

AGREEMENT TO INITIATE

U. S. DEPARTMENT OF AGRICULTURE
Forest Service

5430 Exchanges
U.S.D.A., Forest Service, Alaska Region
The Alaska Mental Health Trust Authority

General Exchange Act of March 20, 1922
(42 Stat. 465, as amended; 16 U.S.C. 485, 486);
Federal Land Policy and Management Act of
October 21, 1976 (43 U.S.C. 1716, 1717);
Alaska National Interest Lands Conservation Act of
December 2, 1980, as amended;
(94 Stat. 2475; 16 U.S. Code § 3192(h);
Federal Land Exchange Facilitation Act of
August 20, 1988 (102 Stat. 1086; 43 U.S.C. 1716)

The *ALASKA MENTAL HEALTH TRUST AUTHORITY*, ("AMHT or the Non-Federal party"), a *State of Alaska governmental corporation*, whose address is 3745 Community Park Loop, Suite 200, Anchorage, AK, 99508, Telephone Number: (907) 269-7960, and *FOREST SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE* ("Forest Service"), whose address is PO Box 21628, Juneau Alaska, 99802-1628, acting through their authorized representatives; intend to exchange real property of equal value as generally depicted on the maps in *Exhibits A and B* and conditions in the exhibits. It is understood that the basis for value of the exchange properties shall be appraisals subject to approval by the Forest Service. This Agreement to Initiate authorizes each party to enter on lands of the other party for such purposes as preparing land value appraisals, land line surveys, wildlife and wetland inventories, and other evaluations deemed necessary by the Forest Service to fully evaluate the affects and merits of the exchange proposal.

It is understood that upon approval of the exchange values, terms and conditions by the appropriate Forest Service official, the parties may enter into an Exchange Agreement that shall be binding to both parties. It is understood that prior to the Exchange Agreement, or issuance of a patent or deed by the United States, if no Exchange Agreement is executed, no action taken shall create or establish any contractual or other obligations against the Non-Federal party or the United States. Either the Non-Federal party or the Forest Service may withdraw from the exchange at any time prior to execution of the Exchange Agreement, or conveyance from the United States.

This land exchange is being made pursuant Section 1302(h) of Alaska National Interests Lands Conservation Act of December 2, 1980 (ANILCA), as amended, and supported by additional federal authorities identified above. Section 1302(h) of ANILCA is applicable to the federal and non-federal lands within and outside the exterior boundaries of the Tongass National Forest within Alaska; and will be the primary authority utilized for the exchange. The responsible deciding official for the government will be the Director of Recreation, Lands, and Minerals for the Alaska Region, whose authority is delegated by the Regional Forester. The responsible AMHT decision-making authority is the Executive Director for the Alaska Mental Health Trust Land Office.

The Non-Federal party may reserve such rights as are acceptable to the Forest Service. Any reservations shall be subject to the rules and regulations of the Secretary of Agriculture, where applicable, and such other conditions as may be agreed upon. The proposed reservations and exceptions of the Non-Federal party are listed in *Exhibit A* attached.

If the exchange offer is approved and title accepted by the United States, the Non-Federal party agrees to accept, in exchange, that National Forest System land generally depicted on the maps in *Exhibit B*, subject to the Valuation Equalization shown in *Exhibit E* and the reservations and exceptions shown in *Exhibit B*. Title will be conveyed by Patent issued by the United States Department of Interior-Bureau of Land Management.

In the course of analysis the Federal and Non-Federal parties will work towards removal of title encumbrances that won't meet the Department of Justice title standards in the event that the decision is made to complete the exchange.

It will be the Non-Federal party's responsibility to furnish good and sufficient title to the property free from objectionable encumbrances. The Non-Federal party will convey title by general warranty deed when notified to do so. A policy of title insurance satisfactory to the Office of General Counsel of the United States, Department of Agriculture will be prepared at the expense of the Non-Federal party.

The United States does not furnish title insurance for the property it conveys.

Those Non-federal lands containing water rights will need a water right analysis completed. Those rights need identified prior to acceptance of title. If this is not acceptable, those parcels will be dropped from the exchange. A Forest Service water rights specialist will evaluate the United States ability to retain them under state law and will determine if the United States does not have the ability to retain the water right or if exercise of those rights could lead to unacceptable impacts to the fee estate. If the United States determines that the water rights are unacceptable, those areas or parcels will be dropped from the exchange.

