel only, this provision shall not be construed to prohibit the State, if it is the owner of all or any applicable portion of the subject land, from having the right to construct one public use cabin and occupancy support facilities on the two (2) acre public access site at Busby Island so long as Tatitlek has given written consent to the State's design of such structures, which consent may not be delayed or withheld unreasonably and from having the right to construct public use cabins and occupancy support facilities on the above described lands at Galena Bay and Landlocked Bay so long as Tatitlek has given written consent to the State's design of such structures which consent may not be delayed or withheld unreasonably. To the extent reasonably possible, any such public use cabin must be designed in a rustic manner so as to blend into the natural character of the area and must be constructed and managed in a manner that minimizes adverse effects on the land;
- (2) changing the topography of the Protected Property in any manner;
- (3) removing or destroying plants except for subsistence uses or medicinal uses;
- (4) using biocides;
- (5) manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water purity on the Protected Property; and
- (6) operating motorized vehicles, provided that this provision shall not be construed to prohibit the use of float equipped aircraft on water bodies within the Protected Property.

b. **Prohibited Activities:**

The following listed activities by any person are prohibited:

- (1) removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except for subsistence uses and for the purpose of implementing the activities identified in Subsection a (Restricted Activities) above;
- (2) introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- (3) dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material.

3. **ENFORCEMENT:**

- a. Nothing contained in the Restrictive Covenants shall be construed to entitle Tatitlek to bring any action against the State for any injury to or change resulting from causes beyond the State's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any action resulting from a third party's negligence or prudent action taken by the State under emergency conditions to prevent, abate or mitigate significant injury resulting from such causes. Nothing contained herein shall be construed to limit the obligation under applicable state or federal laws of third parties for injury or damage to the above-described lands. Nothing contained herein shall be construed to create any third party rights.
- b. In the event Tatitlek becomes aware of an event or circumstance of non-compliance with the Restrictive Covenants, Tatitlek shall give written notice to the State, its successors or assigns, at its last known post office address, of such event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected immediately, Tatitlek is entitled to institute suit to enjoin any breach or enforce any covenant and require that the Protected Property be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance. Nothing in this section shall limit any other legal rights or remedies available to Tatitlek.

4. **ITEMS OF RECORD:**

Easements, rights and reservations of the United States, and third parties, if any, of record.

5. **CONSERVATION EASEMENT:**

Enforcement Rights of the United States as established by the Conservation Easement granted by Tatitlek to the United States and recorded immediately prior to this Deed, authorizing the United States, on a non-exclusive basis, to enforce the Restrictive Covenants set forth therein.

6. **REVERTER:**

If the State attempts to convey the Protected Property or any part thereof in fee simple or to convey the timber rights thereto to another entity, at the time of such conveyance, title to said portion of the Protected Property or said timber rights shall be conveyed automatically to the United States, provided that the United States agrees to accept it. If the United States does not accept fee title to the surface estate, or said timber rights, title to such estate or timber rights shall revert automatically to Tatitlek. If the United States accepts fee title to the surface estate or timber rights, in the event Tatitlek or the State becomes aware of an event or circumstance when the Protected Property or any portion thereof ceases to be in compliance with the terms of any applicable Restrictive Covenant, that party shall give notice to the United States of such event or circumstance of non-compliance, and make demand that it be enjoined, corrected and/or that the land be restored as is appropriate to the circumstances. If the event or circumstance of non-compliance is not ceased immediately and corrected promptly, Tatitlek or the State may institute suit to enjoin any breach of, or enforce compliance with, the Restrictive Covenant, and require that the Protected Property, or the affected portion thereof, be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected promptly and the Protected Property, or portion thereof, is not restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance, then title to such Protected Property or portion thereof shall be conveyed automatically to Tatitlek. The Protected Property shall continue, in any event, to be subject to the Restrictive Covenant.

7. **GENERAL PROVISIONS:**

- a. The foregoing easements and Restrictive Covenants shall run with the land and shall be binding upon the State and its assigns or successors in interest.

- b. Nothing herein shall be deemed to cause a merger of the surface and subsurface estates, and nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- c. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- d. The parties make no representations as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.
- e. Tatitlek hereby covenants to and with the State, its successors and assigns, that Tatitlek is lawfully seized of the surface estate in fee simple of the Protected Property, has 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 Tatitlek will forever warrant and defend the title thereto and the quiet possession thereof, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, to and including the moment at which such title is validly conveyed to the State, or its successors or assigns, against the lawful claims and demands of all persons.

IN WITNESS WHEREOF, Tatitlek hereunto sets its hand and seal the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

BOOK 135 PAGE 311
Valdez Recording District

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Carroll Kompkoff, to me known and known to be the President of The Tatitlek Corporation, and the person who executed the above and foregoing STATE WARRANTY DEED on behalf of The Tatitlek Corporation, and who acknowledged to me that he signed the same as President of The Tatitlek Corporation, in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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 written above.

(SEAL) _____
Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to § AS 41.21.020(a)(3), and the Agreement, the State hereby accepts this STATE WARRANTY DEED conveying to the State, its successors and assigns, the interests in the Protected Property described therein.

Dated this ____ day of _____, 1998.

**STATE OF ALASKA, DEPARTMENT OF NAT-
URAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Marty Rutherford, known to me and to me known to be the Deputy Commissioner, State of Alaska, Department of Natural Resources, and she acknowledged to me that she signed as accepting the foregoing STATE WARRANTY DEED conveying to the United States, those lands described therein, and she acknowledged to me that she executed the foregoing instrument freely and voluntarily.

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

(SEAL)

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendix E

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:

State of Alaska
Department of Law
Environmental Section
1031 W. Fourth Avenue, Suite 200
Anchorage, AK 99501

EXHIBIT VI

STATE WARRANTY DEED

**For Lands to be Conveyed in Surface Fee by Tatitlek
to the State at Sawmill and Heather Bays in Phase II**

THIS STATE WARRANTY DEED (the "Deed") is made this _____ day of _____, 1998, between **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **State of Alaska** ("State"), and its assigns, whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantee, under the authority of AS § 41.21.020(a)(3), and the Agreement for Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States of America and the State of Alaska, dated _____, 1998 (the "Agreement").

WITNESSETH, that Tatitlek, for and in consideration of the terms of the Agreement, which provides for conveyances of lands and interests in lands from Tatitlek to the State and to the United States, of which this is one, for a total sum of Ten Million Four Hundred Thousand and no/100 Dollars (\$10,400,000), to it in hand paid by the United States, the receipt of which is hereby acknowledged, conveys and warrants to the State and its assigns, forever, the surface estate of all those lands lying and being in the Eastern Prince William Sound, State of Alaska (the "Protected Property"), containing approximately 3,698 acres, more or less; and more particularly described as follows:

See attached Appendix F

TOGETHER WITH all right, title, and interest in avulsed lands, if any, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD THE SAME, together with all the hereditaments and appurtenances thereunto belonging or in anywise appertaining, to the State and its assigns, forever.

SUBJECT, however, to:

1. **PUBLIC ACCESS:**

The State shall manage the Protected Property so as to ensure public access, including access by the Shareholders of Tatitlek for purposes of subsistence use, sport fishing and hunting, personal use fishing, trapping, recreational uses, and commercial fishing in accordance with applicable laws and regulations and the objective of restoring and protecting natural resources.

2. **RESTRICTIVE COVENANTS:**

Tatitlek reserves unto itself the non-exclusive right to enforce the following Restrictive Covenants:

a. **Restricted Activities:**

The activities listed below are prohibited on the Protected Property except as determined to be necessary for conveying information to the public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal of maintaining the Protected Property in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the land, and must be operated for use by research or land management personnel only. Determinations under the provisions of this section will be made by the owner of the fee simple surface estate if the owner is the State or the United States. If the owner of the fee simple estate is any other entity, determinations under this section shall be made subject to approval by the State and Tatitlek:

- (1) constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information; provided that, notwithstanding the above limitations for use by research or management personnel only, this provision shall not be construed to prohibit the State, if it is the owner of all or any applicable portion of the Protected Property, (i) from having the right to construct one public use cabin and occupancy support facilities on the above-described lands on the Heather Bay parcel, except not within Section 27, T10S, R10W, CRM, so long as Tatitlek has given written consent to the State's design of such structures, which consent may not be delayed or withheld unreasonably, and (ii) from having the right to construct public use cabins and occupancy support facilities on the Protected Property on the Sawmill Bay parcel, so long as Tatitlek has given written consent to the State's design of such structures, which consent may not be delayed or withheld unreasonably. Any such public use cabin shall be designed in a rustic manner so as to blend into the natural character of the area and must be constructed and managed in a manner that minimizes adverse effects on the land;
- (2) changing the topography of the Protected Property in any manner;
- (3) removing or destroying plants except for subsistence uses or medicinal uses;
- (4) using biocides;
- (5) manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water purity on the Protected Property; and
- (6) operating motorized vehicles, provided that this provision shall not be construed to prohibit the use of float equipped aircraft on waterbodies within the Protected Property.

b. Prohibited Activities:

The following listed activities by any person are prohibited:

- (1) removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except for

subsistence uses and for the purpose of implementing the activities identified in Subsection a (Restricted Activities) above;

- (2) introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- (3) dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material.

3. ENFORCEMENT:

- a. Nothing contained in the Restrictive Covenants shall be construed to entitle Tatitlek to bring any action against the State for any injury to or change resulting from causes beyond the State's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any action resulting from a third party's negligence or prudent action taken by the State under emergency conditions to prevent, abate or mitigate significant injury resulting from such causes. Nothing contained herein shall be construed to limit the obligation under applicable state or federal laws of third parties for injury or damage to the above-described lands. Nothing contained herein shall be construed to create any third party rights.
- b. In the event Tatitlek becomes aware of an event or circumstance of non-compliance with the Restrictive Covenants, Tatitlek shall give written notice to the State, its successors or assigns, at its last known post office address, of such event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected immediately, Tatitlek is entitled to institute suit to enjoin any breach or enforce any covenant and require that the Protected Property be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance. Nothing in this section shall limit any other legal rights or remedies available to Tatitlek.

4. WATER EASEMENT:

Tatitlek retains an easement for purpose of access across and entry upon any portions of the Protected Property adjoining the Development Lands described in the Tatitlek Development Easement recorded simultaneously herewith, to transport fresh potable water, which may be allocated to Tatitlek pursuant to federal or State law, necessary to support the development and use of the Development Lands and to construct and maintain waterlines and water

systems required for such purposes. Tatitlek's right to construct waterlines and water systems is subject to the prior written consent of the State, or its assigns, which consent shall not be delayed or withheld unreasonably. In determining whether to consent to Tatitlek's access for water, the State, or its successors or assigns, shall consider the location and volume of water to be used, the reasonable availability of water in the areas to be developed, the proposed means and route of transport and any significant adverse effects on the ecosystem resulting from the removal of such water. The parties intend that Tatitlek shall have access to a sufficient source of water in order to facilitate Tatitlek's economic development and use of the Development Lands. At such time as any waterlines and water systems are constructed pursuant to this paragraph, Tatitlek shall provide an as-built survey, with descriptions, in recordable form, acceptable to the State, to locate all improvements.

5. **ITEMS OF RECORD:**

Easements, rights and reservations of the United States, and third parties, if any, of record.

6. **CONSERVATION EASEMENT:**

Enforcement rights of the United States as established by the Conservation Easement granted by Tatitlek to the United States and recorded immediately prior to this Deed, authorizing the United States, on a non-exclusive basis, to enforce the Restrictive Covenants set forth therein.

7. **REVERTER:**

If the State attempts to convey the Protected Property or any part thereof in fee simple or to convey the timber rights thereto to another entity, at the time of such conveyance, title to said portion of the Protected Property or said timber rights shall be conveyed automatically to the United States, provided that the United States agrees to accept it. If the United States does not accept fee title to the surface estate or said timber rights, title to such estate or rights shall revert automatically to Tatitlek. If the United States accepts fee title to the surface estate or said timber rights, in the event Tatitlek or the State becomes aware of an event or circumstance when the Protected Property or any portion thereof ceases to be in compliance with the terms of any applicable Restrictive Covenant, that party shall give notice to the United States of such event or circumstance of non-compliance, and make demand that it be enjoined, corrected and/or that the land be restored as is appropriate to the circumstances. If the event or circumstance of non-compliance is not ceased immediately and corrected promptly, Tatitlek or the State may institute suit to enjoin any breach of, or enforce compliance with, the Restrictive Covenant, and require that the Protected Property, or the affected portion thereof, be restored promptly to substantially the same condition that existed prior

to the event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected promptly and the Protected Property, or portion thereof, is not restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance, then title to such Protected Property or portion thereof shall be conveyed automatically to Tatitlek. The Protected Property shall continue, in any event, to be subject to the Restrictive Covenant.

8. GENERAL PROVISIONS:

- a. The foregoing easements and Restrictive Covenants shall run with the land and shall be binding upon the State and its assigns or successors in interest.
- b. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- c. Nothing herein shall be deemed to cause a merger of the surface and subsurface estates, and nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- d. The parties make no representations as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.
- e. Tatitlek hereby covenants to and with the State, its successors and assigns, that Tatitlek is lawfully seized of the surface estate in fee simple of the Protected Property, has 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 Tatitlek will forever warrant and defend the title thereto and the quiet possession thereof, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 et. seq., to and including the moment at which such title is validly conveyed to the State, or its successors or assigns, against the lawful claims and demands of all persons.

IN WITNESS WHEREOF, Tatitlek hereunto sets its hand and seal the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Carroll Kompkoff, to me known and known to be the President of The Tatitlek Corporation, and the person who executed the above and foregoing STATE WARRANTY DEED on behalf of The Tatitlek Corporation, and who acknowledged to me that he signed the same as President of The Tatitlek Corporation, in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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 written above.

(SEAL)

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to AS §41.21.020(a)(3), and the Agreement, the State hereby accepts this STATE WARRANTY DEED conveying to the State, its successors and assigns, the interests in the Protected Property described therein.

Dated this _____ day of _____, 1998.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Marty Rutherford, known to me and to me known to be the Deputy Commissioner, State of Alaska, Department of Natural Resources, and she acknowledged to me that she signed as accepting the foregoing STATE WARRANTY DEED conveying to the United States, those lands described therein, and she acknowledged to me that she executed the foregoing instrument freely and voluntarily.

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

(SEAL)

Notary Public in and for Alaska
My commission expires: _____

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Valdez Recording District

LOCATION INDEX:
See attached Appendix F

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P.O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT VII

TATITLEK CONSERVATION EASEMENT

**At Galena Bay, Bidarka Point, Goose Island,
Busby Island, Around Homesites at Snug Corner Cove
and Two Moon Bay in Phase I**

THIS CONSERVATION EASEMENT (the "Easement") is made this ____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. § 428a, U.S. Department of Agriculture, Forest Service, whose address is P. O. Box 21628, Juneau, Alaska 99802-1628, and the **State of Alaska** and its assigns ("State"), under the authority of AS §38.05.035(a)(12), Department of Natural Resources, whose address is 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantees, pursuant to the Agreement for the Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States and the State of Alaska dated _____, 1998 (the "Agreement"). Tatitlek, the United States and the State are collectively referred to hereinafter as "Parties."

WHEREAS, Tatitlek is the owner in fee simple of the surface estate of certain real property located adjacent to the Chugach National Forest, Alaska, which is described below (the "Protected Property"); and

WHEREAS, the Protected Property contains natural, scenic, wooded, and other similar or related resources and values, including fish and wildlife and their habitats, as well as attributes and amenities important and valuable to the restoration of natural resources and services injured or reduced by the *Exxon Valdez* oil spill of March 24, 1989 ("EVOS"), including those described in the Final Restoration Plan adopted by the *Exxon Valdez* Oil Spill Trustee Council (the "Trustee Council") on November 2, 1994 ("Conservation Values"); and

WHEREAS, Tatitlek intends to convey to the United States the right to enter upon the Protected Property in order to restore natural resources and services injured by EVOS, and to preserve, protect, and manage the Conservation Values of the Protected Property in perpetuity as specified below; and

WHEREAS, Tatitlek intends to convey to the State the right to enforce the preservation and protection of the Conservation Values of the Protected Property in perpetuity as specified below; and

WHEREAS, subject to the rights to be granted to the United States and the State, Tatitlek reserves and retains all other rights and privileges as landowner, including certain rights that are specified herein; and

WHEREAS, the Parties intend that the public will be permitted access to a portion of the Protected Property as provided herein, for sport hunting, sport fishing, and other natural lands based recreational opportunities, and for other similar purposes, according to the provisions of this Easement, and in accordance with applicable laws, rules, regulations, and policies governing management of the Chugach National Forest; and

WHEREAS, the United States agrees by accepting this grant to honor the intentions of Tatitlek stated herein and to preserve and protect in perpetuity the Conservation Values of the Protected Property, consistent with Tatitlek's retained rights and privileges as landowner;

NOW, THEREFORE, pursuant to the laws of the State of Alaska and in particular AS § 34.17.010 - § 34.17.060, applicable federal law, and the Agreement, Tatitlek does hereby grant, transfer, and convey to the United States and the State, their successors and assigns, forever, with special warranties of title, subject to conditions, limitations and restrictions of record, an Easement in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth as to the Protected Property more particularly described as follows:

See Attached Appendices G

Containing in sum 13,004 acres, more or less.

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

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

The acquiring federal agency is the U.S. Department of Agriculture, Forest Service.

1. **PURPOSE:**

The purpose of this Easement is to ensure that the Conservation Values of the Protected Property will be maintained in perpetuity and to prevent any use of the Protected Property that will materially impair or interfere with its Conservation Values. This includes the protection of environmentally important forested and non-forested areas and the promotion of forested and non-forested fish and wildlife habitat conservation and other conservation opportunities such as the protection of important scenic, cultural, fish, wildlife and recreational resources, riparian areas, and other ecological values. Consistent with the specific provisions of this Easement, the Parties intend that this Easement will confine use of the Protected Property to activities that are compatible with the preservation of the Conservation Values of the Protected Property.

The Parties further intend to ensure the reservation and enjoyment by Tatitlek, landowner of the Protected Property, of all legal rights and privileges that are not specifically granted to the United States and the State by and through this Easement.

2. **RIGHTS CONVEYED TO THE UNITED STATES:**

To accomplish the purpose of this Easement, the following rights are conveyed to the United States and the rights set forth below in Subsection d. are also conveyed to the State:

- a. To enter upon the Protected Property in order to achieve the purpose and enforce the terms of this Easement.
- b. To enter upon the Protected Property in order to restore natural resources and services injured or reduced by the EVOS. Nothing herein shall be construed to establish upon the United States an obligation to restore any particular natural resources or services.

- c. To prevent any activity on or use of the Protected Property that is inconsistent with the purpose of this Easement and, in the event the Protected Property is damaged by any inconsistent activity or use, to require the restoration of such areas or features of the Protected Property at the sole cost and expense of those responsible for the damage.
- d. Surveys, Weir and Sonar Sites: To plan, arrange for, and conduct: (1) fish, wildlife, and habitat surveys and research by all customary means and techniques, which include the use of aircraft, radio telemetry, and capture drugs; (2) the establishment of multi-year vegetation plots; and (3) at the discretion of the United States and the State and with the prior written consent of Tatitlek, which consent shall not be delayed or withheld unreasonably, the right to establish, construct and operate weir sites and sonar sites and reasonably related facilities on the Protected Property to be operated by the United States or the State for the purposes of fish and wildlife management and general monitoring of ecosystem health. To the extent reasonably possible such sites shall be constructed, managed and operated in a manner that minimizes adverse effects on the Conservation Values of the Protected Property and shall be designed in a rustic manner so as to blend into the natural character of the area. Information on fish and wildlife collected through such activities and projects will be made available to Tatitlek upon its request to the extent authorized by law.
- e. Seasonal Camps: To establish temporary seasonal camps for research and management purposes, which camps may be in different locations each year. Such temporary camps may only consist of tent platforms and related facilities and equipment, which shall be removed when a season's work is completed, and shall be constructed, managed, and operated in a manner that minimizes adverse effects on the Conservation Values of the Protected Property. Such temporary camps shall involve only those facilities reasonably related to the research and management operations and shall be designed in such manner as to reasonably blend into the natural character of the area. The locations and use of such temporary camps and related facilities shall be determined by the United States, with the prior written consent of Tatitlek which consent shall not be delayed or withheld unreasonably.
- f. Monitor Use of Protected Property: To monitor, assess and police use (as provided for in Section 4.a. and 4.b. of this Easement) by Tatitlek and the public of the Protected Property. Tatitlek shall provide the United States and the State such information on the commercial and non-commercial use of the Protected Property as is necessary for the United States and the State to exercise their rights under this Easement.

- g. To take all reasonable steps to ensure that Tatitlek's rights and privileges as reserved herein are protected and preserved, including limiting or denying access to persons or parties who interfere with Tatitlek's rights and privileges under this Easement.
- h. To ensure the public is permitted access to the portion of the Protected Property as provided herein in a manner that is consistent with the provisions of this Easement.
- i. A 25-foot wide trail easement for non-motorized public access from Lots 22 and 23 of Snug Corner Cove Subdivision southwesterly to the logging road and along the logging road located in Sections 20, 21 and 28 (T13S, R8W).

3. **PROHIBITED USES:**

- a. **Restricted Activities:** The activities listed below by any person are prohibited on the Protected Property except the United States may undertake such activities if such activities are determined jointly by Tatitlek and the United States to be necessary for conveying information to the public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal of maintaining the land in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the land, and must be operated for use by research or land management personnel only.
 - (1) constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information;
 - (2) changing the topography of the Protected Property in any manner;
 - (3) removing or destroying plants except for subsistence uses or medicinal uses;
 - (4) using biocides;
 - (5) manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water quality on the Protected

Property except as specifically provided for and reserved in this Easement for the referenced potential hydroelectric project; and

- (6) operating motorized vehicles, provided that this provision shall not be construed to prohibit the use of float equipped aircraft on water bodies within the Protected Property.

b. **Prohibited Activities:** The following listed activities by any person are prohibited:

- (1) removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except (1) for Subsistence Uses; (2) for personal use as may be authorized under the terms of a land use permit issued pursuant to this Easement; and (3) for the purpose of implementing the activities identified in section 3.a. (Restricted Activities) above.
- (2) introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- (3) dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material.

4. **TATITLEK'S RETAINED RIGHTS AND PRIVILEGES AS LANDOWNER:**

Tatitlek reserves, retains and continues to have all legal rights and privileges as landowner that do not unreasonably interfere with or violate the rights and restrictions granted to the United States and the State by and through this Easement, including the rights and privileges set forth below:

- a. **Non-commercial Access:** Tatitlek retains the right, to the extent it has the right, to condition non-commercial public access to, and use of, the Protected Property upon the issuance of a land use permit. Tatitlek will issue the land use permits to the public and will have the right to charge an administrative fee for processing such land use permits. The administrative fees will be set at an amount to be determined by Tatitlek and the United States and shall not exceed the cost of administering such a permit system. The fees may be reasonably adjusted in the future in recognition of

increased costs, inflation and other relevant information. Issuance or denial of land use permits from Tatitlek shall be made on the basis of standards and criteria determined jointly by Tatitlek and the United States to be compatible with the purpose of this Easement. The standards and criteria shall include provisions to control permitted public access and use in a manner that will ensure protection of the Conservation Values of the Protected Property and that will not interfere unreasonably with Tatitlek's commercial control and use of the Protected Property. The standards and criteria also shall include consideration of the amount, location, timing, and type of access to and use of the Protected Property. If the standards and criteria include confidential archaeological resources information, the United States and the State shall maintain the confidentiality of such information to the extent permitted by federal and State law, respectively. Tatitlek and the United States shall meet at least biannually to establish, review and revise, as appropriate, the standards and criteria. Tatitlek retains the right to administer the land use permit system itself, or may, with the United States' consent, implement another method of administration in conjunction with the United States.

However, Tatitlek retains the right, to the extent it has the right, to exclude the public from, and is not obligated to allow public access to, the portion of the Protected Property located along the northwestern corner of the Bidarka Point parcel, more particularly described in legal descriptions (Appendix G) above containing in sum 208 acres, more or less.

