38100

1982

CNI SETTLEMENT AGREEMENT

We have relied upon the above documents, communications, certificates and statements with respect to the accuracy of the factual matters contained therein and for such factual matters. We have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as photostatic copies.

We are members of the Bar of the State of Alaska and we have made examination of the laws of the State of Alaska and the laws of the United States of America as we deem relevant and necessary for purposes of this opinion.

Based upon and subject to all of the foregoing, we are of the opinion that:

1. CNI has the corporate power and authority to enter into and perform its obligations under the 1982 Chugach Settlement Agreement;

2. There is no provision in the Articles of Incorporation or Bylaws of CNI and we are aware of no contract or agreement which would preclude the consummation of the 1982 Chugach Settlement Agreement; and

3. The consummation of the 1982 Chugach Settlement Agreement does not violate or contravene any applicable law

This opinion is delivered to you pursuant to the 1982 Chugach Settlement Agreement and is not to be used for any other purpose or by any persons.

Sincerely,

PRESTON, THORGRIMSON,
ELLIS & HOLMAN

By: Frederick H. Boness

Frederick H. Boness

cc: The Honorable James Watt

TABLE OF CONTENTS

Paragraph	Heading	Page
1	Authorities.	1
2	CNI Selection Rights	2
3	Segregation or Withdrawal of Lands	3
4	Conveyance of Lands from the United States.	4
5	Cash Payment	22
6	Katalla Oil and Gas.	23
7	Katalla Exchange Preference Rights	39
8	Access to Bering River Coal Fields	45
9	Middleton Island	53
10	Amendments to Amended Stipulation and Agreement in Chugach Natives, Inc. v. Andrus.	68
11	Priorities For Conveyance and Timetable. .	72
12	Consideration to the United States	73
13	Reservation of Easements	75
14	Special Conditions and Covenants	105
15	Covenants and Conditions Applicable to Controller Bay and Drier Bay (Knight Island)	113
16	No Further Selections Under Section 14(h) of ANCSA.	115
17	Relinquishments by CNI.	115
18	Management of Lands Conveyed to CNI. . . .	118
19	Special Conditions Applicable to Certain Lands Selected by the State	119

TABLE OF CONTENTS

Paragraph	Heading	Page
20	Applicability of Section 6(g) of the Alaska Statehood Act and Section 906(e) of ANILCA	127
21	Navigability Determinations.	128
22	Relationship Between Section 14(h)(1) of ANCSA and This Agreement.	129
23	Subsistence Evaluation	130
24	Environmental Considerations	130
25	Valid Existing Rights.	131
26	Applicability of ANCSA and ANILCA.	132
27	Third Party Beneficiaries.	132
28	Status Quo Ante.	133
29	Covenant Not to Sue.	134
30	Corrections.	134
31	Interim Management	135
32	Successors and Assigns	135
33	Failure of Title	136
34	Entirety of Agreement.	136
35	Equal Value and Public Interest Determination.	137
36	Finality of Settlement and Disclaimer of Value.	137
37	Miscellaneous Provisions	138

1982 CHUGACH SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT, entered into the day and year last below written, is by and among CHUGACH NATIVES, INCORPORATED, (hereinafter "CNI"), an Alaska corporation authorized pursuant to section 7 of the Alaska Native Claims Settlement Act of December 18, 1971, 85 Stat. 688, 691; 43 U.S.C. 1606 (hereinafter "ANCSA") and duly organized under the laws of the State of Alaska for the Natives of the Chugach Region of Alaska; the UNITED STATES OF AMERICA, by and through James G. Watt, Secretary of the Interior, and John R. Block, Secretary of Agriculture, or their delegees; and the STATE OF ALASKA (hereinafter "State"), by and through Esther C. Wunnicke, Commissioner of the Department of Natural Resources. CNI, the United States of America, and the State of Alaska are herein collectively referred to as "the parties." In consideration of the mutual promises and other good and valuable consideration, the parties agree as follows:

1. <u>AUTHORITIES</u>.

A. The authorities of the United States to enter into and effect this Agreement include, but are not limited to, Sections 12(c), 14(h)(8), and 22(f) of ANCSA, as amended, and Sections 1302(h) and 1430(a) of the Alaska National Interest Lands Conservation Act of December 2, 1980, 94 Stat. 2371, 2475, 2531 (hereinafter "ANILCA"). No exchanges made pursuant to this Agreement shall be deemed as being effected under the provisions

of the General Exchange Act, 42 Stat. 465, as amended, 16 U.S.C. 485. The authorities of CNI to enter into this Agreement under the laws of the State of Alaska shall be provided in a Resolution of the Board of Directors approving this Agreement and in an opinion of counsel for CNI, both of which are to be appended to this Agreement. The authorities of the State of Alaska to enter into and effect this Agreement include, but are not limited to, Section 906 of ANILCA and Alaska Statutes 38.05.020 and 38.05.315.

B. The United States and CNI intend for this Agreement to constitute both a settlement and exchange of lands between them. The parties do not intend, however, that there shall be any exchange of lands or interests therein between the State and the United States or between the State and CNI, and nothing herein shall be construed to create or effectuate such an exchange of lands. The parties expressly recognize and acknowledge that the State did not participate in the discussions and negotiations between CNI and the United States which resulted in their exchange of correspondence dated May 28, 1982 and June 5, 1982.

2. <u>CNI SELECTION RIGHTS</u>.

A. The parties agree that the result of this final settlement will be that CNI shall receive the acreage equivalent of its entitlement under Sections 12(c) and 14(h)(8) of ANCSA. The

entitlement of CNI pursuant to Section 12(c) of ANCSA is 338,665.08 acres, and the estimated entitlement of CNI pursuant to Section 14(h)(8) of ANCSA is approximately 33,167 acres.

B. Subject to the Amended Stipulation and Agreement in CNI v. Andrus, Civil No. 75-2113 (USDC, D.C.), (hereinafter "Stipulation") as the Stipulation is amended by paragraph 10 of this Agreement, CNI shall be entitled to receive from lands selected pursuant to Section 12(c) of ANCSA, and not relinquished, the difference between the number of acres to which CNI is entitled under Sections 12(c) and 14(h)(8) of ANCSA, and the number of acres to be conveyed pursuant to paragraph 4 of this Agreement.

C. Calculation of acreage entitlement of CNI. Each acre of land or an interest in land conveyed to CNI pursuant to paragraph 4 of this Agreement or under Sections 12(c) or 14(h)(8) of ANCSA shall be counted for purposes of calculating the full acreage entitlement of CNI notwithstanding any encumbrances, reservations, or less-than-fee interests. Acres of oil and gas rights in Katalla conveyed pursuant to paragraph 6, acres of exchange preference rights to be granted in paragraph 7, and easements to be granted CNI in paragraphs 6 and 8 shall not be calculated as part of CNI's acreage entitlement.

3. SEGREGATION OR WITHDRAWAL OF LANDS. If, prior to the effective date of this Agreement, all lands identified in paragraph 4 of this Agreement are not withdrawn or segregated

from entry under the public land laws, the Secretary of the Interior, as promptly as practicable, shall take all actions necessary to withdraw or segregate from appropriation under the public land laws, including mineral leasing under the mineral leasing laws and location and entry under the mining laws, any lands not yet withdrawn or segregated. The Secretary of Agriculture hereby consents to the segregation or withdrawal of all lands identified in paragraph 4 which are under his administrative jurisdiction.

4. CONVEYANCE OF LANDS FROM THE UNITED STATES. In exchange for the selection rights, lands and interests in lands provided for in paragraph 12 of this Agreement, and subject to valid existing rights and the exceptions, reservations, covenants and conditions set forth in this Agreement, the Secretary of the Interior shall convey all right, title and interest of the United States in and to the following lands and interests in lands:

A. Pursuant to Exchange:

(1) Eagle Bay (Glacier Island). Subject to the provisions of paragraph 19.C, an island located northwest of Growler Bay and adjacent to Glacier Island in Prince William Sound, Alaska, having a latitude and longitude at its midpoint of 147°07'30" W. and 60°54'15" N. and further described as follows:

Township 11 South, Range 11 West, Copper River Meridian

Section 14:	That portion of the large island located in the SE¼.
Section 23:	That portion of the large island located between Eagle Bay and Growler Bay east of Elder Point which lies primarily in the E½.

(2) Miles Lake. In Township 14 South, Range 4 East, Copper River Meridian, all lands within the boundaries of the recreational withdrawal designated by PLO 3325, (29 F.R. 2423; February 13, 1964), less and reserving unto the United States two tracts of land of 40 acres each:

Lands to be Conveyed

Section 7:	SE¼NE¼SW¼ fractional all, N½SE¼SW¼, fractional all, W½SE¼, fractional all, S½SE¼SE¼ fractional all.
Section 8:	SW¼ fractional all.
Section 17:	NW¼ fractional all.
Section 18:	NE¼, S½NE¼NW¼, fractional all, SE¼NW¼, fractional all, E½SW¼, fractional all.

Lands Reserved to the United States

(a) (Million Dollar Bridge)

Section 7: NE¼SE¼ fractional all, N½SE¼SE¼

(b) (Childs Glacier)

Section 7:	S½SE¼SW¼
Section 18:	N½NE¼NW¼

(3) Snow River.

Township 2 North, Range 1 East, Seward Meridian

Section 6:	E½
Section 7:	E½
Section 18:	E½

(4) Horseshoe Bay (Latouche Island). Subject to the provisions of paragraph 19.A and the reservation under

section 24 of the Federal Power Act, 16 U.S.C. §818, for power project 1949 dated April 12, 1946, the following described lands:

Township 2 South, Range 9 East, Seward Meridian

Section 3:	W½W½
Section 4:	N½, including Power Project 1949 and the unpatented portion of M.S. 888; SE¼, including Power Project 1949; N½SW¼, including the unpatented portion of M.S. 774 and M.S. 888, if any.
Section 8:	S½, S½NW¼, S½SW¼NE¼, including the unpatented portion of M.S.774 and U.S.S. 790.
Section 9:	SW¼, SE¼NW¼.

(5) Bering River. Subject to the provisions of paragraph 14.G, the following described lands:

Township 16 South, Range 7 East, Copper River Meridian

Sections 25-26:	All
Sections 31-36:	All

Township 16 South, Range 8 East, Copper River Meridian

Section 1:	All
Sections 12-14:	All
Sections 21-29:	All
Sections 31-36:	All

Township 16 South, Range 9 East, Copper River Meridian

Sections 6-7:	All, lying west of the eastern boundary of the Chugach National Forest
Sections 18-19:	All, lying west of the eastern boundary of the Chugach National Forest, including Lots 1-4
Sections 30-31:	All, lying west of the eastern boundary of the Chugach National Forest, including Lots 1-4

Township 17 South, Range 7 East, Copper River Meridian

Sections 1-4:	All
Section 9:	All, including surveyed lots 1 and 2.

Township 18 South, Range 8 West, Copper River Meridian

Section 4:	All, fractional
Section 5:	NE¼, E½E½SW¼, SE¼
Section 8:	N½

(7) Silver Lake. Subject to the provisions of paragraph 14, the following described lands:

Township 10 South, Range 7 West, Copper River Meridian

Sections 29-34:	All

Township 10 South, Range 8 West, Copper River Meridian

Sections 25-28:	All
Sections 35-36:	All

Township 11 South, Range 6 West, Copper River Meridian

Sections 1-24:	All
Sections 27-33:	All

Township 11 South, Range 7 West, Copper River Meridian

Sections 1-30:	All
Sections 32-36:	All

Township 12 South, Range 6 West, Copper River Meridian

Sections 4-7:	All

Township 12 South, Range 7 West, Copper River Meridian

Sections 1-4:	All
Section 9:	All

(8) Raging Creek (Simpson Bay).

Township 14 South, Range 3 West, Copper River Meridian

Sections 1-5:	All
Sections 9-11:	All

(9) Two Moon Bay (Port Fidalgo). Subject to the provisions of paragraph 14, the following described lands:

Township 13 South, Range 7 West, Copper River Meridian

Section 20:	All
Section 29:	All

(10) Comfort Cove (Port Gravina). Subject to the provisions of paragraph 14, the following described lands:

Sections 10-12:	All
Section 13:	All, including surveyed lots 1, 2, 3, and 4.
Section 14:	All, including surveyed lots 1, 2, 3, and 4.
Sections 15-17:	All
Sections 20-21:	All
Section 22:	All, including surveyed lots 1 and 2.
Section 23:	All, including surveyed lots 1 and 2.
Sections 27-29:	All

Township 17 South, Range 8 East, Copper River Meridian

Section 1:	All
Sections 2-5:	All
Section 6:	All, including surveyed lots 1, 2, 3, and 4.
Section 7:	All, including surveyed lots 1, 2, 3, and 4.
Sections 8-17:	All
Section 18:	All, including surveyed lots 1, 2, 3, 4, 5, and 6.
Section 19:	All, including surveyed lot 1 and unpatented U.S.S. 199.
Section 20:	All, including unpatented U.S.S. 199.
Sections 21-23:	All
Section 24:	All, including surveyed lot 1.

Township 17 South, Range 9 East, Copper River Meridian

Sections 6-7:	All, lying west of the eastern boundary of the Chugach National Forest
Sections 18-19:	All, lying west of the eastern boundary of the Chugach National Forest
Sections 30-31:	All, lying west of the eastern boundary of the Chugach National Forest

(6) Nuchek Island. Subject to the provisions of paragraph 19.D, the following described lands:

Township 17 South, Range 8 West, Copper River Meridian

Section 32:	SE¼SE¼SE¼
Section 33:	S½
Section 34:	W½SW¼

Township 13 South, Range 5 West, Copper River Meridian

Section 33: All
Section 34: All
Section 35: All

Township 14 South, Range 5 West, Copper River Meridian

Section 3: All
Section 4: All

(11) Nelson Townsite (Orca Inlet). All lands within U.S. Survey 440 located in:

Township 13 South, Range 2 West, Copper River Meridian

Section 33

Township 14 South, Range 2 West, Copper River Meridian

Sections 3-5
Sections 7-9
Sections 17-18

(12) Whittier (Passage Canal).

Township 8 North, Range 5 East, Seward Meridian

Section 18: All, fractional

(13) Seward Townsite Block #9. Subject to the provisions of paragraph 14.E pertaining to the right of the State of Alaska, the following described lands:

Federal Addition to the Seward Townsite, U.S. Survey No. 1116, Block 9: W½, excluding A-023920.

(14) Cordova Federal Reserve. Subject to the provisions of paragraph 14.F pertaining to the right of the State of Alaska, the following described lands:

U.S. Survey No. 3345 A & B, Block 1.

(15) Cordova Lutheran Homesite.

U.S. Survey No. 2241.

(16) Cape Yakataga FAA Site. Subject to the provisions of paragraph 14.H pertaining to use by the United States, the following described lands:

Township 21 South, Range 17 East, Copper River Meridian

Section 22: SW¼NE¼NE¼

E½E½SE¼NW¼NE¼
NE¼NE¼NE¼SW¼NE¼
S½S½NE¼SE¼NE¼
E½NW¼SE¼NE¼
N½NW¼NW¼SE¼NE¼
E½SW¼SE¼NE¼
SE¼SE¼NE¼

(17) Shotgun Cove (Passage Canal). Subject to the provisions of paragraph 19.B, CNI shall receive conveyance to one hundred (100) acres identified within the developable area shown on Appendix A.

(18) Tonsina. (a) Eight thousand (8,000) acres of the following described lands from within the pipeline corridor (PLO 5150, as amended):

Township 2 South, Range 1 East, Copper River Meridian

Section 1:	All, including Lots 1-6 and A-058267 R/W
Section 2:	All, including Lots 2-4, 6 and 7, AA-5847 R/W and AA-12692 R/W
Section 11:	All, including unpatented Lots 2 and 4-6, and U.S. Survey 4867 Lots 4, 6 and 7, AA-5847 R/W and AA-12692 R/W
Section 12:	All, including Lots 1-6, A-058267 R/W, A-058268 R/W, AA-2068 Parcel A (NA Apln.), AA-37883 (PLP Min. Mat. Sale)
Section 13:	All including Lots 1-3
Section 14:	All, including Lots 1-9 and AA-8838 (PLP R/W) and AA-5847 R/W
Section 22:	All, including AA-5847 R/W, AA-12692 R/W and AA-46662 TUP
Section 23:	All, including AA-2068 Parcel B (IA Apln.), AA-8192 Parcel 3A R/W, AA-8109 Parcels 2 and 3 R/W, A-043380 (NA Apln.) and A-067485 R/W
Section 24:	All, including AA-2068 Parcel B (IA Apln.) and A-067485 R/W
Section 25:	All, including A-043380 (NA Apln.)
Section 26:	All, including AA-8109 Parcels 1, 2 and 3 R/W, A-043380 (NA Apln.), U.S. Survey 5218 Lots 2 and 3, A-061161 (SS Apln.), A-057868 R/W Apln., A-057868 R/W and AA-9563 R/W USGS
Section 27:	All, including AA-5847 R/W and AA-12692 R/W
Section 34:	All, including AA-7242 Parcel B (IA Apln.), A-061631 R/W, AA-5847 R/W and AA-12692 R/W

Section 35:	All, including A-064456 (PLO 1631 Apln.), AA-8124 Parcel 4 R/W, A-061631 R/W, AA-9139 (Min. Mat. Sale), AA-6282 R/W, AA-7242 Parcel B (IA Apln.), and A-067485 R/W
Section 36:	All

Deletions Listed in Order of Priority

Township 2 South, Range 1 East, Copper River Meridian

Section 36:	SE¼SE¼
"	NE¼SE¼
"	SE¼NE¼
"	NE¼NE¼

Overselections Listed in Order of Priority

Township 2 South, Range 1 East, Copper River Meridian

Section 15:	SE¼SE¼
"	NE¼SE¼
"	SE¼NE¼
"	NE¼NE¼
"	SW¼SE¼
"	NW¼SE¼
"	SE¼SW¼
"	NE¼SW¼
"	SW¼NE¼
"	NW¼NE¼
"	SE¼NW¼
"	NE¼NW¼
"	SW¼SW¼
"	NW¼SW¼
"	SW¼NW¼
"	NW¼NW¼
Section 10:	SE¼SE¼
"	NE¼SE¼
"	SW¼SE¼
"	NW¼SE¼
"	SE¼NE¼
"	NE¼NE¼
"	SW¼NE¼
"	NW¼NE¼
"	SE¼SW¼
"	NE¼SW¼
"	SW¼SW¼
"	NW¼SW¼
"	SE¼NW¼
"	SW¼NW¼
"	NE¼NW¼
"	NW¼NW¼

(b) Seven thousand five hundred (7,500) acres of the following described lands from within the pipeline corridor (PLO 5150, as amended):

Township 3 South, Range 1 East, Copper River Meridian

Section 2:	All, including AA-7242 Parcel B
Section 3:	All, including AA-8124 Parcels 3 and 3A R/W, AA-7242 Parcel B, AA-5847 R/W, A-061631 R/W, AA-12692 R/W and A-067485 R/W
Section 9:	All, including AA-5847 R/W and AA-12692 R/W
Section 10:	All, including A-061631 R/W and AA-8124 Parcel 3 R/W
Section 15:	All, including AA-8124 Parcel 2 R/W and A-061631 R/W
Section 16:	All, including AA-37882 (PLP Min. Mat. Sale), AA-8505 (Comm. S.), AA-8625 (PLP R/W), AA-11182 R/W, AA-5847 R/W, and AA-12692 R/W
Section 21:	All, including AA-37882 (PLP Min. Mat. Sale), AA-37881 (PLP Min. Mat. Sale), A-061476 R/W, AA-9462 (PLP R/W), AA-11182 R/W, AA-5847 R/W, A-061631 R/W, AA-12692 R/W, U.S. Survey 4797 Lot 2, A-058866 R/W and A-067485 R/W
Section 22:	All, including U.S. Survey 4797 Lots 1 and 2, and A-061631 R/W
Section 27:	All, including A-067485 R/W and AA-26228 TUP
Section 28:	All, including A-061476 R/W, AA-12692 R/W, AA-5847 R/W, A-061631 R/W, A-064235 R/W, A-058866 R/W and A-067485 R/W
Section 32:	All, including AA-5847 R/W, A-058866 R/W, and AA-12692 R/W
Section 33:	All, including AA-7454 (IA Apln.), A-064235 R/W, A-061631 R/W and AA-5847 R/W

<u>Deletions Listed in Order of Priority</u>

Township 3 South, Range 1 East, Copper River Meridian

Section 27:	SE¼SE¼
"	NE¼SE¼

<u>Overselections Listed in Order of Priority</u>

Township 3 South, Range 1 East, Copper River Meridian

Section 4:	SE¼SE¼

"	NE¼SE¼
"	SE¼NE¼
"	NE¼NE¼
"	SW¼SE¼
"	NW¼SE¼
"	SE¼SW¼
"	SW¼SW¼
"	NE¼SW¼
"	NW¼SW¼
"	SW¼SW¼
"	SW¼NE¼
"	NW¼NE¼
"	SE¼NW¼
"	SW¼NW¼
"	NE¼NW¼
"	NW¼NW¼
Section 29:	SE¼SE¼
"	SW¼SE¼
"	NE¼SE¼
"	NW¼SE¼
"	SE¼NE¼
"	SW¼NE¼
"	NE¼NE¼
"	NW¼NE¼
"	SE¼SW¼
"	SW¼SW¼
"	NE¼SW¼
"	NW¼SW¼
"	SE¼NW¼
"	NE¼NW¼
"	SW¼NW¼
"	NW¼NW¼

(19) Middleton Island. Subject to the provisions of paragraph 9, all lands of the United States on Middleton Island, an island located in the Gulf of Alaska on which U.S. Coast and Geodetic Survey triangulation station "Middleton" is located at approximately latitude 59°26'06.726" north and longitude 146°19'56.729" west.

(20) Nelson Townsite Waterway. Subject to the provisions of paragraph 14.J, the lands withdrawn by the War Department Orders of December 18, 1909 and September 14, 1910, and located adjacent to U.S. Survey 440 (Nelson Townsite) described as follows:

> Beginning on line 22-23 of said Survey No. 440, at a point south forty-four degrees east seventy-one and forty-six-hundredths chains from Corner No. 22; thence north forty-six degress east two hundred thirty-six and seventy-three hundredths chains' thence south forty-two degrees, thirteen minutes, thirty seconds east seven and seventy-eight-hundredths chains; thence south forty-six degrees west two hundred thirty-six and forty-nine hundredths chains; thence north forty-four

degrees west seven and seventy-eight hundredths chains to the place of beginning.