- b. Commercial Access: Tatitlek retains the right, to the extent it has the right, to control all commercial access to and use of the Protected Property. This right includes the right to conduct, authorize, permit, license, charge use fees, regulate, limit or exclude all commercial operations on or utilizing the Protected Property. Tatitlek shall require commercial operators and users to comply with the terms of this Easement in any authorization or permit issued by Tatitlek. Commercial operations specifically include, by way of example and not limitation, ecotourism and commercial guiding for sport hunting, sport fishing, recreational and similar activities. An individual or group holding a land use permit issued by Tatitlek under the terms of this Easement and accessing the Protected Property under the terms and conditions of the land use permit ("Individual") shall not be considered a commercial user even though the Individual gains access to the Protected Property by means of a commercial carrier. A commercial carrier, including an airplane or boat charter operator, while providing transportation to an Individual to or from the Protected Property or between sites on the Protected Property, but not guiding or providing any other commercial related services to the Individual, is not a commercial operation for purposes of this section,

as long as the commercial carrier is in compliance with the terms and conditions of the land use permit held by the Individual. All commercial operations authorized or permitted by Tatitlek on the Protected Property must comply with applicable federal and State licensing requirements, statutes and regulations, although Tatitlek is not required to ensure such compliance.

- c. Emergency Closure: Tatitlek retains the right, to the extent it has the right, to invoke an emergency closure, not to exceed thirty (30) days in duration, of all or portions of the Protected Property in the event that the permitted access is incompatible with the purpose of this Easement. In the event Tatitlek closes all or a portion of the Protected Property, at the same time that it gives the permittees public notice of the closure, it shall give the United States written notice of the closure and the reasons for the closure. The United States shall have the authority to extend, modify or reverse the closure if, following consultation with Tatitlek, it determines such action is appropriate and warranted under the circumstances, provided the United States first gives Tatitlek a written statement setting forth the reasons for its decision.
- d. Subsistence Access: Tatitlek retains the right, to the extent it has the right to control access for Subsistence Uses of the Protected Property. "Subsistence Uses" as used in this Easement shall mean the customary and traditional uses of wild, renewable resources for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation; for the making and selling of handicraft articles out of nonedible byproducts of fish and wildlife resources taken for personal or family consumption; for barter, or sharing for personal or family consumption; and for customary trade. The term --
- (1) "family" means all persons related by blood, marriage, or adoption, or any person living within the household on a permanent basis; and
 - (2) "barter" means the exchange of fish and wildlife or their parts, taken for Subsistence Uses --
 - (a) for other fish or game or their parts; or
 - (b) for other food or for nonedible items other than money if the exchange is of a limited and noncommercial nature.

Subsistence Uses do not include sport hunting and sport fishing.

- e. Cultural Conservation: Tatitlek retains ownership to the extent it holds ownership, of all Alaska Native human remains, cultural artifacts, and sacred objects currently located on the Protected Property. In addition, Tatitlek retains all rights that may be afforded as specified in the Native American Graves Protection and Repatriation Act, the Archaeological Resources Protection Act, the National Indian Forest Resources Management Act, the National Museum of the American Indian Act, the Indian Arts and Crafts Act, the Native American Language Acts, and related laws of the State of Alaska, including the Alaska Historic Preservation Act. Nothing in this Easement affects the ownership by Chugach Alaska Corporation to the extent it holds ownership of human remains, cultural and artifacts, and sacred objects currently located in the subsurface estate.
- f. Alaska Land Bank: Tatitlek retains the rights, to the extent it has the rights, specified in Section 907 of the Alaska National Interest Lands Conservation Act (ANILCA), 43 U.S.C. § 1636, regarding the Alaska Land Bank provisions. Neither by entering into this Easement nor by performing in accordance with its terms do the Parties intend to affect any protection that may be afforded to Tatitlek by Section 907 of ANILCA.
- g. Section 14(f): Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- h. Sand and Gravel: Tatitlek retains the right, to the extent it has the right, to acquire sand, gravel or rock from the owner of the subsurface estate of the Protected Property. Provided, however, Tatitlek may exercise such rights to facilitate the removal of sand, gravel, or rock, subject to the prior written consent of the United States which consent shall not be delayed or withheld unreasonably. The Parties intend to ensure that Tatitlek has a sufficient source of sand, gravel, and rock without purchasing such materials from a distant site in order to facilitate Tatitlek's economic development of the Development Lands, as defined in the Agreement and described in Appendix J of the Agreement. In determining whether to consent to the exercise of Tatitlek's rights, the United States shall consider the location and volume of sand, gravel, or rock to be removed, the reasonable availability of sand, gravel, or rock in the areas to be developed, and any significant adverse effects on the Conservation Values of the Protected Property resulting from the removal of such material. Tatitlek shall not sell, or otherwise provide in any manner, sand, gravel, or rock

removed from the Protected Property to any third party except in conjunction with such development.

- i. Water Systems: Tatitlek retains an easement for purpose of access across and entry upon any portions of the Protected Property adjoining the "Development Lands" described in the Tatitlek Development Lands Easement recorded simultaneously herewith, to transport fresh potable water, which may be allocated to Tatitlek pursuant to federal or State law, necessary to support the development and use of the Development Lands and to construct and maintain waterlines and water systems required for such purposes. Tatitlek's right to construct waterlines and water systems is subject to the prior written consent of the United States or its assigns, which consent shall not be delayed or withheld unreasonably. In determining whether to consent to Tatitlek's access for water, the United States or its assigns shall consider the location and volume of water to be used, the reasonable availability of water in the areas to be developed, the proposed means and route of transport and any significant adverse effects on the ecosystem resulting from the removal of such water. The Parties intend that Tatitlek shall have access to a sufficient source of water in order to facilitate Tatitlek's economic development and use of the Development Lands. At such time as any waterlines and water systems are constructed pursuant to this paragraph, Tatitlek shall provide an as-built survey, with descriptions, in recordable form, acceptable to the United States, to locate all improvements.
- j. Powerline: Tatitlek retains an overland powerline easement between the lagoon in Galena Bay and the Village of Tatitlek. Such easement may be used by Tatitlek to transmit electric current produced by any hydroelectric facility that may be constructed in the future in the vicinity of the lagoon at Galena Bay and Silver Lake should an overland route be determined to be more feasible than a marine power cable.
- k. Hydroelectric site: Tatitlek retains the right, to the extent it has the right, to use or construct structures and related facilities at a fifteen (15) acres site in the vicinity of the Lagoon area of Galena Bay for use only in support of a potential hydroelectric site. Tatitlek shall identify such site by survey, which shall be approved by the United States. Survey costs, if any, shall be paid by Tatitlek.

5. PUBLIC ACCESS AND USE:

The granting of this Easement does not convey to the public the right to enter the Protected Property for any purpose whatsoever. The Parties intend and agree, however, that the public

will be permitted access to and use of the Protected Property, described in Section 4.a., for sport hunting, sport fishing, camping, hiking and other natural resources based recreation, and for other similar purposes, but not for Subsistence Uses. All permitted public access to or use of the Protected Property shall be in compliance with Tatitlek's retained landowner rights under the terms of this Easement, including its right to require valid land use permits for non-commercial public access and use, its rights with respect to commercial operations, and its rights to control access for Subsistence Uses. The Parties intend that the United States will utilize its available legal authorities for cooperative management agreements to provide law enforcement and trespass control and assistance to Tatitlek in connection with the permitted public access and use under this Easement, subject to the availability of appropriated funds and personnel for such purpose, and agency discretion.

This conveyance is subject to the right of the public to access pursuant to Section 17(b) of ANCSA, as reserved in conveyances from the United States to Tatitlek pursuant to the ANCSA, and nothing herein shall be deemed to pertain to, or otherwise affect, expand or limit said rights.

6. ACTS BEYOND TATITLEK'S CONTROL:

Nothing contained in this Easement shall be construed to entitle the United States or the State to bring any action against Tatitlek for any injury to or change in the Protected Property resulting from causes beyond Tatitlek's control, including, without limitation, natural caused fire, flood, storm, and earth movement, or from any injury to or change in the Protected Property resulting from a third party's intentional or negligent act or prudent action taken by Tatitlek under emergency conditions to prevent, abate or mitigate significant injury to the Protected Property resulting from such causes. Nothing contained in this Easement shall be construed to limit the obligation of third parties for injury or damage to the Protected Property under applicable federal or State laws.

7. SUBSEQUENT TRANSFERS:

Tatitlek agrees to incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including without limitations, a leasehold interest. The United States or the State may transfer, assign, or delegate any of its rights or responsibilities under this Easement to a third party, but only if the third party is required to and agrees to be bound by and to carry out the purpose of this Easement.

8. RIGHTS OF THE STATE:

To accomplish the purpose of this Easement, the right to enforce compliance by the United States and Tatitlek with the terms of the Prohibited Uses set forth in Section 3 of this Easement is granted and conveyed to the State by this Easement. Also granted to the State is the right to enter upon the Protected Property in order to monitor compliance with the Prohibited Uses and applicable State law. The State also is granted and conveyed the right to plan, arrange for and conduct fish, wildlife and habitat surveys and research pursuant to Section 2.d.

9. ENFORCEMENT:

- a. In the event Tatitlek or the United States becomes aware of an event or circumstance of non-compliance with the terms of this Easement, or in the event the State becomes aware of an event or circumstance of noncompliance with the terms of the Prohibited Uses set forth in Section 3 of this Easement, that party shall give notice to the other Parties, their successors or assigns, at their last known post office address, of such event or circumstance of noncompliance. If the event or circumstance of noncompliance is not corrected immediately, the party making such notification is entitled to institute suits to enjoin any breach or enforce any covenant and require that the Protected Property be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance.
- b. Nothing in this Section shall limit any other legal rights or remedies available to the Parties.

10. GENERAL PROVISIONS:

- a. The Parties agree that this Easement is not intended, and shall not be construed, to create any third party beneficiary hereof and that nothing in this Easement shall be construed as creating any rights of enforcement by any other person or entity that is not a party to this Easement.
- b. This instrument shall be construed so as to effect the purpose for which it was granted to the United States and the State. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Easement.
- c. The United States and the State shall have the right to make surveys, plats, take photographs and prepare such other documents as may be necessary or desirable to

administer the provisions of this Easement so long as copies of any such surveys, plats, photographs and documents are made available to Tatitlek upon request. Any such map, plat or other suitable document may be recorded at the discretion of the United States or the State in the land records of the respective recording district wherein the Protected Property is located.

- d. The provisions of this Easement are enforceable in law or equity by Tatitlek, the United States and the State, their successors or assigns, consistent with Section 9 of this Easement.
- e. This Easement shall be interpreted under applicable provisions of federal and State law pertaining to real property.
- f. Tatitlek is not relieved from liability by this Easement for injuries occurring on, and resulting from, the condition of the Protected Property for which it would otherwise ordinarily be liable. The United States and the State each shall be responsible for losses, damages, or liabilities arising out of any act or omission of its employees, or its agents to the extent each otherwise would be responsible for such losses, damages, or liabilities under applicable federal or State law.
- g. Tatitlek is not relieved from liability by this Easement for the costs associated with the cleanup of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar federal and State laws for which it would otherwise ordinarily be liable. Tatitlek shall be liable for and hold the United States and the State harmless from liability under said statutes, and pursuant to said statutes shall indemnify the United States and the State for all costs relating to cleanup, including attorneys fees, of hazardous substances that were released subsequent to the conveyance of the Protected Property to Tatitlek and prior to the effective date of this Easement, and for all releases caused by, or contributed to, by Tatitlek or its agents subsequent to the date of this Easement, but not for costs for cleanup of hazardous substances that are released by the United States in the course of engaging in activities that are authorized by this Easement. This clause may be enforced by Tatitlek or the United States or the State in a court of law. To the extent any of the lands were oiled as a result of the EVOS, the Parties stipulate and agree that no violation of this clause shall be deemed to occur as a result of the EVOS.
- h. The Parties agree that the covenants, terms, conditions, and restrictions of this Easement shall run with the land and shall be binding upon the Parties, their

successors and assigns in perpetuity. The terms of this Easement may be waived or modified only by the unanimous written agreement of the Parties.

- i. Tatitlek hereby covenants to and with the United States, and its assigns, that Tatitlek is lawfully seized of the surface estate in fee of the Protected Property, free and clear of encumbrances, except as specified herein, that Tatitlek has a good and lawful right and power to encumber the same, and that Tatitlek will forever warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to ANCSA, to and including the moment at which this Easement is conveyed to the United States and its assigns, against the lawful claims and demands of all persons.
- j. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law. Nothing herein shall be deemed to authorize, create or recognize in Tatitlek rights to control or limit public access to the Protected Property that Tatitlek does not hold currently.
- k. If any material provision of this Easement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate in good faith such reasonable modifications of this Easement as are necessary to protect the duties, rights and interests of the Parties under this Easement and to carry out the intent of this Easement.
- l. The parties make no representations as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD unto the United States and the State, their successors and assigns, forever.

IN WITNESS WHEREOF, Tatitlek, the United States, and the State have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPCKOFF, to me known to be the individual described and who executed the within and foregoing TATITLEK CONSERVATION EASEMENT as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Easement conveying to the United States and its assigns, the interests in lands described therein.

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

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Valdez Recording District

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by PHIL JANIK, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA

Pursuant to AS § 38.05.035(a)12, I do hereby accept title to the above described interest in real property on behalf of the State of Alaska.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

BOOK 135 PAGE 398
Valdez Recording District

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendices G and H

FA502402\116C\KAB3011

**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P. O. Box 21628
Juneau, AK 99802-1628

EXHIBIT VIII

TATITLEK CONSERVATION EASEMENT

At Bligh and Reef Islands in Phase II

THIS CONSERVATION EASEMENT (the "Easement") is made this ____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 et. seq., as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. § 428a, U.S. Department of Agriculture, Forest Service, whose address is P. O. Box 21628, Juneau, Alaska 99802-1628, and the **State of Alaska** and its assigns ("State"), under the authority of AS 38.05.035(a)(12), Department of Natural Resources whose address is 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantees, pursuant to the Agreement for Sale and Purchase of Lands and Interests in Lands Among The Tatitlek Corporation and the United States and the State of Alaska dated _____, 1998 ("Agreement"). Tatitlek, the United States, and the State are collectively referred to hereinafter as "Parties."

WHEREAS, Tatitlek is the owner in fee simple of the surface estate of certain real property located adjacent to the Chugach National Forest, Alaska, which is described below ("Protected Property"); and

WHEREAS, the Protected Property contains natural, scenic, wooded, and other similar or related resources and values, including fish and wildlife and their habitats, as well as attributes and amenities important and valuable to the restoration of natural resources and services injured or

reduced by the *Exxon Valdez* oil spill of March 24, 1989 ("EVOS") including those described in the Final Restoration Plan adopted by the Exxon Valdez Oil Spill Trustee Council ("Trustee Council") on November 2, 1994, ("Conservation Values"); and

WHEREAS, Tatitlek intends to convey to the United States the right to enter upon the Protected Property in order to restore natural resources and services injured by EVOS, and to preserve, protect, and manage the Conservation Values of the Protected Property in perpetuity; and

WHEREAS, Tatitlek intends to convey to the State the right to enforce the preservation and protection of the Conservation Values of the Protected Property in perpetuity as specified below; and

WHEREAS, subject to the rights to be granted to the United States and the State, Tatitlek reserves and retains all other rights and privileges as landowner, including certain rights that are specified herein; and

WHEREAS, the United States agrees by accepting this grant to honor the intentions of Tatitlek stated herein and to preserve and protect in perpetuity the Conservation Values of the Protected Property, consistent with Tatitlek's retained rights and privileges as landowner;

NOW THEREFORE, pursuant to the laws of the State of Alaska and in particular AS § 34.17.010 - § 34.17.060, applicable federal law, and the Agreement, Tatitlek does hereby grant, transfer, and convey to the United States and the State, their successors and assigns, forever, with special warranties of title, subject to conditions, limitations and restrictions of record a conservation easement in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth as to the real property more particularly described as follows:

See Attached Appendix H

Lands included are those identified for conservation easement protection at: Bligh Island (8,239 acres), and Reef Islands (147 acres).

Containing in sum 8,386 acres, more or less.

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

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

The acquiring federal agency is the U.S. Department of Agriculture, Forest Service.

1. PURPOSE:

The purpose of this Easement is to ensure that the Conservation Values of the Protected Property will be maintained in perpetuity and to prevent any use of the Protected Property that will materially impair or interfere with its Conservation Values. This includes the protection of environmentally important forested and non-forested areas and the promotion of forested and non-forested fish and wildlife habitat conservation and other conservation opportunities such as the protection of important scenic, cultural, fish, wildlife and recreational resources, riparian areas, and other ecological values. Consistent with the specific provisions of this Easement, the Parties intend that this Easement will confine use of the Protected Property to activities that are compatible with the preservation of the Conservation Values of the Protected Property.

The Parties further intend to ensure the reservation and enjoyment by Tatitlek, as landowner of the Protected Property, of all legal rights and privileges that are not specifically granted to the United States and the State by and through this Easement.

2. RIGHTS CONVEYED TO THE UNITED STATES:

To accomplish the purpose of this Easement, the following rights are conveyed to the United States and the rights set forth below in subsection d. are also conveyed to the State:

- a. To enter upon the Protected Property, after providing reasonable advance notice in writing to Tatitlek, and after providing Tatitlek with a reasonable opportunity to have a representative present upon such entry, in order to achieve the purpose and enforce the terms of this Easement.
- b. To enter upon the Protected Property, after reasonable notice to Tatitlek, and accompanied by a representative of Tatitlek, in order to restore natural resources and services injured or reduced by the EVOS. Nothing herein shall be construed to establish upon the United States an obligation to restore any particular natural resources or services.
- c. To prevent any activity on or use of the Protected Property that is inconsistent with the purpose of this Easement and, in the event the Protected Property is damaged by any inconsistent activity or use, to require the restoration of such areas or features of the Protected Property at the sole cost and expense of those responsible for the damage.

- d. Surveys, Weir and Sonar Sites: To plan, arrange for, and conduct: (1) fish, wildlife, and habitat surveys and research by all customary means and techniques, which include the use of aircraft, radio telemetry, and capture drugs; (2) the establishment of multi-year vegetation plots; and (3) at the discretion of the United States and the State and with the prior written consent of Tatitlek, which consent shall not be delayed or withheld unreasonably, the right to establish, construct and operate weir sites and sonar sites and reasonably related facilities on the Protected Property to be operated by the United States or the State for the purposes of fish and wildlife management and general monitoring of ecosystem health. To the extent reasonably possible such sites shall be constructed, managed and operated in a manner that minimizes adverse effects on the Conservation Values of the Protected Property and shall be designed in such manner so as to blend into the natural character of the area. Information on fish and wildlife collected through such activities and projects will be made available to Tatitlek upon its request to the extent authorized by law.
- e. Seasonal Camps: To establish temporary seasonal camps for research and management purposes, which camps may be in different locations each year. Such temporary camps may only consist of tent platforms and related facilities and equipment, which shall be removed when a season's work is completed, and shall be constructed, managed, and operated in a manner that minimizes adverse effects on the Conservation Values of the Protected Property. Such temporary camps shall involve only those facilities reasonably related to the research and management operations and shall be designed in such manner as to reasonably blend into the natural character of the area. The locations and use of such temporary camps and related facilities shall be determined by the United States, with the prior written consent of Tatitlek which consent shall not be delayed or withheld unreasonably.
- f. Monitor Use of Protected Property: To monitor, assess and police use by Tatitlek and the public of the Protected Property. Tatitlek shall provide the United States and the State such information on the commercial and non-commercial use of the Protected Property as is necessary for the United States and the State to exercise their rights under this Easement.
- g. To take all reasonable steps to ensure that Tatitlek's rights and privileges as reserved herein are protected and preserved, including denying access to the lands for any reason other than those specifically identified herein.

3. **PROHIBITED USES:**

- a. **Restricted Activities:** The activities listed below by any person are prohibited on the Protected Property except the United States may undertake such activities if such activities are determined jointly by Tatitlek and the United States to be necessary for conveying information to the public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal of maintaining the land in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the land, and must be operated for use by research or land management personnel only.
- (1) constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information;
 - (2) changing the topography of the Protected Property in any manner;
 - (3) removing or destroying plants except for subsistence uses or medicinal uses;
 - (4) using biocides;
 - (5) manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water quality on the Protected Property; and
 - (6) operating motorized vehicles, provided that this provision shall not be construed to prohibit the use of float equipped aircraft on water bodies within the Protected Property.
- b. **Prohibited Activities:** The following listed activities by any person are prohibited:
- (1) removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except (1) for Subsistence Uses; (2) for personal use as may be authorized under the terms of a land use permit issued pursuant to this Easement; and (3) for the purpose

of implementing the activities identified and provided for in section 3.a. (Restricted Activities) above.

- (2) introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- (3) dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material.

4. **TATITLEK'S RETAINED RIGHTS AND PRIVILEGES AS LANDOWNER:**

Tatitlek reserves, retains and continues to have all legal rights and privileges as landowner that do not unreasonably interfere with or violate the rights and restrictions granted to the United States and the State through this Easement, including the rights and privileges set forth below:

- a. Non-commercial Access: Tatitlek retains the right to exclude the public from and is not obligated to permit public access to the Protected Property.
- b. Commercial Access: Tatitlek retains the right to exclude and control all commercial access to and use of the Protected Property. This right includes the right to conduct, authorize, permit, license, charge use fees, regulate, limit or exclude all commercial operations on or utilizing the Protected Property. If such access is ever granted by Tatitlek, Tatitlek shall require commercial operators and users to comply with the terms of this Easement in any authorization or permit issued by Tatitlek. Commercial operations specifically include, by way of example and not limitation, ecotourism and commercial guiding for sport hunting, sport fishing, recreational and similar activities. All commercial operations authorized or permitted by Tatitlek on the Protected Property must comply with applicable federal and State licensing requirements, statutes and regulations, although Tatitlek is not required to ensure such compliance.
- c. Subsistence Access: Tatitlek retains the right, to the extent it has the right to control access for Subsistence Uses of the Protected Property. "Subsistence Uses" as used in this Easement shall mean the customary and traditional uses of wild, renewable resources for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation; for the making and selling of handicraft articles out of nonedible byproducts of fish and wildlife resources taken for personal or family

consumption; for barter, or sharing for personal or family consumption; and for customary trade. The term --

- (1) "family" means all persons related by blood, marriage, or adoption, or any person living within the household on a permanent basis; and
- (2) "barter" means the exchange of fish and wildlife or their parts, taken for Subsistence Uses --
 - (a) for other fish or game or their parts; or
 - (b) for other food or for nonedible items other than money if the exchange is of a limited and noncommercial nature.

Subsistence Uses do not include sport hunting and sport fishing.

- d. Cultural Conservation: Tatitlek retains ownership to the extent it holds ownership, of all Alaska Native human remains, cultural artifacts, and sacred objects currently located on the Protected Property. In addition, Tatitlek retains all rights that may be afforded as specified in the Native American Graves Protection and Repatriation Act, the Archaeological Resources Protection Act, the National Indian Forest Resources Management Act, the National Museum of the American Indian Act, the Indian Arts and Crafts Act, the Native American Language Acts, and related laws of the State of Alaska, including the Alaska Historic Preservation Act. Nothing in this easement affects the ownership by Chugach Alaska Corporation to the extent it holds ownership of human remains, cultural and artifacts, and sacred objects currently located in the subsurface estate.
- e. Alaska Land Bank: Tatitlek retains the rights, to the extent it has the rights, specified in Section 907 of the Alaska National Interest Lands Conservation Act (ANILCA), 43 U.S.C. § 1636, regarding the Alaska Land Bank provisions. Neither by entering into this Easement nor by performing in accordance with its terms do the Parties intend to affect any protection that may be afforded to Tatitlek by Section 907 of ANILCA.
- f. Section 14(f): Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development and removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.