(21) Icy Bay Addition.

Township 22 South, Range 24 East, Copper River Meridian

Sections 1-3:	All
Sections 10-15:	All
Sections 22-27:	All
Sections 34-36:	All

Township 22 South, Range 25 East, Copper River Meridian

Sections 4-9:	All
Section 18:	All

B. Pursuant to Section 12(c) of ANCSA:

(1) Carbon Mountain. Subject to the provisions of paragraph 14.G, the following described lands:

Township 16 South, Range 9 East, Copper River Meridian

Sections 3-5:	All
Sections 6-7:	All, lying east of the eastern boundary of the Chugach National Forest
Sections 8-10:	All
Sections 13-15:	All
Section 17:	All
Sections 18-19:	All, lying east of the eastern boundary of the Chugach National Forest
Sections 20-28:	All
Section 29:	N½
Section 30:	All, lying east of the eastern boundary of the Chugach National Forest
Section 31:	W½, lying east of the eastern boundary of the Chugach National Forest
Section 32:	N½ and Lot 5
Section 33:	N½, SE¼
Sections 34-36:	All

Township 17 South, Range 9 East, Copper River Meridian

Sections 1-3:	All
Sections 4-5:	All
Section 6:	All, lying east of the eastern boundary of the Chugach National Forest
Section 7:	All, lying east of the eastern

	boundary of the Chugach National Forest
Section 8:	All
Sections 12-13:	All
Section 17:	All
Sections 18-19:	All, lying east of the eastern boundary of the Chugach National Forest
Section 20:	All
Section 29:	All
Sections 30-31:	All, lying east of the eastern boundary of the Chugach National Forest
Section 32:	All

(2) Copper River.

Parcel No. 1

Township 9 South, Range 2 East, Copper River Meridian

Sections 31-33: All

Parcel No. 2

Township 10 South, Range 4 East, Copper River Meridian

Sections 31-32: All

Parcel No. 3

Township 12 South, Range 4 East, Copper River Meridian

Sections 1-2: All
Sections 11-13: All

Township 12 South, Range 5 East, Copper River Meridian

Section 7: All
Sections 16-18: All
Sections 20-21: All
Section 28: All
Section 33: All

(3) Controller Bay. Subject to the provisions of paragraph 15, the subsurface estate to the following described lands:

Township 20 South, Range 6 East, Copper River Meridian

Section 12: All

Township 20 South, Range 7 East, Copper River Meridian

Sections 1-6:	All lands located outside the former boundary of the Chugach National Forest excluded under E.O. 1260.
Sections 7-11:	All
Sections 12-13:	All lands located outside the former boundary of the Chugach National Forest excluded under E.O. 1260.
Sections 14-18:	All
Sections 21-23:	All
Sections 24-25:	All lands located outside the former boundary of the Chugach National Forest excluded under E.O. 1260.
Sections 26-27:	All
Section 35:	All
Section 36:	All lands located outside the former boundary of the Chugach National Forest excluded under E.O. 1260.

Township 21 South, Range 7 East, Copper River Meridian

Section 1:	All lands located outside the former boundary of the Chugach National Forest excluded under E.O. 1260.

(4) Icy Bay.

Township 23 South, Range 23 East, Copper River Meridian

Sections 13-15:	All, fractional
Sections 21-24:	All, fractional
Section 25:	All
Sections 26-28:	All, fractional
Sections 34-35:	All, fractional
Section 36:	All

Township 24 South, Range 23 East, Copper River Meridian

Sections 1-3:	All, fractional

Township 23 South, Range 24 East, Copper River Meridian

Sections 1-2:	All
Sections 3-6:	All, fractional
Section 7:	All, fractional, including Native allotments AA-7030 Parcel B, AA-7616 Parcel D, and AA-7948 Parcel A

Section 8:	All, fractional, including Native allotments 7616 Parcel D, AA-7030 Parcel B, AA-8349, and AA-7948 Parcel A
Sections 9-10:	All, fractional
Sections 11-16:	All
Section 17:	All, fractional, including Native allotments AA-8349, AA-6344, and AA-7949
Section 18:	All, fractional, including Native allotments AA-7948 Parcel B
Sections 19-36:	All

Township 24 South, Range 24 East, Copper River Meridian

Sections 1-3:	All
Section 4:	All, fractional
Section 5:	All, including Native allotment AA-6343
Section 6:	All, fractional, including Native allotment AA-6343
Sections 7-10:	All, fractional
Sections 11-12:	All
Sections 13-15:	All, fractional
Section 24:	All, fractional

Township 23 South, Range 25 East, Copper River Meridian

Section 19:	All
Sections 30-32:	All

Township 24 South, Range 25 East, Copper River Meridian

Sections 3-11:	All
Sections 13-17:	All
Sections 18-20:	All, fractional
Sections 21-25:	All
Sections 26-29:	All, fractional
Sections 35-36:	All, fractional

Township 25 South, Range 25 East, Copper River Meridian

Section 1:	All, fractional

Township 25 South, Range 26 East, Copper River Meridian

Section 5:	All, fractional (all west of longitude 141°W.)
Section 6:	All, fractional

C. Pursuant to Section 14(h)(8) of ANCSA or Section 1429 of ANILCA:

(1) Patton Bay (Montague Island). Subject to the provisions of paragraph 14.I, the following described lands: see page 113

Township 1 South, Range 12 East, Seward Meridian

Section 34: S½S½ fractional

Township 2 South, Range 12 East, Seward Meridian

Section 3: All, fractional
Section 4: NE¼, NE¼NW¼, S½NW¼, S½
Section 7: E½SW¼, SE¼
Section 8: All
Section 9: N½NE¼, SW¼NE¼, NW¼, SW¼, W½SE¼, SE¼SE¼
Section 10: N½NW¼ fractional
Section 16: All, fractional
Section 17: All
Section 18: All
Section 19: N½N½, S½NW¼
Section 20: E½NE¼, N½NW¼, NE¼SE¼, S½SE¼
Section 21: All, fractional
Section 22: All, fractional
Section 27: All, fractional
Section 28: All, fractional
Section 29: E½, E½NW¼, SW¼
Section 30: S½S½
Sections 31-34: All, fractional

Township 2 South, Range 11 East, Seward Meridian

Section 13: E½NE¼
Section 25: E½SW¼, SW¼SW¼, SE¼
Section 35: E½E½
Section 36: All

Township 3 South, Range 11 East, Seward Meridian

Section 1: All, fractional
Section 2: E½, SE¼NW¼, SW¼
Section 3: S½SW¼, SE¼
Section 4: W½NE¼, W½, SE¼
Section 5: E½E½
Section 8: NE¼NE¼
Section 9: NE¼, N½NW¼, SE¼NW¼, NE¼SE¼
Section 10: All
Section 11: All, fractional
Section 14: NW¼
Section 15: N½, N½S½

Township 3 South, Range 12 East, Seward Meridian

Section 3: All, fractional

(2) Latouche Island.

Township 2 South, Range 8 East, Seward Meridian

Section 23:	SE¼, fractional, that portion on Latouche Island
Sections 24-26:	All, fractional
Sections 34-35:	All, fractional
Section 36:	All

Township 2 South, Range 9 East, Seward Meridian

Sections 1-2:	All, fractional
Section 3:	E½, E½W½
Section 7:	All, fractional
Section 9:	E½
Section 10:	All
Section 11:	All, fractional
Section 14:	All, fractional
Sections 15-17:	All
Sections 18-19:	All, fractional
Sections 20-21:	All
Sections 22-23:	All, fractional
Sections 27-28:	All, fractional
Sections 29-30:	All
Sections 31-33:	All, fractional

Township 3 South, Range 8 East, Seward Meridian

Sections 1-2:	All, fractional
Section 3:	E½E½, fractional

Township 3 South, Range 9 East, Seward Meridian

Section 6: All, fractional

Lands Reserved to the United States

Township 3 South, Range 8 East, Seward Meridian

Section 3: W½NE¼, E½NW¼

(3) Macleod Harbor (Montague Island).

Township 3 South, Range 10 East, Seward Meridian

Section 15:	S½SE¼
Section 21:	S½NE¼, S½, fractional
Section 22:	All
Section 28:	NW¼NW¼, fractional

Section 29:	All, fractional
Section 30:	All, fractional

(4) Iron Mountain (Knight Island).

Township 4 North, Range 10 East, Seward Meridian

Section 34:	SE¼
Section 35:	All, fractional
Section 36:	All, fractional

Township 3 North, Range 10 East, Seward Meridian

Section 1:	All, fractional
Section 2:	All, fractional
Section 3:	All, fractional
Section 4:	All, fractional
Section 5:	All, fractional
Section 6:	S½SW¼, NE¼SE¼, S½SE¼
Section 7:	N½, SW¼, N½SE¼, SW¼SE¼
Section 8:	N½
Section 9:	N½, N½SW¼, E½SW¼SW¼, SE¼SW¼, SE¼
Section 10:	All, fractional.
Section 11:	All
Section 12:	All, fractional
Section 13:	All, fractional
Section 14:	All, fractional.
Section 15:	N½NE¼, N½NW¼, SW¼NW¼, W½SW¼.
Section 16:	NE¼, E½E½NW¼, E½E½SW¼, SE¼
Section 18:	N½NW¼NE¼, N½NW¼, SW¼NW¼, N½SE¼NW¼, SW¼SE¼NW¼, W½NE¼SW¼, NW¼SW¼
Section 21:	NE¼, E½NW¼, E½SW¼, SE¼, including the unpatented portion of MS 954.
Section 22:	S½S½
Section 23:	All, fractional.
Section 24:	All, fractional
Section 26:	All, fractional
Section 27:	All, fractional
Section 28:	N½NE¼, SE¼NE¼, NE¼NW¼, including the unpatented portion of MS 954.
Section 33:	SE¼SW¼, S½SE¼
Section 34:	All, fractional
Section 35:	All, fractional

Township 3 North, Range 11 East, Seward Meridian

Section 6:	All, fractional
Section 7:	All, fractional

(5) Drier Bay (Knight Island). Subject to the provisions of paragraph 15, the subsurface estate to the following described lands:

Township 3 North, Range 10 East, Seward Meridian

Section 16:	W½E½SW¼, SW¼SW¼, S½NW¼SW¼
Section 17:	S½SE¼
Section 20:	NE¼, E½NW¼, NE¼SW¼, SE¼
Section 21:	W½W½
Section 28:	SW¼NE¼, W½NW¼, SE¼NW¼, S½, including the unpatented portion of MS 954.
Section 29:	All, fractional, including the unpatented portion of MS 736.
Section 30:	All, fractional, including the unpatented portion of MS 928.
Section 31:	All, fractional, including the unpatented portion of MS 928.
Section 32:	All, fractional, including the unpatented portion of MS 736.
Section 33:	N½, N½S½, SW¼SW¼.

(6) Cape Yakataga.

Township 21 South, Range 17 East, Copper River Meridian

Section 14:	S½
Section 15:	S½, that part east of the Duktoth River, including Lots 1-3
Section 22:	Lots 1, 3, 4, 5, 6 and 7 N½N½NE¼ SE¼NE¼NE¼ SW¼NW¼NE¼ W½SE¼NW¼NE¼ W½E½SE¼NW¼NE¼ W½NE¼NE¼SW¼NE¼ SE¼NE¼NE¼SW¼NE¼ W½NE¼SW¼NE¼ SE¼NE¼SW¼NE¼ W½SW¼NE¼ SE¼SW¼NE¼ N½NE¼SE¼NE¼ N½S½NE¼SE¼NE¼ S½NW¼NW¼SE¼NE¼ SW¼NW¼SE¼NE¼ W½SW¼SE¼NE¼ SE¼NW¼
Section 23:	W½, including Lots 1 and 2

D. The Secretary of the Interior shall convey the lands identified in this paragraph and thereafter, following survey, issue to CNI a patent for such lands. In making surveys the Secretary shall use the methods and procedures set forth in 43 C.F.R. § 2650.5-3. This requirement shall be subject to the availability of funds and manpower for surveying.

5. CASH PAYMENT.

A. The United States has paid to CNI the sum of $3,000,000 as authorized and appropriated by Public Law 97-257, and in accordance with a Memorandum of Understanding between CNI and the United States dated September 17, 1982, which is here by incorporated and appended to this Agreement.

B. An additional $9,000,000 has been appropriated by Congress for payment to CNI upon execution of this Agreement. Immediately following the effective date of this Agreement the Secretary of Agriculture will take all steps necessary to cause to be paid to CNI the $9,000,000, in accordance with the terms of a Cash Payment Agreement to be executed on or about the date of this Agreement between CNI and the United States.

C. After payment of the funds to CNI in accordance with the terms of the Cash Payment Agreement, the United States shall have no obligation or liability to CNI in cash or land if the United States is unable to convey any of the lands identified in

paragraphs 4.A(1), (4), (6) and (17) to CNI because the State does not fulfill its obligations to relinquish these lands pursuant to paragraph 19.A(4) and 19.B(6).

6. KATALLA OIL AND GAS.

A. Rights of CNI to Oil and Gas. Subject to valid existing rights (the United States shall adjudicate all pending offers to lease by third parties), the terms and conditions contained herein, and the reserved right of the United States to limit or prohibit operations, the Secretary of the Interior shall convey to CNI the exclusive right and privilege to drill for, mine, extract, remove, and dispose of, by primary and secondary methods, all the oil and gas deposits in liquid or gaseous state in natural conditions, except helium gas, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period ending at midnight, (Alaska Standard Time, hereafter "AST") December 31, 2004, and so long thereafter as oil and gas is produced in paying quantities, on the following described lands (herein referred to as the "Katalla Area"):

Township 19 South, Range 5 East, Copper River Meridian

Sections 10-11:	All
Section 13:	SE¼NE¼, SE¼
Section 15:	All
Section 21:	All

Section 24:	All, including M.S. 1068
Section 25:	All, including M.S. 1068

Township 19 South, Range 6 East, Copper River Meridian

Section 5:	All
Sections 7-8:	All
Sections 17-18:	All
Sections 19:	All, including M.S. 1068
Section 20:	All
Section 29:	All
Section 30:	All, including M.S. 599 and M.S. 1068
Section 31:	All, including M.S. 599

B. Reservations in the United States. Within the above described lands in the Katalla Area, the United States reserves all other minerals and mineral materials (including, but not limited to, common varieties of the followiong: sand, stone, gravel, pumice, pumicite, cinders and clay) and coal, oil shale, tar sands, asphalt, and gilsonite (including all vein type solid hydrocarbons). In addition, the United States reserves all authorities to regulate all and prohibit any particular surface occupancies within the Katalla Area, administer the terms and conditions prescribed herein, and to permit public access on roads, trails, and areas within the Katalla Area insofar as such public use does not interfere with rights of CNI granted in this Agreement.

C. Reversionary Interest.

(1) If a well capable of producing in paying quantities within the Katalla Area has not been completed by midnight (AST), December 31, 2004, then all right, title and interest of CNI under this paragraph shall revert to and vest in the United States.

(2) If a well capable of producing in paying quantities within the Katalla Area has been completed by midnight (AST) December 31, 2004 but no continuous (for a period of at least 180 days) commercial production of oil or gas has occurred from the Katalla Area, CNI's rights to the Katalla Area shall be as follows:

(a) For each field into which a well capable of producing in paying quantities has been completed, CNI shall be allowed a reasonable time following completion of the first paying quantities well to place the field into continuous commercial production.

(b) For each field placed in production pursuant to subparagraph (a) above, CNI shall retain all right, title and interest in the field for so long as oil or gas is produced from the field in paying quantities.

(c) All right, title and interest of CNI to lands in the Katalla Area not being held pursuant to subparagraphs (a) and (b) shall revert to the United States at midnight (AST) December 31, 2004. All right, title and interest in lands in the Katalla Area being held by CNI pursuant to subparagraphs (a) or (b) shall revert to the United States upon the failure of the conditions set forth in those subparagraphs.

(3) If on or before midnight (AST) December 31, 2004, oil and gas has been produced in paying quantities from the Katalla Area continuously for a period of greater than 180 days, CNI's right, title and interest in the Katalla Area shall be as follows:

(a) For each field from which production in paying quantities has occurred, CNI shall retain all right, title and interest in that field for so long as oil or gas is produced from the field in paying quantities. CNI shall be deemed engaged in the production of oil or gas notwithstanding the cessation of production from any field; provided such cessation is not in excess of 180 consecutive days.

(b) For those fields for which a well capable of producing in paying quantities has been completed but from which no commercial production has occurred, CNI shall retain all right, title and interest in the field for a reasonable period of time in order to place the field into production.

(c) All right, title and interest to all other lands in the Katalla Area shall revert to the United States unless CNI has drilled at least one exploratory well into a formation reasonably expected to contain oil or gas outside the field or fields in production in either

2002, 2003 or 2004. In such event, CNI shall retain its right, title and interest in the Katalla Area for an additional three (3) years beyond midnight (AST) December 31, 2004, and further, CNI shall retain its right, title and interest for additional three year periods for each exploratory well completed after midnight (AST) December 31, 2004, but not beyond midnight (AST) December 31, 2013. Upon expiration of CNI's rights under this subparagraph all right, title and interest to the Katalla Area shall revert to the United States, except that for any fields into which a well capable of producing in paying quantities has been completed, CNI shall be allowed a reasonable time from the date of completion to place such field into production.

(4) The term "field" as used in this subparagraph shall include the known and reasonably estimated reservoir limits and all subsurface oil and gas rights (regardless of depth below the surface) within and extending one thousand two hundred (1,200) feet horizontally beyond the known or reasonably estimated reservoir limits. Orders of the Alaska Oil and Gas Conservation Commission shall be considered in determining the reservoir limits.

D. Requirements for Operations. All operations by CNI, its successors or assigns, shall be conducted in accordance with a

plan of operations approved by the United States. No entry can be made onto National Forest System lands for the purpose of conducting oil and gas operations without a special use permit issued by the Secretary of Agriculture after submission and approval of an operating plan as prescribed herein, and containing such assurances as the Secretary of Agriculture deems necessary for the protection of fish and wildlife and other public resources, and provisions for public use of the Katalla Area.

E. Valid Existing Rights and Uses. All rights of CNI to the oil and gas estate of the Katalla Area shall be subject to all valid existing rights in third parties. CNI will recognize existing uses and commitments by the United States or third parties in the form of timber cutting, special use permits, water developments, ditch, road, trail, pipeline, telephone line, and fence rights-of-way, and other similar improvements that have been made or may hereafter be made, and to conduct its operations so as to interfere as little as possible with the rights and privileges granted now or in the future by these permits or with other uses.

F. Special Use Permit. Upon approval of an operating plan as provided herein, the Secretary of Agriculture will issue a special use permit authorizing the occupancy and use of National Forest System lands for activities and operations specified in the operating plan. Such permit will incorporate by reference all the requirements of this Agreement, the deed of subsurface oil and gas rights in the Katalla Area, and the provisions of the

approved operating plan. In addition, the permit will provide for public rights of use and for protection of federal lands and resources. CNI shall not be required to pay a fee for the permit.

G. Geological and Geophysical Operations. A permit shall be required for geological and geophysical exploration operations, in accordance with that portion of the Forest Service Manual then in effect for such operations.

H. Operating Plan Requirements. Prior to conducting any operations in exercise of the grant of rights in the Katalla Area, CNI shall have prepared an operating plan to be submitted to the Secretary of Agriculture. This operating plan will prescribe the methods of conducting oil and gas exploration, development, production and transportation. Upon approval, this operating plan will be the principal document upon which the Secretary of Agriculture will issue a special use permit.

(1) Content of Operating Plan.

(a) The operating plan will be prepared according to the multi-point surface use plan provided for by the Department of the Interior, Minerals Management Service (or successor agency), Onshore Oil and Gas Order No. 1, (hereinafter "Order No. 1"), as in effect at the time any operations are proposed for exploration,

development and production. All references in Order No. 1 to the "Minerals Management Service" shall be construed to mean the "Department of Agriculture, Forest Service." All references in Order No. 1 to the "District Engineer" shall be construed to mean "Forest Supervisor, Chugach National Forest." Subsequent modification may be made to the requirements of Order No. 1 as it may be revised by the Bureau of Land Management (hereinafter "BLM"), the successor agency of the Minerals Management Service for onshore minerals management, and the same may be adopted for the Katalla Area by the Secretary of Agriculture. For purposes of compliance with Order No. 1, rights of CNI to oil and gas in the Katalla Area will be analogous to the rights of a federal oil and gas lessee. Should the requirements of Order No. 1 conflict with these terms and conditions, these terms and conditions shall prevail.

(b) For exploratory drilling, an operating plan specific to each well shall be prepared.

(c) For the development drilling of a pool or field, an operating plan shall be prepared that:

(i) Identifies the location of each well to be drilled in the ensuing 24 months. Information common to all wells need only be identified once.

Information peculiar to individual wells, such as anticipated unique construction methods, shall be identified.

(ii) Identifies all structures and facilities such as roads, pipelines, flow lines, sludge pits, waste ponds collection-treatment, storage, and transfer facilities, and other ancillary facilities such as camps, maintenance areas, and airstrips proposed for construction in the ensuing 24 months.

(2) Process for Approving an Operating Plan.

(a) CNI will submit a proposed operating plan to the Forest Supervisor, Chugach National Forest, or such other officer as may be designated by the Secretary of Agriculture. The Forest Service, in cooperation and consultation with the BLM, will evaluate the proposed operating plan. This review and evaluation may be done in the context of an environmental analysis, and will insure that any operations permitted to be conducted pursuant to the plan will not impair the natural values of the Katalla Area, will provide for restoration and reclamation of the area, and will otherwise conform with applicable laws and regulations.

(b) The Forest Service will respond within 45 days of receipt of the proposed operating plan unless additional time is required for proper evaluation, including the preparation of an environmental assessment and such other documentation as may be required by law. In furtherance of its general management authorities and the express authorities herein, the Forest Service response will either (1) approve the proposed plan as written and submitted, (2) conditionally approve the plan predicated on certain conditions being met, or (3) reject the plan as unsatisfactory. In the event that a plan is rejected, the operator shall be apprised of the reasons for its being rejected and shall be given an opportunity to resubmit a modified plan. Disputes may be administratively adjudicated through the administrative appeal procedures of the Secretary of Agriculture.