- g. Sand and Gravel: Tatitlek retains the right, to the extent it has the right, to acquire sand, gravel or rock from the owner of the subsurface estate of the Protected Property. Provided, however, Tatitlek may exercise such rights to facilitate the removal of sand, gravel, or rock subject to the prior written consent of the United States which consent shall not be delayed or withheld unreasonably. The Parties intend to ensure that Tatitlek has a sufficient source of sand, gravel, and rock without purchasing such materials from a distant site in order to facilitate Tatitlek's economic development of the Development Lands, as described in the attached Appendix K. In determining whether to consent to the exercise of Tatitlek's rights, the United States shall consider the location and volume of sand, gravel, or rock to be removed, the reasonable availability of sand, gravel, or rock in the areas to be developed, and any significant adverse effects on the Conservation Values of the Protected Property resulting from the removal of such material. Tatitlek shall not sell, or otherwise provide in any manner, sand, gravel, or rock removed from the Protected Property to any third party except in conjunction with such development.
- h. Reef Island Lease: Tatitlek retains the right, to the extent it has the right, to continue to lease Reef Island for the purpose of housing communications equipment and navigation aids to the extent it is currently using Reef Island.
- i. Water Systems: Tatitlek retains an easement for purposes of access across and entry upon any portions of the Protected Property adjoining the Development Lands described in the Tatitlek Development Lands Easement at Bligh Island recorded simultaneously herewith, and in the attached Appendix K, to transport fresh potable water, which may be allocated to Tatitlek pursuant to federal or State law, necessary to support the development and use of the Development Lands and to construct and maintain water lines and water systems required for such purposes. Tatitlek's right to construct water lines and water systems is subject to the prior written consent of the United States or its assigns, which consent shall not be delayed or withheld unreasonably. In determining whether to consent to Tatitlek's access for water, the United States or its assigns shall consider the location and volume of water to be used, the reasonable availability of water in the areas to be developed, the proposed means and route of transport and any significant adverse effects on the ecosystem resulting from the removal of such water. The Parties intend that Tatitlek shall have access to a sufficient source of water in order to facilitate Tatitlek's economic development and use of the Development Lands. At such time as any water lines and water systems are constructed pursuant to this paragraph, Tatitlek shall provide an as-built survey, with descriptions, in recordable form, acceptable to the United States, to locate all improvements.

5. **ACTS BEYOND TATITLEK'S CONTROL:**

Nothing contained in this Easement shall be construed to entitle the United States or the State to bring any action against Tatitlek for any injury to or change in the Protected Property resulting from causes beyond Tatitlek's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any injury to or change in the Protected Property resulting from a third party's intentional or negligent act or prudent action taken by Tatitlek under emergency conditions to prevent, abate or mitigate significant injury to the Protected Property resulting from such causes. Nothing contained in this Easement shall be construed to limit the obligation of third parties for injury or damage to the Protected Property under applicable federal or State laws.

6. **SUBSEQUENT TRANSFERS:**

Tatitlek agrees to incorporate the terms of this Easement in any deed or other legal instrument by which Tatitlek divests itself of any interest in all or a portion of the Protected Property, including without limitations, a leasehold interest. The United States or the State may transfer, assign, or delegate any of its rights or responsibilities under this Easement to a third party, but only if the third party is required to and agrees to be bound by and to carry out the purposes of this Easement.

7. **RIGHTS OF THE STATE:**

To accomplish the purposes of this Easement, the right to enforce compliance by the United States and Tatitlek with the terms of the Prohibited Uses set forth in Section 3 of this Easement is granted and conveyed to the State by this Easement. Also granted to the State is the right to enter upon the Protected Property, after reasonable notice to Tatitlek, in order to monitor compliance with the Prohibited Uses and applicable State law. The State also is granted and conveyed the right to plan, arrange for and conduct fish, wildlife and habitat surveys and research pursuant to Section 2.d.

8. **ENFORCEMENT:**

- a. In the event Tatitlek or the United States becomes aware of an event or circumstance of non-compliance with the terms of this Easement, or in the event the State becomes aware of an event or circumstance of noncompliance with the terms of the Prohibited Uses set forth in Section 3 of this Easement, such Party shall give notice to the other Parties, their successors or assigns, at their last known post office address, of such event or circumstance of noncompliance. If the event or circumstance of noncompliance is not corrected immediately, the party making such notification is entitled to

institute suits to enjoin any breach or enforce any covenant and require that the Protected Property be restored promptly to substantially the same condition in which it existed prior to the event or circumstance of non-compliance.

- b. Nothing in this Section shall limit any other legal rights or remedies available to the Parties.

9. **GENERAL PROVISIONS:**

- a. The Parties agree that this Easement is not intended, and shall not be construed, to create any third party beneficiary hereof and that nothing in this Easement shall be construed as creating any rights of enforcement by any other person or entity that is not a party to this Easement.
- b. This instrument shall be construed so as to effect the purpose for which it was granted to the United States and the State. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Easement.
- c. The United States and the State shall have the right to make surveys and plats, take photographs and prepare such other documents as may be necessary or desirable to administer the provisions of this Easement so long as copies of any such surveys, plats, photographs and documents are made available to Tatitlek upon request. Any such map, plat or other suitable document may be recorded at the discretion of the United States or the State in the land records of the respective recording district wherein the Protected Property is located.
- d. The provisions of this Easement are enforceable in law or equity by Tatitlek, the United States and the State, their successors or assigns, consistent with Section 8 of this Easement.
- e. This Easement shall be interpreted under applicable provisions of federal and State law pertaining to real property.
- f. Tatitlek is not relieved from liability by this Easement for injuries occurring on, and resulting from, the condition of the Protected Property for which it would otherwise ordinarily be liable. The United States and the State each shall be responsible for losses, damages, or liabilities arising out of any act or omission of its employees, or its agents to the extent each otherwise would be responsible for such losses, damages, or liabilities under applicable federal or State law.

- g. Tatitlek is not relieved from liability by this Easement for the costs associated with the cleanup of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar federal and State laws for which it would otherwise ordinarily be liable. Tatitlek shall be liable for and hold the United States and the State harmless from liability under said statutes, and pursuant to said statutes shall indemnify the United States and the State for all costs, including attorneys fees, relating to cleanup of hazardous substances that were released subsequent to the conveyance of the Protected Property to Tatitlek and prior to the effective date of this Easement, and for all releases caused, or contributed to, by Tatitlek or its agents subsequent to the date of this Easement, but not for costs for cleanup of hazardous substances that are released by the United States in the course of engaging in activities that are authorized by this Easement. This clause may be enforced by Tatitlek or the United States or the State in a court of law. To the extent any of the lands were oiled as a result of the EVOS, the Parties stipulate and agree that no violation of this clause shall be deemed to have occurred as a result of the EVOS.
- h. The Parties agree that the covenants, terms, conditions, and restrictions of this Easement shall run with the land and shall be binding upon the Parties, their successors and assigns in perpetuity. The terms of this Easement may be waived or modified only by the unanimous written agreement of the Parties.
- i. Tatitlek hereby covenants to and with the United States and its assigns, that: Tatitlek is lawfully seized of the surface estate in fee of the above granted real property, free and clear of encumbrances, except as specified herein; Tatitlek has good and lawful right and power to encumber the same; and Tatitlek will forever warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to ANCSA, to and including the moment at which this Easement is conveyed to the United States and its assigns, against the lawful claims and demands of all persons.
- j. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- k. If any material provision of this Easement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate in good faith such reasonable modifications of this Easement as are necessary to protect the duties, rights and interests of the Parties under this Easement and to carry out the intent of this Easement.

1. The parties make no representations as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

IN WITNESS WHEREOF, Tatitlek, the United States and the State have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared Carroll Kompkoff, to me known to be the identical individual described and who executed the within and foregoing CONSERVATION EASEMENT as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.

Notary Public in and for Alaska
My commission expires: _____

BOOK 135 PAGE 411
Valdez Recording District

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Easement conveying to the United States and its assigns, the interests in lands described therein.

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by Phil Janik, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

BOOK 135 PAGE 412
Valdez Recording District

STATE OF ALASKA

Pursuant to AS § 38.05.035(a)12, I do hereby accept title to the above described interest in real property on behalf of the State of Alaska.

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES

By: _____
Marty Rutherford
Deputy Commissioner

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by Marty Rutherford, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See Appendix H

F:\502402\116CKAB3012

**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY THE U.S. DEPARTMENT OF
JUSTICE AND THE ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P. O. Box 21628
Juneau, AK 99802-1628

EXHIBIT IX

TATITLEK DEVELOPMENT LANDS EASEMENT

At Galena Bay, Hells Hole, and Busby Island

THIS TATITLEK DEVELOPMENT LANDS EASEMENT is made this ____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. 428a, whose address is U.S. Department of Agriculture, Forest Service, P. O. Box 21628, Juneau, Alaska 99802-1628, and the **State of Alaska** and its assigns ("State"), under the authority of AS § 38.05.035(a)(12), whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantees, pursuant to the Agreement for the Sale and Purchase of Lands and Interests in Lands Among the Tatitlek Corporation and the United States and the State of Alaska dated _____, 1998 (the "Agreement"), and for good and valuable consideration. Tatitlek, the United States, and the State are collectively referred to hereinafter as "Parties."

WHEREAS, Tatitlek is the owner in fee simple of the surface estate of certain real property, more particularly described below (the "Development Lands") located adjacent to the Tatitlek Conveyance Lands and Tatitlek Conservation Easement Lands, as defined in the Agreement (collectively the "Adjacent Lands"); and

WHEREAS, the Adjacent Lands contain natural, scenic, wooded, and other similar or related resources and values, including fish and wildlife and their habitats, as well as attributes and amenities important and valuable to the restoration of natural resources and services injured or reduced by the *Exxon Valdez* Oil Spill of March 24, 1989 ("EVOS"), including those described in the final Restoration Plan adopted by the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") on November 2, 1994 ("Conservation Values"); and

WHEREAS, Tatitlek intends to use the Development Lands for commercial development purposes related to natural lands based activities and other activities as provided herein; and

WHEREAS, Tatitlek intends to construct structures and related facilities, such as, cabins, lodging facilities and limited marina facilities, on the Development Lands; and

WHEREAS, Tatitlek intends to construct structures and related facilities in connection with the Galena Bay lagoon area development associated with the potential hydroelectric site at Silver Lake; and

WHEREAS, the Parties intend that such structures and related facilities shall be constructed, managed and operated in a manner that reasonably minimizes adverse effects on the Adjacent Lands, and shall be of a rustic design so as to blend into the natural character of the area; and

WHEREAS, Tatitlek intends to restrict the use of the Development Lands pursuant to the terms of this Easement; and

WHEREAS, Tatitlek intends to convey to the United States and the State the right to enforce the restrictions in perpetuity as specified below; and

WHEREAS, subject to the rights granted to the United States and the State, Tatitlek reserves and retains all other rights and privileges as landowner, including certain rights that are specified herein; and

WHEREAS, the United States and the State agree by accepting this grant to honor the intentions of Tatitlek stated herein and to preserve and protect in perpetuity the land use restrictions consistent with Tatitlek's development rights and privileges as landowner;

NOW, THEREFORE, pursuant to the laws of the State of Alaska and in particular AS § 34.17.010 - § 34.17.060, applicable federal law, and the Agreement, Tatitlek does hereby grant, transfer, and convey to the United States and the State, their successors and assigns, forever, with special warranties of title, subject to conditions, limitations and restrictions of record, an easement

in perpetuity over the Development Lands of the nature and character and to the extent hereinafter set forth ("Easement") as to the real property more particularly described as follows:

See Attached Appendix J

1. Galena Bay Development Sites: Containing in sum two (2) acres, more or less at two separate sites of one (1) acre each.
2. Galena Bay and Lagoon Hydro-Electric Power Development Site: Containing in sum 15 acres, more or less.
3. Hells Hole Development Site: Containing in sum 10 acres, more or less.
4. Two Moon Bay Road/Trail Easement: A 25-foot road/trail easement from the Exclusion Area at Two Moon Bay to the development site at Hells Hole.
5. Busby Island Development Site: Containing in sum 15 acres, more or less.

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

The acquiring federal agency is the Forest Service within the U.S. Department of Agriculture, acting under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. § 428a.

I. PURPOSE:

- a. The purpose of this Easement is to ensure that the Conservation Values of the Adjacent Lands will be maintained in perpetuity and to ensure that use of the Development Lands will minimize any adverse effects on the Conservation Values of the Adjacent Lands. This includes the protection of environmentally important forested and non-forested areas and the promotion of forested and non-forested fish and wildlife habitat conservation and other conservation opportunities such as the protection of important scenic, cultural, fish, wildlife and recreational resources, riparian areas, and other ecological values. Consistent with the specific provisions of this Easement, the Parties intend that this Easement will confine use of the Development Lands to such activities as are compatible with the preservation of the Conservation Values of the Adjacent Lands.

- b. The Parties further intend to ensure the reservation and enjoyment by Tatitlek, landowner of the Development Lands, of all legal rights and privileges that are not specifically granted to the United States and the State by and through this Easement.

2. USE OF DEVELOPMENT LANDS:

Tatitlek shall retain the right, to the extent it has the right, to develop and use the Development Lands only for commercial purposes related to ecotourism, fishing, hiking, hunting, kayaking, sightseeing and other similar outdoor based recreational activities by providing lodging, meals, rentals, transportation and related services, except, in the case of the lagoon area at Galena Bay, which may only be used for purposes associated with the potential hydroelectric development at Silver Lake. Tatitlek shall retain the right, to the extent it has the right, to use or construct structures and related facilities on the Development Lands as specified below:

- a. Galena Bay: One (1) rustic cabin and occupancy support facilities on each of two (2) one-acre cabin sites;
- b. Galena Bay and Lagoon: Fifteen (15) acres in the vicinity of the Lagoon area of Galena Bay for use only in support of a potential hydroelectric site;
- c. Hells Hole: Up to five (5) rustic cabins or tent platforms and occupancy support facilities on ten (10) acres;
- d. Two Moon Bay Road/Trail Easement: A 25-foot road/trail easement for use only by Tatitlek for four-wheel drive or all-terrain vehicles to transport passengers and supplies to and from the Exclusion Area at Two Moon Bay (Appendix M) to the Development Site at Hells Hole; and
- e. Busby Island: Cabins, lodges and limited marina facilities (including docks, fueling stations, and pump out facilities, but excluding boatyards).

The nature, size and use of such structures and related facilities shall be consistent with the purpose of this Easement and the conservation objectives of the Agreement and the documents executed pursuant thereto. Such structures and related facilities shall be constructed, managed and operated in a manner that reasonably minimizes adverse effects on the Adjacent Lands. The structures and related facilities shall involve only those buildings reasonably related to the operations described above and shall be designed in a rustic manner so as to blend into the natural character of the area. The location, design and

use of the structures and related facilities shall be determined by Tatitlek, but shall be subject to the written consent of the United States, which consent shall not be delayed or withheld unreasonably. Notwithstanding the above, in the case of the Development Lands at the Lagoon area, Tatitlek retains the right to develop such lands as necessary to support and otherwise facilitate the construction and operation of the hydroelectric site at Silver Lake. Additionally, Tatitlek retains the right to use the Busby Island Development Site in connection with its mariculture operations in the vicinity of Busby Island.

3. RIGHTS CONVEYED TO THE UNITED STATES AND THE STATE:

To accomplish the purpose of this Easement, the following rights are conveyed to the United States and the State:

- a. To enter upon the Development Lands after providing reasonable advance notice in writing to Tatitlek, and after providing Tatitlek with a reasonable opportunity to have a representative present upon such entry, in order to achieve the purpose and enforce the terms of this Easement.
- b. To prevent any use of the Development Lands that is inconsistent with the terms of this Easement.

4. TATITLEK'S RETAINED RIGHTS AND PRIVILEGES AS LANDOWNER:

Tatitlek reserves, retains and continues to have all legal rights and privileges as landowner that do not unreasonably interfere with or violate the rights and restrictions granted by Tatitlek to the United States and the State by and through this Easement.

5. ACTS BEYOND TATITLEK'S CONTROL:

Nothing contained in this Easement shall be construed to entitle the United States or the State to bring any action against Tatitlek for any injury to or change in the Development Lands resulting from causes beyond Tatitlek's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any injury to or change in the lands resulting from a third party's intentional or negligent act or prudent action taken by Tatitlek under emergency conditions to prevent, abate or mitigate significant injury to the lands resulting from such causes. Nothing contained in this Easement shall be construed to limit the obligation of third parties for injury or damage to the lands under applicable federal or State laws.

6. **SUBSEQUENT TRANSFERS:**

Tatitlek agrees to incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including without limitation, a leasehold interest. The United States or the State may transfer, assign, or delegate any of its rights or responsibilities under this Easement to a third party, but only if the third party is required to and agrees to be bound by and to carry out the purpose of this Easement.

7. **ENFORCEMENT:**

- a. In the event any party becomes aware of an event or circumstance of non-compliance with the terms of this Easement, that party shall give notice to the other Parties, their successors or assigns, at their last known post office address, of such event or circumstance of noncompliance. If the event or circumstance of noncompliance is not corrected immediately, the party making such notification is entitled to institute suits to enjoin any breach or enforce any covenant of this Easement.
- b. Nothing in this Section shall limit any other legal rights or remedies available to the Parties.

8. **GENERAL PROVISIONS:**

- a. The Parties agree that this Easement is not intended, and shall not be construed, to create any third party beneficiary hereof and that nothing in this Easement shall be construed as creating any rights of enforcement by any other person or entity that is not a party to this Easement.
- b. This instrument shall be construed so as to effect the purpose for which it was granted to the United States and the State. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Easement.
- c. The United States and the State shall, to the extent permitted by law and consistent with the purpose of this Easement, administer their regulatory and permitting processes so as to accommodate Tatitlek's development objectives on the Development Lands.

- d. The provisions of this Easement are enforceable in law or equity by Tatitlek, the United States and the State, their successors or assigns, consistent with Section 7 of this Easement.
- e. This Easement shall be interpreted under general provisions of federal and State law pertaining to real property.
- f. Tatitlek is not relieved from liability by this Easement for injuries occurring on, and resulting from, the condition of the Development Lands for which it would otherwise ordinarily be liable. The United States and the State each shall be responsible for losses, damages, or liabilities arising out of any act or omission of its employees, or its agents to the extent each otherwise would be responsible for such losses, damages, or liabilities under applicable federal or State law.
- g. Tatitlek is not relieved from liability by this Easement for the costs associated with the cleanup of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar federal and State laws for which it would otherwise ordinarily be liable. Tatitlek shall be liable for and hold the United States and the State harmless from liability under said statutes, and pursuant to said statutes shall indemnify the United States and the State for all costs relating to cleanup, including attorneys fees, of hazardous substances that were released subsequent to the conveyance of the property to Tatitlek and prior to the effective date of this Easement, and for all releases caused, or contributed to, by Tatitlek or its agents subsequent to the date of this Easement, but not for costs for cleanup of hazardous substances that are released by the United States or the State. This clause may be enforced by Tatitlek or the United States or the State in a court of law. To the extent any of the lands were oiled as a result of the EVOS, the Parties stipulate and agree that no violation of this clause shall be deemed to occur as a result of the EVOS.
- h. The Parties agree that the covenants, terms, conditions, and restrictions of this Easement shall run with the land and shall be binding upon the Parties, their successors and assigns in perpetuity. The terms of this Easement may be waived or modified only by the unanimous written agreement of the Parties.
- i. Tatitlek hereby covenants to and with the United States and the State, that Tatitlek is lawfully seized of the surface estate in fee of the above described real property, free and clear of encumbrances, except as specified herein, that Tatitlek has a good and lawful right and power to encumber the same, and that Tatitlek will forever

warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to ANCSA, to and including the moment at which this Easement is conveyed to the United States and the State, against the lawful claims and demands of all persons.

- j. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- k. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- l. If any material provision of this Easement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate, in good faith, such reasonable modifications of this Easement as are necessary to protect the duties, rights and interests of the Parties under this Easement and to carry out the intent of this Easement.
- m. The parties make no representations as to whether the lands that are described herein by survey include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD unto the United States and the State, their successors, and assigns forever.

IN WITNESS WHEREOF, Tatitlek, the United States and the State have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

BOOK 135 PAGE 421
Valdez Recording District

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPKEFF, to me known to be the individual described and who executed the within and foregoing TATITLEK DEVELOPMENT LANDS EASEMENT as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Easement conveying to the United States and its assigns, the interests in lands described therein.

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

BOOK 135 PAGE 422
Valdez Recording District

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by PHIL JANIK, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA

Pursuant to AS § 38.05.035(a)12, I do hereby accept title to the above described interest in real property on behalf of the State of Alaska.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

BOOK 135 PAGE 423
Valdez Recording District

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendix J

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY THE U.S. DEPARTMENT OF
JUSTICE AND THE ALASKA DEPARTMENT OF LAW**

AFTER RECORDING, RETURN TO:
U.S. Department of Agriculture
Forest Service
P. O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT X

TATITLEK DEVELOPMENT LANDS EASEMENT

AT HEATHER BAY AND BLIGH ISLAND

THIS TATITLEK DEVELOPMENT LANDS EASEMENT ("Easement") is made this _____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. 428a, whose address is U.S. Department of Agriculture, Forest Service, P. O. Box 21628, Juneau, Alaska 99802-1628, and the **State of Alaska** and its assigns ("State"), under the authority of AS § 38.05.035(a)(12), whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantees, pursuant to the Agreement for the Sale and Purchase of Lands and Interests in Land Among the Tatitlek Corporation and the United States and the State of Alaska dated _____, 1998 (the "Agreement"), and for good and valuable consideration. Tatitlek, the United States, and the State are collectively referred to hereinafter as "Parties."

WHEREAS, Tatitlek is the owner in fee simple of the surface estate of certain real property ("Development Lands") located in proximity to the Tatitlek Conveyance Lands and the Tatitlek Conservation Easement Lands as defined in the Agreement and as described herein (the Tatitlek Conveyance Lands and the Tatitlek Conservation Easement Lands are collectively referred to as the "Adjacent Lands"); and

WHEREAS, the Adjacent Lands contain natural, scenic, wooded, and other similar or related resources and values, including fish and wildlife and their habitats, as well as attributes and amenities important and valuable to the restoration of natural resources and services injured or reduced by the *Exxon Valdez* Oil Spill of March 24, 1989 ("EVOS"), including those described in the final Restoration Plan adopted by the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") on November 2, 1994, ("Conservation Values"); and

WHEREAS, Tatitlek intends to use the Development Lands for commercial development purposes related to natural lands-based activities and other activities as provided herein; and

WHEREAS, Tatitlek intends to construct structures and related facilities, such as cabins, lodging facilities and limited marina facilities, on the Development Lands; and

WHEREAS, the Parties intend that such structures and related facilities shall be constructed, managed and operated in a manner that reasonably minimizes adverse effects on the Adjacent Lands, and shall be of a design so as to blend into the natural character of the area; and

WHEREAS, Tatitlek intends to restrict the use of the Development Lands pursuant to the terms of this Easement; and

WHEREAS, Tatitlek intends to convey to the United States and the State the right to enforce the restrictions in perpetuity as specified below; and

WHEREAS, subject to the rights granted to the United States and the State, Tatitlek reserves and retains all other rights and privileges as landowner, including certain rights that are specified herein; and

WHEREAS, the United States and the State agree by accepting this grant to honor the intentions of Tatitlek stated herein and to preserve and protect in perpetuity the land use restrictions consistent with Tatitlek's development rights and privileges as landowner;

NOW, THEREFORE, pursuant to the laws of the State of Alaska and in particular AS § 34.17.010 - § 34.17.060, applicable federal law, and the Agreement, Tatitlek does hereby grant, transfer, and convey to the United States and the State, their successors and assigns, forever, with special warranties of title, subject to conditions, limitations and restrictions of record, an easement in perpetuity over the Development Lands of the nature and character and to the extent hereinafter set forth, as to the real property more particularly described as follows:

See attached Appendix K

Containing in sum 32 acres, more or less.

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

The acquiring federal agency is the Forest Service within the U.S. Department of Agriculture, acting under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. § 428a.