(3) Amendment of Operating Plan. Either CNI or the Secretary may propose an amendment to the operating plan at any time to address changed circumstances or new information. It is specifically recognized that impacts on wildlife are largely unknown and experience may dictate plan modifications or suspensions. The proposed amendment will be submitted to the other party in writing whereupon such other party will have 45 days to respond with approval,

disapproval, or counterproposals. Amendments proposed by the Secretary to abate threats to resources or safety shall be subject to the provisions of subparagraph J of this paragraph.

I. Transportation of oil and gas. CNI shall be entitled to a right of way for a pipeline and other facilities for the transportation of oil and gas from the Katalla Area in accordance with reasonable terms and conditions of the Secretary of Agriculture.

J. Suspension and Modification.

(1) The Secretary of Agriculture or other authorized government official may suspend or modify all or some operations under the following situations where the Secretary or his representative knows or has cause to know that:

(a) CNI or other operator is acting contrary to the operating plan or special use permit; or,

(b) CNI or other operator is acting in violation of any applicable Federal, state, or local law, regulation, or permit for the abatement of air or water pollution, or for the protection of the land, fish or wildlife; or,

(c) The operations are determined to be causing or pose an immediate threat of damage to the multiple use resources of the Katalla Area or other public lands; or,

(d) The operations are determined to pose a threat to worker or public safety.

(2) In the aforementioned situations, the Secretary of Agriculture or his representative shall issue a modification or suspension order to the operating plan and/or special use permit until there is abatement of the situation. If, in the opinion of the Secretary of Agriculture or his representative, the situation would not pose an immediate threat of injury to the Katalla Area or other public lands or resources, CNI will be notified in writing of the situation and will be given the shortest practicable time, not to exceed thirty (30) days, to correct the situation; if the situation is not satisfactorily corrected within said thirty (30) days, approval of the operating plan will be modified or suspended until such time as the situation is corrected. However, if CNI makes a showing of good cause why the violation cannot be reasonably corrected within the thirty (30) day period and also that resource damage would not ensue, the Secretary may extend the period for an additional time not greater than the shortest time reasonable to correct the problem.

(3) In accordance with the provisions of 30 C.F.R. §221.54-221.55, as such regulations may from time to time be amended, CNI shall be subject to penalties and liquidated damages for defaults or violations of orders or other terms or conditions applicable to the operations in the Katalla Area. This provision shall be in addition to all other authorities of the United States as provided in this Agreement.

K. Cultural and Paleontological Resources. CNI shall provide in its operating plan or its application for a special use permit a showing of compliance with the following requirements:

(1) CNI will engage the services of a qualified cultural resource specialist acceptable to the Secretary of Agriculture and the State Historic Preservation Officer to conduct an inventory of cultural resource values and submit a report thereon acceptable to the Secretary.

(2) CNI will implement mitigation measures required by the Secretary of Agriculture to preserve, avoid destruction of, or mitigate impacts on cultural resource values. Mitigation may include relocation of proposed facilities, testing, and salvage or other protective measures. Relocation will, at the option of the Secretary, be limited to those situations where the cultural resources are listed or eligible for inclusion on the National Register of Historic Places.

Where surface impacts will adversely affect cultural resource sites, the surface operations will be relocated from such sites.

(3) CNI shall immediately bring to the attention of the Secretary of Agriculture any cultural resources, or paleontological resources of significant scientific interest, or any other objects of scientific interest discovered as a result of surface operations under the operating plan and special use permit, and CNI agrees not to disturb such discoveries until directed to proceed by the Secretary.

L. Protection of Wildlife. CNI will provide in its operating plan or its application for a special use permit a report from a qualified biologist as to the presence and habitat of fish and wildlife species, particularly those listed pursuant to the Endangered Species Act of 1973, 16 U.S.C. §1531-1543. At the option of the United States and CNI, this report may be made by the Forest Service or other agency of the Federal government pursuant to a cooperative agreement made for that purpose. The operating plan shall make suitable provision for the protection of fish and wildlife consistent with the provisions of Section 501(b) of ANILCA, and any threatened or endangered species, all of which are identified as affected by proposed operations. Such provisions may include, but are not limited to, restrictions on

seasonal use to avoid wildlife nesting or other important cyclic events.

M. Agents. CNI and any successor or assign, particularly any operator acting under contract or subcontract, shall appoint and maintain at all times during the term of the special use permit and during all operations a local agent upon whom may be served written orders or notices respecting matters pertaining to the oil and gas operations in the Katalla Area. The name and address of such agent shall be provided the Secretary of Agriculture. All provisions of this Agreement shall bind all agents and contractors of CNI exercising rights under this Agreement.

N. Assignability. Upon notice to the Secretary of Agriculture, all rights of CNI to oil and gas in the Katalla Area shall be assignable in whole or part. In the event that there is an assignment of rights, the restrictions, reservations, terms and conditions applicable to such rights shall run with the land and constitute a servitude thereon. The authorities of the United States may be delegated or reassigned between and among its agencies or other parties at the discretion of the Secretary of Agriculture.

O. Official Access. CNI shall at all times permit officials of the federal, state, and local governments to enter the Katalla Area for any governmental purpose including inspection of the CNI

operations. This paragraph shall not be construed to limit public access to the Katalla Area.

P. Liabilities. The United States disclaims any liability for the conduct of any aspect of operations within the Katalla Area, and CNI shall agree to hold harmless the United States from all damage or claims for damages to persons or property resulting from operations. Further, the United States shall not be liable to CNI, its successors or assigns, for damages to property or injuries to persons which may arise from or be incident to the use of the Katalla Area by the United States or the public.

Q. Information and Data. CNI shall submit to the BLM or its successor agency information and data which a lessee on State or federal lands in Alaska must submit to the State or BLM. If such data are required under state or federal law to be held confidentially when received from a lessee then BLM shall hold such information or data confidentially when received from CNI. Additionally, CNI will provide sufficient information on a continuing basis to the Secretary of Agriculture in order for the Secretary to properly monitor compliance with the terms and conditions of the operations, except that CNI shall not be required to submit to the Secretary any information or data submitted to BLM and which must be held confidentially by BLM. BLM may make such data and information available to the Secretary of Agriculture under circumstances and conditions prescribed by

BLM to provide for the confidentiality of such data and information, provided that CNI shall have prior notice of the providing of such data and information. BLM shall provide CNI copies of all interagency agreements or memoranda relating to circumstances and conditions under which BLM will make data and information available to the Secretary of Agriculture.

R. Bond. CNI or any operator shall post a bond prior to commencing any oil and gas exploration or production operations in the Katalla Area. Such bond shall be in the amount as required for operators on federal leases as provided in 43 C.F.R. §3104.2 or as such regulations may be amended from time to time.

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7. KATALLA EXCHANGE PREFERENCE RIGHTS

A. The lands adjacent to the Katalla Area consisting of 55,375 acres, more or less, and hereinafter referred to as the "Katalla Exchange Preference Area", shall be subject to the exchange preference described in this paragraph. The Katalla Exchange Preference Area is described as follows:

Township 17 South, Range 6 East, Copper River Meridian

Sections 26-27:	All
Sections 34-35:	All

Township 18 South, Range 5 East, Copper River Meridian

Sections 1-3:	All
Sections 10-12:	All
Sections 13-15:	All
Sections 22-27:	All
Sections 34-36:	All

Township 18 South Range 6 East, Copper River Meridian

Section 2:	All, including lots 1-4
Sections 3-10:	All
Section 11:	All, including Lots 1-3 and U.S. Coal Survey 314
Sections 16-21:	All
Sections 28-35:	All

Township 19 South, Range 4 East, Copper River Meridian

Sections 1-2:	All including the unpatented portion of M.S. 1447
Section 3:	All, fractional, including unpatented portion of M.S. 1447
Section 4:	All, fractional
Section 10:	All, fractional
Sections 11-12:	All, fractional, including the unpatented portion of M.S. 1447
Section 13:	All
Sections 14-15:	All, fractional
Sections 23-26:	All, fractional
Section 36:	All, fractional, including M.S. 881

Township 19 South, Range 5 East, Copper River Meridian

Sections 1-9:	All
Section 12:	All
Section 13:	N½NE¼, SW¼NE¼,W½
Section 14:	All
Sections 16-20:	All
Sections 22-23:	All
Section 26:	All
Section 27:	All, fractional
Section 29:	N½, N½S½
Section 30:	All
Section 31:	All, fractional, including M.S. 881
Section 34:	NE¼
Section 35:	All, fractional
Section 36:	All, including the unpatented portion of M.S. 599

Township 19 South, Range 6 East, Copper River Meridian

Sections 1-4:	All
Section 6:	All
Section 32:	All, fractional

Township 20 South, Range 5 East, Copper River Meridian

Sections 1-2: All, fractional

Township 20 South, Range 6 East, Copper River Meridian

Section 4: W½
Section 5: N½
Section 6: All, fractional

B. The United States, through the Secretary of Agriculture, may make available to CNI for a period of twenty-five years from the date of this Agreement, the Katalla Exchange Preference Area for oil and gas exploration, development and production. In the event that the Secretary or his representative makes a management decision that all or any part of the Katalla Exchange Preference Area should be made available for oil and gas exploration, development, and production through the issuance of federal oil and gas leases, or similar federal action authorizing such activities, then CNI shall have the first opportunity to acquire, by exchange, rights to explore, develop and produce oil and gas in the Katalla Exchange Preference Area subject to the conditions of this paragraph and any subsequent exchange agreement. An exchange proposal may include interests in land greater than the oil and gas estate, including fee title. The United States shall not be obligated to make a management decision on opening all or part of the Katalla Exchange Preference Area.

C. At such time as a management decision, as set forth in subparagraph B of this paragraph, is made by the Secretary of Agriculture or his representative, the Secretary or his

representative shall so inform CNI in writing of such decision. In the written notice to CNI, the Secretary shall state the following:

(1) The area or areas within the Katalla Exchange Preference Area being proposed for exploration, development, and production.

(2) To the extent known, the terms and conditions which will or may apply to any exploration, development, and production of the area or areas to be opened. It is recognized that the Secretary may impose more or less stringent requirements on operations within the Katalla Exchange Preference Area than are imposed on operations within the Katalla Area.

(3) Any lands or interests in land owned by CNI that the Secretary would like CNI to consider for possible exchanges for the rights to explore, develop and produce oil and gas in the Katalla Exchange Preference Area.

D. CNI shall have up to two years from the date of receipt of the written notice to negotiate and execute an exchange agreement for lands or interests therein. The two year period for negotiation and execution of an exchange agreement shall not exceed the twenty-fifth anniversary of this Agreement.

E. Consistent with the provisions of this Agreement, all rights of CNI and the United States concerning the exploration, development and production of oil and gas in the Katalla Exchange Preference Area, and to lands or interests therein exchanged for such rights, shall be in accord with an exchange agreement negotiated between the parties at some future date. Such an agreement will provide, among other things, that any exploration, development, and production of oil and gas, and the utilization of other interests in land in the Katalla Exchange Preference Area shall be subject to such terms and conditions deemed appropriate by the Secretary of Agriculture for the protection of fish and wildlife and the scenic, recreational, timber and other values of the lands of the United States.

F. Any exchange made pursuant to this paragraph shall be in accordance with section 22(f) of ANCSA, as amended or supplemented, or other authority existing at the time. All rights of exploration, development and production of oil and gas shall be subject to any laws in effect at the time such an exchange is to take effect.

G. The United States shall not be obligated to CNI in any way or liable for any damages in the event oil and gas exploration, development or production in the Katalla Exchange Preference Area is restricted or prohibited by:

(1) action of Congress; or

(2) administrative withdrawal; or

(3) state selection; or

(4) disposition of interests in lands other than oil and gas, and the right of access to such oil and gas.

H. If an exchange is offered to CNI for some or all of the lands within the Katalla Exchange Preference Area and an exchange agreement is not consummated in accordance with this paragraph, then, for a period of five years following expiration of CNI's negotiation period as provided in subparagraph I, the Secretary may lease, exchange or otherwise dispose to any other party any or all of the oil and gas rights and any other interests in those lands which had been offered to CNI, or allocate those lands or resources for any other purpose. The exchange preference right of CNI shall not inhibit, encumber or otherwise limit such subsequent allocation, lease, exchange or disposition of oil and gas or other interests in those lands. Following expiration of the five year period specified above, the Secretary shall again offer the lands to CNI pursuant to this paragraph if he makes a new management decision as set forth in subparagraph B of this paragraph.

I. If no management decision as set forth in subparagraph B of this paragraph is made within twenty-five years from the date of this Agreement or as provided in this subparagraph, whichever

comes first, then the exchange preference of CNI terminates. Additionally, except as provided in subparagraph H, the exchange preference of CNI will expire for any given area if no exchange agreement is forthcoming from exchange negotiations between CNI and the Secretary of Agriculture two years after the date of the notice provided CNI, in accordance with subparagraph D of this paragraph, or before the end of the two years if CNI states in writing its intent not to enter into an exchange agreement. Any expiration shall not preclude any exchange or other disposition of lands by the Secretary to CNI or any other party in accordance with applicable law.

J. The State may select under Section 6(a) of the Alaska Statehood Act no more than 680 acres of land in the Katalla Exchange Preference Area prior to July 1, 1983, and may make additional selections during subsequent rounds of selection. Selections made by the State prior to July 1, 1983, shall have priority over any exchange preference granted CNI under paragraph 7 of this Agreement. Any selections filed by the State after July 1, 1983, within the Katalla Exchange Preference Area shall be subject to this Agreement.

8. <u>ACCESS TO BERING RIVER COAL FIELDS</u>. CNI shall have a right of access across land owned by the federal government to the Bering River coal fields in accordance with the rules and regulations of the Secretary of Agriculture and the following conditions and procedures.

A. Routes. There shall be two right-of-way routes:

(1) A route generally linking the Copper River Highway (Alaska Route 10) with the Bering River coal fields, across federal lands drained by the Martin River; and,

(2) A route linking the coast of the Gulf of Alaska between Point Martin and Strawberry Point to the Bering River coal fields.

B. Application. CNI will apply to the Forest Supervisor, Chugach National Forest, for the necessary rights-of-way over the above referenced routes, and provide such information as may be prescribed by the Forest Supervisor. The Forest Supervisor will process the application as promptly as practicable.

C. Environmental Considerations. The parties agree that the granting of rights=of-way to the Bering River coal fields over the above referenced routes is an integral part of the conveyances made to CNI pursuant to this Agreement and was a condition precedent to CNI's willingness to agree to exchanges provided in this Agreement. Consideration of these access routes under the provisions of the National Environmental Policy Act of 1969 is governed by the provisions of Section 910 of ANILCA. However, nothing in this Agreement or Section 910 of ANILCA shall preclude the preparation by the United States of documents similar to an environmental assessment and/or an environmental

impact statement if such are deemed desirable by the responsible federal agency. The United States reserves the right to utilize, in whole or part, the Cordova Access Study--Bering River Coal Field, to be prepared by the City of Cordova on transportation options to the Bering River area pursuant to authorization by the Alaska State Legislature, (SLA 82, Ch. 101, page 98, line 26).

D. Easements. In consideration of the exchange provisions of this Agreement, the rights-of-way granted under this provision shall be in the form of easements exchanged and granted by the Secretary of Agriculture. The easements shall grant CNI the right to construct, at its cost, roads, pipelines and transportation facilities for access necessary for economic utilization of the Bering River coal fields, but shall be subject to the terms and conditions stated herein. Consistent with the obligation of the United States to protect the fish and wildlife values of the publicly owned lands, the Secretary of Agriculture and CNI will jointly agree on the locations and widths of such easements.

E. Timber, Sand, Gravel and Rock. Any easements shall contain the following provisions:

(1) The United States reserves the standing timber within the rights-of-way but shall grant CNI free use of such timber as may be required to be removed for the construction, operation and maintenance of access facilities, and CNI may use or sell any timber so removed. The United

States shall not be liable to CNI for any timber required for public purposes or lost to blow-down, disease, insects, fire, trespass or any other cause. The granting of rights of free use to standing timber is in support of and incidental to the construction of the access routes and shall not be construed as a dominant use. The United States shall have no obligation to locate any right-of-way as to include or exclude merchantable timber. The United States reserves any timber not needed to be cut.

(2) The United States reserves the subsurface estate, including minerals and common varieties of mineral materials within or near the rights-of-way, but shall grant CNI free use of common varieties of mineral materials for purposes reasonably necessary for construction and maintenance of the access routes and associated facilities. The Forest Service and CNI will designate on approved plans or profiles for the road, or otherwise in writing, mutually acceptable areas within or near the rights-of-way for rock, sand and gravel extraction, and such areas will be located to ensure that unreasonably lengthy hauls are not required in the construction and maintenance of roads and other facilities. The United States will not be liable to CNI for any rock, sand, gravel and common varieties of mineral materials required for public purposes or lost due to natural causes, trespass or other cause. The granting of rights to free use is in support of and incidental to the construction and maintenance of access routes and shall

not be construed as a dominant use, and the United States shall have no obligation to locate any right-of-way to include or exclude such materials. The United States reserves all common varieties of mineral materials not needed for construction and maintenance of the right-of-way.

F. Public and Governmental Use. Easements shall provide for public and governmental use and the regulation of such uses by the Secretary of Agriculture. All uses of the roads and rights-of-way shall be without charge (including maintenance costs) to the public or the United States. The following provisions shall apply to the use of the easements:

(1) The United States reserves full rights of public use of and access over roads, trails and associated facilities for all purposes related to the National Forests or other public purposes; and,

(2) The United States reserves full rights of use of and access over the rights-of-way and associated facilities for any government activity, or activity by its agents, permittees or assigns, for any purposes related to the National Forests or other public purposes, including the construction of spur and connecting roads; and,

(3) If, from time to time, the unrestricted public use of the right-of-way diminishes the rights of CNI to use the right-of-way in a reasonable and economically feasible manner, or is endangering the public safety, CNI shall inform the Secretary of Agriculture or his designee. CNI's information to the Secretary shall include a specific, detailed statement of all the facts and circumstances upon which CNI relies for its conclusion that the public's safety is endangered or that the public's use is making CNI's use of the right-of-way unreasonable or uneconomical. CNI's information shall also state the action CNI proposes the Secretary take in order to redress the problem. CNI shall propose only the minimum restrictions on public use necessary to redress the problem.

The Secretary, upon receipt of the information from CNI, will evaluate the use of the right-of-way by the public and may request additional information from CNI or others. Thereafter, the Secretary may take such action as he deems necessary to protect public resources or the public safety and so assure that CNI can use the right-of-way in a reasonable and economically feasible manner.

G. Terms and Conditions. Any easements issued pursuant to this Agreement shall contain such terms and conditions which will include, but not be limited to:

(1) requirements to insure that, to the maximum extent feasible, the roads and transportation facilities are constructed and used in a manner compatible with the purposes of the National Forests, and the primary purpose of the conservation of fish and wildlife as provided by Section 501(b) of ANILCA; and,

(2) requirements for restoration, rehabilitation, revegetation, and curtailment of erosion of the surface of the land; and,

(3) requirements to insure that activities in connection with the construction and use of the rights-of-way will not violate applicable air and water quality standards and related facility siting standards established pursuant to law; and,

(4) requirements, including necessary widths, designed to control or prevent:

a. damage to the environment, particularly fish and wildlife habitat; and,

b. damage to public or private property; and,

c. hazards to public health and safety; and,

(5) requirements recognizing the interests of any individuals living in the general area of the rights-of-way; and,

(6) requirements to employ measures to avoid or minimize adverse environmental, social or economic impacts; and,

(7) requirements for determining abandonment by CNI of any easements for nonuse by CNI.

H. Consolidation of Rights-of-Way Use. To the extent economically and environmentally feasible, the Secretary of Agriculture and CNI will attempt to consolidate access requirements to the Bering River coal fields and adjacent lands. In furtherance of such consolidation:

(1) The Secretary of Agriculture shall consider alternatives for consolidating use in any assessment of the respective rights-of-way; and,

(2) The Secretary of Agriculture and CNI may modify any easement for one route by granting any additional rights for use of that route which might facilitate consolidation of use. Such consolidation could result in the use of one route as opposed to two separate routes.

I. Interim Access. Prior to the granting of any easements for access to the Bering River coal fields, and prior to commercial development of the fields and completion of construction on such easements, access by CNI across National Forest lands shall be in accordance with such special use permits as shall be issued at no charge to CNI by the Forest Supervisor, Chugach National Forest. Permits will condition access to minimize environmental damage, along with other terms and conditions deemed necessary for protection of federally owned lands, fish and wildlife.

J. Assignment. Any party may assign its rights under this paragraph to a third party after giving written notice of its intent to assign.

9. MIDDLETON ISLAND.

A. The Secretary of the Interior shall convey to CNI all right, title and interest owned by the United States to the subsurface estate on Middleton Island subject to the provisions of this Agreement.

B. The Secretary of the Interior shall convey to CNI all right, title and interest owned by the United States to the surface estate of Middleton Island, subject to the provisions of this Agreement, except:

(1) VOR Tract

Commencing at U.S.C. & G.S. triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed S. 53°43'49" W., 4475.06 feet to the point of beginning, said point is at the mean high tide line on the westerly side of Middleton Island; thence east 2715 feet to a point; thence south 4000 feet to a point; thence west 4000 feet to a point; thence north 2720 feet to a point, said point is at the mean high tide line on the westerly side of Middleton Island; thence northeasterly along said mean high tide line 1814 feet, more or less, to the point of beginning, containing 348.4 acres, more or less.

(2) Radar Tract

Commencing at U.S.C. & G.S. triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed S. 77°36'04"W., 1857.51 feet, more or less, to the point of beginning, said point is at mean high tide line on the westerly side of Middleton Island; thence east 2410 feet to a point; thence south 3000 feet to a point; thence west 1488.78 feet to a point, said point is on the east boundary of the VOR tract; thence north along said boundary 751.45 feet to a point, said point is the northeast corner of the VOR tract; thence west 1511.22

feet along the north boundary of the VOR tract to a point; thence north 1678.55 feet to a point, said point is at the mean high tide line on the westerly side of Middleton Island; thence northeasterly along said mean high tide line 820 feet, more or less, to the point of beginning, containing 176.7 acres, more or less.