1. PURPOSE:

- a. The purpose of this Easement is to ensure that the Conservation Values of the Adjacent Lands will be maintained in perpetuity and to ensure that use of the Development Lands will minimize any adverse effects on the Conservation Values of the Adjacent Lands. This includes the protection of environmentally important forested and non-forested areas and the promotion of forested and non-forested fish and wildlife habitat conservation and other conservation opportunities, such as the protection of important scenic, cultural, fish, wildlife and recreational resources, riparian areas, and other ecological values. Consistent with the specific provisions of this Easement, the Parties intend that this Easement will confine use of the Development Lands to such activities as are compatible with the preservation of the Conservation Values of the Adjacent Lands.
- b. The Parties further intend to ensure the reservation and enjoyment by Tatitlek, landowner of the Development Lands, of all legal rights and privileges that are not specifically granted to the United States and the State by and through this Easement.

2. USE OF DEVELOPMENT LANDS:

Tatitlek shall retain the right, to the extent it has the right, to develop and use the Development Lands only for commercial purposes related to ecotourism, fishing, hiking, hunting, kayaking, sightseeing and other similar outdoor based recreational activities by providing lodging, meals, rentals, transportation and related services. Tatitlek shall retain the right, to the extent it has the right, to construct structures and related facilities on the Development Lands, as specified below:

- a. Bligh Island. Cabins, lodges and limited marina facilities (including docks, fueling stations, and pump out facilities, but excluding boatyards), on two (2) sites

containing in sum approximately twenty-six (26) acres as indicated in Appendix K. Tatitlek retains the right to use the Bligh Island Development Sites in connection with its mariculture operations in the vicinity of Bligh Island.

- b. Heather Bay. Up to three (3) rustic cabins and occupancy support facilities on a six (6) acre site.

The nature, size and use of structures and related facilities provided for in a. and b. above shall be consistent with the purpose of this Easement. Such structures and related facilities shall be constructed, managed and operated in a manner that reasonably minimizes adverse effects on the Adjacent Lands. The structures and related facilities shall involve only those buildings reasonably related to the operations described above and shall be designed in a rustic manner so as to blend into the natural character of the area. The location, design and use of the structures and related facilities shall be determined by Tatitlek, but shall be subject to the written consent of the United States, in the case of Bligh Island, or the State, in the case of Heather Bay, which consent shall not be delayed or withheld unreasonably.

3. **RIGHTS CONVEYED TO THE UNITED STATES AND THE STATE:**

To accomplish the purpose of this Easement, the following rights are conveyed to the United States and the State:

- a. To enter upon the Development Lands, after providing reasonable advance notice in writing to Tatitlek, and after providing Tatitlek with a reasonable opportunity to have a representative present upon such entry, in order to achieve the purpose and enforce the terms of this Easement.
- b. To prevent any use of the Development Lands that is inconsistent with the terms of this Easement.

4. **TATITLEK'S RETAINED RIGHTS AND PRIVILEGES AS LANDOWNER:**

Tatitlek reserves, retains and continues to have all legal rights and privileges as landowner that do not unreasonably interfere with or violate the rights and restrictions granted by Tatitlek to the United States and the State by and through this Easement.

5. **ACTS BEYOND TATITLEK'S CONTROL:**

Nothing contained in this Easement shall be construed to entitle the United States or the State to bring any action against Tatitlek for any injury to or change in the Development Lands resulting from causes beyond Tatitlek's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any injury to or change in the lands resulting from a third party's intentional or negligent act or prudent action taken by Tatitlek under emergency conditions to prevent, abate or mitigate significant injury to the lands resulting from such causes. Nothing contained in this Easement shall be construed to limit the obligation of third parties for injury or damage to the lands under applicable federal or State laws.

6. **SUBSEQUENT TRANSFERS:**

Tatitlek agrees to incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including without limitations, a leasehold interest. The United States or the State may transfer, assign, or delegate any of its rights or responsibilities under this Easement to a third party, but only if the third party is required to and agrees to be bound by and to carry out the purpose of this Easement.

7. **ENFORCEMENT:**

- a. In the event any party becomes aware of an event or circumstance of non-compliance with the terms of this Easement, that party shall give notice to the other Parties, their successors or assigns, at their last known post office address, of such event or circumstance of noncompliance. If the event or circumstance of noncompliance is not corrected immediately, the party making such notification is entitled to institute suit to enjoin any breach or enforce any covenant of this Easement.
- b. Nothing in this Section shall limit any other legal rights or remedies available to the Parties.

8. **GENERAL PROVISIONS:**

- a. The Parties agree that this Easement is not intended, and shall not be construed, to create any third party beneficiary hereof and that nothing in this Easement shall be construed as creating any rights of enforcement by any other person or entity that is not a party to this Easement.

- b. This instrument shall be construed so as to effect the purpose for which it was granted to the United States and the State. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Easement.
- c. The United States and the State shall, to the extent permitted by law and consistent with the purpose of this Easement, administer their regulatory and permitting processes so as to accommodate Tatitlek's development objectives on the Development Lands.
- d. The provisions of this Easement are enforceable in law or equity by Tatitlek, the United States and the State, their successors or assigns, consistent with Section 7 of this Easement.
- e. This Easement shall be interpreted under general provisions of federal and State law pertaining to real property.
- f. Tatitlek is not relieved from liability by this Easement for injuries occurring on, and resulting from, the condition of the Development Lands for which it would otherwise ordinarily be liable. The United States and the State each shall be responsible for losses, damages, or liabilities arising out of any act or omission of its employees, or its agents to the extent each otherwise would be responsible for such losses, damages, or liabilities under applicable federal or State law.
- g. Tatitlek is not relieved from liability by this Easement for the costs associated with the cleanup of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar federal and State laws for which it would otherwise ordinarily be liable. Tatitlek shall be liable for and hold the United States and the State harmless from liability under said statutes, and pursuant to said statutes shall indemnify the United States and the State for all costs relating to cleanup, including attorneys fees, of hazardous substances that were released subsequent to the conveyance of the property to Tatitlek and prior to the effective date of this Easement, and for all releases caused by, or contributed to, by Tatitlek or its agents subsequent to the date of this Easement, but not for costs for cleanup of hazardous substances that are released by the United States or the State. This clause may be enforced by Tatitlek or the United States or the State in a court of law. To the extent any of the lands were oiled as a result of the EVOS, the Parties stipulate and agree that no violation of this clause shall be deemed to occur as a result of the EVOS.

- h. The Parties agree that the covenants, terms, conditions, and restrictions of this Easement shall run with the land and shall be binding upon the Parties, their successors and assigns in perpetuity. The terms of this Easement may be waived or modified only by the unanimous written agreement of the Parties.
- i. Tatitlek hereby covenants to and with the United States and the State, that Tatitlek is lawfully seized of the surface estate in fee of the Development Lands, free and clear of encumbrances, except as specified herein, that Tatitlek has good and lawful right and power to encumber the same, and that Tatitlek will forever warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to ANCSA, to and including the moment at which this Easement is conveyed to the United States and the State, against the lawful claims and demands of all persons.
- j. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- k. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- l. If any material provision of this Easement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate, in good faith, such reasonable modifications of this Easement as are necessary to protect the duties, rights and interests of the Parties under this Easement and to carry out the intent of this Easement.
- m. The parties make no representations as to whether the lands that are described herein by survey include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD unto the United States and the State, their successors, and assigns forever.

IN WITNESS WHEREOF, Tatitlek, the United States, and the State have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPKOFF, to me known to be the individual who executed the within and foregoing TATITLEK DEVELOPMENT LANDS EASEMENT as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Easement conveying to the United States and its assigns, the interests in lands described therein.

DATED this _____ day of _____, 1998.

BOOK 135 PAGE 432
Valdez Recording District

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by PHIL JANIK, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

BOOK 135 PAGE 433
Valdez Recording District

STATE OF ALASKA

Pursuant to AS § 38.05.035(a)12, I do hereby accept title to the above described interest in real property on behalf of the State.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendix K

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY THE U.S. DEPARTMENT OF
JUSTICE AND THE ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P. O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT XI

TATITLEK EXCLUSION AREA EASEMENT
AT TWO MOON BAY

THIS TWO MOON BAY EXCLUSION AREA EASEMENT is made this ____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, as amended, 43 U.S.C. § 1601 et seq. ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. 428a, whose address is U.S. Department of Agriculture, Forest Service, P. O. Box 21628, Juneau, Alaska 99802-1628, and the **State of Alaska** and its assigns ("State"), under the authority of AS § 38.05.035(a)(12), whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantees, pursuant to the Agreement for Sale and Purchase of Lands and Interests in Land Among the Tatitlek Corporation and the United States and the State of Alaska dated _____, 1998 (the "Agreement") and for good and valuable consideration. Tatitlek, the United States, and the State are collectively referred to hereinafter as "Parties."

WHEREAS, Tatitlek is the owner in fee simple of the surface estate of certain real property described below (the "Exclusion Area") located in Two Moon Bay and adjacent to the Tatitlek Conveyance Lands and Tatitlek Conservation Easement Lands, as defined in the Agreement (collectively the "Adjacent Lands") and in Appendix M; and

WHEREAS, the Adjacent Lands contain natural, scenic, wooded, and other similar or related resources and values, including fish and wildlife and their habitats, as well as attributes and amenities important and valuable to the restoration of natural resources and services injured or

reduced by the *Exxon Valdez* Oil Spill of March 24, 1989 ("EVOS"), including those described in the final Restoration Plan adopted by the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") on November 2, 1994, ("Conservation Values"); and

WHEREAS, Tatitlek intends to use the Campsite and the Exclusion Area for commercial uses related to natural lands based activities and other activities as provided herein; and

WHEREAS, Tatitlek intends to construct structures and related facilities, including but not limited to, cabins, lodging facilities, limited marina facilities and warehouse and storage facilities, on the Campsite within the Exclusion Area; and

WHEREAS, the Parties intend that such structures and related facilities shall be constructed, managed and operated in a manner that minimizes adverse effects on the Conservation Values of Adjacent Lands, and shall be of a design so as to blend into the natural character of the area; and

WHEREAS, Tatitlek intends to restrict the use of the Exclusion Area pursuant to the terms of this Easement; and

WHEREAS, Tatitlek intends to provide the United States access to dock and staging area facilities within the Exclusion Area for reclamation and restoration purposes; and

WHEREAS, Tatitlek intends to convey to the United States and State the right to enforce the restrictions in perpetuity as specified below; and

WHEREAS, subject to the rights granted to the United States and the State, Tatitlek reserves and retains all other rights and privileges as landowner, including certain rights that are specified herein; and

WHEREAS, the United States and the State agree by accepting this grant to honor the intentions of Tatitlek stated herein and to preserve and protect in perpetuity the land use restrictions consistent with Tatitlek's development rights and privileges as landowner;

NOW THEREFORE, pursuant to the laws of the State of Alaska and in particular AS § 34.17.010 - § 34.17.060, applicable federal law, and the Agreement, Tatitlek does hereby grant, transfer, and convey to the United States and the State, their successors and assigns, forever, with special warranties of title, subject to conditions, limitations and restrictions of record, an easement in perpetuity over the Exclusion Area of the nature and character and to the extent hereinafter set forth ("Easement") as to the real property more particularly described as follows:

See attached Appendix M

Containing in sum 254 acres, more or less.

TOGETHER WITH the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

SUBJECT, however, to the following valid existing rights:

Lease, dated _____, 19__, between Tatitlek and Sound Timber Corporation, which terminates November 1, 1999 (the "Lease").

The acquiring federal agency is the Forest Service within the U.S. Department of Agriculture, acting under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. § 428a.

1. **DEFINITIONS:**

- a. **Campsite:** The term "Campsite" as used herein shall mean the existing campsite located on approximately 80 acres within the larger 254-acre Exclusion Area at Two Moon Bay as identified in Appendix M and the map attached thereto. The Campsite is comprised of the log sort yard, the developed area containing the crew quarters and the staging area, the solid waste disposal site, the service roads, and other existing and related facilities.
- b. **Exclusion Area:** The term "Exclusion Area" as used herein shall mean the approximately 254-acre area at Two Moon Bay encompassing the Campsite and surrounding lands as identified in Appendix M and the map attached thereto.

2. **PURPOSE:**

- a. The purpose of this Easement is (1) to ensure that the Conservation Values of the Adjacent Lands will be maintained in perpetuity, (2) to ensure that the use of the Campsite will minimize adverse effects on the Conservation Values of the Adjacent Lands, and (3) to ensure that use of the Exclusion Area surrounding and excepting the Campsite will be compatible with the preservation of the Conservation Values of the Adjacent Lands. This includes the protection of environmentally important forested and non-forested areas and the promotion of forested and non-forested fish and wildlife habitat conservation and other conservation opportunities such as the protection of important scenic, cultural, fish, wildlife and recreational resources, riparian areas, and other ecological values.

- b. The Parties further intend to ensure the reservation and enjoyment by Tatitlek, landowner of the Exclusion Area, of all legal rights and privileges that are not specifically granted to the United States and the State by and through this Easement.

3. USE OF THE CAMPSITE:

- a. Tatitlek shall retain the right, to the extent it has the right, to develop and use the Campsite (1) for commercial uses related to ecotourism, fishing, hiking, hunting, kayaking, sightseeing and other similar outdoor-based recreational activities by providing lodging, meals, rentals, transportation and related services, and (2) for other commercial uses, such as storage facilities for fisheries gear, retreat facilities, oil spill response site including gear storage or training, crew quarters, warehouse facilities for the storage of goods and materials related to the uses otherwise permitted herein, a gravel airstrip, and marine craft and equipment storage, in a manner that minimizes adverse effects on the Conservation Values of the Adjacent Lands.
- b. Tatitlek shall retain the right, to the extent it has the right, to utilize or modify the existing structures and related facilities located within the Campsite and may construct additional structures and related facilities on the Campsite, including cabins, lodges and limited marina facilities (including docks, fueling stations, and pump out facilities), warehouses, and other facilities related to the commercial uses identified in paragraph a. of this Section 3. Any such modifications to existing structures and related facilities and any additional structures and related facilities shall be constructed, managed and operated in a manner that minimizes adverse effects on the Conservation Values of Adjacent Lands. The location, design and use of the additional structures and related facilities on the Campsite shall be determined by Tatitlek, after notice to and consultation with the United States.
- c. Tatitlek may use the Campsite for purposes not enumerated in this section subject to the consent of the United States which consent shall not be withheld unreasonably. Such consent shall be based upon a determination that such uses would be consistent with the purpose of this Easement.

4. USE OF THE EXCLUSION AREA SURROUNDING AND EXCEPTING THE CAMPSITE:

Tatitlek shall retain the right, to the extent it has the right, to use the Exclusion Area surrounding and excepting the Campsite incidental to its uses identified in 3.a.(1) and the transportation of people or equipment related to uses provided in 3.a.(2), 3.b., and 3.c.

subject to the following prohibitions. The activities listed below are prohibited on the Exclusion Area surrounding and excepting the Campsite:

- (a) constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information;
- (b) changing the topography of the Exclusion Area surrounding and excepting the Campsite in any manner;
- (c) removing or destroying plants except for subsistence uses or medicinal uses;
- (d) using biocides;
- (e) manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water quality on the Exclusion Area surrounding and excepting the Campsite; and
- (f) operating motorized vehicles; provided that this provision shall not be construed to prohibit the use of float equipped aircraft on waterbodies within the Exclusion Area surrounding and excepting the Campsite nor to prohibit Tatitlek's use of motorized vehicles in connection with uses of the Campsite provided for in Sections 3.a. and 3.b. above.
- (g) removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except (i) for Subsistence Uses and (ii) for personal use as may be authorized under the terms of a land use permit issued pursuant to this Easement.
- (h) introducing fish, wildlife or plants not indigenous to Eastern Prince William Sound, including but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- (i) dumping or releasing trash, hazardous substances or other unsightly or offensive material.

5. RIGHTS CONVEYED TO THE UNITED STATES AND THE STATE:

To accomplish the purpose of this Easement, the following rights are conveyed to the United States and the State:

- a. To enter upon the Exclusion Area, after providing reasonable advance notice in writing to Tatitlek, and after providing Tatitlek with a reasonable opportunity to have a representative present upon such entry, in order to achieve the purpose and enforce the terms of this Easement.
- b. To prevent any use of the Exclusion Area that is inconsistent with the terms of this Easement; and
- c. To enter upon the Exclusion Area until the year 2003, following prior written notice to Tatitlek, and in the presence of a representative of Tatitlek, to make use of Tatitlek dock space and staging area facilities in conjunction with resource reclamation and restoration activities so long as such activities are scheduled so as not to interfere with Tatitlek's use of the Campsite.

6. TATITLEK'S RETAINED RIGHTS AND PRIVILEGES AS LANDOWNER:

Tatitlek reserves, retains and continues to have all legal rights and privileges as landowner that do not unreasonably interfere with or violate the rights and restrictions granted by Tatitlek to the United States and the State by and through this Easement.

7. ACTS BEYOND TATITLEK'S CONTROL:

Nothing contained in this Easement shall be construed to entitle the United States or the State to bring any action against Tatitlek for any injury to or change in the Exclusion Area resulting from causes beyond Tatitlek's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any injury to or change in the Exclusion Area resulting from a third party's intentional or negligent act or prudent action taken by Tatitlek under emergency conditions to prevent, abate or mitigate significant injury to the Exclusion Area resulting from such causes. Nothing contained in this Easement shall be construed to limit the obligation of third parties for injury or damage to the Exclusion Area under applicable federal or State laws.

8. **SUBSEQUENT TRANSFERS:**

Tatitlek agrees to incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including without limitations, a leasehold interest after the termination of the Lease. The United States or the State may transfer, assign, or delegate any of its rights or responsibilities under this Easement to a third party, but only if the third party is required to and agrees to be bound by and to carry out the purpose of this Easement.

9. **ENFORCEMENT:**

- a. In the event any party becomes aware of an event or circumstance of non-compliance with the terms of this Easement, that party shall give notice to the other Parties, their successors or assigns, at their last known post office address, of such event or circumstance of noncompliance. If the event or circumstance of noncompliance is not corrected immediately, the party making such notification is entitled to institute suits to enjoin any breach or enforce any covenant of this Easement.
- b. Nothing in this Section shall limit any other legal rights or remedies available to the Parties.

10. **GENERAL PROVISIONS:**

- a. The Parties agree that this Easement is not intended, and shall not be construed, to create any third party beneficiary hereof and that nothing in this Easement shall be construed as creating any rights of enforcement by any other person or entity that is not a party to this Easement.
- b. This instrument shall be construed so as to effect the purpose for which it was granted to the United States and the State. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Easement.
- c. The United States and the State shall, to the extent permitted by law and consistent with the purpose of this Easement, administer their regulatory and permitting processes so as to accommodate Tatitlek's development objectives on the Exclusion Area.
- d. The provisions of this Easement are enforceable in law or equity by Tatitlek, the United States and the State, their successors or assigns, consistent with Section 9 of this Easement.

- e. This Easement shall be interpreted under general provisions of federal and State law pertaining to real property.
- f. Tatitlek is not relieved from liability by this Easement for injuries occurring on, and resulting from, the condition of the Exclusion Area for which it would otherwise ordinarily be liable. The United States and the State each shall be responsible for losses, damages, or liabilities arising out of any act or omission of its employees, or its agents to the extent each otherwise would be responsible for such losses, damages, or liabilities under applicable federal or State law.
- g. Tatitlek is not relieved from liability by this Easement for the costs associated with the cleanup of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar federal and State laws for which it would otherwise ordinarily be liable. Tatitlek shall be liable for and hold the United States and the State harmless from liability under said statutes, and pursuant to said statutes shall indemnify the United States and the State for all costs relating to cleanup, including attorneys fees, of hazardous substances that were released subsequent to the conveyance of the property to Tatitlek and prior to the effective date of this Easement, and for all releases caused, or contributed to, by Tatitlek or its agents subsequent to the date of this Easement, but not for costs for cleanup of hazardous substances that are released by the United States or the State. This clause may be enforced by Tatitlek or the United States or the State in a court of law. To the extent any of the lands were oiled as a result of the EVOS, the Parties stipulate and agree that no violation of this clause shall be deemed to occur as a result of the EVOS.
- h. The Parties agree that the covenants, terms, conditions, and restrictions of this Easement shall run with the land and shall be binding upon the Parties, their successors and assigns in perpetuity. The terms of this Easement may be waived or modified only by the unanimous written agreement of the Parties.
- i. Tatitlek hereby covenants to and with the United States and the State, that Tatitlek is lawfully seized of the surface estate in fee of the Exclusion Area, free and clear of encumbrances, except as specified herein, that Tatitlek has good and lawful right and power to encumber the same, and that Tatitlek will forever warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to ANCSA, to and including the moment at which this Easement is conveyed to the United States and the State, against the lawful claims and demands of all persons.

- j. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- k. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- l. If any material provision of this Easement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate, in good faith, such reasonable modifications of this Easement as are necessary to protect the duties, rights and interests of the Parties under this Easement and to carry out the intent of this Easement.
- m. The parties make no representations as to whether the lands that are described herein by survey include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD unto the United States and the State, their successors and assigns forever.

IN WITNESS WHEREOF, Tatitlek, the United States and the State have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPKOFF, to me known to be the individual who executed the within and foregoing TWO MOON BAY EXCLUSION AREA EASEMENT as President of The Tatitlek

Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Easement conveying to the United States and its assigns, the interests in lands described therein.

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by PHIL JANIK, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

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GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA

Pursuant to AS § 38.05.035(a)12, I do hereby accept title to the above described interest in real property on behalf of the State of Alaska.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

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LOCATION INDEX:
See Appendix M

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY THE U.S. DEPARTMENT OF
JUSTICE AND THE ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P. O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT XII

TATITLEK HOMESITE LANDS EASEMENT

THIS TATITLEK HOMESITE LANDS EASEMENT is made this ____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et. seq.*, as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. 428a, whose address is U.S. Department of Agriculture, Forest Service, P. O. Box 21628, Juneau, Alaska 99802-1628, and the **State of Alaska** and its assigns ("State"), under the authority of AS § 38.05.035(a)(12), whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantees, pursuant to the Agreement for the Sale and Purchase of Lands and Interests in Land Among the Tatitlek Corporation and the United States and the State of Alaska dated _____, 1998 (the "Agreement"), and for good and valuable consideration. Tatitlek, the United States, and the State are collectively referred to hereinafter as "Parties."

WHEREAS, Tatitlek is the owner in fee simple of the surface estate of certain real property located in subdivisions established by Tatitlek at Two Moon Bay and Snug Corner Cove ("Homesite Lands Retained"), which are located adjacent to the Tatitlek Conveyance Lands and Tatitlek Conservation Easement Lands as defined in the Agreement (the Tatitlek Conveyance Lands and the Tatitlek Conservation Easement Lands are hereafter collectively referred to as the "Adjacent Lands"); and

WHEREAS, Tatitlek has adopted a Shareholder Homesite Program pursuant to Section 21 of the Alaska Native Claims Settlement Act, as amended ("ANCSA"); and

WHEREAS, Tatitlek conveyed to shareholders by quitclaim deed homesites within subdivisions the corporation established at Two Moon Bay and Snug Corner Cove ("Homesite Lands Conveyed") subject to certain restrictions and is also the owner of a reversionary interest in such shareholder homesites; and

WHEREAS, the Adjacent Lands contain natural, scenic, wooded, and other similar or related resources and values, including fish and wildlife and their habitats, as well as attributes and amenities important and valuable to the restoration of natural resources and services injured or reduced by the *Exxon Valdez* Oil Spill of March 24, 1989 ("EVOS"), including those described in the final Restoration Plan adopted by the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") on November 2, 1994, ("Conservation Values"); and

WHEREAS, Tatitlek intends to lease homesites instead of conveying by quitclaim deed interests in the Homesite Lands Retained; and

WHEREAS, Tatitlek intends to enforce the restrictions on homesites pursuant to the terms of the quitclaim deed conveying each homesite; and

WHEREAS, Tatitlek intends to convey to the United States and the State the right to enforce certain restrictions in perpetuity as specified below; and

WHEREAS, subject to the rights granted to the United States and the State, Tatitlek reserves and retains all other rights and privileges as landowner including certain rights that are specified herein; and

WHEREAS, the United States and the State agree by accepting this grant to honor the intentions of Tatitlek stated herein and to preserve and protect in perpetuity the land use restrictions consistent with Tatitlek's retained rights and privileges as landowner;

NOW, THEREFORE, pursuant to the laws of the State of Alaska and in particular AS § 34.17.010 - § 34.17.060, applicable federal law, and the Agreement, Tatitlek does hereby grant, transfer, and convey to the United States and the State, their successors and assigns, forever, with special warranties of title, subject to conditions, limitations and restrictions of record, an easement in perpetuity on the Homesite Lands Retained and certain rights on the Homesite Lands Conveyed of the nature and character and to the extent hereinafter set forth ("Homesite Lands Easement") as to the real property more particularly described as follows:

See attached Appendices C and D

Together with the avulsed lands, if any, in which Tatitlek may hold title, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

The acquiring Federal agency is the U.S. Department of Agriculture, Forest Service.