(3) NDB Tract

Commencing at U.S.C. & G.S. triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed N. 32°41'34" E., 11,341.34 feet to the point of beginning; thence west 600 feet to a point; thence north 600 feet to a point; thence East 600 feet to a point; thence south 600 feet to the point of beginning, containing 8.26 acres, more or less.

C. The United States shall continue to own the surface estate in the tracts of lands described in subparagraph B of this paragraph so long as the lands are used or needed for governmental purposes; thereafter each tract not used or needed for governmental purposes shall pass and become a part of the conveyance to CNI. The occupant of the surface estate shall notify CNI when the surface estate of the tracts of land described in subparagraph B are no longer used or needed for governmental purposes. CNI shall be entitled to request and receive a conveyance of the surface estate to any tract of land described

in subparagraph B no longer used or needed for governmental purposes of the United States, subject to any easements that may be determined to be necessary for the protection of fish and wildlife on Middleton Island. Once all tracts described in subparagraph B of this paragraph have been conveyed to CNI, the United States shall also convey to CNI its reserved interests in the lands described in subparagraph D(2) of this paragraph.

D. The United States does not claim ownership to and does not agree to convey (1) those lands, if any, that may have risen above mean high tide by means of avulsion after January 3, 1959; and (2) the following described private lands:

> Commencing at U.S.C. & G.S. triangulation station "Middleton" which is the true point of beginning of this description; thence N. 55°56' W., approximately 1,400 feet to the line of mean high tide; northerly along the line of mean high tide to the northwest corner of PLO No. 640, which is also the southwest corner of ANS No. 222; S. 55°56' E., approximately 3,280 feet to a point on the southerly boundary of ANS No. 222; S. 34°04' W., approximately 2,464 feet to a point; N. 55°56' W., approximately 2,500 feet to the true point of beginning of this description.

E. The United States reserves the following rights, privileges and appurtenances in the subsurface underlying those tracts described in subparagraph B of this paragraph:

(1) The right to maintain and service existing waterwells and cisterns and to withdraw from such wells and cisterns all water reasonably required by the United States for its employees, agents, contractors, licensees, permittees, or assigns.

(2) The right to explore for, dig or drill new water wells and cisterns and to withdraw from such wells and cisterns all water reasonably required by the United States for its employees, agents, contractors, licensees, permittees, or assigns.

(3) the right to maintain, relocate or remove any pipes, cables, foundations, cellars, basements, sewers and septic systems or other devices placed in the subsurface on Middleton Island on any tract described in subparagraph B of this paragraph and the right hereafter to place, maintain, relocate or remove additional pipes, cables, foundations, cellars, basements, sewers and septic systems or other devices as required by the United States for its employees, agents, contractors, licensees, permittees or assigns.

F. CNI covenants and agrees not to enter upon the surface estate in the tracts described in subparagraphs B and L of this paragraph for purposes of obtaining access to the subsurface estate under such lands except in accordance with the regulations of the occupant of the surface estate and the restrictions of any permit issued by the United States Fish and Wildlife Service with the concurrence of the occupant of the surface estate. CNI further covenants and agrees not to access the subsurface underlying any tracts described in subparagraphs B and L of this paragraph from its own lands in any manner that will interfere with the use of the surface by the United States, to notify the occupant of the surface estate prior to undertaking any access to the subsurface estate underlying the surface estate described in tracts described in subparagaphs B and L of this paragraph, to refrain from any activity that interferes with any use of the United States of the surface estate of any tracts described in subparagraphs B and L of this paragraph, or any other easement on Middleton Island reserved in this Agreement, and to cease and desist any activity that is interfering with any use of the United States of the surface estate of any tracts described in subparagraphs B and L of this paragraph, or any other easement on Middleton Island reserved in this Agreement.

G. CNI covenants and agrees:

(1) Not to cross by vehicle the operating surfaces of the airport runway.

(2) Not to use the operating surfaces of the airport runway as a roadway.

(3) Not to create or maintain any dump sites on the island that would attract birds and become a hazard to airport operations.

(4) Not to undertake any construction on Middleton Island that will interfere with any United States navigational aids or with the operations at the airport or use by the occupant of the surface estate. CNI will consult, to the maximum extent practicable, with the occupant of the retained lands prior to undertaking construction on Middleton Island.

(5) Not to stop or park within 1,000 feet of the Radar or VOR towers or antennas that are or may be located on Middleton Island.

H. (1) As provided for in paragraphs 13.B(33) and 13.B(34), easements for barge sites shall be reserved in the following locations:

(a) <u>Barge Landing</u>

Commencing at U.S.C. & G.S. triangulation station "Middleton" located at latitude 59°26'06.726" north and

longitude 146°19'56.729" west proceed N. 25°50'21" E. 10,325.82 feet, to the point of beginning, said point is at the mean high tide line on the westerly side of Middleton Island; thence S. 73°01'E., 100 feet to a point; thence N. 16°59'E., 550 feet to a point, thence N. 73°01' W., 105 feet, more or less, to a point, said point is at the mean high tide line on the westerly side of Middleton Island; thence southerly 550 feet, more or less, to the point of beginning, containing 1.3 acres, more or less.

(b) Alternate Barge Landing

Commencing at U.S.C. & G.S. triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed N. 31°06'28" E. 11,943.62 feet, more or less, to the point of beginning, said point is at the mean high tide line on the northerly side of Middleton Island; thence S. 49°20' W., 125 feet to a point; thence N. 40°40' W., 500 feet to a point; thence N. 49°20'E., 140 feet to a point, said point is at the mean high tide line on the northerly side of Middleton Island; thence southeasterly along said mean high tide line 500 feet, more or less, to the point of beginning, containing 1.5 acres, more or less.

(2) The rights of the United States in the lands reserved as barge sites shall include the right to land any marine vessel, load or unload any such marine vessel, store goods until they can be transferred from such site, store vehicles used for the purpose of loading, unloading or transferring goods, material or personnel from such marine vessels, and construct, maintain or remove improvements reasonably necessary for the proper utilization of a marine vessel landing site including, but not limited to, the purposes previously stated in this subparagraph.

(3) CNI covenants and agrees to provide without charge alternate sites for the purposes set forth in subparagraph H(2) of this paragraph if the sites to be reserved pursuant to this Agreement can no longer serve the purposes of the United States because of erosion, accretion, avulsion, earthquake or other acts of God. The United States agrees to relinquish the sites reserved as barge landing sites in this subparagraph if alternate sites are provided by CNI or if the United States ceases to use Middleton Island for any governmental purpose.

(4) CNI may use the lands reserved in this subparagraph or any alternate sites provided pursuant to this subparagraph and the facilities and improvements placed thereon in any manner that does not interfere with use of the lands, improvements or facilities by the United States. CNI

covenants and agrees to promptly cease and desist any use that interferes with the use of the lands, improvements or facilities of the United States or to change or modify its use in accordance with instructions from the representatives responsible for operations on Middleton Island.

I. The roads reserved pursuant to paragraph 13.B(36) of this Agreement shall be 60 feet in width and be subject to relocation whenever the United States shall determine that the road in its current location no longer serves the needs of the United States or CNI because of deterioration, damage, uplift or subsidence of the island or any part thereof. CNI and the United States agree to enter into cooperative use and maintenance agreements under terms and conditions mutually agreeable to CNI and the occupants of the surface estate on Middleton Island.

J. CNI covenants and agrees to donate easements to the United States reasonably necessary for the expansion or enlargement of the airport on Middleton Island whenever such enlargement or expansion is necessary to maintain public safety.

K. (1) On the following four parcels, easements for the purposes described in this subparagraph shall be reserved to the United States for the benefit and use of the Fish and Wildlife Service:

PARCEL A

Commencing at U.S. Coast and Geodetic triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed N. 32°45' E., for approximately 11,950 feet to corner No. 1, the true point of beginning for this parcel, a point on the line of mean high tide determined as of January 3, 1959, on the northeast shore of Middleton Island, at approximate latitude 59°27'41" north, longitude 146°17'57" west; thence S. 60°00' W., approximately 370 feet to corner No. 2, a point on the east boundary of the Federal Aviation Administration's Non-Directional Beacon (NDB) boundary; thence south along a portion of the east boundary, and continuing through the southeast corner of the NDB tract, approximately 720 feet to corner No. 3, a point on a line extended northwesterly from the north end of runway 1 - 19; thence S. 55°56'30" E., approximately 1110 feet to corner No. 4, at a point on the line of mean high tide (determined as of January 3, 1959) thence northwesterly, with meanders, along the line of mean high tide (determined as of January 3, 1959) of the Gulf of Alaska, approximately 1660 feet to corner No. 1, the point of beginning, containing approximately 17 acres; and

PARCEL B

Commencing at U.S. Coast and Geodetic triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed N. 45°17' E., for approximately 10,380 feet to corner No. 1, the true point of beginning for this parcel, a point on the line of mean high tide determined as of January 3, 1959, on the northeast shore of Middleton Island; thence S. 34°03'30" W., for approximately 1625 feet, along a portion of the east Boundary Restriction Line (BRL) at the north end of of runway 1 - 19, to corner No. 2; thence S. 30°19'50" E., for approximately 288.12 feet, to corner No. 3, identical with the southeast corner of the approach zone at the east end of runway 12-30; thence S. 59°40'10" W., approximately 601.06 feet to corner No. 4, a point on the east boundary of the BRL; thence S. 34°03'30" W., along a portion of the BRL, approximately 5376.95 feet to corner No. 5, a point on the northeast boundary of the MIDICO (private land) tract; thence approximately S.55°56' E., 450 feet, along a portion of the northeast boundary of the MIDICO tract to corner No. 6, identical with the most eastern corner of the MIDICO tract; thence S. 34°03'30" W., along a portion of the southeast boundary of the MIDICO tract, approximately 1317 feet to corner No. 7 a point on the southeast boundary of the MIDICO tract; thence S. 60°00' E., approximately 390 feet to corner No. 8, a point on the line of mean high tide (determined as of January 3, 1959) thence northerly, with meanders, along the line of mean high tide (determined as of January 3, 1959) of the Gulf of Alaska, approximately 9285

feet to corner No. 1, the point of beginning, containing approximately 172 acres; and

PARCEL C

Commencing at U.S. Coast and Geodetic triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed S. 32°40' E., for approximately 3330 feet to corner No. 1, the true point of beginning for this parcel, a point on the line of mean high tide (determined as of January 3, 1959) on the east shore of Middleton Island; thence west, approximately 1170 feet to corner No. 2, a point on the east boundary of the Federal Aviation Administration's (FAA) Radar Site; thence south, along a portion of the east boundary of the Radar Site approximately 450 feet to corner No. 3, identical to the southeast corner of the Radar Site; thence west, along a portion of the south boundary of the Radar Site, approximately 215 feet to corner No. 4, the intersection of the south boundary of the Radar Site and theoretical range line between T. 28 S., R. 6 and 7 W., Copper River Meridian; thence south, along the theoretical range line approximately 813 feet to corner No. 5; thence west, approximately 1273.78 feet to corner No. 6, a point on the east boundary of FAA's VOR Site; thence south, along a portion of the east boundary of the VOR Site, approximately 2533.44 feet to corner No. 7, identical to the southeast corner of the VOR Site; thence west, 4000 feet, along the south boundary of the VOR Site, to corner No. 8, identical to the southwest corner of the VOR Site; thence north, along the west boundary of the VOR Site, approximately 2720 feet to corner No. 9, a point at the line of mean high tide (determined as of January 3, 1959) on the west boundary of the VOR Site; thence southwesterly and northeasterly, with meanders, along the line of mean high tide, (determined as of January 3, 1959) on the shore of the southern end of Middleton Island, in the Gulf of Alaska, to corner No. 1, the point of beginning, containing approximately 508 acres, aggregating approximately 697 acres; and

PARCEL D

All other land owned by the United States seaward of the above described land which may have been added by accretion or other natural means.

(2) The easements to be reserved on the parcels described in subparagraph K(1) of this paragraph shall continue until (a) laws and regulations do not permit such interests to be

managed or protected in the manner of National Wildlife Refuge System lands and interests, or (b) the Fish and Wildlife Service exchanges this interest for other lands or interests, or (c) the Fish and Wildlife Service voluntarily relinquishes this interest.

(3) The United States, acting through the Fish and Wildlife Service, shall have right of entry and occupancy on and to Parcels A through D described in subparagraph K(1) of this paragraph for itself and its cooperators for the purpose of conducting biological studies, monitoring populations, and enforcing laws and regulations, and the right to regulate entry, use, and occupancy by others in the same manner as such may be regulated on other portions of the Alaska Maritime National Wildlife Refuge or similar or successor units.

(4) CNI may not conduct or permit any activities on the lands contained in Parcels A through D of subparagraph K(1) of this paragraph which may cause or lead to erection of structures, establishment of roads or trails, or other disturbances of land or vegetation, or enter or permit entry to the easement area, without prior written permission from the Fish and Wildlife Service and subject to such terms, conditions or restrictions as the Fish and Wildlife Service may require. CNI may not use the surface within the easement area for exploration or exploitation of the subsurface

estate without the written permission of the U.S. Fish and Wildlife Service and the occupant of the surface estate.

L. The United States shall reserve an easement for an airport on the following described lands:

Airfield Tract

Commencing at U.S.C. & G.S. triangulation station "Middleton" located at latitude 59°26'06.726" north and longitude 146°19'56.729" west proceed N. 47°39'56" E., 2535.07 feet to the point of beginning; thence N. 34°03'30" E., 6007.84 feet to a point; thence N. 30°19'50" W., 125.00 feet to a point; thence N. 34°03'30" E., 200.00 feet to a point; thence N. 30°19'50" W., 2063.12 feet to a point; thence N. 59°40'10" E., 500.00 feet to a point; thence S. 30°19'50" E., 1948.44 feet to a point; thence N. 34°03'30" E., 1029.92 feet to a point; thence N. 25°31'39" E., 842.65 feet to a point; thence S. 55°56'30"E., 595.00 feet, more or less, to a point, and said point is at the Mean High water-line on the northerly side of Middleton Island; thence Southerly along said Mean High waterline 1406 feet, more or less, to a point; thence S. 34°03'30"W., 1625.00 feet to a point; thence S. 30°19'50"E., 288.12 feet to a point; thence S. 59°40'10"W., 601.06 feet to a point; thence S. 34°03'30"W., 5376.95 feet to a point; thence N. 55°56'W., 1500.00 feet to the point of beginning, containing 313.2 acres, more or less.

M. As a covenant CNI agrees as to all lands conveyed herein on Middleton Island, not to introduce or allow introduction, and to prevent by all reasonable means, introduction of any exotic plant or animal species to the Island, whether said species be domestic, feral, or wild.

N. It is agreed amongst the parties that the entitlement of CNI under Section 12(c) of ANCSA shall be reduced by the number of acres of subsurface on Middleton Island conveyed to CNI. CNI shall not be entitled to any in lieu surface estate by virtue of

the retained interest in this Agreement but shall, instead, acquire those said interests in the future in accordance with the provisions of this paragraph.

O. It is agreed amongst the parties that Middleton Island is important to carrying out the responsibilities of several federal agencies at present and may be important to other federal agencies in the future because of its unique location. Currently, Middleton Island's primary use is in the control of air navigation, but it is anticipated that it may be equally important to national defense.

P. In the event of substantial use of the airport and roads on Middleton Island by CNI, CNI shall pay a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities so used.

Q. CNI shall grant and convey to the United States, at no cost or charge, common varieties of mineral materials which are needed by the United States (or its contractors and subcontractors) for the construction, operation or maintenance of any existing or future facilities on Middleton Island.

R. It is agreed amongst the parties that CNI shall have the right to reasonable use and access to the airport runway and associated facilities at all times, but CNI shall not have a duty

to maintain the airport as an open public airport if the United States ceases to operate it.

S. If at any time the United States determines that it no longer requires the use of any of the easements reserved on Middleton Island to the United States, it shall inform CNI in writing and those easements shall terminate. CNI shall be entitled to request and receive a quit claim deed to any terminated easements.

10. AMENDMENTS TO AMENDED STIPULATION AND AGREEMENT IN CHUGACH NATIVES, INC. V. ANDRUS.

A. The Amended Stipulation and Agreement in CNI v. Andrus is amended as follows:

(1) Add following the word "conveyed" in Section 9(b):

"except that this limitation shall not apply to amendments, alterations, or additions of Chugach in the Carbon Mountain, Gulf of Alaska "A" and Icy Bay regional deficiency withdrawal areas. The number of points or angles shall not exceed twenty-four in the Gulf of Alaska "A" regional deficiency withdrawal area."

(2) In Section 9(c) delete the number "5,760 acres" and substitute the following: "5,120 acres, except in the Nellie

Juan regional deficiency withdrawal area where no conveyance shall be less than 5,760 acres."

(3) In Section 9(d), following the word "tract" add:

", except that Chugach may receive conveyance to a maximum of two non-contiguous tracts in the Carbon Mountain, Gulf of Alaska "A", and Icy Bay regional deficiency withdrawal areas. If Chugach receives conveyance to a subsequently identified non-contiguous tract in the Icy Bay regional deficiency withdrawal area, that tract shall be in the "Karr Hills" area and shall consist of eight sections. If Chugach receives conveyance to a subsequently identified non-contiguous tract in the Carbon Mountain regional deficiency withdrawal area, that tract shall not have any exterior boundary segments less than two miles in length."

(4) In Section 9(f) following the word "compact" add:

", except that this limitation shall not apply to the Gulf of Alaska "C" regional deficiency withdrawal area, and the conveyance to Chugach of two tracts in the Carbon Mountain, Gulf of Alaska "A" and Icy Bay regional deficiency withdrawal areas shall not be deemed contrary to this requirement provided each

individual tract satisfies the requirement of compactness."

(5) In Section 9(g) following the last word, "section," add:

"except that this limitation shall not apply to any conveyance of land in the Carbon Mountain regional deficiency withdrawal area in Townships 16 and 17 South, Range 9 East, Copper River Meridian. In the Gulf of Alaska "A" regional deficiency withdrawal area Chugach shall be permitted up to 3 additional boundary segments (making a total of 12 segments) which are less than 2 miles in length if Chugach receives conveyance to two non-contiguous parcels. In the Gulf of Alaska "C" regional deficiency withdrawal area, Chugach shall be permitted up to 3 additional boundary segments (making a total of 6 segments) which are less than 2 miles in length. In the Icy Bay regional deficiency withdrawal area, Chugach shall be permitted up to 20 boundary segments which are less than 2 miles in length."

(6) Delete Section 11(d)(2).

(7) Add at the end of Section 11(h) a new subparagraph:

"(3) In addition to the lands identified in section h.1 above, Chugach shall be entitled to receive conveyance to those lands identified in paragraph 4.A(21) of the 1982 Chugach Settlement Agreement and to one additional opportunity to designate lands for conveyance in the Icy Bay regional deficiency withdrawal area."

(8) Delete Section 12 and substitute the following:

"12. Bremner River Withdrawal Area. Pursuant to Section 204 of ANILCA, Chugach's selection within the Bremner River regional deficiency withdrawal area is recognized and available for conveyance to Chugach in accordance with ANCSA. Chugach shall be permitted to receive a maximum of six non-contiguous parcels, none of which shall be less than 5,120 acres in size, and all of which shall comply with the requirements for contiguity and compactness as prescribed in regulations of the Department of the Interior for selections under the ANCSA. Any boundary segments of less than two miles or two sections (whichever is less) must be mutually agreed to by Chugach and the Secretary of the Interior."

B. CNI agrees not to file any action or otherwise commence litigation to assert any claims alleged by CNI in Chugach Natives, Inc. v. Andrus, Civil No. 75-2113 (USDC, D.C.),

including all claims which were dismissed by CNI without prejudice.

11. PRIORITIES FOR CONVEYANCE AND TIMETABLE.

A. The Secretary of the Interior, through the Alaska State Director of the Bureau of Land Management (hereinafter "State Director"), shall make his best effort to convey to CNI as soon as practicable the lands described in this Agreement, giving preference to conveyance priorities provided to the State Director from time to time by CNI.

B. CNI's highest priorities for conveyance at the time of this Agreement are: Icy Bay, Cape Yakataga, Patton Bay (Montague Island), Bering River, Carbon Mountain, and Eagle Bay (Glacier Island), as described in paragraph 4 of this Agreement.

C. The parties agree that the following are the target dates for conveyance:

Tract	Target Date for Conveyance
Cape Yakataga	3/07/83
Eagle Bay (Glacier Island)	3/29/83
Patton Bay (Montague Island)	4/01/83
Bering River	5/13/83
Carbon Mountain	5/13/83

The Secretary of the Interior, through the State Director, shall make his best effort to convey to CNI the tracts described in this subparagraph by the proposed target dates.

D. At any time prior to conveyance of the lands described in paragraphs 4.A(1), 4.A(5), and 4.C(1), CNI may apply for a special use permit to enter upon those lands and undertake development activities as may be allowed under a special use permit. The Secretary of Agriculture will give expeditious consideration to any permit application and will, to the extent of his legal authority and in accordance with applicable regulations, grant such permit, subject to reasonable terms and conditions.

12. CONSIDERATION TO THE UNITED STATES. In consideration for the lands and interests therein from the United States and the State of Alaska to CNI in paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 19, 20, 22, 26 and 33, and otherwise in this Agreement, CNI exchanges to the United States as may be specified in this Agreement:

A. The relinquishment of selection rights of CNI to the surface estate at Controller Bay and Drier Bay (Knight Island), pursuant to paragraph 17.

B. The relinquishment of selection rights in the Bremner River pursuant to paragraph 17;

C. The relinquishment made in paragraph 17 of this Agreement of Section 14(h)(8) selections as follows:

Katalla	No. AA-11382
Gravina Point	No. AA-11382
Shotgun Cove	No. AA-11382
Nuchek	No. AA-11382

D. The relinquishment, pursuant to paragraph 17, of Section 14(h)(8) selections made pursuant to Section 1429 of ANILCA which are not described in paragraph 4.

E. The promise to relinquish selections in accordance with the Memorandum of Understanding dated September 17, 1982.

F. The relinquishment of the number of acres of selection rights to which CNI is entitled under Sections 12(c) and 14(h)(8) of ANCSA equal to the number of acres of lands or interests in lands to be conveyed to CNI under paragraph 4.

G. All rights to future selections under Section 14(h) of ANCSA or other provision of ANCSA or ANILCA, or other statutory authority within components of the National Forest System and the National Wildlife Refuge System, pursuant to paragraph 16.

H. The lands and interests therein, servitudes, covenants, conditions and promises, and other good and valuable consideration flowing to the United States, the State of Alaska or the general public pursuant to paragraphs 13, 14, 15, 16, 17, 18, 19 and otherwise.

I. The easements provided for in this Agreement to be reserved to, or conveyed to, the United States or the State of Alaska.

J. CNI's agreement herein not to commence litigation against the United States over the Chugach Region Study process and over other matters relating to CNI's rights under ANCSA and ANILCA.

13. RESERVATION OF EASEMENTS.

A. The United States shall reserve in any conveyance easements and interests in lands which are identified in this Agreement and such other easements which are identified in accordance with applicable law or this Agreement. Unless expressly provided otherwise in this Agreement, all easements shall be reserved in the conveyance. The reservation of any easements pursuant to this Agreement shall not diminish any existing easement or other valid existing rights.

B. The following easements and interests in land, including improvements and facilities constructed thereon, shall be reserved to the United States:

(1) Miles Lake Road (Miles Lake). The parties agree that the two forty-acre reservations in the Miles Lake tract will be connected by a local road easement. The parties shall endeavor to locate this easement and reserve it prior to conveyance of the Miles Lake tract to CNI. However, if the

easement is not located prior to conveyance, CNI agrees to convey to the United States such an easement at no charge. The precise alignment of this road easement shall be mutually agreed upon by CNI and the United States.

(2) Miles Lake Fish and Game Facility Site (Miles Lake), an existing site easement of one-fourth acre in area for a warehouse and an existing local road easement off the Miles Lake Road to the site easement.

(3) Copper River Highway (Miles Lake), an existing easement for a regional road as surveyed and platted for the proposed relocation of the Copper River Highway by the State of Alaska.

(4) Copper River Streamside (Miles Lake), a streamside easement along the Copper River. The United States also reserves the rights to maintain a fish counting facility within this easement and rights of ingress and egress to the facility for the benefit of the State of Alaska or the United States.

(5) Snow River Road #1 (Snow River), an easement for a local road beginning at a point on the Seward-Anchorage Highway in the SW¼, section 7, T2N, R1E, Seward Meridian generally following the old Snow River riverbed across the SE¼, section 7, T2N, R1E, Seward Meridian, to a point on

publicly owned lands in the SW¼SW¼, section 8, of said township and range, Seward Meridian. If this easement is used as a logging road the width shall be 100 feet.

(6) Snow River Road #2 (Snow River), an easement for a local road beginning on the Seward-Anchorage Highway in and running through the SW¼ of section 18, T2N, R1E, Seward Meridian, and running easterly through the SE¼ of section 18, T2N, R1E, Seward Meridian, to publicly owned lands. If this easement is used as a logging road the width shall be 100 feet.

(7) Horseshoe Bay Powerline (Horseshoe Bay), an easement for a powerline connecting the Latouche Townsite and Hayden Lake area to Horseshoe Bay. The exact location and width of this easement shall be determined cooperatively by the State and CNI after conducting whatever studies the State deems necessary or appropriate. If this easement is not reserved prior to conveyance to CNI, CNI will convey such easement to the State at no cost following conveyance of the lands to CNI.

(8) Horseshoe Bay Road (Horseshoe Bay), an easement for a local road from Latouche Townsite to Horseshoe Bay. The exact location of this easement shall be determined cooperatively by the State and CNI after conducting whatever studies the State deems necessary or appropriate. If this

easement is not reserved prior to conveyance to CNI, CNI will convey such easement to the State at no cost following conveyance of the lands to CNI.

(9) Tokun Ridge Trail (Bering River), an easement for a trail beginning at a point in and running through the SE¼NW¼, section 17, T17S, R7E, Copper River Meridian, in a northwesterly direction to federally owned lands in the NE¼, section 18, T17S, R7E, Copper River Meridian.

(10) Tokun Ridge Trailhead Site (Bering River), a site easement of two acres located in the SE¼NW¼, section 17, T17S, R7E, Copper River Meridian, and adjoining the right-of-way for the Tokun Ridge Trail.

(11) Stillwater Trail (Bering River), an easement for a trail beginning at a point in and running easterly through the SE¼, section 18, T17S, R8E, Copper River Meridian, to the center of section 17, thence running along Stillwater Creek, passing through sections 17, 20 and 21 to federally owned lands in the NW¼, section 28, T17S, R8E, Copper River Meridian.

(12) Kushtaka Lake Road (Bering River), an easement for a regional road beginning where the road provided for in paragraph 8 of this Agreement enters the Bering River tract in section 31, Township 16 South, Range 7 East, Copper River

Meridian and passes through Sections 31 and 32, T16S, R7E, Copper River Meridian thence through sections 4, 8, 9, 17, 20, 29, T17S, R7E, Copper River Meridian, and thence sections 19 through 21, T17S, R8E, Copper River Meridian.

(13) Narrows Trail (Silver Lake), an easement for an existing trail which is the continuation of trail easement EIN 4a, as reserved in Interim Conveyance No. 131 to the Tatitlek Corporation, passing through section 28 to federally owned land in the SW¼, section 21, T10S, R8W, Copper River Meridian.

(14) Silver Lake Trail (Silver Lake), an easement for a trail beginning as a continuation of trail easement EIN 29a G, as reserved in Interim Conveyance No. 131 to the Tatitlek Corporation, and passing through section 6, T11S, R7W, Copper River Meridian, and running in a northeasterly direction through sections 31, 32, and 29, T10S, R7W, Copper River Meridian, and ending on federally owned lands in the SW¼, section 28, T10S, R7W, Copper River Meridian.

(15) Raging Creek Trail (Raging Creek-Simpson Bay), an easement for a trail which is a continuation of a proposed access trail on easement EIN 110a G, reserved in Interim Conveyance No. 127 to the Eyak Corporation, and generally passing through sections 9, 4, and 3, T14S, R3W, Copper

River Meridian, and ending on federally owned land in SE¼ section 34, T13S, R3W, Copper River Meridian.

(16) Two Moon Bay Trail (Two Moon Bay-Port Fidalgo), an easement for a trail beginning as a continuation of trail easement EIN 20a G, as reserved in Interim Conveyance No. 144 to the Tatitlek Corporation, passing through the NE¼, section 20, T13S, R7W, Copper River Meridian and joining EIN 20a G in the NW¼, section 21, T13S, R7W, Copper River Meridian.

(17) Comfort Creek Trail (Comfort Cove-Port Gravina), an easement for a trail beginning at EIN 107b C4, reserved in Interim Conveyance No. 127 to the Eyak Corporation, and generally passing through section 33, T13S, R5W, Copper River Meridian along EIN 107a G, and the NW¼, section 4, T14S, R5W, Copper River Meridian, and ending at a point on federally owned land in the NE¼, section 5, T14S, R5W, Copper River Meridian.

(18) Rude River Trail (Nelson Townsite), an easement for a trail beginning at a point in the NW¼, section 8, T14S, R2W, Copper River Meridian, generally passing through sections 4 and 5, T14S, R2W, Copper River Meridian, and section 33, T13S, R2W, Copper River Meridian, and ending on federally owned land in the SE¼, section 33, T13S, R2W, Copper River Meridian.

(19) Rude River Trailhead Site (Nelson Townsite), a site easement of two (2) acres to be located near the mouth of the Rude River in the S½NW¼, section 8, T14S, R2W, Copper River Meridian.

(20) Shotgun Cove Road (Whittier), an easement for an existing regional road along the shoreline of Passage Canal through section 18, Township 8 North, Range 5 East, Seward Meridian.

(21) Shotgun Cove Road (Shotgun Cove), an easement for a local road around the shoreline of Shotgun Cove to the lands conveyed to the City of Whittier.

(22) Squirrel Creek Trail (Tonsina), an easement for an existing trail from the Richardson Highway in section 26, T2S, R1E, Copper River Meridian, generally paralleling Squirrel Creek to public land.

(23) Tonsina Road #1 (Tonsina), an easement for an existing road 100 feet in width from the Richardson Highway in section 22, T3S, R1E, Copper River Meridian, southwesterly overlaying right-of-way A-058866.

(24) Tonsina Lake Trail (Tonsina), an easement for the existing Tonsina Lake Trail from its junction with

right-of-way A-058866 in section 21, T3S, R1E, Copper River Meridian, southwesterly to public land.

(25) Bernard Creek Trail (Tonsina), an easement for the existing Bernard Creek Trail from the Richardson Highway in section 22, T3S, R1E, Copper River Meridian, northeasterly to public land.

(26) Kimball Pass Trail (Tonsina), an easement for the existing Kimball Pass Trail from the Richardson Highway in section 28, T3S, R1E, Copper River Meridian, easterly to public land.

(27) Little Tonsina River Streamside (Tonsina), a streamside easement along the Little Tonsina River.

(28) Tonsina Gaging Station (Tonsina), an existing site easement in section 26, T2S, R1E, Copper River Meridian for purposes including the construction, operation and maintenance of a stream gaging station and ingress and egress to the station.

(29) Little Tonsina Road, Site and Trail #1 (Tonsina), a one-half acre site easement located on the east side of the Richardson Highway at the junction with Kimball Pass Trail, in section 28, T3S, R1E, Copper River Meridian, including a trail easement from the Richardson Highway northwesterly to

the Little Tonsina River and a local road easement between the Richardson Highway and the site.

(30) Little Tonsina Site #2 (Tonsina), a one-half acre site easement on the south side of Tonsina Road #1 and adjacent to the Little Tonsina River Streamside easement in the SE¼ of section 21, T3S, R1E, Copper River Meridian.

(31) Little Tonsina Site #3 and Road (Tonsina), a one-half acre site easement located west of and adjacent to the right-of-way of the Richardson Highway at the confluence of the Tonsina River and the Little Tonsina River in section 15, T3S, R1E, Copper River Meridian, including a local road easement from the site easterly to the Richardson Highway.

(32) Little Tonsina Site #4 and Road (Tonsina), a site easement located on the west side of the Richardson Highway in the SW¼ of section 33, T3S, R1E, Copper River Meridian, including a local road easement from the site westerly to the Little Tonsina River.

(33) Middleton Island Barge Landing (Middleton Island), an easement for an existing barge-landing area on the northwestern side of Middleton Island in the location and for the purposes and uses described in paragraph 9.H of this Agreement.

(34) Middleton Island Alternate Barge Landing (Middleton Island), an easement for an existing alternate barge landing area on the northeastern side of Middleton Island in the location and for the purposes and uses described in paragraph 9.H of this Agreement.

(35) Middleton Island Power Cable (Middleton Island), an easement for an existing buried power cable, the location of which is unsurveyed but is marked on the ground, between the existing Radar site and Non-Directional Beacon, for the purposes and uses described in paragraph 9.E(3) of this Agreement.

(36) Middleton Island Roads (Middleton Island), easements for all existing local roads on Middleton Island, for the purposes and uses described in this paragraph and paragraph 9 of this Agreement.

(37) Middleton Island Airport and Air Avigation (Middleton Island), an easement for an airport on the lands described in paragraph 9.L of this Agreement and an air avigation easement for landing, takeoff and public safety surrounding the boundary of the airport on Middleton Island triangulated for height and distance from the airport in accordance with Federal Aviation Administration regulations.

(38) Caetani River Trailhead Site (Icy Bay Addition), a site easement in section 26, T22S, R24E, Copper River Meridian, on the eastern shore of Icy Bay.

(39) Caetani River Trail (Icy Bay Addition), an easement for a trail from Caetani River Trailhead Site in section 26, T22S, R24E, Copper River Meridian, to Caetani River Airstrip in sections 4 and 9, T22S, R25E, Copper River Meridian; thence along an existing trail from the airstrip northeasterly to public lands.

(40) Caetani River Airstrip (Icy Bay Addition), an easement two hundred fifty (250) feet in width and three thousand (3,000) feet in length for an existing bush airstrip in sections 4 and 9, T22S, R25E, Copper River Meridian.

(41) Berg Lake Site #1 (Carbon Mountain), a site easement on the north shore of Berg Lake at the mouth of an unnamed creek in section 35, T16S, R9E, Copper River Meridian, including the right of ingress and egress between Berg Lake and the site.

(42) Berg Lake Trail #1 (Carbon Mountain), an easement for a trail from Berg Lake Site #1 in section 35, T16S, R9E, Copper River Meridian, northeasterly generally paralleling an unnamed creek to public land.

(43) Berg Lake Trail #1a (Carbon Mountain), an easement for a trail from Berg Lake Trail #1 in section 36, T16S, R9E, Copper River Meridian, easterly generally paralleling an unnamed creek to public land.

(44) Copper River Railroad Road and Trail (Copper River), an easement for an existing regional road in (a) and an existing trail in (b) on and more or less along the roadbed of the Copper River and Northwest Railroad, as follows:

(a) a regional road easement approximately one mile in length passing through S½, Section 31 and the SW¼, Section 32, T10S, R4E, Copper River Meridian; and,

(b) a regional road easement approximately eight miles in length passing through Section 4, T13S, R5E, Copper River Meridian, Sections 33, 28, 21, 16, 17 and 18, T12S, R5E, Copper River Meridian, and Sections 13, 12, 1, and 2, T12S, R4E, Copper River Meridian.

(45) Allan Glacier Trail (Copper River), an easement for a trail beginning at a point on the Copper River Railroad Road and Trail in the NE¼NE¼, section 13, T12S, R4E and passing through section 13 to federally owned lands in section 24, T12S, R4E, Copper River Meridian.

(46) Yahtse River Road (Icy Bay), an easement for an existing local road from the Yahtse River Airstrip Site #1 in section 6, T24S, R24E, Copper River Meridian, northerly to a junction with the Icy Bay Airstrip Access Road at Moraine Harbor.

(47) Icy Bay Airstrip Access Road (Icy Bay), an easement for an existing local road from the Icy Bay Airstrip in section 21, T23S, R24E, Copper River Meridian, northwesterly to Moraine Harbor.

(48) Icy Bay Airstrip (Icy Bay), an easement for an existing bush airstrip 250 feet in width and 3,000 feet in length located in section 21, T23S, R24E, Copper River Meridian.

(49) Yahtse River Airstrip #1 (Icy Bay), an easement for an existing bush airstrip 150 feet in width and 1,800 feet in length located in section 6, T24S, R24E, Copper River Meridian.

(50) Yahtse River Airstrip #2 (Icy Bay), an easement for an existing bush airstrip 150 feet in width and 1,800 feet in length located in sections 5 and 6, T24S, R24E, Copper River Meridian.

(51) Icy Bay Marine Shoreline (Icy Bay), a marine shoreline easement in T24S, Rs24-25E, Copper River Meridian.

(52) Yahtse River Streamside (Icy Bay), a streamside easement on that portion of the Yahtse River that generally parallels the marine coastline in T24S, R24E, Copper River Meridian.

(53) Yahtse River Site #1 (Icy Bay), a site easement in section 6, T24S, R24E, Copper River Meridian, adjacent to the Yahtse River Airstrip #1.

(54) Yahtse River Site #2 (Icy Bay), a site easement in section 14, T24S, R24E, Copper River Meridian.

(55) Icy Bay Site (Icy Bay), a site easement in section 18, T23S, R24E, Copper River Meridian, on the south shore of Icy Bay, as described in the Icy Bay Decision to Issue Conveyance published August 16, 1981, in the Federal Register at 46 FR 40586-7.

(56) Box Point Trail (Patton Bay), an easement for a trail beginning in the S½SE¼ of section 29, T2S, R12E, Seward Meridian, and running northwesterly through section 29 to federally owned lands in the NW¼NW¼ of said section 29.

(57) Box Point Trailhead Site (Patton Bay), a site easement of two (2) acres located in the S½SE¼, section 29, T2S, R12E, Seward Meridian.

(58) Deer Trail (Patton Bay), an easement for a trail beginning at the Deer Trail Trailhead Site in section 31, T2S, R12E, Seward Meridian, and running through the W½, section 31, T2S, R12E, Seward Meridian, thence through the E½ and NW¼ of section 36 and the SW¼ of section 25 of T2S, R11E, Seward Meridian to federally owned lands in section 26, T2S, R11E, Seward Meridian.

(59) Deer Trail Trailhead Site (Patton Bay), a site easement of two (2) acres located in the S½SW¼ of section 31, T2S, R12E, Seward Meridian.

(60) Patton Bay Trail (Patton Bay), an easement for a trail beginning at the Patton Bay Trailhead Site in the N½NE¼ of section 11, T3S, R11E, Seward Meridian, and running northwesterly across S½ of section 2 to federally owned lands in W½NW¼, section 2, T3S, R11E, Seward Meridian.

(61) Patton Bay Trailhead Site (Patton Bay), a site easement of two (2) acres located in the N½NE¼ of section 11, T3S, R11E, Seward Meridian.

(62) Patton River Trail (Patton Bay), an easement for a trail beginning in and running northwesterly through section 14, T3S, R11E, Seward Meridian, and continuing through sections 10, 9, and 4, to federally owned lands in section 33, T2S, R11E, Seward Meridian.

(63) Beach River Trail (Patton Bay), an easement for a trail beginning at a point adjoining public land in section 9, T2S, R12E, Seward Meridian, and running through sections 9, 8, 17, and 18 and thence through the NE¼ of section 13, T2S, R11E, Seward Meridian to federally owned lands.

(64) Beach River Side Trail (Patton Bay), an easement for a trail beginning at a point on the Beach River Trail easement in the NE¼ of section 9, T2S, R12E, and running northerly through said section 9 and thence through section 4, T2S, R12E, to a point on federally owned lands in section 33, T1S, R12E, all in Seward Meridian.

(65) Beach River Streamside (Patton Bay), a streamside easement on the Beach River generally passing through sections 8, 9, 17 and 18, T2S, R12E, Seward Meridian and section 13, T2S, R11E, Seward Meridian.

(66) Montague Ridge Trail (Patton Bay), an easement for a trail beginning at a point on the Beach River Trail easement in and running through section 17, T2S, R12E, Seward

Meridian, northwesterly through the S½ of section 8 and the S½ of section 7 to federally owned lands in the N½ of section 7, all in the said township and range.

(67) Cape Yakataga Airstrip (Cape Yakataga), an easement two hundred fifty (250) feet in width and five thousand (5,000) feet in length for an existing airstrip located in sections 22 and 23, T21S, R17E, Copper River Meridian. In furtherance of Section 11 of Public Law 94-204, 89 Stat. 1145, 1149, the shipment of fish by Natives who are shareholders of Yak-Tat-Kwaan, Inc., and their children who qualify as "Natives" as that term is defined in ANCSA, and who hold valid set net permits from the State of Alaska is authorized on the existing adjoining apron and parking area at the current level of use.

(68) Cape Yakataga Avigation Easement (Cape Yakataga), an avigation and hazard easement for the safe operation of the Cape Yakataga Airstrip in sections 22 and 23, T21S, R17E, Copper River Meridian. This easement consists of a strip of land and the airspace above, extending two hundred fifty (250) feet on each side of the centerline and five hundred (500) feet beyond both ends of the existing runway for a total dimension of five hundred (500) feet wide by six thousand (6,000) feet long.

(69) Cape Yakataga Road #1 (Cape Yakataga), an easement for an existing regional road from the eastern boundary of the area to be conveyed in section 23, T21S, R17E, Copper River Meridian, northwesterly to public land.

(70) Cape Yakataga Road #2 (Cape Yakataga), an easement for an existing local road from the airstrip easement in section 22, T21S, R17E, Copper River Meridian, northerly to Cape Yakataga Road #1.

(71) Karr Hills Trailhead Site (Icy Bay 12(c)), provided CNI receives conveyance to lands in the Karr Hills area, a site easement in section 15, T21S, R24E, Copper River Meridian, near the terminus and on the north side of the Tyndall Glacier.

(72) Karr Hills Trail (Icy Bay 12(c)), provided CNI receives conveyance to lands in the Karr Hills area, an easement for a trail from the Karr Hills Trailhead Site generally paralleling the northern edge of the Tyndall Glacier to public land.

(73) Chaix Hills Trailhead Site (Icy Bay 12(c)), provided CNI receives conveyance to lands in the Chaix Hills area, a site easement in section 23, T21S, R24E, Copper River Meridian, near the terminus and on the south side of the Tyndall Glacier.

(74) Chaix Hills Trail (Icy Bay 12(c)), provided CNI receives conveyance to lands in the Chaix Hills area, an easement for a trail from the Chaix Hills Trailhead Site generally paralleling the southern edge of the Tyndall Glacier to public land.

(75) Duktoth River Trail (Gulf of Alaska 12(c)), provided CNI receives conveyance to lands along the Duktoth River, an easement for a trail generally paralleling the Duktoth River to section 26, T18S, R17E, Copper River Meridian, thence northwesterly to public lands.

(76) Leeper Glacier Trail (Gulf of Alaska 12(c)), provided CNI receives conveyance to lands in section 5, T20S, R17E, an easement for a trail from Duktoth River Trail in section 5, T20S, R17E, Copper River Meridian, northeasterly generally paralleling an unnamed tributary of the Duktoth River to Leeper Glacier.

(77) Kaliakh River Trail (Gulf of Alaska 12(c)), provided CNI receives conveyance to lands along the Kaliakh River, an easement for a trail generally paralleling the Kaliakh River to public land.

(78) Kulthieth River Trail (Gulf of Alaska 12(c)), provided CNI receives conveyance to lands along the Kulthieth River,

an easement for a trail generally paralleling the Kulthieth River to public land.

(79) Bremner River Streamside (Bremner River), provided CNI receives conveyance to lands along the Bremner River, a streamside easement along the Bremner River.

(80-87) Bremner Public Use Sites (Bremner River), the Secretary of the Interior shall have the opportunity to reserve in any Bremner River conveyances to CNI a total of 8 non-duplicative site easements not to exceed 2 acres each.

(88) Port Fidalgo Marine Shoreline (Port Fidalgo), if land is conveyed to CNI from the contingency area provided for in paragraph 14.D, a marine shoreline easement in sections 21, 22, 28, 29, 31 and 32 in T12S, R6W, Copper River Meridian, shall be reserved in the conveyance to CNI.