1. PURPOSE:

- a. The purpose of this Easement is to ensure that the Conservation Values of the Adjacent Lands will be maintained in perpetuity and to ensure that use of the Homesite Lands Retained will minimize adverse effects on the Conservation Values of the Adjacent Lands. This includes the protection of environmentally important forested and non-forested areas and the promotion of forested and non-forested fish and wildlife habitat conservation and other conservation opportunities such as the protection of important scenic, cultural, fish, wildlife and recreational resources, riparian areas, and other ecological values.
- b. A further purpose of the Easement is to ensure that the restrictions contained in the quitclaim deeds conveying Homesite Lands Conveyed to shareholders are enforced so as to minimize adverse effects on the Conservation Values of the Adjacent Lands.
- c. The Parties further intend to ensure the reservation and enjoyment by Tatitlek, landowner of the Homesite Lands Retained, of all legal rights and privileges that are not specifically granted to the United States and the State by and through this Easement.

2. HOMESITE LANDS RETAINED (APPENDIX C):

- a. Snug Corner Cove: Consisting of 24 lots (approximately 36 acres) retained by Tatitlek. (The surface estate in Lots 22 and 23 of the SNUG CORNER COVE SUBDIVISION will be conveyed in fee to the United States as a public access site.)
- b. Two Moon Bay: Consisting of 63 lots (approximately 94.5 acres) retained by Tatitlek;
- c. Tatitlek has adopted a Shareholder Homesite Program pursuant to Section 21 of ANCSA, as amended, in the form attached hereto as Exhibit XV and incorporated herein by reference ("Shareholder Homesite Program").

- d. Any amendments to the Homesite Program that affect the Tatitlek Homesite Lands Retained shall be subject to the prior written approval of the United States and the State, which approval shall not be delayed or withheld unreasonably.
- e. After January 1, 1998, Tatitlek shall provide homesites to shareholders from the Homesite Lands Retained only through a leasing program that (1) prohibits the commercial harvesting of timber; (2) prohibits the subdivision of lots; (3) restricts use of each lot to only one single-family residence; (4) prohibits the conduct of commercial activities on the lots including the establishment of bed and breakfast facilities and lodges, and any such facilities associated with non-profit activities; (5) requires structures placed on the lots to be constructed in a manner that blends with the natural character of the area (see copy of the form of lease contained with Exhibit XV).
- f. Except as provided in Section 3.c. above, any Homesite Lands Retained which are sold or otherwise conveyed by Tatitlek after January 1, 1998, shall only be sold or conveyed to the United States or the State.

3. RIGHTS CONVEYED TO THE UNITED STATES AND THE STATE:

To accomplish the purpose of this Easement, the following rights are conveyed to the United States and the State:

- a. To enter upon the Homesite Lands Retained, after providing reasonable advance notice in writing to Tatitlek, and after providing Tatitlek with a reasonable opportunity to have a representative present upon such entry, in order to achieve the purpose and enforce the terms of this Easement.
- b. To prevent any use of the Homesite Lands Retained that is inconsistent with the terms of this Easement.

4. TATITLEK RETAINED RIGHTS AND PRIVILEGES AS LANDOWNER:

Tatitlek reserves, retains and continues to have all legal rights and privileges as landowner of the Homesite Lands Retained that do not unreasonably interfere with or violate the rights and restrictions granted to the United States and the State by and through this Easement.

5. **ACTS BEYOND TATITLEK'S CONTROL:**

Nothing contained in this Easement shall be construed to entitle the United States or the State to bring any action against Tatitlek for any injury to or change in the Homesite Lands Retained resulting from causes beyond Tatitlek's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any injury to or change in such lands resulting from a third party's intentional or negligent act or prudent action taken by Tatitlek under emergency conditions to prevent, abate or mitigate significant injury to such lands resulting from such causes. Nothing contained in this Easement shall be construed to limit the obligation of third parties for injury or damage to such lands under applicable federal or State laws.

6. **SUBSEQUENT TRANSFERS:**

Tatitlek agrees to incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Homesite Lands Retained, including without limitations, a leasehold interest. The United States or the State may transfer, assign, or delegate any of its rights or responsibilities under this Easement to a third party, but only if the third party is required to and agrees to be bound by and to carry out the purpose of this Easement.

7. **ENFORCEMENT:**

- a. In the event any party becomes aware of an event or circumstance of non-compliance with the terms of this Easement, that party shall give notice to the other Parties, their successors or assigns, at their last known post office address, of such event or circumstance of noncompliance. If the event or circumstance of noncompliance is not corrected immediately, the party making such notification is entitled to institute suits to enjoin any breach or enforce any covenant of this Easement.
- b. Nothing in this Section shall limit any other legal rights or remedies available to the Parties.

8. **HOMESITE LANDS CONVEYED (APPENDIX D):**

- a. Shareholder Homesite Lands Conveyed are those which have been conveyed to shareholders by quitclaim deed prior to January 1, 1998, subject to restrictive covenants and reversionary rights retained by Tatitlek. The following such lands have been conveyed by quitclaim deed to shareholders prior to January 1, 1998:

- (1) Snug Corner Cove: Consisting of 21 lots (approximately 31.5 acres).
 - (2) Two Moon Bay: Consisting of 57 lots (approximately 85.5 acres).
- b. As provided in such shareholder homesite quitclaim deeds, individual shareholder homesites may not be:

used or developed for Commercial Activity. If the Property is used or developed for Commercial Activity, the right, title, and interest herein conveyed shall automatically revert to the grantor, its successors or assigns. "Commercial Activity" means any activity undertaken on or connected with the Property for the purpose of making a profit.

Pursuant to the reserved rights in the quitclaim deed, Tatitlek has determined that the establishment of bed and breakfast facilities and lodges and any similar facilities associated with and operated for profit or by non-profit organizations are "commercial activities" prohibited under the homesite program.

- c. If Tatitlek determines that there has been a violation of a restriction in a quitclaim deed referenced in 9.b. above, or if the United States or the State, based upon an investigation by Tatitlek or based upon independent information, has good reason to believe that there has been a violation of such a restriction and so notifies Tatitlek in writing, Tatitlek shall (1) within 10 days after receipt, or after it has determined that there has been a violation, whichever is earlier, notify the homesite owner of record, in writing, that a violation has occurred; (2) require that the activity that constituted the violation immediately cease; and (3) require that within 30 days, the homesite owner verify that such activity has ceased. If the homesite owner fails to cease and desist with respect to such activity that constituted the violation of the quitclaim deed restriction, Tatitlek shall institute legal proceedings against the homesite owner within fifteen days following the deadline for receipt of the homesite owner's verification. If the United States or State reasonably determines that the aforesaid investigation by Tatitlek did not adequately ascertain whether a violation has occurred, the United States or State may, in its discretion, require that Tatitlek conduct further investigation.
- d. The United States and the State shall each have the option either to require that Tatitlek enforce the quitclaim deed restrictions or to independently enforce the quitclaim deed restrictions in accordance with the provisions of this Easement.

- (1) If the restrictions are successfully enforced by Tatitlek, Tatitlek shall exercise its reversionary rights. Upon reacquiring title to the homesite, the reacquired homesite shall become a Homesite Land Retained homesite and be subject to the terms, conditions and restrictions contained in this Easement and Tatitlek shall convey to the United States and the State, at no cost, a conservation easement to such reacquired homesite.
- (2) If the restrictions are successfully enforced by the United States or the State and the homesite reverts to Tatitlek, Tatitlek shall immediately: (i) convey a conservation easement containing restrictions identical to those in either the State Conservation Easement or the Federal Conservation Easement to the government that did not enforce the restrictions; and (ii) convey fee simple title to the surface estate to the reacquired homesite to the government that successfully enforced the restrictions. Fee simple title to the surface estate shall be conveyed by warranty deed, subject to valid and existing liens or encumbrances, and shall contain restrictions identical to those in the United States Warranty Deed if the homesite is to be conveyed to the United States or the State Warranty Deed if the homesite is to be conveyed to the State.

9. GENERAL PROVISIONS:

- a. The Parties agree that this Easement is not intended, and shall not be construed, to create any third party beneficiary hereof and that nothing in this Easement shall be construed as creating any rights of enforcement by any other person or entity that is not a party to this Easement.
- b. This instrument shall be construed so as to effect the purpose for which it was granted to the United States and the State. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Easement.
- c. The provisions of this Easement are enforceable in law or equity by Tatitlek, the United States and the State, their successors or assigns, consistent with Section 7 of this Easement.
- d. This Easement shall be interpreted under general provisions of federal and State law pertaining to real property.
- e. Tatitlek is not relieved from liability by this Easement for injuries occurring on, and resulting from, the condition of the Homesite Lands Retained for which it would otherwise ordinarily be liable. The United States and the State each shall be

responsible for losses, damages, or liabilities arising out of any act or omission of its employees, or its agents to the extent each otherwise would be responsible for such losses, damages, or liabilities under applicable federal or State law.

- f. The Parties agree that the covenants, terms, conditions, and restrictions of this Easement shall run with the land and shall be binding upon the Parties, their successors and assigns in perpetuity. The terms of this Easement may be waived or modified only by the unanimous written agreement of the Parties.
- g. Tatitlek hereby covenants to and with the United States and the State, that Tatitlek is lawfully seized of the surface estate in fee of the above described Homesite Lands Retained, free and clear of encumbrances, except as specified herein, that Tatitlek has good and lawful right and power to encumber the same, and that Tatitlek will forever warrant and defend this Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to ANCSA, to and including the moment at which this Easement is conveyed to the United States and the State, against the lawful claims and demands of all persons.
- h. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- i. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the land within the boundaries of any Native village.
- j. If any material provision of this Easement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate, in good faith, such reasonable modifications of this Easement as are necessary to protect the duties, rights and interests of the Parties under this Easement and to carry out the intent of this Easement.
- k. The parties make no representations as to whether the lands that are described herein by survey include avulsed lands, including, but not limited to, those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD unto the United States and the State, their successors, and assigns forever.

IN WITNESS WHEREOF, Tatitlek, the United States and the State have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPCKOFF, to me known to be the individual who executed the within and foregoing TATITLEK HOMESITE LANDS EASEMENT as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders for the uses 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.

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Easement conveying to the United States and its assigns, the interests in lands described therein.

BOOK 135 PAGE 455
Valdez Recording District

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by PHIL JANIK, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA

Pursuant to AS § 38.05.035(a)12, I do hereby accept title to the above described interest in real property on behalf of the State of Alaska.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

BOOK 135 PAGE 456
Valdez Recording District

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendices C and D

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY U.S. DEPARTMENT OF JUSTICE
AND ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P.O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT XIII

TATITLEK TIMBER CONSERVATION EASEMENT

**on Lands at Landlocked Bay, Fish Bay
and Sunny Bay**

THIS TIMBER CONSERVATION EASEMENT is made this ____ day of _____, 1998, by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 et seq., as amended ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. § 428a, whose address is U.S. Department of Agriculture, Forest Service, P. O. Box 21628, Juneau, Alaska 99802-1628, and the **State of Alaska** and its assigns ("State"), under the authority of AS § 38.05.035(a)(12), whose address is Department of Natural Resources, 3601 C Street, Suite 960, Anchorage, Alaska 99503, as grantees, pursuant to the Agreement for the Sale and Purchase of Lands and Interests in Lands Among The Tatitlek Corporation and the United States and the State of Alaska dated _____, 1998 (the "Agreement") and for good and valuable consideration. Tatitlek, the United States, and the State are collectively referred to hereinafter as "Parties."

WHEREAS, Tatitlek is the owner in fee simple of the surface estate of certain real property located adjacent to the Chugach National Forest, Alaska, which is more particularly described below (the "Protected Property") and which is adjacent or in proximity to the Tatitlek Conveyance Lands and Tatitlek Conservation Easement Lands, as defined in the Agreement (collectively the "Adjacent Lands"); and

WHEREAS, the Adjacent Lands contain natural, scenic, wooded, and other similar or related resources and values, including fish and wildlife and their habitats, as well as attributes and amenities important and valuable to the restoration of natural resources and services injured or reduced by the *Exxon Valdez* oil spill of March 24, 1989 ("EVOS"), including those described in the Final Restoration Plan adopted by the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") on November 2, 1994, (the "Conservation Values"); and

WHEREAS, Tatitlek intends to convey to the United States and the State a conservation easement on merchantable timber located on the surface estate of the Protected Property as specified below; and

WHEREAS, Tatitlek intends to convey to the United States and the State the right to enforce the restriction on commercial harvesting of merchantable timber as specified below; and

WHEREAS, subject to the rights granted to the United States and the State, Tatitlek reserves and retains all other rights and privileges as landowner;

NOW, THEREFORE, pursuant to the laws of Alaska and in particular Alaska Statute § 34.17.010 - § 34.17.060, and the Agreement, Tatitlek does hereby grant and convey to the United States, its successors and assigns, forever, with special warranties of title, subject to conditions, restrictions and limitations of record, a timber conservation easement in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth (the "Timber Conservation Easement"), as to the property described as follows:

See attached Appendix N

Containing in sum 14,722 acres more or less.

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

The Parties further intend to ensure the reservation and enjoyment by Tatitlek, landowner of the Protected Property, of all legal rights and privileges that are not specifically granted to the United States and the State by and through this Timber Conservation Easement.

The acquiring agency is the U.S. Department of Agriculture, Forest Service.

1. **DEFINITIONS:**

For purposes of this document, the following terms shall have the following meanings:

- a. "Commercial Timber Harvesting" means (1) cutting and removing from the Protected Property Merchantable Timber for sale and (2) constructing roads and related infrastructure for the support thereof.
- b. "Merchantable Timber" means timber that can be harvested and marketed by a prudent operator.

2. **PURPOSE:**

The purpose of this Timber Conservation Easement is to ensure that the Conservation Values of the timber on the Protected Property and the Conservation Values of the Adjacent Lands are maintained in perpetuity through the prohibition of commercial harvesting of merchantable timber on the Protected Property.

3. **RIGHTS CONVEYED TO THE UNITED STATES:**

To accomplish the purpose of this Timber Conservation Easement, the following rights are conveyed to the United States:

- a. To enter upon the Protected Property, after providing reasonable advance notice in writing to Tatitlek, and after providing Tatitlek with a reasonable opportunity to have a representative present upon such entry, in order to achieve the purpose and enforce the terms of this Timber Conservation Easement.
- b. The right to receive any revenue in excess of removal costs resulting from the sale of Merchantable Timber cut and removed by any party incident to the exercise of Tatitlek's rights to commercial development of the Protected Property;
- c. To share equally with Tatitlek all rights and remedies available against persons who cut or remove Merchantable Timber with no lawful right to do so; and
- d. In cooperation with Tatitlek, the right, but not the obligation, to reforest in the event then-existing Merchantable Timber is destroyed by fire, wind, insects, disease, or other similar man-made or natural occurrence (excluding man-made occurrences

resulting from the exercise by Tatitlek of its lawful rights to use the Protected Property).

4. **PROHIBITED USE:**

Tatitlek is prohibited from engaging in or allowing Commercial Timber Harvesting on the Protected Property now or in the future.

5. **TATITLEK'S RETAINED RIGHTS AND PRIVILEGES AS LANDOWNER:**

- a. Tatitlek reserves, retains and continues to have all legal rights and privileges as landowner, other than the right to Commercial Timber Harvesting on the Protected Property.
- b. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.

6. **ACTS BEYOND TATITLEK'S CONTROL:**

Nothing contained in this Timber Conservation Easement shall be construed to entitle the United States or the State to bring any action against Tatitlek for any injury to or change in the Protected Property resulting from causes beyond Tatitlek's control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any injury to or change in the Protected Property resulting from a third party's intentional or negligent act or prudent action taken by Tatitlek under emergency conditions to prevent, abate or mitigate significant injury to the Protected Property resulting from such causes. Nothing contained in this Timber Conservation Easement shall be construed to limit the obligation of third parties for injury or damage to the Protected Property under applicable federal or State laws.

7. **SUBSEQUENT TRANSFERS:**

Tatitlek agrees to incorporate the terms of this Timber Conservation Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including without limitation a leasehold interest. The United States or the State may transfer, assign, or delegate any of its rights or responsibilities under this Timber Conservation Easement to a third party, but only if the third party is required to and agrees to be bound by and to carry out the purpose of this Timber Conservation Easement.

8. ENFORCEMENT:

- a. In the event Tatitlek or the United States becomes aware of an event or circumstance of non-compliance with the terms of this Timber Conservation Easement, or in the event the State becomes aware of an event or circumstance of noncompliance with the terms of the Prohibited Use set forth in Section 4 of this Timber Conservation Easement, that party shall give notice to the other Parties, their successors or assigns, at their last known post office address, of such event or circumstance of noncompliance. If the event or circumstance of noncompliance is not corrected immediately, the party making such notification is entitled to institute suits to enjoin any breach or enforce any covenant and require that the Protected Property be restored promptly to the extent reasonably possible to the same condition that existed prior to the event or circumstance of non-compliance.
- b. Nothing in this Section shall limit any other legal rights or remedies available to the Parties.

9. GENERAL PROVISIONS:

- a. The Parties agree that this Timber Conservation Easement is not intended, and shall not be construed, to create any third party beneficiary hereof and that nothing in this Timber Conservation Easement shall be construed as creating any rights of enforcement by any other person or entity that is not a party to this Timber Conservation Easement.
- b. This instrument shall be construed so as to effect the purpose for which it was granted to the United States and the State. Any ambiguities shall be resolved in a manner that best accomplishes the purpose of this Timber Conservation Easement.
- c. The United States and the State shall have the right to make surveys, and plats, take photographs and prepare such other documents as may be necessary or desirable to administer the provisions of this Timber Conservation Easement so long as copies of any such surveys, plats, photographs and documents are made available to Tatitlek upon request. Any such map, plat or other suitable document may be recorded at the discretion of the United States or the State in the land records of the respective recording district wherein the Protected Property is located.

- d. The provisions of this Timber Conservation Easement are enforceable in law or equity by Tatitlek, the United States and the State, their successors or assigns, consistent with Section 8 of this Timber Conservation Easement.
- e. This Timber Conservation Easement shall be interpreted under applicable provisions of federal and state law pertaining to real property.
- f. Tatitlek is not relieved from liability by this Timber Conservation Easement for injuries occurring on, and resulting from, the condition of the Protected Property for which it would otherwise ordinarily be liable. The United States and the State each shall be responsible for losses, damages, or liabilities arising out of any act or omission of its employees, or its agents to the extent each otherwise would be responsible for such losses, damages, or liabilities under applicable federal or State law.
- g. Tatitlek is not relieved from liability by this Timber Conservation Easement for the costs associated with the cleanup of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and similar federal and State laws for which it would otherwise ordinarily be liable. Tatitlek shall be liable for and hold the United States and the State harmless from liability under said statutes, and pursuant to said statutes shall indemnify the United States and the State for all costs relating to cleanup, including attorneys fees, of hazardous substances that were released subsequent to the conveyance of the Protected Property to Tatitlek and prior to the effective date of this Timber Conservation Easement, and for all releases caused by, or contributed to, by Tatitlek or its agents subsequent to the date of this Timber Conservation Easement, but not for costs for cleanup of hazardous substances that are released by the United States in the course of engaging in activities that are authorized by this Timber Conservation Easement. This clause may be enforced by Tatitlek or the United States or the State in a court of law. To the extent any of the lands were oiled as a result of the EVOS, the Parties stipulate and agree that no violation of this clause shall be deemed to occur as a result of the EVOS.
- h. The Parties agree that the covenants, terms, conditions, and restrictions of this Timber Conservation Easement shall run with the land and shall be binding upon the Parties, their successors and assigns in perpetuity. The terms of this Timber Conservation Easement may be waived or modified only by the unanimous written agreement of the Parties.

- i. Tatitlek hereby covenants to and with the United States and its assigns, that Tatitlek is lawfully seized of the surface estate in fee of the Protected Property, free and clear of encumbrances, except as specified herein, that Tatitlek has a good and lawful right and power to encumber the same, and that Tatitlek will forever warrant and defend this Timber Conservation Easement, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to ANCSA, to and including the moment at which this Timber Conservation Easement is conveyed to the United States and its assigns, against the lawful claims and demands of all persons.
- j. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- k. If any material provision of this Timber Conservation Easement or any application thereof shall be invalid or unenforceable, then the Parties will negotiate in good faith such reasonable modifications of this Timber Conservation Easement as are necessary to protect the duties, rights and interests of the Parties under this Timber Conservation Easement and to carry out the intent of this Timber Conservation Easement.
- l. The parties make no representations as to whether these lands that are described herein include avulsed lands, including but not limited to those lands, that may have been uplifted or subsided in the earthquake of March 27, 1964.

TO HAVE AND TO HOLD unto the United States and the State, their successors, and assigns forever.

IN WITNESS WHEREOF, Tatitlek, the United States, and the State have set their hands on the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

BOOK 135 PAGE 464
Valdez Recording District

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPKEFF, to me known to be the individual who executed the within and foregoing TIMBER CONSERVATION EASEMENT as President of The Tatitlek Corporation and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.

Notary Public in and for Alaska
My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a and the Agreement, the United States hereby accepts this Timber Conservation Easement conveying to the United States and its assigns, the interests in lands described therein.

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____
Phil Janik, Regional Forester

BOOK 135 PAGE 465
Valdez Recording District

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by PHIL JANIK, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA

Pursuant to AS § 38.05.035(a)12, I do hereby accept title to the above described interest in real property on behalf of the State of Alaska.

**STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Marty Rutherford
Deputy Commissioner

BOOK 135 PAGE 466
Valdez Recording District

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, at _____, Alaska, the foregoing instrument was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendix N

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**DRAFT INSTRUMENT SUBJECT TO FINAL APPROVAL AND MODIFICATION PRIOR
TO CLOSING AS TO FORM AND SUBSTANCE BY THE U.S. DEPARTMENT OF
JUSTICE AND THE ALASKA DEPARTMENT OF LAW**

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P.O. Box 21628
Juneau, Alaska 99802-1628

EXHIBIT XIV

UNITED STATES WARRANTY DEED

**For Lands to be Conveyed in Surface Fee by Tatitlek
to the United States in Phase I**

THIS DEED is made this ____ day of _____, 1998, between **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, as amended, 43 U.S.C. § 1601 et. seq. ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, as grantor, and the **United States of America** and its assigns ("United States"), under the authority of the Act of August 3, 1956, as amended, 7 U.S.C. § 428a, whose address is U.S. Department of Agriculture, Forest Service, P. O. Box 21628, Juneau, Alaska 99802-1628, as grantee, pursuant to the Agreement for Sale and Purchase of Lands and Interests in Land Among The Tatitlek Corporation and the United States of America and the State of Alaska, dated _____, 1998 ("Agreement").