C. The easements identified in subparagraphs B(46) through (50), B(53) and B(54) of this paragraph shall only be reserved by the Secretary of the Interior if, within forty-five (45) days after the effective date of this Agreement, all appellants in the Appeal of Henry Porter, IBLA No. 82-1156, dismiss that appeal with prejudice. The easements identified in subparagraphs B(51), B(52) and B(55) of this paragraph shall be reserved regardless of the dismissal of the aforementioned IBLA proceeding. The proviso in section 11 of Public Law 94-204 shall be included in any

conveyance of lands to CNI in the Icy Bay regional deficiency withdrawal area.

D. Unless otherwise specified in this Agreement or in a referenced survey, the easements herein shall be of the following general standards:

(1) Road easements shall be 60 feet in width for local roads and 100 feet in width for regional roads. A trail may be constructed within a road easement.

(2) Trail easements shall be 25 feet in width.

(3) Site easements shall comprise reasonably compact tracts of the specified area and shall be 1 acre in size unless otherwise specified in subparagraph B of this paragraph.

(4) Avigation easements shall include the right to clear and keep clear the land from any and all obstructions infringing upon or penetrating the Airport Imaginary Surfaces, as such surfaces are defined in Part 77 of the Federal Aviation Regulations, as amended.

(5) Streamside easements shall comprise that area of land constituting the bed and the banks, and the area 50 feet upland of the ordinary high water mark on both sides of the stream.

(6) Marine shoreline easements shall comprise that area of land from the mean high tide line to 50 feet upland.

E. The parties agree that the easements reserved herein are generally described without the benefit of a field survey and that the location or relocation of the easements shall be permitted and governed by the feasibility of construction, maintenance, use and the avoidance of unnecessary costs or time delays due to unfavorable engineering requirements; unsuitable terrain such as excessive slope, erosive surface, muskeg, wetlands and other hazards; or potentially adverse impacts on or disruption to fish, wildlife, or botanical resources. To the extent feasible, easements shall be relocated within the aliquot parts described in subparagraph B of this paragraph. Relocation shall be accomplished only after prior consultation with CNI, and no relocation shall be made in a location which physically interferes with a facility used by CNI. Upon utilization of a located or relocated easement, the easement is vested at its actual location.

F. All reservations for road and trail easements are for the benefit of the United States, the State of Alaska, and the general public for and in furtherance of the following uses and purposes:

(1) The construction, use, and maintenance of roads, trails, ditches, bridges, culverts, areas for parking,

turnout and turning, and other structures or facilities deemed necessary for the utilization of the easement as a transportation route.

(2) The construction, use and maintenance of pipelines, communication systems, power systems, utility transmission lines, and structures, facilities, improvements and appurtenances.

(3) Access to publicly owned lands or waters by officials of federal, state and local governments.

(4) Access to publicly owned lands or waters by any person under any contract, permit, lease or license.

(5) Access to publicly owned lands or waters by any person holding a property right.

(6) Access to publicly owned lands or waters by the public for recreational and other lawful activities.

G. Except for authorized law enforcement officials and firefighters and unless otherwise provided by law, easements do not authorize use either by officials of federal, state or local governments or any other person for access to lands owned by CNI without the prior authorization of CNI.

H. Site easements are reserved for the benefit of the United States, the State of Alaska and the general public for and in furtherance of the following uses and purposes, including, but not limited to, the construction and maintenance of any structure, improvements and facilities, and uses related to access over any adjoining easements, recreation, camping, public sanitation, storage, vehicle parking and servicing, log transfer, and administration of the site, adjoining easements or publicly owned lands or waters. Site easements may not be used for commercial recreational development without the consent of CNI.

I. (1) Streamside and marine shoreline easements are reserved for the benefit of the United States, the State of Alaska and the general public for access to publicly owned lands, waters, resources and facilities, and for recreation, sport fishing, hiking, camping, water related sports, and the landing, parking and servicing of aircraft and watercraft, and the building, maintenance and use of structures and facilities necessary for such uses. No construction on these easements shall be undertaken without the prior approval of CNI, which approval shall not be unreasonably withheld if the construction is consistent with the limited purposes of the reservation, provided that the construction, maintenance and use of campgrounds, privies and toilets, tables, benches, shelters, small docks, boat or plane ramps, firepits, waterwells, pumps, and signs shall be permitted without the prior approval of CNI.

(2) Site, streamside and marine shoreline easements may not be used for commercial development purposes. Commercial fishing or clamming, hunting, or the use of fish wheels and dip nets within easements is prohibited, and the parties are each authorized to enforce in any lawful manner the prohibitions contained in this subparagraph. On easements identified in subparagraphs B(51) and B(52), Natives who are shareholders of Yak-Tat-Kwaan, Inc., and their children who qualify as "Natives" as that term is defined in ANCSA, and who hold valid set net permits from the State of Alaska are authorized, in furtherance of Section 11 of Public Law 94-204, 89 Stat. 1145, 1149, to use those easements for subsistence and commercial set-net fishing and may use the land up to 60 feet above mean high tide line or mean ordinary high water line for the purpose of anchoring set nets.

J. Trail, streamside and marine shoreline easements may be used for travel by foot, dogsleds, animals, snowmobiles, two or three wheel vehicles and small all-terrain vehicles (less than 3,000 pounds gross vehicle weight).

K. (1) The United States may convey all or part of any reserved easement to any federal or state governmental agency, rural electrical cooperative, or other governmental corporation. The United States, with the prior approval of CNI, may convey all or part of any reserved easement to any

other party. CNI shall not withhold approval if the conveyance will not materially diminish any of the rights or interests of CNI. The United States may, by lease, license, permit or assignment transfer management responsibility for any reserved easement. No assignment, conveyance or other transfer shall result in any expansion of the purposes or uses for which the easement was reserved.

(2) Subject to rights of reverter to the United States and conditions for public use, the United States shall assign and convey all its right, title and interest in the following easements to the State of Alaska:

(a) 13.B(7) Horseshoe Bay Powerline.

(b) 13.B(8) Horseshoe Bay Road.

(c) 13.B(20) Shotgun Cove Road (Whittier).

(d) 13.B(21) Shotgun Cove Road (Shotgun Cove).

L. All timber and common varieties of mineral materials within the confines of any easement reserved pursuant to this Agreement shall be reserved by the United States and may be utilized for construction or maintenance of the easement or any adjoining easements; provided, however, CNI shall enjoy the reasonable access to, and the reasonable opportunity to use, harvest, remove

or sell such resources insofar as it does not interfere with the present or future use of the easement. In the event that the use, harvest, removal or sale by CNI of timber or common varieties of mineral materials makes the same unavailable for the purposes of the easement or otherwise interferes with the present or future use of the easement, then CNI will make available in reasonably proximate locations sufficient quality and quantity of such materials to alleviate the need or interference. CNI's right to use, harvest, remove or sell applies to all easements, including streamside and marine shoreline easements, and it shall not be deemed an interference with the present or future use of an easement that such harvesting may detract from the aesthetics of the easement area.

M. If fencing is deemed by the appropriate Secretary to be necessary for public safety or the protection of wildlife, the easements may be fenced after consultation with CNI. CNI shall have the right freely to cross fenced easements at designated crossings. The United States shall have no duty to fence.

N. CNI shall be entitled to use the reserved easements for access to its lands. CNI, however, is not authorized to use any easements for commercial hauling from its lands (except for occasional or minor amounts of hauling) except pursuant to cost sharing or recovery and maintenance agreements with the United States. If the appropriate Secretary transfers management responsibility to a third party or conveys all or part of the

easement to a third party, the transfer, assignment or conveyance shall expressly provide for, and be subject to, CNI's right to use the easement, and any restrictions or limitations on CNI's use (other than those already in the chain of title) must be stated in the transfer, assignment or conveyance document and must be reasonable.

O. All uses and purposes of easements shall be subject to such regulations, terms and conditions as the appropriate Secretary deems necessary for the protection of the public lands, environmental resources, the public health and safety, and the public interest. The Secretary of Agriculture may incorporate any road or trail accessing National Forest System lands into the Forest Development Road System.

P. (1) The following easements and all improvements or facilities constructed thereon, except those constructed by CNI, are reserved to the United States in perpetuity:

(a) marine shoreline and streamside; and

(b) airstrips, roads, trails, sites and other easements which are identified in subparagraph B of this paragraph as "existing".

(2) Easements utilized during the period twenty five (25) years from the date of conveyance shall be held in perpetuity.

(3) Easements listed in subparagraph B of this paragraph and not identified in subparagraph P(1) of this paragraph shall terminate twenty-five (25) years after the date of conveyance of the land to CNI, if the easement has not been utilized by the United States, the State of Alaska, the general public or CNI. In the event of termination, the easement will vest in CNI. An easement is deemed to be utilized if:

(a) it is or has been used by the public, the United States, the State of Alaska, CNI, or the successors or assigns of any of the parties; or

(b) it is demarcated on the ground and construction is underway and is thereafter completed within a reasonable time or use commences within five years following termination of the twenty-five year period.

(4) Easements which have been utilized shall not be presumed abandoned unless the appropriate Secretary has certified in writing the relinquishment of the easement or a court of competent jurisdiction declares such easement abandoned. The appropriate Secretary shall be the Secretary with administrative jurisdiction over the land prior to the conveyance of the land to CNI.

Q. (1) The parties agree that in addition to the interests expressly reserved herein:

(a) on lands conveyed to CNI pursuant to paragraphs 4.B and 4.C of this Agreement, the United States may reserve additional easements pursuant to Section 17(b) of ANCSA; and

(b) on lands conveyed to CNI pursuant to paragraph 4.A of this Agreement, the United States may reserve additional easements pursuant to a process similar to the Section 17(b) process and which uses the standards of 43 C.F.R. §2650.4-7.

(2) Any such additional easements, to the extent possible, shall be congruent with and shall not be duplicative of easements reserved in subparagraph B of this paragraph.

(3) The Secretary of Agriculture and the Secretary of the Interior shall not be precluded from identifying any such additional easements as may be necessary for full public use of and access to adjacent publicly owned lands or waters.

(4) Utilization, abandonment or relinquishment of any such additional easements shall be in accordance with subparagraph P.

R. Pursuant to an exchange agreement among the parties, any easement reserved by or pursuant to this paragraph may be exchanged for rights to another easement, and in exchange for such other easement the appropriate Secretary may relinquish the reserved easement.

S. The easements described in subparagraph B of this paragraph are generally delineated on maps located in the Alaska State Office of the Bureau of Land Management. Discrepancies between the easement descriptions and the maps will be resolved in accordance with subparagraph 30.B.

14. SPECIAL CONDITIONS AND COVENANTS.

A. Silver Lake Contingency Area. Subject to the provisions of subparagraph D(3) of this paragraph:

(1) To the extent of his legal authority to do so, the Secretary of the Interior shall convey the lands at Silver Lake to CNI without any reservations pursuant to Section 24 of the Federal Power Act, 16 U.S.C. § 818.

(2) The State of Alaska, by executing this Agreement, does not consent to or acknowledge the Secretary of the Interior's authority to make any conveyance free from reservations created pursuant to Section 24 of the Federal Power Act, 16 U.S.C. § 818.

(3) In the event that title to the lands underlying Silver Lake is not validly conveyed to CNI, or CNI relinquishes its right to receive conveyance to the lands encumbered by the power site reservations pursuant to subparagraph (5) of this paragraph, then CNI shall be entitled to select from its Section 12(c) of ANCSA regional deficiency withdrawal areas an amount of land equal to the amount of land underlying Silver Lake that was not validly conveyed to CNI.

(4) In the event the Secretary of the Interior determines he must convey to CNI the lands at Silver Lake subject to one or more power site reservations, he shall advise CNI of his determination approximately forty-five (45) days prior to the publication of the Decision to Issue Conveyance in the Federal Register.

(5) Following receipt of the notice from the Secretary, CNI shall have the option to receive conveyance of the lands which are encompassed within the power site reservations subject to those reservations or to relinquish its rights under this Agreement to receive conveyance to those encumbered lands and receive in lieu thereof a number of acres of land equivalent to the number of upland acres encumbered by the power site reservation from the lands described in subparagraph D(2) and subject to the provisions of subparagraph D(3) of this paragraph. CNI's failure to notify the Secretary within the 45-day time period of its

election shall be deemed an election by CNI to receive conveyance to the encumbered lands at Silver Lake subject to the power site reservation.

B. Two Moon Bay (Port Fidalgo) Contingency Area. Subject to the provisions of subparagraph D(3) of this paragraph, in the event some or all of the lands identified in paragraph 4.A(9) (Two Moon Bay) are not available for conveyance to CNI due to conveyance to the Tatitlek or Eyak Corporations, then CNI shall receive an amount of land equivalent to the amount of land not available for conveyance to CNI pursuant to paragraph 4.A(9) from the lands described in subparagraph D(2) of this paragraph.

C. Comfort Cove (Port Gravina) Contingency Area. Subject to the provisions of subparagraph D(3) of this paragraph, in the event some or all of the lands identified in paragraph 4.A(10) (Comfort Cove) are not available for conveyance to CNI due to conveyance to the Tatitlek or Eyak Corporations, then CNI shall receive an amount of land equivalent to the amount of land not available for conveyance to CNI pursuant to paragraph 4.A(10) from the lands described in subparagraph D(1) of this paragraph.

D. Contingency Areas.

(1) The contingency area for Comfort Cove in subparagraph C of this paragraph shall consist of the following described lands:

Township 14 South, Range 6 West, Copper River Meridian

Section 1:	E½SE¼
Section 12:	E½NE¼, SW¼NE¼, SE¼SW¼
Section 13:	All
Section 24:	All

(2) Subject to the Port Fidalgo marine shoreline easement of paragraph 13.B(88), the contingency areas for Silver Lake and Two Moon Bay, as described in subparagraphs A and B of this paragraph, shall be as described in D(1) of this subparagraph and as follows:

Township 12 South, Range 6 West, Copper River Meridian

Sections 21-22:	All, fractional
Sections 26-27:	All
Sections 28-32:	All, fractional
Section 33:	All
Section 34:	All, fractional
Section 35:	All

(3) In making its selections from the contingency areas CNI will select, to the maximum extent practicable, in contiguous whole sections. Selections by CNI in the contingency areas will be made following consultation with the Secretary of Agriculture or his representative for the purpose of assuring federal land consolidation objectives.

E. Seward Townsite, Block #9. The conveyance of the land described in paragraph 4.A(13) is subject to the following special conditions:

(1) The State of Alaska, Department of Fish and Game (hereinafter "ADF&G") shall, at its discretion, have use of the property without obligation to pay CNI, its successors

or assigns, rental or any other fee except as provided in subparagraph (2) of this paragraph, for a period of five years from the date of this Agreement.

(2) If CNI is assessed any property taxes, levies, or assessments on these lands by the City of Seward, the State will pay the tax, levy or assessment or reimburse CNI for its payment.

(3) Upon expiration of the five year free use period, CNI may charge ADF&G rent not to exceed fair market value rental. CNI may not refuse to rent to ADF&G. CNI's obligation under this subparagraph (3) is personal and shall not bind its successors or assigns.

(4) If during the five year free use period or during any subsequent lease terms CNI decides to sell the lands described in paragraph 4.A(13), the State shall have a right of first refusal to purchase the lands.

(5) If ADF&G ceases its use of these lands it shall inform CNI immediately of the fact and execute an appropriate instrument relinquishing its rights under this subparagraph.

(6) ADF&G's rights under this subparagraph may not be assigned to any other person including another agency of the State of Alaska.

(7) The State shall hold harmless, defend and indemnify CNI against all claims, suits, actions, or demands on account of any personal injury, death, damage to property or other liability, arising out of or in connection with the State's use of the lands, unless such injury, death, or damage is caused solely by the actions of CNI, its agents or employees.

(8) CNI does not warrant or represent that the lands described in subparagraph 4.A(13) are suitable for the uses authorized by this paragraph.

F. Cordova Federal Reserve. The conveyance of the land described in paragraph 4.A(14) is subject to the following special conditions:

(1) The State shall, at its own discretion, have use of the property without obligation to pay CNI, its successors or assigns, rental or any other fee except as provided in subparagraph (2) of this paragraph for a period of five years from the date of this Agreement.

(2) If CNI is assessed any property taxes, levies, or other assessments on the lands by the City of Cordova, the State will pay the tax, levy or assessment or reimburse CNI for its payment.

(3) Upon expiration of the five year free use period, CNI may charge the State rent for the lands. The rental may not exceed the fair market value rental. CNI may not refuse to rent to the State. CNI's obligation under this subparagraph (3) is personal and shall not bind its successors or assigns.

(4) If during the five year free use period or during any subsequent lease terms CNI decides to sell the lands described in paragraph 4.A(14), the State shall have a right of first refusal to purchase the lands.

(5) If the State ceases its use of these lands it shall inform CNI immediately of the fact and execute an appropriate instrument relinquishing its rights under this paragraph.

(6) The State's rights under this subparagraph may not be assigned to any other person.

(7) The State shall hold harmless, defend and indemnify CNI against all claims, suits, actions, or demands on account of any personal injury, death, damage to property or other liability, arising out of or in connection with the State's use of the lands, unless such injury, death, or damage is caused solely by the actions of CNI, its agents or employees.

(8) CNI does not warrant or represent that the lands described in subparagraph 4.A(14) are suitable for the uses authorized by this paragraph.

G. Carbon Mountain.

(1) CNI shall make available to the University of Alaska, its successors, assigns, contractors and licensees, at no charge, access across the lands to be conveyed to CNI pursuant to paragraphs 4.A(5) and 4.B(1) to the following described lands:

Township 16 South, Range 9 East, Copper River Meridian

Section 29:	S½
Section 31:	E½
Section 32:	Lots 1-4, NW¼SE¼, N½SW¼
Section 33:	SW¼

Township 17 South, Range 9 East, Copper River Meridian

Section 4:	Lots 1-4, NE¼NE¼
Section 7:	Lot 8

(2) Access shall be permitted both for general purposes and for exploration, development and production of coal; provided however, CNI shall have no obligation or duty to construct a road, trail or other facilities to facilitate access.

H. Cape Yakataga FAA Site. In the event the Federal Aviation Administration (FAA) declares the lands described in paragraph

4.A(16) excess to the FAA's needs, the Secretary of the Interior shall acquire the lands and convey them to CNI.

I. Patton Bay. The parties agree that the lands upland of the low water mark, including tidelands, to the vegetation line are used for the landing and take-off of aircraft, and landing and launching of watercraft, and that the parties will take no action to prohibit or unreasonably interfere with such use except for such governmental regulation as may be necessary for public safety or the protection of resources.

J. Nelson Townsite Waterway. Certain public lands located adjacent to U.S. Survey 440 (Nelson Townsite) were withdrawn pursuant to the War Department Orders of December 18, 1909 and September 14, 1910. For a period of three years from the date of this Agreement the Secretary of the Interior shall use his best efforts to revoke that withdrawal and after such revocation convey those lands to CNI pursuant to paragraph 4.A(20).

15. COVENANTS AND CONDITIONS APPLICABLE TO CONTROLLER BAY AND DRIER BAY (KNIGHT ISLAND). The use and development of the subsurface estate at Controller Bay and Drier Bay (Knight Island) shall be subject to the following covenants and conditions:

A. Whoever undertakes to exercise CNI's rights to the subsurface estate shall give prior written notice to the Secretary of Agriculture or his representative and shall submit satisfactory

evidence of authority to exercise such rights. Only so much of the surface of the lands shall be occupied, used, or disturbed as is necessary in bona fide prospecting for, drilling, mining (including the milling or concentration of ores), and removal of any minerals, or other substances of the subsurface estate. None of the surface lands shall be used, occupied, or disturbed to preclude their full use by the United States or the State of Alaska, until the record owner of the subsurface rights shall have applied for and received a permit authorizing the use, occupancy, or disturbance of those portions of the surface estate necessary for the utilization of the subsurface. The permit shall be issued utilizing the standards and procedures of minerals management regulations of the Secretary of Agriculture at 36 C.F.R. §228.1-228.14, except section 228.8(d) shall not apply.

B. In addition to noncompliance procedures at 36 C.F.R. §228.7, failure to comply with the terms and conditions of the aforesaid permit shall be cause for termination of all rights to use, occupy, or disturb the surface of the lands covered thereby, but in event of such termination, a new permit shall be issued upon application when the causes for termination of the preceding permit have been satisfactorily remedied and the United States reimbursed for any resultant damage to it.

C. Nothing in this Agreement shall be construed to exempt operators in the conduct of operations from any requirements of

applicable state or federal laws, nor from compliance or conformance with any requirement of any law which later may be enacted and which otherwise would be applicable.

16. NO FURTHER SELECTIONS UNDER SECTION 14(h) OF ANCSA. After the effective date of this Agreement CNI shall not apply for, nor shall it seek any waiver of regulations in order to make future selections under section 14(h) of ANCSA, nor shall CNI approve of any future group selections within the National Forest System, nor shall CNI assert or seek to acquire any other legal authority to make future selections pursuant to section 14(h) of ANCSA within the national forests. Any selections on record on the date of this Agreement for a particular site, or any amendments thereto, shall not be regarded as a future selection for purposes of this paragraph.

17. RELINQUISHMENTS BY CNI.

A. Subject to the provisions of paragraph 28 of this Agreement, simultaneously with the conveyance to CNI of the lands described in paragraph 4.B(3), CNI shall relinquish all right, title, interest and claim to its selection rights to the surface estate of the same lands.

B. Subject to the provisions of paragraph 28 of this Agreement, CNI shall relinquish all right, title, interest and claim to the Bremner River parcel described below, simultaneously with the

conveyance to CNI of at least 62,000 acres from the lands described in paragraphs 4.A(7) through 4.A(10) or their respective contingency areas, if any, as described in paragraph 14.D.

Bremner River Parcel:

Township 9 South, Range 3 East, Copper River Meridian

Section 1:	All
Section 2:	All, east of the eastern shoreline of the Copper River
Section 11:	All, east of the eastern shoreline of the Copper River
Section 12:	All, east of the eastern shoreline of the Copper River
Section 13:	All, east of the eastern shoreline of the Copper River
Section 24:	All, east of the eastern shoreline of the Copper River
Section 25:	All, east of the eastern shoreline of the Copper River

Township 9 South, Range 4 East, Copper River Meridian

Sections 1-18:	All
Section 19:	All, east of the eastern shoreline of the Copper River
Section 30:	All, east of the eastern shoreline of the Copper River
Section 31:	All, east of the eastern shoreline of the Copper River

Township 10 South, Range 3 East, Copper River Meridian

Section 1:	All
Section 12:	All
Section 13:	All

Township 10 South, Range 4 East, Copper River Meridian

Sections 1-20:	All
Section 23:	N½
Section 24:	All, north of the southern shoreline of the Bremner River

Township 10 South, Range 5 East, Copper River Meridian

Sections 1-2:	All, north of the southern shoreline of the Bremner River
Sections 3-8:	All
Sections 9-10:	All, north of the southern shoreline of the Bremner River
Section 12:	All, north of the southern shoreline of the Bremner River
Section 17-19:	All, north of the southern shoreline of the Bremner River

Township 10 South, Range 9 East, Copper River Meridian

Sections 1-36:	All

Township 11 South, Range 9 East, Copper River Meridian

Sections 1-36:	All

C. Subject to the provisions of paragraph 28, CNI does hereby relinquish all right, title, interest and claim to the following section 14(h)(8) selections:

Katalla	No. AA-11382
Gravina Point	No. AA-11382
Shotgun Cove	No. AA-11382
Nuchek	No. AA-11382

D. (1) Subject to the provisions of paragraph 28, CNI shall relinquish all right, title, interest and claim to its selections made pursuant to section 1429 of ANILCA simultaneously with the conveyance to CNI of certain lands described in the following schedule:

Upon conveyance to CNI of the following described lands:	CNI shall relinquish the following section 1429 selections:
1. 4.C(1) - Patton Bay (Montague Island)	1. Patton Bay lands not conveyed to CNI; Copper River Highway Mile 27 to 41; Whalen Bay

2.	4.C(2) - Latouche Island	2.	McKinley Lake; Cordova Airport
3.	4.C(3) - Macleod Harbor (Montague Island)	3.	Macleod Harbor lands not conveyed to CNI; Stockdale Harbor
4.	4.C(4) - Iron Mountain (Knight Island)	4.	Constantine Creek; Hook Point; St. Matthews Bay; Gibbon Anchorage
5.	4.C(5) - Drier Bay (Knight Island)	5.	Louis Bay; Bettles Island; Northeast Arm-Mummy Bay; the surface estate to those lands at Drier Bay to which CNI receives the subsurface estate within the Iron Mountain selection; and any remaining selections made pursuant to Section 1429 of ANILCA and not scheduled for conveyance pursuant to subparagraph 4.C of this Agreement.

(2) The order and priority of CNI's relinquishments set forth in subparagraph (1) of this subparagraph may be modified pursuant to an agreement between CNI and the Secretary of Agriculture.

18. MANAGEMENT OF LANDS CONVEYED TO CNI. In accordance with the land management policies adopted by CNI, resource planning shall be developed and implemented in cooperation and consultation with the appropriate state and federal agencies that have land management and resource planning responsibilities in the Chugach Region. CNI, in its planning, will give due regard and consideration to views expressed by interested groups and the public and will plan in accordance with sound land management and resource development goals.

19. SPECIAL CONDITIONS APPLICABLE TO CERTAIN LANDS SELECTED BY THE STATE.

A. Horseshoe Bay (Latouche Island). (1) The State has received approval from the Secretary of Agriculture for its National Forest Community Grant Selection No. AA-17601 containing approximately one thousand one hundred forty (1,140) acres at Horseshoe Bay, Latouche Island, Alaska. Subject to the provisions of subparagraph (4) of this subparagraph, the State will file with the BLM an amendment which will relinquish approximately nine hundred (900) acres of land which are more fully described in paragraph 4.A(4).

(2) The State intends to utilize and manage the remaining lands in Selection No. AA-17601 for public recreation purposes and will propose this land for classification as public recreation land in accordance with 11 AAC 55.

(3) The Secretary of the Interior will convey to CNI the lands relinquished by the State in accordance with paragraph 4 of this Agreement.

(4) The State shall only relinquish the lands described in paragraph 4.A(4) if, after compliance with the notice requirements of AS 38.05.345, the State determines that it is in the best interest of the public for the State to make that relinquishment. The State published notice of its

intent to relinquish these lands on December 24, 1982. Following termination of the 30-day comment period, the State will review all comments and make a final decision either to relinquish or not to relinquish as soon as practicable after January 24, 1983, but no later than March 1, 1983, and will notify in writing the other parties to this Agreement of its final decision and will file its amended selection relinquishing the lands.

B. Shotgun Cove. (1) The State has received approval from the Secretary of Agriculture for its National Forest Community Grant Selection No. AA-17588 containing approximately five thousand two hundred and five (5,205) acres of land in the vicinity of Shotgun Cove, Whittier, Alaska, and subject to the provisions of subparagraph (6) of this subparagraph will relinquish its selection to 100 acres of this selection.

(2) The Secretary of the Interior will suspend adjudication of the following portion of the State's selection until the State files an amendment to this selection with the BLM:

Township 8 North, Range 5 East, Seward Meridian

Section 10:	S½
Section 11:	W½
Section 14:	NW¼NW¼
Section 15:	N½, N½SW¼, SW¼SW¼
Section 16:	NE¼NE¼, S½NE¼, SE¼

After the State files the amended selection application pursuant to subparagraph 5 of this subparagraph, the Secretary of the Interior will adjudicate all State selected lands not excluded by the amendment.

(3) Following a determination by the State on the location of the proposed small boat harbor at Shotgun Cove, the State, in accordance with A.S. 38.05.315(a), shall identify in writing and convey to the City of Whittier a parcel of land generally upland of the small boat harbor. The size of the parcel shall be determined by the State in its discretion. The Whittier conveyance shall contain a covenant running with the land restricting the use of the land to public purposes associated with the small boat harbor.

(4) Following identification by the State of the lands to be conveyed to the City of Whittier but no later than one year after the State determines the location of the small boat harbor (or an earlier time if CNI so elects) CNI shall identify not more than two parcels of land from within the "developable area" shown on a map attached to this Agreement as Appendix A. The parcel or parcels shall total as nearly as practicable one hundred (100) acres. To the maximum extent practicable, the lands conveyed to CNI shall consist of a reasonably contiguous parcel or parcels based upon aliquot part legal descriptions. The ratio of waterfront linear footage to mean upland linear depth footage shall not

exceed 3 to 2, but CNI shall be entitled to receive at least total waterfrontage of 2,087 linear feet. CNI may, after informing the State of its reason, select two parcels, provided that such parcels shall be subject to the above condition. If CNI elects to identify its selection prior to the State's location of the small boat harbor or the State's identification of the lands to be conveyed to the City of Whittier, CNI must obtain the approval of the State and the City of Whittier, which approval shall not be unreasonably withheld.

(5) Following identification of a parcel or parcels by CNI, the State will submit to the Secretary of the Interior an amended selection application relinquishing the parcel or parcels identified by CNI and the Secretary of the Interior will convey the parcel or parcels to CNI pursuant to paragraph 4 of this Agreement.

(6) The State shall only relinquish the lands described in paragraph 4.A(17) if, after compliance with the notice requirements of AS 38.05.345, the State determines that it is in the best interests of the public for the State to make that relinquishment. The State published notice of its intent to relinquish these lands on December 24, 1982. Following termination of the 30-day comment period, the State will review all comments and make a final decision as soon as practicable after January 24, 1983, but no later

than March 1, 1983, either to relinquish or not to relinquish and will notify in writing the other parties to this Agreement of its decision. If the State decides to relinquish, it will file its amended selection in accordance with the procedure set forth in subparagraphs (4) and (5) of this subparagraph.

C. Eagle Bay. (1) The State has selected approximately 1,231 acres of land located at Eagle Bay, Glacier Island, Alaska. This National Forest Community Grant Selection No. AA-17607 has been disapproved by the Secretary of Agriculture and that disapproval is under review by the United States District Court for Alaska in State of Alaska v. Block, et al., A81-311 Civ. The State will file an amendment with the BLM which will relinquish approximately 144 acres from the State's selection. The lands to be relinquished are more fully described in paragraph 4.A(1).

(2) The State and the Secretary of Agriculture agree that the State's relinquishment of a portion of its selection shall in no way affect any other claims or rights of either party in State of Alaska v. Block, and further agree that the lands not relinquished by the State shall be subject to that litigation as if no amendment of relinquishment had been filed by the State. In furtherance of this Agreement, the State and Secretary of Agriculture will file appropriate papers with the District Court to carry out this paragraph.

(3) The conveyance from the United States to CNI shall contain the following restrictive covenant which shall run with the land:

> These lands may be developed only for commercial recreation purposes such as, but not limited to, lodges, recreational cabins, restaurants, small grocery outlets and supply outlets, marine fuel outlets, marine repair and docking and charter facilities.

(4) CNI shall maintain at least 50% of the capacity of its recreational facilities available to the general public on a reservation, space available or similar basis. However, this promise shall not restrict in any way CNI's right to establish fees or charge for the use of facilities available to the public.

(5) The State intends to utilize and manage any remaining lands which it may own in this selection for public recreation purposes and will propose this land for classification as public recreation in accordance with 11 AAC 55.

D. Nuchek Island. (1) The State has selected approximately 2,469 acres of land located at Constantine Harbor, Hinchenbrook Island, Alaska. This National Forest Community Grant Selection No. AA-17600 has been disapproved by the

Secretary of Agriculture and that disapproval is under review by the United States District Court for Alaska in State of Alaska v. Block, et. al., A81-311 Civ. The State will file an amendment with the BLM which will relinquish approximately 800 acres from the State's selection. The lands to be relinquished are more fully described in paragraph 4.A(6).

(2) The State and the Secretary of Agriculture agree that the State's relinquishment of a portion of its selection shall in no way affect any other claims or rights of either party in State of Alaska v. Block, and further agree that the lands not relinquished by the State shall be subject to that litigation as if no amendment of relinquishment had been filed by the State. In furtherance of this Agreement, the State and Secretary of Agriculture will file appropriate papers with the District Court to carry out this paragraph.

(3) The conveyance from the United States to CNI shall contain the following restrictive covenant which shall run with the land:

> The lands may be developed only for commercial recreation purposes such as, but not limited to, lodges, recreational cabins, restaurants, small grocery outlets and supply outlets, marine fuel outlets, marine repair and docking facilities and charter facilities and to

portray, rehabilitate, study or preserve historical and cultural uses.

(4) The State shall, to the extent permitted by law, grant to CNI the right to build a dock along the isthmus between Nuchek Island and Hinchenbrook Island within the West ½ of Section 5, T18S, R8W, Seward Meridian; and agrees to permit such construction provided CNI obtains a tidelands lease and all other permits necessary for construction.

(5) The State shall, to the extent permitted by law, grant to CNI the right to use such adjacent State uplands as are necessary for reasonable access to CNI property.

(6) The State, if it owns land in the selection area, and CNI will work together on the development of a management plan for the historical and cultural sites in the selection area.

(7) Subject to applicable law, CNI shall have the right to develop the airstrip located on the spit, provided CNI applies for and obtains all necessary permits and authorizations normally required by the State for such use and the airstrip is available for public use. The State will propose to classify the lands, which it owns, as reserve use for the airstrip purposes.

E. In the event of relinquishment by the State of any of the lands described in subparagraphs A through D of this paragraph, the lands included within such relinquishment shall not be charged against the entitlement of the State under Section 6 of the Alaska Statehood Act.

F. In the event that any of the coastal lands to be conveyed to CNI pursuant to paragraph 4 of this Agreement are separated, in whole or in part, from the proximate tidelands by virtue of intervening lands owned by the State, the State agrees to make available to CNI reasonable access across such lands to the tidelands; provided CNI obtains any required State permits, including tidelands permits or leases.

G. The State intends to review easements on lands to be conveyed to CNI pursuant to paragraph 4 within 45 days of receipt of notice rather than in the 90 days allowed by 43 C.F.R. §2650.4-7(a)(10).

20. <u>APPLICABILITY OF SECTION 6(g) OF ALASKA STATEHOOD ACT AND SECTION 906(e) OF ANILCA</u>. The State of Alaska hereby waives its rights, if any, to select or acquire any of the lands to be conveyed to CNI pursuant to paragraph 4 of this Agreement, including any rights the State may have by reason of the State's "90-day preference right" contained in Section 6(g) of the Alaska Statehood Act, Public Law 85-508, or any rights it may have by reason of "top filings" pursuant to Section 906(e) of ANILCA.

21. NAVIGABILITY DETERMINATIONS.

A. Except as provided in subparagraph B of this paragraph, the parties agree that prior to conveyance to CNI of any lands pursuant to this Agreement or Section 14 of ANCSA, the Secretary of the Interior shall investigate and determine and upon request of any party to this Agreement shall set forth in writing the basis for his determination of the navigability or non-navigability of waterbodies within the lands. For purposes of charging acreage against CNI's entitlement, the Secretary of Interior shall apply the rules and procedures relating to submerged lands applicable to conveyances under ANCSA which are validly in force at the time of the conveyance.

B. If the State of Alaska and CNI reach an agreement such as that provided for in Section 901(e)(1) or (2) of ANILCA, all parties agree that the State will be permitted to select the submerged lands and the parties shall use the procedures set forth in Section 901(e)(3) and (4) of ANILCA. In such case the acreage shall not be charged against CNI's entitlement.

C. CNI will not utilize the procedures identified in subparagraph B of this paragraph to delay or impede conveyance of any lands.

22. RELATIONSHIP BETWEEN SECTION 14(h)(1) OF ANCSA AND THIS AGREEMENT.

A. Prior to the conveyance to CNI of those lands described in paragraph 4 of this Agreement, the Secretary of the Interior, in consultation with CNI, shall identify all Section 14(h)(1) selections which are included in whole or part within the exterior boundaries of those lands. After notice to CNI, CNI shall have thirty (30) days to advise the Secretary whether CNI elects to receive such selected lands or part thereof pursuant to this Agreement or under the terms of Section 14(h)(1) of ANCSA. If CNI fails to advise the Secretary within the 30-day time period allowed, the Secretary shall not exclude such lands from the conveyance, but adjudicate the right of CNI to such lands under this Agreement.

B. If CNI elects to receive title under the terms of this Agreement, such lands or part thereof shall not be conveyed with the restrictions required by 43 C.F.R. § 2653.5, and the acreage for such lands shall be charged against the entitlement of CNI under Sections 12(c) or 14(h)(8) of ANCSA, as appropriate.

C. If CNI elects to receive title under Section 14(h)(1), the Secretary of the Interior shall adjudicate the selections of CNI and render conveyance decisions and make conveyances in accordance with regulations governing Section 14(h)(1) selections. Land conveyed to CNI pursuant to Section 14(h)(1) shall not count

against the acreage entitlement of CNI under Sections 12(c) or 14(h)(8) of ANCSA. In the event the Secretary determines that such selections or part thereof of CNI must be denied for failure to meet the requirements of Section 14(h)(1), he shall convey such lands or part thereof to CNI pursuant to this Agreement and charge the acreage conveyed against the Section 12(c) or 14(h)(8) entitlement of CNI as appropriate, unless the Secretary of the Interior determines either that another party has a prior lawful claim to receive title or the Secretary determines that the entitlement of CNI has been fulfilled.

23. SUBSISTENCE EVALUATION. The Secretary of Agriculture and the Secretary of the Interior have evaluated this Agreement for its effect upon subsistence uses and needs, the availability of other lands for the purposes to be achieved by this Agreement, and the availability of alternatives which might reduce or eliminate any impact upon subsistence, and expressly find that the conveyances to CNI to be made pursuant to this Agreement will not significantly impact subsistence uses and that there are no other alternatives available which would have a lesser impact upon subsistence users. This evaluation and finding has been made in accordance with the requirements of Section 810 of ANILCA, 94 Stat. 2427, 16 U.S.C. § 3120.

24. ENVIRONMENTAL CONSIDERATIONS. The parties agree that all actions taken by the United States pursuant to this Agreement

shall be construed as actions leading to the issuance of conveyances to CNI for purposes of Section 910 of ANILCA.

25. VALID EXISTING RIGHTS.

A. The conveyances of lands pursuant to this Agreement are subject to any valid existing rights, including but not limited to, outstanding interests in third parties preserved under Section 14(g) of ANCSA; and easements, reservations and covenants set forth in or authorized by this Agreement. Excepted from the conveyances of lands pursuant to this Agreement are lands validly selected by or tentatively approved for conveyance to the State of Alaska pursuant to the Alaska Statehood Act, 72 Stat. 339, which antedate July 21, 1979 and have not been relinquished; any Native allotment application which has been or is hereafter conveyed pursuant to the Act of May 17, 1906, 34 Stat. 197, the Act of February 8, 1887, 24 Stat. 389, the Act of June 25, 1910, 36 Stat. 863, or Section 905 of ANILCA, and any valid entry under the public land laws pursuant to which the United States has a prior obligation to convey lands to a third party; and any submerged lands, the title to which has passed to the State of Alaska.

B. For lands conveyed to CNI pursuant to paragraph 4.A of this Agreement:

(1) the United States shall transfer to CNI administration of all leases, permits, rights-of-way, and easements granted prior to issuance of a conveyance when the conveyance covers all the land embraced within a lease, contract, permit, right-of-way or easement, unless there is a finding by the appropriate Secretary that the interest of the United States requires continuation of the administration by the United States.

(2) the United States shall retain administration of all leases, permits, rights-of-way and easements not completely within the lands conveyed to CNI.

26. APPLICABILITY OF ANCSA AND ANILCA. All lands or interests in lands conveyed pursuant to this Agreement shall be deemed real property interests conveyed to CNI pursuant to ANCSA. Therefore, all lands or interests in lands conveyed to CNI under this Agreement, to the maximum extent permitted by law, shall have all the benefits and burdens of lands selected pursuant to Sections 12(c) or 14(h)(8) of ANCSA, as amended, and conveyed to a regional corporation under ANCSA or ANILCA except where a provision of ANCSA or ANILCA is expressly modified or varied by this Agreement.

27. THIRD PARTY BENEFICIARIES. Except as provided in paragraph 13, the parties agree that this Agreement is not

intended to, and shall not be construed to create any third party beneficiaries.

28. STATUS QUO ANTE.

A. In the event this Agreement becomes null and void by operation of its terms or by order of a court of competent jurisdiction, the parties shall return to their status and rights prior to execution of this Agreement, except that title to any lands which have been conveyed to CNI pursuant to paragraphs 4.B and 4.C of this Agreement shall remain in CNI and all reservations of easements and other terms and conditions imposed upon such lands for the benefit of the United States, State of Alaska, or the general public shall continue to be in force and effect, provided however, CNI may not retain title to lands conveyed to it pursuant to paragraph 4.C which are in excess of CNI's entitlement under Section 14(h)(8) of ANCSA. In the event of status ante pursuant to this paragraph, CNI shall return to the United States the total of $12 million paid pursuant to the Memorandum of Understanding and the provisions of the Cash Payment Agreement referenced in paragraph 5.

B. In the event the parties attempt return to their status ante and the United States recovers some lands with a diminished value caused by an action of CNI, the United States may set off the amount of the United States' loss against any claims which CNI

may have against the United States. If the United States recovers from CNI any lands the value of which have been increased directly or indirectly by an action of CNI, CNI may set off the amount of such increase against any claims of the United States.

29. COVENANT NOT TO SUE. The parties to this Agreement mutually covenant not to sue each other challenging the legal authority of the United States, CNI, or the State of Alaska to enter into this Agreement or to effectuate any terms herein.

30. CORRECTIONS.

A. Correction of Errors. It is mutually understood that clerical and typographical errors contained in this Agreement may be corrected upon notice to all parties. Unless such errors are deemed substantive by any party within ten (10) days of receipt of notice, corrections may be made without formal ratification by the parties.

B. Maps and Legal Descriptions. Maps agreed to by the parties as generally showing lands to be conveyed or easements to be reserved will be collateral evidence as to questions regarding the descriptions of lands to be conveyed or easements to be reserved. Any discrepancy between such a map and a legal description will be deemed a substantive error and shall be resolved upon written agreement of the Secretary administering

the land or his designee and CNI, and the State if the discrepancy involves lands described in subparagraphs 4.A(1), (4), (6), and (17). All maps to be used for such collateral evidence shall be deposited and kept on file with the Alaska State Office of the BLM.

C. Delegation of Authority. For purposes of resolving questions or discrepancies concerning legal descriptions, the respective Secretaries hereby delegate the authority to amend incorrect or ambiguous legal descriptions to the Alaska State Director of the Bureau of Land Management -- for the Secretary of the Interior; and the Regional Forester, Forest Service -- for the Secretary of Agriculture.

31. INTERIM MANAGEMENT. The lands described in paragraph 4 of this Agreement shall be deemed irrevocably selected by CNI and shall be managed by the Secretary of the Interior and the Secretary of Agriculture in accordance with Section 1430(f)(3) of ANILCA prior to their conveyance to CNI.

32. SUCCESSORS AND ASSIGNS. Except where this Agreement expressly prohibits, restricts or conditions the right, the parties shall have the right to assign, transfer, convey, lease, sell or alienate any of their rights under this Agreement. An assignment, transfer, conveyance, lease, sale or other alienation of rights, however, shall not release a party from its duties under this Agreement, except that an agency of the United States

shall be released from its duties if the transfer is to a successor agency. An assignment, transfer, conveyance, lease, sale or alienation shall not release any of the covenants or conditions which run with the land imposed by this Agreement. The covenants and conditions contained in this Agreement shall be construed as running with the land unless they are clearly intended as personal to a party to this Agreement. Unless expressly limited by this Agreement, the parties may contract for the disposition or utilization of any right granted by this Agreement.

33. FAILURE OF TITLE. In the event that any lands described in this Agreement for conveyance from the United States to CNI cannot be conveyed because of a failure of title which existed on the effective date of this Agreement, then CNI shall prioritize from valid CNI selections of lands within the ANCSA Section 12(c) regional deficiency withdrawal areas identified in the Stipulation an equal number of acres as that for which conveyance cannot be made, and such selections from Section 12(c) areas shall be subject to the same terms and conditions as all other Section 12(c) selections. This provision shall not apply in those instances where special contingency areas are expressly provided for in this Agreement or where status quo ante is provided for.