WITNESSETH, that Tatitlek, for and in consideration of the terms of the Agreement, which provides for several conveyances of lands and interests in lands from Tatitlek to the State and to the United States, of which this is one, for a sum of Twenty-Four Million One Hundred Fifty Thousand and no/100 Dollars (\$24,150,000), in hand paid by the United States, the receipt of which is hereby acknowledged, conveys and warrants to the United States and its assigns, forever, the surface estate of all those lands lying and being in the Eastern Prince William Sound, State of Alaska ("Protected Property"), containing approximately 28,746 acres, more or less; and more particularly described as follows:

See Attached Appendix A

TOGETHER WITH all right, title, and interest in avulsed lands, if any, within the area above described, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.

The herein described lands are acquired for administration by the Secretary of Agriculture ("Secretary") through the Forest Service.

TO HAVE AND TO HOLD THE SAME, together with all the hereditaments and appurtenances thereunto belonging or in anywise appertaining, to the United States and its assigns, forever.

SUBJECT, however to:

1. EASEMENT FOR SUBSISTENCE ACCESS:

Tatitlek reserves unto itself the right for the residents of the Village of Tatitlek, Alaska (which are defined to mean those persons maintaining their primary, permanent abode in Tatitlek, Alaska) (hereinafter "residents") to enter upon and travel across the Protected Property for the purposes of engaging in lawful customary and traditional uses (hereinafter "uses" or "such uses") of wild, renewable resources for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation; for making and selling of handicraft articles out of non-edible by-products of fish and wildlife resources taken for personal or family consumption; for barter, or sharing for personal or family consumption; and for customary trade. As used herein, the term:

- a. "family" means all persons related by blood, marriage, or adoption, or any person living within the household on a permanent basis; and
- b. "barter" means the exchange of fish or wildlife or their parts, taken for subsistence uses --
 - (1) for other fish or game or their parts; or
 - (2) for other food or for nonedible items other than money if the exchange is of a limited and noncommercial nature.

In exercising the rights reserved herein, the residents may utilize such means of transportation as are permitted to the general public on adjacent federal lands and all means of transportation which were customarily utilized by the residents for engaging in such uses on the Protected Property as of January 1, 1998; provided however, that the Secretary or his

delegate (hereinafter simply, Secretary) may impose such reasonable restrictions on such means of transportation as may be necessary to protect the natural state of the Protected Property. Nothing herein shall be construed as (1) permitting the level of such uses of wild, renewable resources upon the Protected Property to be inconsistent with the conservation of healthy fish and wildlife populations, or (2) preventing the Secretary from temporarily closing the Protected Property to such uses of a wild, renewable resource if necessary for reasons of public safety, administration, or to assure the continued viability of such resources; provided, however, that the Secretary shall not limit nor preclude such uses of fish and wildlife on the Protected Property by the residents for purposes of public safety or administration unless the Secretary has taken all other reasonable actions necessary to remedy the conditions giving rise to the proposed limitations or preclusions, including, but not limited to, the termination of all other activities, consumptive or non-consumptive, on the Protected Property that contribute to such conditions. The Secretary shall, consistent with his or her other legal obligations, manage the above-granted lands in a good faith manner which acknowledges and seeks to preserve the rights described in this easement. Nothing herein shall be construed to create any fiduciary or trust obligation whatsoever on the part of the Secretary, his or her successors and assigns, or the United States and its assigns with respect to Tatitlek for the management of the Protected Property. Nothing herein shall be construed to affect the authority of the State to regulate or prohibit the taking of fish and wildlife upon the Protected Property. Nothing herein shall be construed to affect the authority of the United States under the provisions of any federal law governing the conservation or protection of fish and wildlife, including, but not limited to, the Alaska National Interest Lands Conservation Act, PL 96-487, 94 Stat. 2371, Fur Seal Act of 1966 (80 Stat. 1091; 16 U.S.C. § 1187), the Endangered Species Act of 1973, as amended (87 Stat. 884; 16 U.S.C. §§ 1531-1534), the Marine Mammal Protection Act of 1972 (86 Stat. 1027; 16 U.S.C. §§ 1361-1407), the Act entitled "An Act for the Protection of the Bald Eagle," approved June 8, 1940 (54 Stat. 250; 16 U.S.C. §§ 742a-754), the Migratory Bird Treaty Act, as amended (40 Stat. 755; 16 U.S.C. §§ 703-711), the Federal Aid in Wildlife Restoration Act (50 Stat. 917; 16 U.S.C. §§ 669-669i), the Fishery Conservation and Management Act of 1976 (90 Stat. 331; 16 U.S.C. §§ 1801-1882), the Federal Aid in Fish Restoration Act (64 Stat. 430; 16 U.S.C. §§ 777-777k), or any amendments, currently or in the future to any one or more of such acts.

2. RESTRICTIVE COVENANTS:

Tatitlek reserves unto itself the non-exclusive right to enforce the following Restrictive Covenants:

- a. Restricted Activities: The activities listed below are prohibited on the Protected Property except as determined to be necessary for conveying information to the

public to protect public safety or natural resources, or for research or management of the Protected Property consistent with the goal of maintaining the land in perpetuity for conservation and wilderness purposes. Any buildings or mobile homes determined to be necessary for research or management of the Protected Property, to the extent reasonably possible, must be designed in a rustic manner so as to blend into the natural character of the area, must be constructed and managed in a manner that minimizes adverse effects on the Protected Property, and must be operated for use by research or land management personnel only. Determinations under the provisions of this section will be made by the owner of the fee simple estate if the owner is the State or the United States. If the owner of the fee simple estate is any other entity, determinations under this section shall be made by the owner, subject to approval by the State and Tatitlek:

- (1) constructing or placing buildings, fixed or improved camping accommodations, or mobile homes, fences, billboards or signs other than those signs for boundary, trespass, direction or general information;
- (2) changing the topography of the Protected Property in any manner;
- (3) removing or destroying plants except for subsistence uses or medicinal uses;
- (4) using biocides;
- (5) manipulating or altering natural water courses, shores, marshes or other water bodies or activities or uses detrimental to water purity on the Protected Property; and
- (6) operating motorized vehicles, provided that this provision shall not be construed to prohibit the use of float equipped aircraft on waterbodies within the Protected Property nor of four-wheel vehicles drive vehicles nor all terrain vehicles along the road/trail easement reserved herein by Tatitlek to transport passengers and supplies to and from the Exclusion Area at Two Moon Bay to the development site at Hells Hole.

b. Prohibited Activities: The following listed activities by any person are prohibited:

- (1) removing or harvesting timber, including but not limited to, all standing and downed timber, logs, inventory, lumber, and any other goods or products obtained or derived from the forest, now or in the future, except for

subsistence uses and for the purpose of implementing the activities identified in section 1 (Restricted Activities) above;

- (2) introducing fish, wildlife or plants not indigenous to eastern Prince William Sound, including, but not limited to, the grazing of domestic animals or the introduction of reindeer, unless unanimously agreed upon by Tatitlek, the United States and the State; and
- (3) dumping or releasing trash, garbage, hazardous substances or other unsightly or offensive material

3. **ENFORCEMENT:**

- a. Nothing contained in the Restrictive Covenants shall be construed to entitle Tatitlek to bring any action against the United States for any injury to or change resulting from causes beyond the United States' control, including, without limitation, naturally caused fire, flood, storm, and earth movement, or from any action resulting from a third party's negligence or prudent action taken by the United States under emergency conditions to prevent, abate or mitigate significant injury resulting from such causes. Nothing contained herein shall be construed to limit the obligation under applicable state or federal laws of third parties for injury or damage to the above-described lands. Nothing contained herein shall be construed to create any third party rights.
- b. In the event Tatitlek becomes aware of an event or circumstance of non-compliance with the Restrictive Covenants set forth in the foregoing paragraphs, Tatitlek shall give written notice to the United States, through the Regional Forester of the Alaska Region of the Forest Service, its successors or assigns, of such event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected immediately, Tatitlek is entitled to institute suits to enjoin any breach or enforce any covenant and require that the Protected Property be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance. Nothing in this section shall limit any other legal rights or remedies available to Tatitlek.

4. **WATER EASEMENT:**

Tatitlek retains an easement for purpose of access across and entry upon any portions of the Protected Property adjoining the Development Lands described in the Tatitlek Development Easement recorded simultaneously herewith, to transport fresh potable water, which may be

allocated to Tatitlek pursuant to federal or State law, necessary to support the development and use of the Development Lands and to construct and maintain waterlines and water systems required for such purposes. Tatitlek's right to construct waterlines and water systems is subject to the prior written consent of the United States, or its assigns, which consent shall not be delayed or withheld unreasonably. In determining whether to consent to Tatitlek's access for water, the United States, or its assigns, shall consider the location and volume of water to be used, the reasonable availability of water in the areas to be developed, the proposed means and route of transport and any significant adverse effects on the ecosystem resulting from the removal of such water. The Parties intend that Tatitlek shall have access to a sufficient source of water in order to facilitate Tatitlek's economic development and use of the Development Lands. At such time as any waterlines and water systems are constructed pursuant to this section, Tatitlek shall provide an as-built survey, with descriptions, in recordable form, acceptable to the United States, to locate all improvements.

5. ROAD/TRAIL EASEMENT:

Tatitlek retains a road/trail easement for purposes of access from the Exclusion Area (see Exhibit XI and Appendix M to the Agreement) at Two Moon Bay to the development site at Hells Hole through the Protected Property. Such easement shall be 25 feet in width and shall be available only for use by Tatitlek in connection with the uses of the Campsite and development site provided for in Exhibits IX and XI of the Agreement.

6. ITEMS OF RECORD:

Easements, rights and reservations of the United States, and third parties, if any, of record.

7. CONSERVATION EASEMENT:

Enforcement Rights of the State as established by the Conservation Easement granted by Tatitlek to the State and recorded immediately prior to this deed, authorizing the State on a non-exclusive basis to enforce the Restrictive Covenants set forth therein.

8. REVERTER:

In the event Tatitlek or the State becomes aware of an event or circumstance when the Protected Property or any portion thereof, ceases to be in compliance with the terms of any applicable Restrictive Covenant, that party shall give notice to the United States of such event or circumstance of non-compliance, and make demand that it be enjoined, corrected and/or that the lands be restored as is appropriate to the circumstances. If the event or

circumstance of non-compliance is not ceased immediately and corrected promptly, Tatitlek or the State may institute suits to enjoin any breach of, or to enforce compliance with, the Restrictive Covenant, and to require that said lands, or the affected portion thereof, be restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance. If the event or circumstance of non-compliance is not corrected promptly and the subject lands, or portion thereof, are not restored promptly to substantially the same condition that existed prior to the event or circumstance of non-compliance, then title to said lands or portion thereof shall be conveyed automatically to the State, provided that the State agrees to accept it. If the State does not accept fee title to the surface estate or timber rights, title to such estate or timber rights shall revert automatically to Tatitlek. If the State accepts fee title or said timber rights, in the event that the State subsequently attempts to convey said lands or any part thereof in fee simple or to convey the timber rights thereto to another entity, at the time of such conveyance, title to said lands or portion thereof or timber rights shall revert automatically to Tatitlek. The Protected Property shall continue in any event to be subject to the Restrictive Covenant. The Protected Property shall also continue to be subject to the Easement for Subsistence Access, except that Tatitlek agrees that if fee title to some or all of said lands is conveyed to the State, under this provision or otherwise, then the Easement for Subsistence Access shall terminate as to such lands, but the State will have the obligation referenced in paragraph 7(g) of the Agreement to manage the property so as to ensure public access.

9. **MISCELLANEOUS:**

- a. The foregoing easements and Restrictive Covenants shall run with the land and shall be binding upon the United States and its assigns, or successors in interests.
- b. Nothing herein shall be deemed to affect or in any way limit the rights of the owner of the subsurface estate in accordance with applicable law.
- c. Tatitlek retains the rights, to the extent that it has the rights, granted in Section 14(f) of ANCSA, including the right to consent to exploration, development or removal of minerals from the subsurface estate in the lands within the boundaries of any Native village.
- d. The parties make no representations as to whether the lands that are described herein include avulsed lands, including but not limited to those lands that may have been uplifted or subsided in the earthquake of March 27, 1964.
- e. Tatitlek hereby covenants to and with the United States and its assigns, that Tatitlek is lawfully seized of the surface estate in fee simple of the Protected 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 Tatitlek will forever warrant and defend the title thereto and the quiet possession thereof, limited to that portion of the chain of title from the moment of conveyance by the United States to Tatitlek pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 et. seq., to and including the moment at which such title is validly reconveyed to the United States and its assigns, against the lawful claims and demands of all persons.

IN WITNESS WHEREOF, Tatitlek hereunto sets its hand and seal the day and year first above written.

THE TATITLEK CORPORATION

By: _____
Carroll Kompkoff, President

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPKOFF, to me known to be the individual who executed the within and foregoing UNITED STATES WARRANTY DEED as President of The Tatitlek Corporation and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders for the use and purposes therein mentioned.

BOOK 135 PAGE 475
Valdez Recording District

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

Notary Public in and for Alaska

My commission expires: _____

ACCEPTANCE

Pursuant to 7 U.S.C. § 428a, and the Agreement, the United States hereby accepts this WARRANTY DEED conveying to the United States and its assigns, those interests in lands described therein.

DATED this ____ day of _____, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: _____

Phil Janik, Regional Forester

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared PHIL JANIK, known to me and to me known to be the Regional Forester, Alaska Region, USDA Forest Service, and he acknowledged to me that he signed as accepting the foregoing UNITED STATES WARRANTY DEED conveying to the United States, those lands described therein, and he acknowledged to me that he executed the foregoing instrument freely and voluntarily.

BOOK 135 PAGE 476
Valdez Recording District

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

(SEAL)

Notary Public in and for Alaska
My commission expires: _____

LOCATION INDEX:
See attached Appendix A

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EXHIBIT XV

Shareholder Homesite Program

1. SHAREHOLDER HOMESITE PROGRAM ESTABLISHMENT:

The Alaska National Interest Lands Conservation Act ("ANILCA") authorized parcels of land distributed prior to December 18, 1991, by an Alaska Native Village Corporation to a shareholder under a shareholder homesite program would qualify for certain tax exemptions under Section 21 of ANCSA, as amended, 43 U.S.C. § 1601 et seq. In 1991, at the direction of its Board of the Directors, The Tatitlek Corporation, an Alaska Native Village Corporation within the meaning of ANCSA, established the Tatitlek Corporation Shareholder Homesite Program pursuant to §1620(j) of ANCSA, as amended, and whose provisions are reflected generally in the quitclaim deed used to convey homesites.

2. THE TATITLEK HOMESITE LANDS PROPERTY:

The Tatitlek Corporation owns in fee simple the surface estate of real property located in four subdivisions it established at Two Moon Bay, Snug Corner Cove, Irish Cove, and Fish Bay in the acreages shown below:

- a. Snug Corner Cove: Consisting of 47 lots (70.5 acres);
- b. Two Moon Bay: Consisting of 120 lots (180 acres);
- c. Irish Cove: Consisting of 16 lots (24 acres); and
- d. Fish Bay: Consisting of 58 lots (87 acres).

3. RESTRICTIONS ON HOMESITE PROPERTY (LOTS):

The homesite property lots conveyed to shareholders under the Tatitlek Shareholder Homesite Program are subject to enumerated restrictions at the time of the program's establishment, including the following restrictions:

- a. The property must be used solely for single-family (including the property owner's extended family) residential occupancy for a period of not less than ten years.
- b. The property shall not be used or developed for commercial activity. In the event the property is so used, the right, title and interest conveyed to the Property Owner will automatically revert to the Tatitlek Corporation, its successors or assigns. "Commercial activity" means any activity undertaken on or connected with the

property for the purpose of making a profit. The Tatitlek Corporation, its successors and assigns, reserves the right to make a binding determination whether any given act constitutes a commercial activity. The Corporation has determined that the use of the property for a bed and breakfast inn or lodge facility, including such facility being operated by a non-profit organization, constitutes "commercial activity" and is therefore prohibited.

- c. In the event the property owner subdivides the homesite lot, such owner shall meet any and all state regulations pertaining to the subdivision of the lands, and pay all federal, state and local taxes that would have been incurred but for 43 U.S.C. §1620(j).
- d. Title to the property must be taken subject to the Amended and Restated Timber Sale Agreement between the Tatitlek Corporation and the Ocean Green Alaska Corporation, dated December 12, 1988, and all other restrictions and reservations of record.
- e. The property is subject to an Easement and Interest in the Marine Outfall System.

4. PERMISSIBLE USES OF HOMESITE PROPERTY:

With the exception of the restrictions listed above, a Shareholder who is conveyed a homesite property (lot) under the Tatitlek Shareholder Homesite Program may:

- a. Use the property and build a single-family residence on it;
- b. Gift the property to heirs and/or family;
- c. Bequeath the property to heirs; and
- d. Sell or otherwise legally dispose of the property to any third party.

5. REACQUISITION OF HOMESITE PROPERTY:

Subsequent to the establishment of the Shareholder Homesite Program in 1991, the Tatitlek Corporation purchased certain homesite lots from shareholders who wished to sell their homesites. Currently, Tatitlek owns 63 lots at Two Moon Bay, 26 lots at Snug Corner Cove, 16 lots at Irish Cove, and 24 lots at Fish Bay. Shareholders own 21 lots at Snug Corner Cove, 57 lots at Two Moon Bay and 34 lots at Fish Bay.

6. SHAREHOLDER HOMESITE LEASING PROGRAM:

Contingent upon the first and second closings of The Tatitlek Corporation Fish and Wildlife Habitat Conservation and Restoration Lands Package acquisition transaction with the EVOS Trustee Council, the homesite lots owned by The Tatitlek Corporation in Two Moon Bay and Snug Corner Cove (Homesite Lands Retained, Exhibit XII) will be available to be leased by shareholders of the Corporation subject to the following terms and conditions:

- a. Signing a written lease in substantially the same form as The Tatitlek Corporation Shareholder Homesite Lease, which is attached and is a part of this leasing program.
- b. The property may be utilized for a single family residence only.
- c. No commercial activity may be conducted in association with the Property; commercial activities prohibited include bed and breakfast facilities and lodges, and facilities associated with non-profit organization activities.
- d. Any structures placed on the property will be constructed in a manner that blends in with the natural character of the area.
- e. Property subject to this leasing program is subject to entry by the Tatitlek Corporation, and by the United States and the State, after providing reasonable advance notice in writing to the Tatitlek Corporation, and after providing Tatitlek with a reasonable opportunity to have a representative of the Corporation present upon such entry, in order to achieve the purpose and enforce the terms of the Homesite Easement in Exhibit XII.

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ATTACHMENT TO EXHIBIT XV

FORM OF

THE TATITLEK CORPORATION
SHAREHOLDER HOMESITE LEASE

THIS LEASE (the "Lease") is made and entered into this ____ day of _____, 19__, by and between THE TATITLEK CORPORATION, of P. O. Box 650, Cordova, Alaska 99574 (herein referred to as "Lessor"), and _____, of _____, Alaska 99__ (herein referred to as "Lessee").

RECITALS

WHEREAS, Lessor owns the real property, the legal description of which is:

Lot ____, Block ____, _____ Subdivision,
_____ Recording District, Third Judicial District, State of
Alaska,

(the "Property"); and

WHEREAS, Lessor has adopted a Shareholder Homesite Program ("Homesite Program") pursuant to Section 21 of the Alaska Native Claims Settlement Act, as amended; and

WHEREAS, the Property is subject to the provisions of the Shareholder Homesite Leasing Program; and

WHEREAS, Lessee is a shareholder of Lessor, and Lessee desires to lease the Property from Lessor, subject to the terms of the Shareholder Homesite Leasing Program;

NOW, THEREFORE, the parties agree as follows:

1. **Premises.** Lessor, for and in consideration of the rents, covenants, and agreements hereinafter mentioned, reserved, and contained, does by these presents grant, devise,

lease, and let unto Lessee, and Lessee does hereby lease from Lessor the Property. The term "Property" shall be defined to include any improvements constructed on the Property.

2. Use. The Property is to be used exclusively for one single family residence and for no other purpose. Lessee covenants and agrees:

- a. not to subdivide the Property;
- b. not to conduct any commercial activity on or associated with the Property, including the establishment of a bed and breakfast facility or any such related facility, nor utilize the Property for the conduct of activities associated with a non-profit organization;
- c. to construct any structures on the Property in a manner that blends with the natural character of the areas; and
- d. not to commercially harvest any timber on such Property.

Lessee shall comply with all municipal, state, federal, and other governmental laws, statutes, ordinances, rules, and regulations, pertaining to the Property.

3. Term. The term of this Lease shall be for a period commencing _____, 19__, and ending on _____, 20__.

4. Lease rate calculation and re-calculation. The annual lease rate (the "Lease Rate") shall be determined by the Lessor, in the Lessor's sole discretion, by applying a capitalization rate of 8% to the fair rental value of the Property, as determined by the Lessor in the exercise of the Lessor's sole discretion, at the beginning of the Lease. The initial Lease Rate shall remain in effect for a period of five (5) years; thereafter the Lease Rate will be re-calculated by the Lessor every five (5) years in accordance with the terms of this paragraph, and each such re-calculated Lease Rate shall be in effect for the next five (5) years of this Lease.

5. Payment of Lease Rate. Lessee covenants and agrees to pay Lessor on a monthly basis one-twelfth of the annual Lease Rate as determined by the Lessor as provided in paragraph 4 of this Lease, in lawful money of the United States, on the first day of each calendar month during the term of this Lease. Such payment shall be made to Lessor at the address stated on page 1 of this Lease or to such other place as Lessor may hereafter designate.

6. Alterations and Additions. Lessee shall provide, for Lessor's approval, drawings, plans, and specifications of any structures proposed to be constructed on the Property, and shall not construct any structures on the Property or make any alterations, additions, or modifications

to any structures on the Property without Lessor's prior written consent. All structures placed on the Property shall be constructed in a manner that blends with the natural character of the surrounding area as required by the Shareholder Homesite Leasing Program. All construction by Lessee shall be at Lessee's sole cost and expense. Upon vacating the Property, all improvements shall remain on the Property and become property of the Lessor, or Lessor, at Lessor's sole discretion, may require Lessee to remove any improvements on the Property and restore the Property to its former appearance.

7. Taxes. Lessee shall pay all real property taxes and assessments levied against the Property during the term of this Lease, and Lessee shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment, and all other personal property of Lessee contained on the Property.

8. Acceptance of Property by Lessee. The Property has been inspected and is accepted by Lessee in its present condition.

9. Acknowledgement of Receipt of Documents. Lessee understands and acknowledges that the Property is subject to the Shareholder Homesite Leasing Program. Lessor has provided to Lessee, and Lessee has read, a copy of the terms and conditions of the Shareholder Homesite Leasing Program. Lessee agrees to comply with the terms of the Shareholder Homesite Leasing Program.

10. Maintenance and Repairs. Lessee, at Lessee's expense, shall keep in good order, condition, and repair the Property and any improvements on the Property.

11. Prohibition Against Timber Harvesting. Lessee shall not conduct any commercial harvesting of timber on the Property nor allow any commercial harvesting of timber on the Property.

12. Mechanic's Liens. Lessee will not permit any mechanic's, laborer's, or materialmen's liens to stand against the Property for any labor or materials furnished to Lessee or claimed to have been furnished to Lessee or Lessee's agents, contractors, or sublessees in connection with work of any character performed or claimed to have been performed by or at the direction of Lessee; provided, however, Lessee shall have the right to contest the validity or amount of any such lien or claimed lien. Lessee agrees to indemnify, hold harmless, and defend Lessor from such liens.

13. Care of Premises. Lessee will permit no waste, damage, or injury to the Property. Lessee shall keep the Property in a neat, clean, and sanitary condition.

14. Assignment. Lessee shall not, without the written consent of Lessor, let or sublet the whole or any part thereof, nor assign this Lease or any part thereof without the written consent of Lessor. This Lease shall not be assignable by operation of law. If consent is once given by Lessor to the assignment of this Lease or any interest therein, Lessor shall not be barred from afterwards refusing to consent to any further assignment.

15. Access.

A. Lessor and its authorized representative shall have the right to enter the Property at all reasonable times for any of the following purposes:

1. To enter upon the Property with a representative or representatives of the United States of America or the State of Alaska;

2. To determine whether the Property is in good condition and whether Lessee is complying with its obligations under this Lease; and

3. To serve, post, or keep posted any notices required or allowed under the provisions of this Lease.

B. The Property is subject to entry by the United States of America and the State of Alaska, after providing reasonable advance notice in writing to the Lessor, and after providing the Lessor with a reasonable opportunity to have a representative of Lessor present upon such entry, in order to achieve the purpose and enforce the terms of the Tatitlek Homesite Lands Easement.

16. Indemnity and Insurance.

a. Indemnity. Lessee shall hold Lessor, its officers, agents, and employees harmless from liability of any nature or kind, including costs and expenses for or on account of liability of any nature or kind, and all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any act or omission by Lessee or Lessee's agents pursuant to this Lease. Lessee shall also assume all insurable risks and bear any loss or injury to property or persons occasioned by neglect or accident during the tenure of this Lease.

In case Lessor shall, without fault on its part, be made a party to any litigation commenced by or against Lessee, then Lessee shall protect and hold Lessor harmless and shall pay all costs, expenses, and reasonable attorney's fees incurred or paid by Lessor in connection with such litigation.

b. Property Insurance. Lessee agrees to keep the Property insured against loss and damage by fire and extended coverage risk.

17. Waiver of Subrogation. To the extent permitted by the applicable insurance carriers concerned, Lessor and Lessee and all parties claiming under them hereby mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard or casualty covered by insurance on the Property or covered by insurance in connection with property on or activities conducted in or on the Property regardless of the cause of the damage or loss.

18. Notices. Any notice required to be served in accordance with the terms of this Lease shall be sent by prepaid registered or certified U.S. mail. Any notice that either party desires or is required to give the other party shall be addressed to the other party at the address set forth on page 1 of this lease. Either party may change its address by notifying the other party of the change of address.

19. Bankruptcy. In the event that Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidation officer is appointed for the business of the Lessee, then the Lessor may cancel this Lease at the Lessor's option; provided, however, if such receiver, assignee, or liquidation officer is involuntarily appointed, or an involuntary petition in bankruptcy is filed against Lessee, the event in question shall not be deemed a default within the meaning of this Lease if removed by Lessee within thirty (30) days.

20. Default. In the event that Lessee violates any of the terms, covenants, or conditions of this Lease on its part to be performed, and such violation continues for ten (10) days after written notice to Lessee, then and in any such case, Lessee's right to possession of the Property shall thereupon terminate if Lessor so elects, but not otherwise, upon Lessor giving Lessee ten (10) days notice of such election, and the mere retention of possession thereafter by Lessee shall constitute a forcible detainer of such Property or, in any such event, if Lessor so elects, but not otherwise, this Lease shall terminate upon the Lessor giving Lessee ten (10) days notice of such election, and in the event of such termination of this Lease, the above-mentioned term shall cease at the expiration of the ten (10) day notice in the same manner and to the same effect as if that were the expiration of the original term of this Lease, giving the Lessor the right under any condition after default to the redemption and repossession of the Property or any part thereof. In the event of the termination of the Lessee's right of possession as aforesaid, other than if this Lease is terminated, Lessee agrees to immediately surrender possession of the Property at the expiration of said ten (10) day notice of Lessor's election to terminate Lessee's right to possession, without any notice to quit or demand for possession of the Property whatsoever, and hereby grants Lessor full and free entrance to, into, or upon said Property or any part thereof to take possession thereof, with or without process of law, and to expel or remove Lessee or any other person occupying said Property or any part thereof, and the Lessor may repossess itself of said Property as of its former estate, but said entry

on said Property shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture of rents due by virtue thereof, nor a waiver of any covenant, agreement, or promise in this Lease contained to be performed by Lessee.

If Lessee's right to possession of said Property shall be terminated as aforesaid, said Property or any part thereof may be relet by Lessor for the account and benefit of Lessee for such rent, and upon such terms and to such person or persons and for such period or periods as may seem fit to Lessor; but Lessor shall not be required to accept or receive any tenant offered by Lessee or do any act whatsoever, nor exercise any diligence whatsoever in or about the procuring of any occupant or tenant to mitigate the damages of Lessee or otherwise, Lessee hereby waiving the use of any care or diligence by Lessor in the reletting; and if a sufficient sum shall not be received from such reletting to satisfy the rent reserved in this Lease, after paying the expenses of reletting and collection, including commissions to agents, Lessee agrees to pay and satisfy all such deficiencies. The acceptance of a new tenant by Lessor in place of Lessee from the performance of any covenant, promise, or agreement herein contained, and the performance of any substitute tenant in payment of rent or otherwise shall constitute only satisfaction *pro tanto* of the obligations of Lessee arising hereunder.

21. Nonwaiver of Breach. The failure of Lessor to insist upon strict performance of any of the covenants and agreements of this lease or to exercise any option herein conferred in any one or more instances shall not be construed to be a waiver or relinquishment of any such breach, or any other covenants or agreements, and the same shall remain in full force and effect.

22. Holdover. If Lessee shall, with the written consent of Lessor, holdover after the expiration of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the State of Alaska. During such tenancy, Lessee agrees to pay to Lessor the rental set forth above unless a different rate is agreed upon and to be bound by all of the terms, covenants, and conditions as set forth herein so far as applicable.

23. Waiver. No delay or omission in the exercise of any right or remedy of Lessor on any default by Lessee shall impair such right or remedy or be construed as a waiver.

24. Alaska Law. This Lease shall be construed and interpreted in accordance with the laws of the State of Alaska. Venue for purposes of this Lease shall be in the Superior Court of the Third Judicial District, Anchorage, Alaska.

25. Integrated Agreement; Modification. This Lease contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

26. Severability. The unenforceability and invalidity or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid, or illegal.

27. Costs and Attorney's Fees. If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

28. Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties, their successors, and assigns. Except as heretofore provided, no assignment made by Lessee shall be valid without the written consent of Lessor having first been given thereto.

29. Environmental Provisions.

a. Prevention of Releases. Lessee will not cause or permit the Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process any Hazardous Substances except in compliance with all applicable Environmental Laws, nor shall Lessee cause or permit as a result of any intentional or unintentional act or omission on the part of Lessee the release of any Hazardous Substances on the Property.

b. Compliance with Environmental Laws. Lessee will at all times and in all respects comply with all Environmental Laws. Lessee will acquire all permits required for building, construction, drinking water, waste water and sewage disposal, or other regulated activity associated with the Property.

c. Notice. Lessee agrees to immediately notify the Lessor if Lessee becomes aware of (i) any Hazardous Substances or other environmental problem or liability with respect to the Property, or (ii) any lien, action, or notice resulting from violation of any of the laws, regulations, ordinances, or orders defined as Environmental Laws. At Lessee's own cost, Lessee shall take all actions which are necessary or desirable to clean up any and all Hazardous Substances affecting the Property which occur as a result of Lessee's actions or activities.

d. Indemnification. Lessee shall indemnify, defend, and hold Lessor harmless from and against any and all claims, demands, damages, losses, liens, costs, and expenses (including attorney's fees and disbursements) which accrue to or are incurred by the Lessor on or after the effective date of this Lease arising directly or indirectly from or out of or in anyway connected with any of Lessee's activities on the Property which directly or indirectly resulted in the Property being contaminated with Hazardous Substances and the cleanup of such Hazardous Substances to the Property.

e. Survival of Representations and Warranties. The representations, warranties, and covenants of Lessee set forth in this paragraph are separate and distinct obligations from Lessee's obligations otherwise provided for herein and shall continue in effect after the expiration of this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on the day and year first above written.

LESSOR:

THE TATITLEK CORPORATION

By: _____

Its: _____

LESSEE(S):

Name: _____

Name: _____

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY THAT on the ____ day of _____, 199__, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared _____, known to me to be the _____ of THE TATITLEK CORPORATION, the corporation named in the foregoing instrument, and he/she acknowledged to me that he/she signed said instrument as the free

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and voluntary act and deed of said corporation for the uses and purposes therein stated, and that he/she is authorized to execute such instrument.

WITNESS my hand and official seal the day and year in this certificate first hereinabove written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY THAT on the _____ day of _____, 199____, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared _____, the lessee named in the foregoing instrument, and he/she acknowledged to me that he/she signed said instrument as his/her free and voluntary act and deed.

WITNESS my hand and official seal the day and year in this certificate first hereinabove written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY THAT on the _____ day of _____, 199____, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared _____, the lessee named in the foregoing instrument, and he/she acknowledged to me that he/she signed said instrument as his/her free and voluntary act and deed.

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WITNESS my hand and official seal the day and year in this certificate first
hereinabove written.

Notary Public in and for Alaska
My commission expires: _____

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APPENDIX A

Federal Conveyance Lands

Lands to be acquired in Fee Simple by the United States of America, within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Partially Surveyed Township 10 South, Range 10 West,
Section 32, Lot 3,
according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted September 30, 1991, containing 1 acre, more or less.

Surveyed Township 12 South, Range 6 West,
Section 11, Lots 1, 2, and 3,
Section 13, Lot 1,
Section 14, Lot 1,
according to the official United States of America, Department of the Interior, Bureau of Land Management plats accepted July 27, 1981; September 30, 1991; and July 22, 1992, containing 1,220 acres, more or less.

Surveyed Township 12 South, Range 7 West,
Section 32, Lot 1,
Section 34, Lot 1,
Section 35, Lots 1 and 2,
Section 36, Lot 1,
according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Partially Surveyed Township 13 South, Range 7 West,
Mineral Survey No. 1034, known as the Black Bear,
Wild Goose and Wolverine Lode Claims, in the Valdez Mining District, Alaska,
Irish Cove Subdivision, recorded in the Valdez Recording District as Plat 91-19, Lots 1 to 16, on December 10, 1991,
Section 1,
Section 2, Lots 1 and 2,
Section 3, Lots 1 and 2, excluding Irish Cove Subdivision, Plat 91-19, Lots 1 to 16, recorded on December 10, 1991, in the Valdez Recording District,

Section 4, Lot 1, excluding Irish Cove Subdivision, Plat 91-19, and Lots 1 to 16, recorded on December 10, 1991, in the Valdez Recording District,

Section 5, Lot 1,

Section 6, Lot 1,

Section 7, Lot 1, excluding Two Moon Bay Subdivision, Plat 98-9, Valdez Recording District,

Section 8, Lot 1, excluding Two Moon Bay Subdivision, Plat 98-9, Valdez Recording District,

Section 9, excluding Irish Cove Subdivision, Plat 91-19, Lots 1 to 16, recorded on December 10, 1991, in the Valdez Recording District,

Section 10, Lot 1, excluding Irish Cove Subdivision, Plat 91-19, Lots 1 to 16, recorded on December 10, 1991, in the Valdez Recording District,

Section 11, Lot 1,

Section 12,

Section 13,

Section 14,

Section 15,

Section 16,

Section 17, Lots 1, 2 and 3,

Section 18, That portion of Lot 2 situated within the SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 19, That portion of Lot 1 situated within the W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$,

Section 20,

Section 21,

Section 22,

Section 24,

Section 25,

Section 27,

Section 28,

Section 29,

Section 30,

Section 31,

Section 32,

Section 33,

Section 34, excluding Tract A, Hell's Hole Subdivision, Plat 98-11, recorded on February 18, 1998, in the Valdez Recording District,

Section 35,

Section 36,

according to the official United States of America, Department of the Interior, Bureau of Land Management "plats accepted July 27, 1981 and September 30, 1991."

Surveyed Township 13 South, Range 8 West,

Section 1, Lots 1, 2 and 3,
Section 9, Lot 1,
Section 10, Lots 1 to 6, inclusive,
Section 11, Lot 1,
Section 13, That portion of Lot 1 situated within the SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$,
Section 14, That portion of Lot 1 situated within N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$,
Section 15, Lots 1 and 2,
Section 16, Lots 1 to 6, inclusive,
Section 17, That portion of Lot 1 situated within the W $\frac{1}{2}$,
Section 18, Lots 1, 2 and 3,
Section 19, Lots 1, 2 and 3,
Section 20, That portion of Lot 1 situated within the W $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, and Lots 2 to 5,
inclusive,
Section 21, Lot 1,
Section 22, Lot 1,
Section 23, That portion of Lot 3 situated within W $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$,
Section 24, That portion of Lot 1 situated within E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, S $\frac{1}{2}$,
Section 25, Lot 1,
Section 26, Lot 1,
Section 27, Lot 1,
Section 28, That portion of Lot 1 situated within NW $\frac{1}{4}$, S $\frac{1}{2}$,
Section 29, Lots 1 to 7, inclusive,
Section 32, Lots 1 and 2,
Section 33, Lot 1,
Section 34, Lot 1,
Section 35, Lot 2,
Section 36, Lot 1,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Partially Surveyed Township 14 South, Range 7 West,

Section 2,
Section 3,
Section 6, Lots 1 and 2,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Surveyed Township 14 South, Range 8 West,

Section 1, Lot 1,

Section 2, Lots 1 and 2,
Section 3, Lots 1 to 4, inclusive,
Section 4, Lots 1, 2 and 3,
Section 5, Lot 1,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 27,512 acres, more or less.

Surveyed Township 13 South, Range 9 West,
Section 24, Tract A of Goose Island Subdivision, Plat 98-7, recorded on February 18, 1998,
in the Valdez Recording District,
containing 10 acres, more or less.

Surveyed Township 13 South, Range 8 West, CRM.
Section 21, Lots 2, 22 and 23, Snug Corner Cove Subdivision, Plat 91-18, recorded on
October 10, 1991, in the Valdez Recording District,
containing 3 acres, more or less.

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APPENDIX B

Federal Exchange Lands

The surface and subsurface estate of lands to be conveyed to The Tatitlek Corporation in fee simple, within the Valdez Recording District, Third Judicial District State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Surveyed Township 12 South, Range 7 West,

Section 8, Lot 1,

Section 16,

Section 17,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 1,918 acres, more or less.

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APPENDIX C

Homesite Lands Conveyed

Shareholder Homesite lots conveyed by The Tatitlek Corporation prior to January 1, 1998:

COPPER RIVER MERIDIAN, ALASKA

Two Moon Bay Subdivision, recorded in the Valdez Recording District on December 10, 1991, as
Plat 91-16, Lots 3, 5, 7, 8, 10, 12, 14, 15, 18, 20, 21, 22, 23, 25, 28, 31, 33, 34, 35, 36, 38,
39, 41, 43, 44, 45, 48, 49, 50, 51, 52, 55, 57, 58, 60, 61, 69, 70, 75, 77, 79, 86, 88, 89, 92, 94,
98, 103, 104, 107, 110, 111, 114, 115, 116, 119, and 120,
containing 85.5 acres, more or less.

Snug Corner Cove Subdivision, recorded in the Valdez Recording District on December 10, 1991,
as Plat 91-18, Lots 1, 8, 10, 11, 12, 13, 15, 18, 20, 21, 24, 25, 29, 30, 31, 32, 36, 42, 45, 46,
and 47,
containing 31.5 acres, more or less.

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APPENDIX D

Homesite Lands Retained

Shareholder Homesite lots owned by The Tatitlek Corporation as of January 1, 1998:

COPPER RIVER MERIDIAN ALASKA

Two Moon Bay Subdivision, recorded in the Valdez Recording District on December 10, 1991, as Plat 91-16, Lots 1, 2, 4, 6, 9, 11, 13, 16, 17, 19, 24, 26, 27, 29, 30, 32, 37, 40, 42, 46, 47, 53, 54, 56, 59, 62, 63, 64, 65, 66, 67, 68, 71, 72, 73, 74, 76, 78, 80, 81, 82, 83, 84, 85, 87, 90, 91, 93, 95, 96, 97, 99, 100, 101, 102, 105, 106, 108, 109, 112, 113, 117, and 118, containing 94.5 acres, more or less.

Snug Corner Cove Subdivision, recorded in the Valdez Recording District, on December 10, 1991, as Plat 91-18, Lots 2, 3, 4, 5, 6, 7, 9, 14, 16, 17, 19, 26, 27, 28, 33, 34, 35, 37, 38, 39, 40, 41, 43, and 44, containing 36 acres, more or less.

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APPENDIX E

State Conveyance Lands at
Galena, Landlocked and Busby

Lands to be acquired in fee simple by the State of Alaska within the Valdez Recording District,
Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Surveyed Township 11 South, Range 8 West,

Section 4, Lots 3 and 4,

Section 9, Lot 1,

according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted July 27, 1981, containing 565 acres, more or less.

Surveyed Township 11 South, Range 9 West,

Section 26, Tract B of Busby Island Subdivision, Plat 98-8, recorded on February 18, 1998,

in the Valdez Recording District,

containing 2 acres, more or less.

Surveyed Township 12 South, Range 8 West,

Section 1, Lot 1, that portion situated southerly of Apex No. 2 Lode Claim and Alice T.

Lode Claim, both in MS 783-A; and that portion situated southerly of Montezuma

Lode Claim, and northerly and westerly of Cliff Lode Claim, both in MS 700,

according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted July 27, 1981, containing 107 acres, more or less.

U.S. MS 783-B, containing 5 acres, more or less, located in Section 1, Township 12 South, Range
8 West, to be conveyed by Quitclaim Deed.

APPENDIX F

State Conveyance Lands at
Sawmill and Heather Bays

Lands to be acquired in Fee Simple by the State of Alaska, within the Valdez Recording District,
Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN ALASKA

Partially Surveyed Township 9 South, Range 9 West,

Section 26, Lot 5,

Section 27, Lots 1 to 7, inclusive, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$,

Section 33, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 34, Lots 1 to 8, inclusive, W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$,

Section 35, Lot 2,

according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted September 30, 1991, containing 1,521 acres, more or less.

Partially Surveyed Township 10 South, Range 10 West,

Section 15, Lots 1 to 6, inclusive,

Section 16, Lots 1, 2, 3, 4, 5, 6, 7 and 10,

Section 22, Lots 1 to 5, inclusive,

Section 23, Lots 1 to 5, inclusive,

Section 27, Lots 1, 2 and 3, excluding, Tract A, Heather Bay Subdivision, according to Plat
98-10, recorded on February 18, 1998, in the Valdez Recording District,

Section 28, Lot 2,

Section 32, Lot 2,

Section 33,

according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted September 30, 1991, containing 2,177 acres, more or less.

APPENDIX G

Tatitlek Conservation Easement Lands

Lands to be acquired by Conservation Easements with Public Access, by the United States, within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Partially Surveyed Township 10 South, Range 8 West,

Section 33, Lot 1,

Section 34, Lot 1, excluding Tract A, Indian Creek Subdivision, Plat 98-5, recorded on February 18, 1998, in the Valdez Recording District,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Surveyed Township 11 South, Range 8 West,

Section 1, Lots 1 to 5, inclusive,

Section 2, Lots 1, 2 and 3,

Section 3, Lot 1,

Section 4, Lots 1 and 2,

Section 10, Lot 1, excluding Tract A, Turner Creek Subdivision, Plat 98-6, recorded on February 18, 1998, in the Valdez Recording District,

Section 11, Lots 1 to 10, inclusive,

Section 12, Lot 1,

Section 13, Lot 1,

Section 14, Lot 1,

Section 15, Lot 1,

Section 16, E $\frac{1}{2}$,

Section 21, NE $\frac{1}{4}$,

Section 22, That portion of Lot 1 situated within the N $\frac{1}{2}$,

Section 23, That portion of Lot 2 situated within the N $\frac{1}{2}$, SE $\frac{1}{4}$,

Section 24, Lot 1,

Section 25, Lots 1 to 4, inclusive,

Section 26, That portion of Lot 1 situated within the E $\frac{1}{2}$,

Section 35, That portion of Lot 1 situated within the E $\frac{1}{2}$,

Section 36, Lots 2, 3 and 4,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Surveyed Township 12 South, Range 8 West,

Section 1, Lot 1, that portion lying northerly and easterly of the Montezuma Lode, Daisy Lode, Buckeye Lode, and Ajax Lode Claims, that that portion lying southerly of the Cliff Lode Claim, and westerly of the Ajax Lode Claim,

Section 2, Lot 1,

Section 10, That portion of Lot 1 situated within the NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, and Lots 2, 3 and 4,

Section 11, Lot 1,

Section 14, Lot 1,

Section 15, Lots 1 to 17, inclusive,

Section 16, Lots 1 to 6, inclusive,

Section 21, Lot 1,

Section 22, Lots 1 to 12, inclusive,

according to the official United States of America. Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 10,281 acres, more or less.

Surveyed Township 12 South, Range 8 West,

Section 3, Lot 1,

Section 10, That portion of Lot 1 within N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, and Lots 2, 3 and 4,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 208 acres, more or less.

Surveyed Township 11 South, Range 9 West,

Section 22, Lot 1 to 11, inclusive, AND U. S. Survey 1606, Tract A, situated on a small peninsula extending northwesterly from Busby Island into Valdez Arm,

Section 23, Lots 1, 2 and 3, excluding Tract A of Busby Island Subdivision, Plat 98-8, Valdez Recording District,

Section 26, Lots 1 to 13, inclusive, and Lots 24, 25, and 26, excluding Tract B of Busby Island Subdivision, Plat 98-8,

Section 27, Lots 1 to 5, inclusive,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 426 acres, more or less.

Partially Surveyed Township 13 South, Range 7 West,

Section 18, Lots 1, 3, 4, 5, 6, 7 and 8, AND Lot 2 except that portion within SW $\frac{1}{4}$ SW $\frac{1}{4}$, excluding Two Moon Bay Subdivision, Plat 91-16, recorded on December 10, 1991, in the Valdez Recording District,

Section 19, That portion of Lot 1 situated within the E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Surveyed Township 13 South, Range 8 West,

Section 13, That portion of Lot 1 situated within the N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, excluding Two Moon Bay Subdivision, Plat 91-16, recorded on December 10, 1991, in the Valdez Recording District,

Section 14, That portion of Lot 1 situated within the E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, and Lot 2, excluding Two Moon Bay Subdivision, Plat 91-16, recorded on December 10, 1991, in the Valdez Recording District,

Section 23, Lots 1 and 2, and that portion of Lot 3 within the E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, excluding Two Moon Bay Subdivision, Plat 91-16, recorded on December 10, 1991, in the Valdez Recording District,

Section 24, That portion of Lot 1 situated within the W $\frac{1}{2}$ NW $\frac{1}{4}$, excluding Two Moon Bay Subdivision, Plat 91-16, recorded on December 10, 1991, in the Valdez Recording District,

according to the official United States of America, Department of the Interior, Bureau of Land Management plats accepted July 27, 1981 and September 30, 1991, containing 1,181 acres, more or less.

Surveyed Township 13 South, Range 8 West,

Section 17, That portion of Lot 1 situated within the E $\frac{1}{2}$, excluding Snug Corner Cove Subdivision, Plat 91-18, Valdez Recording District,

Section 20, That portion of Lot 1 situated within the NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, excluding Snug Corner Cove Subdivision, Plat 91-18, recorded on December 10, 1991, in the Valdez Recording District,

Section 21, Lot 2, excluding Snug Corner Cove Subdivision, Plat 91-18, recorded on December 10, 1991, in the Valdez Recording District,

Section 28, That portion of Lot 1 situated within the NE $\frac{1}{4}$,

according to the official United States of America, Department of the Interior, Bureau of Land Management plats accepted July 27, 1981 and September 30, 1991, containing 558 acres, more or less.

Surveyed Township 13 South, Range 8 West,

Section 19, Lot 4,

Section 30,

according to the official United States of America, Department of the Interior, Bureau of Land Management plats accepted July 27, 1981 and September 30, 1991.

Surveyed Township 13 South, Range 9 West,

Section 24, excluding Tract A of Goose Island Subdivision, Plat 98-7, recorded on December 10, 1991, in the Valdez Recording District,

Section 25,

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Valdez Recording District

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted September 30, 1991, containing 350 acres, more or less.

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APPENDIX H

Tatitlek Conservation Easement Lands
at Bligh and Reef Islands

Lands to be acquired by Conservation Easements without Public Access, by the United States, within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Surveyed Township 11 South, Range 8 West,
Section 31, Lots 3 to 9, and 21 to 28, inclusive,
according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 21 acres, more or less.