34. ENTIRETY OF AGREEMENT. This instrument and attachments embody the whole agreement of the parties. There are no promises, terms, conditions, or obligations other than those

contained herein. This contract shall supersede all previous communications, representations, or agreements, either verbal or written, among the parties, provided nothing herein shall be construed to affect the Amended Stipulation and Agreement in CNI v. Andrus, (Civil No. 75-2113) except as such Stipulation is expressly modified by this Agreement.

35. EQUAL VALUE AND PUBLIC INTEREST DETERMINATION. The parties recognize the impossibility of precisely valuing the respective considerations flowing between the United States and CNI pursuant to this Agreement. In accordance with Section 22(f) of ANCSA, as amended, and Section 1302(h) of ANILCA, the Secretary of Agriculture and the Secretary of the Interior have determined that if the mutual consideration flowing among the parties is not of approximately equal value, then it is in the public interest to consummate such exchanges notwithstanding any inequality of values.

36. FINALITY OF SETTLEMENT AND DISCLAIMER OF VALUE. The rights, title and interests in land and other consideration accruing to CNI pursuant to this Agreement, and the unrelinquished entitlement to land pursuant to ANCSA as acknowledged in paragraph 2.B of this Agreement, shall constitute full and final satisfaction of all rights and obligations of the United States to CNI. The United States expressly disclaims any warranty of value for any of the lands or interests in land conveyed to CNI, and it is specifically recognized by the parties that potential revenues or

profits from any of the lands or interests therein are only speculative. The United States has no present or future obligations to CNI to compensate for any unrealized values in any lands, and CNI covenants it will not sue the United States for any unrealized values of the lands conveyed.

37. MISCELLANEOUS PROVISIONS.

A. Effective Date and Signatures. This Agreement shall become effective only after its execution by all of the parties, and the date of the Agreement shall be the date upon which the last of the subscribed parties signs the Agreement. The signers shall be: for CNI, the corporation's authorized officer pursuant to a valid resolution of its board of directors; for the United States of America, the Secretary of Agriculture and the Secretary of the Interior, or their designated representatives; for the State of Alaska, the Commissioner of the Department of Natural Resources.

B. Recordation. CNI will record this Agreement in every recording district in the State of Alaska which takes for recordation documents regarding interests in real property for any land located within the boundaries of the Chugach Region and for lands within Townships 2 and 3 South, Range 1 East, Copper River Meridian. CNI will provide the Alaska State Office of the BLM with satisfactory evidence of such recordation, including book and page numbers, for each recording district. This Agreement will be incorporated by reference in all conveyances to CNI; and,

BLM shall receive a book and page reference for the appropriate recording district before issuance of any conveyance document to CNI located in said recording district.

C. Amendments. This Agreement may only be amended by a written instrument executed by all the parties.

D. Notices. All notices shall be concurrently made to the following:

(for Sec. of Ag.)	Forest Supervisor Chugach National Forest 2221 E. Northern Lights Blvd. Suite 238 Anchorage, Alaska 99508
(for Sec. of Ag.)	Regional Forester USDA Forest Service Federal Building P.O. Box 1628 Juneau, Alaska 99802
(for Sec. of Interior)	State Director Bureau of Land Management Alaska State Office 701 C Street Box 13 Anchorage, Alaska 99513
(for CNI)	Chairman of the Board Chugach Natives, Inc. 903 West Northern Lights Blvd. Suite 201 Anchorage, Alaska 99503
(for CNI)	Director of Lands Chugach Natives, Inc. 903 West Northern Lights Blvd. Suite 201 Anchorage, Alaska 99503

(for the State of Alaska)

Commissioner
Department of Natural Resources
Pouch M
Juneau, Alaska 99811

E. Officials not to Benefit. No member of or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

WITNESS the following signatures and seals of the parties:

FOR CHUGACH NATIVES, INCORPORATED:

EXECUTED this 7th day of January, 1983, as authorized and directed by Resolution No. 83-01 of the Board of Directors of CHUGACH NATIVES, INCORPORATED, at a meeting of said Board held January 2, 1983, wherein a quorum was present.

Keith Gordaoff
VICE CHAIRMAN OF THE BOARD

FOR THE UNITED STATES OF AMERICA:

Executed this 7th day of January, 1983, by John R. Block, Secretary of Agriculture of the United States of America.

John R. Block
SECRETARY OF AGRICULTURE

Executed this 7th day of January, 1983, by James G. Watt, Secretary of the Interior of the United States of America.

James G. Watt
SECRETARY OF THE INTERIOR

FOR THE STATE OF ALASKA:

EXECUTED this 10th day of January, 1983, by Esther C Wunnicke, of the State of Alaska.

Esther C Wunnicke
Esther C. Wunnicke
COMMISSIONER, DEPARTMENT
OF NATURAL RESOURCES

Approved as to Form:

Robert A Rice
Assistant Attorney General

City of Washington)
)
District of Columbia)

The foregoing instrument was acknowledged before me this 7th day of January, 1983, by Keith Gordaoff, Vice Chairman of the Board of Chugach Natives, Inc., an Alaska corporation, on behalf of the corporation.

Laura M. Romero
NOTARY PUBLIC in and for Washington DC
My Commission Expires: 5/1/86

City of Washington)
)
District of Columbia)

The foregoing instrument was acknowledged before me this 7th day of January, 1983 by John R. Block, Secretary of Agriculture.

Laura M. Romero
NOTARY PUBLIC in and for Washington DC
My Commission Expires: 5/1/86

City of Washington)
)
District of Columbia)

The foregoing instrument was acknowledged before me this 7th day of January, 1983 by James G. Watt, Secretary of the Interior.

Laura M. Romero
NOTARY PUBLIC in and for Washington DC
My Commission Expires: 5/1/86

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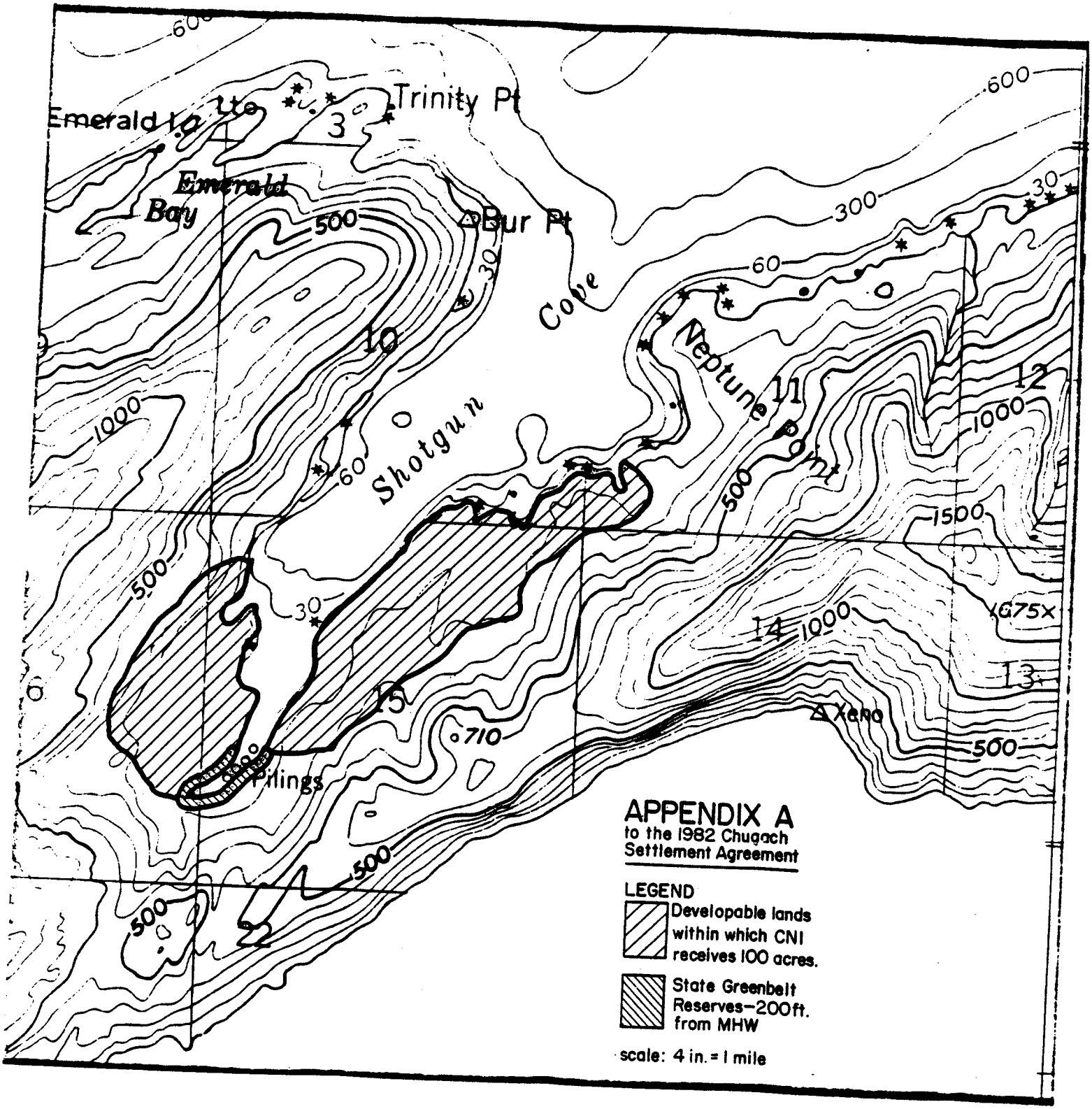
Trinity Pt
Emerald Bay
Bur Pt
Cove
Shotgun
Neptune Pt
Pilings
Xeno
APPENDIX A
to the 1982 Chugach Settlement Agreement
LEGEND
Developable lands within which CNI receives 100 acres.
State Greenbelt Reserves—200ft. from MHW
scale: 4 in. = 1 mile

38100

STATE OF ALASKA)
: ss
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 10th day of January, 1983 by Esther C. Wunnicke, Commissioner of the Department of Natural Resources of the State of Alaska.

JoAnn Schultz
NOTARY PUBLIC in and for Alaska
My Commission Expires: 2/13/85

MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED STATES AND CHUGACH NATIVES, INC.

This Memorandum of Understanding (hereinafter "MOU") is entered into by Chugach Natives, Inc., an Alaskan corporation organized pursuant to the Alaska Native Claims Settlement Act, (hereinafter "ANCSA"), 85 Stat. 688, with offices at 903 W. Northern Lights Blvd., Anchorage, Alaska (hereinafter "CNI"), the United States of America, by and through the Secretary of the Department of the Interior and the Secretary of the Department of Agriculture, or their designated representatives. In consideration of the mutual promises contained herein and the payment of $3,000,000, the parties hereto agree as follows:

1. It is the purpose and intent of the parties by entering into this MOU to satisfy the requirements of the Supplemental Appropriations Act of September 10, 1982 (Public Law 97-257), and to advance and bring about formal agreement of that settlement proposal offered to CNI by the United States on May 28, 1982 and accepted by CNI on June 5, 1982 (hereinafter "CNI Settlement").

2. This MOU shall become effective on the date on which the last of the parties signs it, and shall be effective only after all parties have signed. The signing officials of the

38100

United States shall be the designated representatives of the respective Secretaries. The signing official of CNI shall be authorized and directed by a resolution of the CNI Board of Directors.

3. (a) Immediately following the effective date of this MOU, the Secretary of Agriculture will take all steps necessary to cause to be paid to CNI the sum of three million dollars ($3,000,000) as authorized and appropriated by the Supplemental Appropriations Act of September 10, 1982, (Public Law 97-257).

(b) This three million dollar ($3,000,000) payment is in partial satisfaction of a proposed payment of twelve million dollars ($12,000,000). Additional payments to CNI shall be made only pursuant to a final settlement agreement between CNI and the United States. Nothing herein is intended or shall be construed by the parties to be a violation of 31 U.S.C. 665, et seq.

4. (a) The lands which will be conveyed in a final settlement to CNI pursuant to Section 1430 of the Alaska National Interest Lands Conservation Act (hereinafter "ANILCA"), 94 Stat. 2371; selections under Sections 12(c) & 14(h)(8) of the ANCSA; and exchanges pursuant to Section 22(f) of ANCSA, as amended, and Section 1302(h) of ANILCA are those generally described in: (1) paragraph eight of the Amended Stipulation

and Agreement between CNI and the Secretary of the Interior CNI v. Andrus (Civ. No. 75-2113) dated February 10, 1981 (hereinafter "Stipulation"); (2) the last Federal proposal, dated November 13, 1981 in the Chugach Region Study; and (3) the letter of May 28, 1982 from Douglas Leisz, Associate Chief, United States Forest Service to Edgar Blatchford, Chairman of the Board, Chugach Natives, Inc.

(b) The parties recognize that the lands described in the foregoing Subsection of this paragraph constitute more acreage than CNI is entitled to receive under Sections 14(h)(8) and 12(c) of ANCSA, and, therefore, do not expect that all lands described above will be conveyed to CNI. CNI's land selection entitlements under Sections 12(c) and 14(h)(8) shall henceforth be satisfied only from the lands described above.

5. Notwithstanding the provisions of Section 9 of the Stipulation, CNI:

(a) Shall comply with any final regulations promulgated by the Department of the Interior that provide for the reduction of Native over-selections that are effective for one or more other Native Corporations established pursuant to the ANCSA and shall not challenge such regulations through administrative or judicial appeal procedures.

(b) Shall relinquish its selections pursuant to Sections 12(c) and 14(h)(8) to a remaining maximum of 500,000 acres, less the amount of acres conveyed pursuant to Sections 12(c) or 14(h)(8), by May 6, 1983, or within sixty (60) days of the date CNI receives payment from the United States of the balance of the sum of twelve million dollars ($12,000,000), whichever occurs first.

(c) Shall relinquish its selections in excess of 125% of its remaining entitlement by December 18, 1983, provided that final regulations described in Subsection 5(a) above are not in effect prior to December 18, 1983.

(d) Agrees that the conveyance priorities submitted by letter dated September 1, 1982, to Robert D. Arnold, Assistant to the State Director for Conveyance Management, Bureau of Land Management, are the final conveyance priorities of CNI which cannot be modified or deleted except by mutual agreement of CNI and the Alaska State Director of the Bureau of Land Management.

(e) Shall identify conveyance priorities on at least an additional 50,000 acres of Section 12(c) regional deficiency selections by May 6, 1983.

(f) Shall provide the Alaska State Director, Bureau of Land Management, with all remaining conveyance priorities for lands selected pursuant to Sections 12(c) and 14(h)(8) by December 18, 1983.

6. The parties recognize the intent of Congress that in the event a final agreement is not completed by September 10, 1983, the Department of Agriculture will recover and CNI will return the payment made pursuant to the Supplemental Appropriations Act of September 10, 1982, (P.L. 97-257), together with such interest as is required by law, or make other appropriate adjustments.

7. In the event that there is no final agreement amongst the parties signatory to this MOU by September 10, 1983, or this MOU is set aside by a court of competent jurisdiction, then the parties shall return to their status and rights prior to execution of this MOU. All relinquishments of selections filed pursuant to paragraph 5(b) of this MOU shall be subject to the conditions subsequent that if there is no final agreement, or if this MOU is set aside, then such relinquishments shall no longer have force and effect and that the selections will have the same legal effect, if any, and vest in CNI the same rights, if any, that CNI had prior to filing such relinquishments of selections. The effect of the filing of relin-

quishments of selections subject to the conditions subsequent stated in this paragraph shall control the parties to this MOU; Section 1415, Section 1430(h) and any other provision of ANILCA will not be construed by the parties to frustrate or diminish the rights of CNI protected by the conditions subsequent stated in this paragraph.

Date: _____

KEITH H. GORDAOFF
Acting Chairman of the Board
of Directors
Chugach Natives, Incorporated

Date: 17 Sept. 1982

JOHN B. CROWELL
Assistant Secretary for
Natural Resources and
Environment,
Department of Agriculture

Date: 9-17-82

WILLIAM P. HORN
Deputy Under Secretary,
Department of the
Interior

38100

CHUGACH NATIVES, INC.

BOARD OF DIRECTORS RESOLUTION NO.82-40

WHEREAS, The Act of September 10, 1982 (Public Law 92-257) authorizes payment of 3 million dollars of the 12 million dollars promised to CNI by the United States and makes such payment contingent upon CNI and the United States entering into a Memorandum of Understanding (MOU) prior to September 30, 1982; and

WHEREAS, representatives of CNI have negotiated a MOU with the United States and recommend approval and acceptance of that MOU;

NOW THEREFORE BE IT RESOLVED that the Memorandum of Understanding is accepted and approved and Keith Gordaoff, Acting Chairman of the Board, is authorized and directed to enter into and sign such MOU on behalf of Chugach Natives, Inc.; and

BE IT FURTHER RESOLVED that if it is necessary to modify those provisions of the MOU relating to relinquishments, selections, amendments to the Amended Stipulation and Agreement between CNI and the United States Department of the Interior, dated February 10, 1981 or any other minor modifications in the MOU, Keith Gordaoff is authorized and directed to make such modifications and thereafter enter into and sign the MOU.

Dated this _____ day of September, 1982

Keith Gordaoff
Acting Chairman of the Board

Attest:

Derenty Tabios

Gilbert Ollestad

38100

CHUGACH NATIVES, INC.
BOARD OF DIRECTORS' RESOLUTION NO. 83-01

WHEREAS, on May 28, 1982, the United States offered to CNI a land settlement proposal; and

WHEREAS, on June 5, 1982, CNI accepted the offer of the United States by Board Resolution No. 82-20; and

WHEREAS, representatives of CNI have negotiated and drafted a document entitled "1982 Chugach Settlement Agreement" which more fully sets forth the details of the land settlement; and

WHEREAS, the Board has reviewed the final version of the "1982 Chugach Settlement Agreement" and received briefings at earlier Board meetings concerning this Agreement;

NOW, THEREFORE BE IT RESOLVED, that the "1982 Chugach Settlement Agreement" is approved, accepted and ratified by the Board, and Edgar Blatchford, Chairman of the Board, and/or Keith Gordaoff, Vice Chairman of the Board, are authorized and directed to execute the Agreement on behalf of Chugach, and if they deem it appropriate, to make minor modifications to the Agreement prior to signing it.

DATED this 2nd day of January, 1983.

Keith Gordaoff
KEITH GORDAOFF
Vice Chairman of the Board

Attest:

Fiona J. Sawder

Kathryn O. Segui

38100

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***ALASKA STATE BAR ONLY
****MISSOURI STATE BAR ONLY
ALL OTHERS WASHINGTON STATE BAR ONLY

January 7, 1983

The Honorable James G. Watt
Secretary of the Interior
Department of Interior
Room 6151
Interior Building
Washington, D.C. 20240

HAND DELIVERED

Dear Secretary Watt:

We are counsel to Chugach Natives, Inc. (hereinafter "CNI") an Alaskan corporation organized pursuant to the Alaska Native Claims Settlement Act, 85 Stat. 688, and in that capacity we have assisted CNI in the preparation of the 1982 Chugach Settlement Agreement between CNI, the United States of America and the State of Alaska.

In connection with CNI's entering into this Settlement Agreement, we have examined:

1. The 1982 Chugach Settlement Agreement;

2. CNI's Articles of Incorporation;

3. CNI's Bylaws;

4. Copies of the resolution of the Board of Directors dated January 2, 1983 authorizing Edgar Blatchford and/or Keith Gordaoff to execute the 1982 Chugach Settlement Agreement on behalf of CNI; and

5. Such other documents, communications, certificates and statements as we deem relevant and necessary as a basis for this opinion.

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SECRETARY'S CERTIFICATE OF RESOLUTION

The undersigned hereby certifies that she is the secretary of Chugach Natives, Inc., a corporation organized and existing under the laws of the State of Alaska; that the foregoing is a true and correct copy of Resolution No. 83-01 duly adopted at a meeting of the Board of Directors of said corporation held on the 2nd day of January, 1983, at which meeting a quorum was at all times present and acting; that the passage of said resolution was in all respects legal; and that said resolution is in full force and effect.

DATED this 2nd day of January, 1983.

(Corporate Seal)

Feona J. Sawden

Feona Sawden

38100

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***ALASKA STATE BAR ONLY

ALL OTHERS WASHINGTON STATE BAR ONLY

January 7, 1983

The Honorable John R. Block
Secretary of Agriculture
Department of Agriculture
Room 200A
Administration Building
12th & Jefferson Drive, S.W.
Washington, D.C. 20250

HAND DELIVERED

Dear Secretary Block:

We are counsel to Chugach Natives, Inc. (hereinafter "CNI") an Alaskan corporation organized pursuant to the Alaska Native Claims Settlement Act, 85 Stat. 688, and in that capacity we have assisted CNI in the preparation of the 1982 Chugach Settlement Agreement between CNI, the United States of America and the State of Alaska.

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3. CNI's Bylaws;

4. Copies of the resolution of the Board of Directors dated January 2, 1983 authorizing Edgar Blatchford and/or Keith Gordaoff to execute the 1982 Chugach Settlement Agreement on behalf of CNI; and

5. Such other documents, communications, certificates and statements as we deem relevant and necessary as a basis for this opinion.

We have relied upon the above documents, communications, certificates and statements with respect to the accuracy of the factual matters contained therein and for such factual matters. We have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as photostatic copies.

We are members of the Bar of the State of Alaska and we have made examination of the laws of the State of Alaska and the laws of the United States of America as we deem relevant and necessary for purposes of this opinion.

Based upon and subject to all of the foregoing, we are of the opinion that:

1. CNI has the corporate power and authority to enter into and perform its obligations under the 1982 Chugach Settlement Agreement;

2. There is no provision in the Articles of Incorporation or Bylaws of CNI and we are aware of no contract or agreement which would preclude the consummation of the 1982 Chugach Settlement Agreement; and

3. The consummation of the 1982 Chugach Settlement Agreement does not violate or contravene any applicable law.

This opinion is delivered to you pursuant to the 1982 Chugach Settlement Agreement and is not to be used for any other purpose or by any persons.

Sincerely,

PRESTON, THORGRIMSON,
ELLIS & HOLMAN

By: Frederick H. Boness

Frederick H. Boness

cc: The Honorable John R. Block