Surveyed Township 11 South, Range 9 West,
Section 25, Lots 1 to 28, inclusive,
Section 26, Lots 14 to 23, inclusive, and Lots 27 to 31, inclusive,
Section 34, Lots 1, 2 and 3,
Section 35, Lots 1 to 4, inclusive,
Section 36, Lots 1 to 5, inclusive,
according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Surveyed Township 12 South, Range 8 West,
Section 5, Lots 4 and 5,
Section 6, Lots 1 to 15, inclusive,
Section 7, Lots 1 to 6, inclusive, excluding Tract A of Cloudman Bay Subdivision, Plat 98-4,
recorded on February 18, 1998, in the Valdez Recording District,
Section 8, Lots 1 to 6, inclusive,
Section 18, Lots 1, 2 and 3,
Section 19, Lot 1,
according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Surveyed Township 12 South, Range 9 West,
Section 1, Lots 1, 2 and 3,
Section 2, Lot 1,

Section 3, Lots 1 and 2, excluding Tract A, West Bligh Island Subdivision, Plat 98-12,
Valdez Recording District,

Section 9, Lots 2 and 3,

Section 10, Lots 1 to 4, inclusive,

Section 11, Lot 1,

Section 12, Lot 1,

Section 13,

Section 14,

Section 15, Lots 1, 2 and 3,

Section 22, Lots 1, 2 and 3,

Section 23, Lots 1 to 6, inclusive,

Section 24, Lots 1 to 10, inclusive,

Section 26, Lots 1 to 6, inclusive,

Section 27, "Lots 1 and 2,

according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted July 27, 1981, containing 8,218 acres, more or less.

Surveyed Township 12 South, Range 9 West,

Section 3, Lot 3,

Section 4, Lot 1,

Section 9, Lot 1,

according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted July 27, 1981, containing 147 acres, more or less.

APPENDIX I

Tatitlek Conveyance Lands

Lands to be acquired in fee simple by the United States of America and the State of Alaska within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Partially Surveyed Township 9 South, Range 9 West,

Section 26, Lot 5,

Section 27, Lots 1 to 7, inclusive, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$,

Section 33, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 34, Lots 1 to 8, inclusive, W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$,

Section 35, Lot 2,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted September 30, 1991, containing 1,521 acres, more or less.

Partially Surveyed Township 10 South, Range 10 West,

Section 15, Lots 1 to 6, inclusive,

Section 16, Lots 1, 2, 3, 4, 5, 6, 7 and 10,

Section 22, Lots 1 to 5, inclusive,

Section 23, Lots 1 to 5, inclusive,

Section 27, Lots 1, 2 and 3, excluding, Tract A, Heather Bay Subdivision, according to Plat 98-10, recorded on February 18, 1998, in the Valdez Recording District,

Section 28, Lot 2,

Section 32, Lots 2 and 3,

Section 33,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted September 30, 1991, containing 2,178 acres, more or less.

Surveyed Township 11 South, Range 8 West,

Section 4, Lots 3 and 4,

Section 9, Lot 1,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 565 acres, more or less.

Surveyed Township 11 South, Range 9 West,
Section 26, Tract B of Busby Island Subdivision, Plat 98-8, recorded on February 18, 1998,
in the Valdez Recording District,
containing 2 acres, more or less.

Surveyed Township 12 South, Range 6 West,
Section 11, Lots 1, 2, and 3,
Section 13, Lot 1,
Section 14, Lot 1,
Section 23, Lots 1, 2, and 3,
Section 24, Lots 1 to 4, inclusive,
according to the official United States of America, Department of the Interior, Bureau of Land
Management plats accepted July 27, 1981; September 30, 1991; and July 22, 1992, containing 1,981
acres, more or less.

Surveyed Township 12 South, Range 7 West,
Section 32, Lot 1,
Section 34, Lot 1,
Section 35, Lots 1 and 2,
Section 36, Lot 1,
according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted July 27, 1981.

Surveyed Township 12 South, Range 8 West,
Section 1, Lot 1, that portion situated southerly of Apex No. 2 Lode Claim and Alice T.
Lode Claim, both in MS 783-A; and that portion situated southerly of Montezuma
Lode Claim, and northerly and westerly of Cliff Lode Claim, both in MS 700,
according to the official United States of America, Department of the Interior, Bureau of Land
Management plat accepted July 27, 1981, containing 107 acres, more or less.

Partially Surveyed Township 13 South, Range 7 West,
Mineral Survey No. 1034, known as the Black Bear,
Wild Goose and Wolverine Lode Claims, in the Valdez Mining District, Alaska,
Irish Cove Subdivision, recorded in the Valdez Recording District as Plat 91-19, Lots 1 to
16, on December 10, 1991,
Section 1,
Section 2, Lots 1 and 2,
Section 3, Lots 1 and 2, excluding Irish Cove Subdivision, Plat 91-19, Lots 1 to 16, recorded
on December 10, 1991, in the Valdez Recording District,

Section 4, Lot 1, excluding Irish Cove Subdivision, Plat 91-19, and Lots 1 to 16, recorded on December 10, 1991, in the Valdez Recording District,

Section 5, Lot 1,

Section 6, Lot 1,

Section 7, Lot 1, excluding Two Moon Bay Subdivision, Plat 98-9, Valdez Recording District,

Section 8, Lot 1, excluding Two Moon Bay Subdivision, Plat 98-9, Valdez Recording District,

Section 9, excluding Irish Cove Subdivision, Plat 91-19, Lots 1 to 16, recorded on December 10, 1991, in the Valdez Recording District,

Section 10, Lot 1, excluding Irish Cove Subdivision, Plat 91-19, Lots 1 to 16, recorded on December 10, 1991, in the Valdez Recording District,

Section 11, Lot 1,

Section 12,

Section 13,

Section 14,

Section 15,

Section 16,

Section 17, Lots 1, 2 and 3,

Section 18, That portion of Lot 2 situated within the SW $\frac{1}{4}$ SW $\frac{1}{4}$,

Section 19, That portion of Lot 1 situated within the W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$,

Section 20,

Section 21,

Section 22,

Section 24,

Section 25,

Section 27,

Section 28,

Section 29,

Section 30,

Section 31,

Section 32,

Section 33,

Section 34, excluding Tract A, Hell's Hole Subdivision, Plat 98-11, recorded on February 18, 1998, in the Valdez Recording District,

Section 35,

Section 36,

according to the official United States of America, Department of the Interior, Bureau of Land Management "plats accepted July 27, 1981 and September 30, 1991."

Surveyed Township 13 South, Range 8 West,

Section 1, Lots 1, 2 and 3,
Section 9, Lot 1,
Section 10, Lots 1 to 6, inclusive,
Section 11, Lot 1,
Section 13, That portion of Lot 1 situated within the SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$,
Section 14, That portion of Lot 1 situated within N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$,
Section 15, Lots 1 and 2,
Section 16, Lots 1 to 6, inclusive,
Section 17, That portion of Lot 1 situated within the W $\frac{1}{2}$,
Section 18, Lots 1, 2 and 3,
Section 19, Lots 1, 2 and 3,
Section 20, That portion of Lot 1 situated within the W $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, and Lots 2 to 5,
inclusive,
Section 21, Lot 1,
Section 22, Lot 1,
Section 23, That portion of Lot 3 situated within W $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$,
Section 24, That portion of Lot 1 situated within E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, S $\frac{1}{2}$,
Section 25, Lot 1,
Section 26, Lot 1,
Section 27, Lot 1,
Section 28, That portion of Lot 1 situated within NW $\frac{1}{4}$, S $\frac{1}{2}$,
Section 29, Lots 1 to 7, inclusive,
Section 32, Lots 1 and 2,
Section 33, Lot 1,
Section 34, Lot 1,
Section 35, Lot 2,
Section 36, Lot 1,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Partially Surveyed Township 14 South, Range 7 West,

Section 2,
Section 3,
Section 6, Lots 1 and 2,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Surveyed Township 14 South, Range 8 West,

Section 1, Lot 1,

Section 2, Lots 1 and 2,
Section 3, Lots 1 to 4, inclusive,
Section 4, Lots 1, 2 and 3,
Section 5, Lot 1,

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Valdez Recording District

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 27,512 acres, more or less.

U.S. MS 783-B, containing 5 acres, more or less, located in Section 1, Township 12 South, Range 8 West, to be conveyed by Quitclaim Deed.

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APPENDIX J

Tatitlek Development Easement Lands

Lands to be retained in fee subject to a development easement by The Tatitlek Corporation within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Indian Creek Subdivision, Plat 98-5, Tract A, Plat 98-5, recorded on February 18, 1998, in the Valdez Recording District, located in Township 10 South, Range 8 West,

Section 4
containing 1 acre, more or less.

Turner Creek Subdivision, Tract A, Plat 98-6, recorded on February 18, 1998, in the Valdez Recording District, located in Township 11 South, Range 8 West,

Section 10
containing 1 acre, more or less.

Hells Hole Subdivision, Tract A, Plat 98-11, recorded on February 18, 1998, in the Valdez Recording District, located in Township 13 South, Range 7 West,

Section 34
containing 10 acres, more or less.

Busby Island Subdivision, Tract A, Plat 98-8, recorded on February 18, 1998, in the Valdez Recording District containing 15 acres, more or less.

Provision for the construction of an approximately 15-acre Hydroelectric Power Facility located within Township 11 South, Range 8 West,

Section 1
Section 11
Section 12

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APPENDIX K

BOOK 135 PAGE 511
Valdez Recording District

Tatitlek Development Easement Lands
at Heather Bay and Bligh Island

Lands to be retained in fee subject to a development easement by The Tatitlek Corporation within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Heather Bay Subdivision, Tract A, Plat 98-10, recorded on February 18, 1998, in the Valdez Recording District, located in Township 10 South, Range 10 West,
Section 27,
containing 6 acres, more or less.

Cloudman Bay Subdivision, Tract A, Plat 98-4, recorded on February 18, 1998, in the Valdez Recording District, located in Township 12 South, Range 8 West,
Section 7,
containing 13 acres, more or less.

West Bligh Island Subdivision, Tract A, Plat 98-12, recorded on February 18, 1998, in the Valdez Recording District, located in Township 12 South, Range 9 West,
Section 3,
containing 13 acres, more or less.

F:\502402\116CLC\17204

APPENDIX L

Tatitlek Exchange Lands

Lands to be acquired in surface fee simple by the United States of America through exchange within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Surveyed Township 12 South, Range 6 West,
Section 23, Lots 1, 2 and 3,
Section 24, Lots 1 to 4, inclusive,
according to the official United States of America, Department of the Interior, Bureau of Land Management plats accepted July 27, 1981 and September 30, 1991, containing 761 acres, more or less.

FA502402\116C\LCJ7205

APPENDIX M

Tatitlek Exclusion Area Easement Lands
at Two Moon Bay

Lands to be retained in fee simple, subject to an exclusion area easement, by The Tatitlek Corporation within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Two Moon Bay Subdivision, Plat 98-9, recorded on February 18, 1998, in the Valdez Recording District, located within Township 13 South, Range 7 West,

Section 7,

Section 8,

containing 254 acres, more or less.

See attached "paper plat."

F:\502402\116C\LC17206

APPENDIX N

Tatitlek Timber Conservation
Easement Lands

Lands to be retained in fee, subject to a timber conservation easement, by The Tatitlek Corporation within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Township 11 South, Range 6 West, CRM,
Section 25, Lots 1, 2, and 3,
Section 26, Lots 1 to 4, inclusive,
Section 34,
Section 35, Lots 1 to 8, inclusive,
Section 36, Lots 1, 2, and 3.

Township 11 South, Range 7 West, CRM,
Section 31, Lots 1 and 2,

Township 12 South, Range 6 West, CRM,
Section 1,
Section 2, Lots 1 to 6, inclusive,
Section 3, Lots 1 and 2,
Section 8,
Section 9, Lots 1 and 2,
Section 10, Lots 1, 2, and 3,
Section 16, Lots 1 and 2,
Section 17, Lots 1 and 2,
Section 18, Lot 1,
Section 19, Lots 1 and 2.

Township 12 South, Range 7 West, CRM,
Section 5, Lots 1 and 2,
Section 6, Lots 1 to 14, inclusive,
Section 7, Lot 1,
Section 8, Lot 1,
Section 10,

BOOK 135 PAGE 515
Valdez Recording District

Section 11, Lot 1, excluding Fish Bay Subdivision, Plat 91-17, recorded on December 10, 1991, in the Valdez Recording District,

Section 12, Lot 1,

Section 13, Lots 1 and 2,

Section 14, Lots 1 and 2, excluding Fish Bay Subdivision, Plat 91-17, recorded on December 10, 1991, in the Valdez Recording District,

Section 15, Lot 1, excluding Fish Bay Subdivision, Plat 91-17, recorded on December 10, 1991, in the Valdez Recording District,

Section 16,

Section 17,

Section 18, Lot 1,

Section 19, Lots 1 and 2,

Section 20, Lot 1,

Section 21, Lot 1,

Section 22, Lots 1 to 6, inclusive, excluding Fish Bay Subdivision, Plat 91-17, recorded December 10, 1991, in the Valdez Recording District,

Section 23, Lots 1 and 2,

Section 24, Lot 1,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981.

Township 12 South, Range 8 West, CRM,

Section 1,

Section 12, Lots 1 to 16, inclusive,

Section 13, Lots 1 to 7, inclusive,

Section 24, Lots 1 to 4, inclusive,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, containing 14,722 acres, more or less.

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459

RECORDED - FILED <u>N/C</u>	
<u>VALDEZ</u> REC. DIST.	
DATE <u>5/15</u>	19 <u>98</u>
TIME <u>9:20</u>	<u>A</u> M
Requested by <u>BIRCH HOLTON</u>	
Address _____	

98 JUL 13 AM 11:06

**FIRST AMENDMENT TO
AGREEMENT FOR SALE AND PURCHASE
OF LANDS AND INTERESTS IN LANDS
AMONG THE TATITLEK CORPORATION AND
UNITED STATES OF AMERICA AND
THE STATE OF ALASKA**

THIS FIRST AMENDMENT TO AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND is entered into among The Tatitlek Corporation (Tatitlek), an Alaska Native Village Corporation, organized pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 et seq., as amended ("ANCSA"), and duly organized under the business for profit laws of the State of Alaska; and the United States of America (United States); and the State of Alaska (State). Tatitlek, the United States and the State are collectively referred to as the "Parties."

WHEREAS, the Parties are parties to that Agreement for Sale and Purchase of Lands and Interests in Lands Among The Tatitlek Corporation and the United States of America and the State of Alaska dated May 13, 1998 (the "Agreement"); and

WHEREAS, the Agreement requires the United States and Tatitlek to execute the Exchange Agreement as a condition precedent to the Phase One Closing; and

WHEREAS, the Parties desire to conclude the Phase One Closing prior to execution of the Exchange Agreement and make execution of the Exchange Agreement a condition precedent to the Phase Two Closing;

WHEREAS, the Parties desire to amend the Agreement;

NOW THEREFORE, in consideration of the mutual promises set forth herein, and other good and valuable consideration, the receipt and adequacy of which are acknowledged and confessed, the Parties hereby covenant and agree as follows:

1. Definitions. The definitions set forth in the Agreement shall apply to this amendment.

2. Amendment. The Agreement is amended by deleting subparagraph 8.i and adding a new subparagraph to paragraph 9 as follows:

e. The United States and Tatitlek shall execute the Exchange Agreement.

3. No Other Changes. All other terms and conditions in the Agreement shall continue in effect.

THE TATITLEK CORPORATION

By: Carroll Kompkoff
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 4th day of June, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared CARROLL KOMPKOFF, to me known to be the individual described in and who executed the within and foregoing FIRST AMENDMENT TO AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.



Susan E. Smith
Notary Public in and for Alaska
My commission expires: 05/15/02

STATE OF ALASKA, DEPARTMENT OF
NATURAL RESOURCES

By: Marty Rutherford
Marty Rutherford
Deputy Commissioner

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

June THIS IS TO CERTIFY that on the 4th day of June, 1998, at Anchorage, Alaska, the foregoing FIRST AMENDMENT TO AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND was acknowledged before me by MARTY RUTHERFORD, Deputy Commissioner of the Department of Natural Resources of the State of Alaska on behalf of the State of Alaska.

GIVEN UNDER MY HAND and official seal the day and year last above written.



Susan E. Smith
Notary Public in and for Alaska
My commission expires: 05/15/02

UNITED STATES OF AMERICA

By: James Caplan
James Caplan
Acting Regional Forester

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

June THIS IS TO CERTIFY that on the 4th day of June, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared JAMES CAPLAN, personally known to me, and known to me to be the Acting Regional Forester, Region 10, Forest Service, United States Department of Agriculture, and who as such executed the foregoing FIRST AMENDMENT TO AGREEMENT FOR THE SALE AND PURCHASE OF LANDS AND INTERESTS IN LANDS Among The Tatitlek Corporation and the United States of America and the State of Alaska (Amendment), and acknowledged that the said Amendment is the free act and deed of the United States of America, and that he executed the same as Acting Regional Forester, Region 10, Forest Service, Department of Agriculture, for the use and purposes therein expressed and with full authority to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal this 4th day of June, 1998.



Susan E. Smith
Notary Public in and for Alaska
My commission expires: 09/15/02

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P.O. Box 21628
Juneau, Alaska 99802-1628

553

RECORDED - FILED N/C	
VALDEZ REC. DIST.	
DATE <u>6/5</u>	19 <u>98</u>
TIME <u>8:50</u>	<u>A</u> M
Requested by <u>AG</u>	
Address _____	

STATE BUSINESS - NO CHARGE

AFTER RECORDING RETURN TO:
U.S. Department of Agriculture
Forest Service
P. O. Box 21628
Juneau, Alaska 99802-1628

TATITLEK EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (the "Exchange Agreement") is entered into by **The Tatitlek Corporation** ("Tatitlek"), a Native Village Corporation organized pursuant to the Alaska Native Claims Settlement Act, as amended, 43 U.S.C. § 1601 *et. seq.* ("ANCSA"), and the laws of the State of Alaska, whose address is P. O. Box 650, Cordova, Alaska 99574, and the **United States of America** ("United States"), acting by and through the Forest Service, Department of Agriculture, whose address is P. O. Box 21628, Juneau, Alaska 99802-1628, in consideration of the interests in land herein described and other good and valuable considerations, the receipt of which is hereby acknowledged. Tatitlek and the United States hereby agree as follows:

WITNESSETH:

This Exchange Agreement authorizes an equal value exchange of interests in land between Tatitlek and the United States (the "Exchange"). The purpose of this Exchange is to eliminate a surface and subsurface estate in-holding within the Tatitlek lands and to consolidate Forest Service lands and Tatitlek lands.

Pursuant to the Agreement for Sale and Purchase of Lands and Interests in Land among Tatitlek, the United States, and the State of Alaska, dated May 13, 1998, (the "Agreement") and to the authority of ANCSA and the Alaska Native Interest Lands Conservation Act, Tatitlek does hereby agree to convey to the United States the surface estate to the real property described in Appendix L attached hereto. In exchange therefore the United States agrees to convey to Tatitlek by U.S. Patent issued by the United States, the surface and subsurface estates to the real property described in Appendix B attached hereto. Upon conveyance by the United States of the real property described in Appendix B, Tatitlek shall immediately convey to the United States a timber conservation easement for the real property described in Appendix B that contains the same terms and conditions as the Timber Conservation Easement at Exhibit XIII of the Agreement.

The Exchange shall proceed as follows: First, Tatitlek agrees to convey, when requested by the United States, by general warranty deed, in accordance with Department of Justice standards, the lands or interests in land described in Appendix L, to the United States and its assigns, together with necessary documents required to convey good title, free from all encumbrances except those set forth in Appendix L. Then, Tatitlek agrees to furnish title evidence on the real property described in Appendix L in a form satisfactory to the Office of the General Counsel of the United States Department of Agriculture.

When title is acceptable to the United States, pursuant to the General Exchange Act, the Federal Land Policy and Management Act, the Federal Land Exchange Facilitation Act and the Alaska National Interest Lands Conservation Act, the United States agrees to convey by U.S. Patent the real property described in Appendix B, subject to valid existing rights and any encumbrances noted therein. Tatitlek shall then immediately convey to the United States a timber conservation easement for the real property described in Appendix B that contains the same terms and conditions as the Timber Conservation Easement at Exhibit XIII of the Agreement.

Both parties agree not to do, or suffer others to do, any act by which the value of the real property that is the subject of this Exchange Agreement may be diminished or further encumbered. In the event any such loss or damage occurs from any cause, including acts of God, to the real property described in Appendices B and L, before execution of deed or issuance of patent, either party may refuse without liability to complete the Exchange.

This Exchange Agreement terminates in the event that either party cannot convey good and sufficient title to the real property agreed to be exchanged.

No Member of Congress or Resident Commissioner shall be admitted to any share or part of this Exchange Agreement or to any benefit that may arise therefrom unless it is made with a corporation for its general benefit (18 U.S.C. 431, 433).

IN WITNESS WHEREOF, Tatitlek and the Regional Forester, acting on behalf of the United States, have executed this Exchange Agreement. This Exchange Agreement shall be effective on the last date signed.

DATED this 30th day of September, 1998.

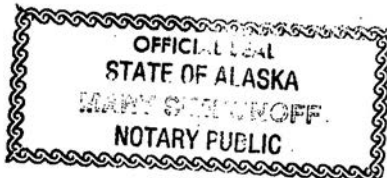
THE TATITLEK CORPORATION

By: Carroll Kompkoff
Carroll Kompkoff, President

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 30th day of September, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, commissioned and sworn, personally appeared CARROLL KOMPCKOFF, to me known to be the individual described and who executed the within and foregoing TATITLEK EXCHANGE AGREEMENT as President of The Tatitlek Corporation, the Corporation that executed the within and foregoing instrument, and acknowledged to me that he signed the same as President of The Tatitlek Corporation in the name of and for and on behalf of said Corporation, freely and voluntarily and by authority of its Board of Directors and shareholders 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.



Mary Simonoff
Notary Public in and for Alaska
My commission expires: 12-29-99

DATED this 1st day of October, 1998.

USDA FOREST SERVICE, ALASKA REGION

By: James A. Caplan
James A. Caplan, Acting Regional Forester

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 1 day of October, 1998, at Suneau, Alaska, the foregoing instrument was acknowledged before me by JAMES A. CAPLAN, of the Alaska Region of the Forest Service within the Department of Agriculture of the United States of America, on behalf of the United States of America.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Jacqueline R. Swanson
Notary Public in and for Alaska
My commission expires: 11/16/2000

LOCATION INDEX:
See attached Appendices B and L

APPENDIX B

Federal Exchange Lands

The surface and subsurface estate of lands to be conveyed to The Tatitlek Corporation in fee simple, within the Valdez Recording District, Third Judicial District State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Surveyed Township 12 South, Range 7 West,

Section 8, Lot 1,

Section 16,

Section 17,

according to the official United States of America, Department of the Interior, Bureau of Land Management plat accepted July 27, 1981, and September 30, 1991 containing 1,918 acres, more or less.

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APPENDIX L

Tatitlek Exchange Lands

Lands to be acquired in surface fee simple by the United States of America through exchange within the Valdez Recording District, Third Judicial District, State of Alaska:

COPPER RIVER MERIDIAN, ALASKA

Surveyed Township 12 South, Range 6 West,

Section 23, Lots 1, 2 and 3,

Section 24, Lots 1 to 4, inclusive,

according to the official United States of America, Department of the Interior, Bureau of Land Management plats accepted July 27, 1981 and September 30, 1991, and July 22, 1992 containing 761.01 acres, more or less.

FA502402\116C\LCJ7205

1066

RECORDED - FILED <i>N/C</i>	
VALDEZ REC. DIST.	
DATE	<i>10/2</i> 19 <i>98</i>
TIME	<i>9:15</i> A.M.
Requested by	<i>AS/DNR</i>
Address	

- 10 -