All parcels and townships will need some level of boundary-line survey. Mutually agreed upon approximate estimated acreages will be utilized until formal surveys are complete, and these approximate, estimated acreages are depicted on the maps in *Exhibits A and B*. A prioritization of parcels for conveyance was mutually negotiated to balance the equal value approach to reflect any gain or loss discovered upon survey. The parcel prioritization and valuation equalization is shown *Exhibit E*.

No authorization for compensation for costs assumed pursuant to the provision of 36 CFR 254.7 is provided.

The timeline for processing this proposal and the agreement on responsibility for costs on specific items (36 CFR 254.4(c)(6)) is provided for in *Exhibit C* (Implementation Schedule) and *Exhibit D* (Projected Costs and Allocation).

If the Non-Federal party is assigned the responsibility of providing appraisals for the Federal and/or non-Federal properties in the Implementation Schedule, execution of this agreement requires the Non-Federal party to instruct the Forest Service-approved fee appraiser to provide the original copy of all reports to the assigned agency review appraiser for technical review purposes.

Qualified tenants occupying the non-Federal lands affected by this proposal may be entitled to relocation benefits under 49 CFR 24.2. The Non-Federal party agrees to formally notify the Forest Service of any tenants occupying the non-Federal land and provide the Forest Service documentation that the tenant has been notified of the proposed land exchange.

Unless otherwise provided by law or regulation (49 CFR 24.101(a)(1)), relocation benefits are not applicable to owner-occupants involved in exchanges with the United States provided the owner-occupants are notified in writing that the Non-Federal lands are being acquired by the United States on a voluntary basis. Therefore, this Agreement to Initiate serves as that notice and by signing the same, the owner-occupants agree that they are not entitled to relocation benefits.

Each party to this agreement is responsible to provide the other documentation of the existence or non-existence of storage of hazardous substances stored on their respective lands for 1 year or more or disposed of or released on said lands. If evidence of hazardous substances are found, either party may refuse, without liability, to complete the exchange.

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

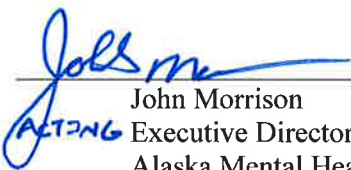
The undersigned are citizens of the United States or a corporation or other legal entity subject to the laws of the United States or a State thereof. The undersigned are also 21 years old or over and are the owner of the above depicted offered land or have a firm contract to acquire it.

Notification Statement: Public Availability of Property-Related Information. Any party who has signed below acknowledges receipt of this notification: All documents pertaining to both Federal and non-Federal lands necessary for the evaluation, processing and consummation of a land adjustment transaction, including but not limited to appraisals, timber cruises, specialist reports, geology/mineral reports, title and other property information, are subject to public availability pursuant to the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

However, it is the general intent of all parties that land adjustment transaction documents will be considered "pre-decisional working papers" not subject to premature availability prior to the point which concludes evaluation of the proposal through the agency's established, required process and policy.

ALASKA MENTAL HEALTH TRUST AUTHORITY

6-30-15
Date

BY: 
John Morrison
Executive Director
Alaska Mental Health Trust Authority

USDA FOREST SERVICE

6/30/2015
Date

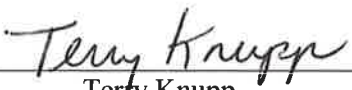
BY: 
Terry Knupp
Director of Recreation, Lands, and Minerals
Alaska Region

EXHIBIT A
Non Federal Lands

The non-Federal lands encompass approximately 18,066 acres of scenic backdrops for the Southeast Alaskan communities of Ketchikan, Meyers Chuck, Wrangell, Petersburg, Sitka, and Juneau, Alaska. Both surface and sub-surface estates (including mineral rights) will be transferred to the United States at the time of conveyance by AMHT.

All parcels and townships will need some level of boundary-line survey. Mutually agreed upon approximate estimated acreages will be utilized until formal surveys are complete, and these approximate, estimated acreages are depicted on the maps in this *Exhibit A*. A prioritization of parcels for conveyance was mutually negotiated to balance the equal value approach to reflect any gain or loss discovered upon final survey. The parcel prioritization and valuation equalization is shown *Exhibit E*.

All parcels proposed for exchange have timber and value as it may contribute to the whole property. In the course of analysis the Federal and Non-Federal parties agree that the proposed timberland property shall be appraised in accordance with Forest Service Handbook 5409.12, Chapter 20, Section 21 – Whole Property Appraisals.

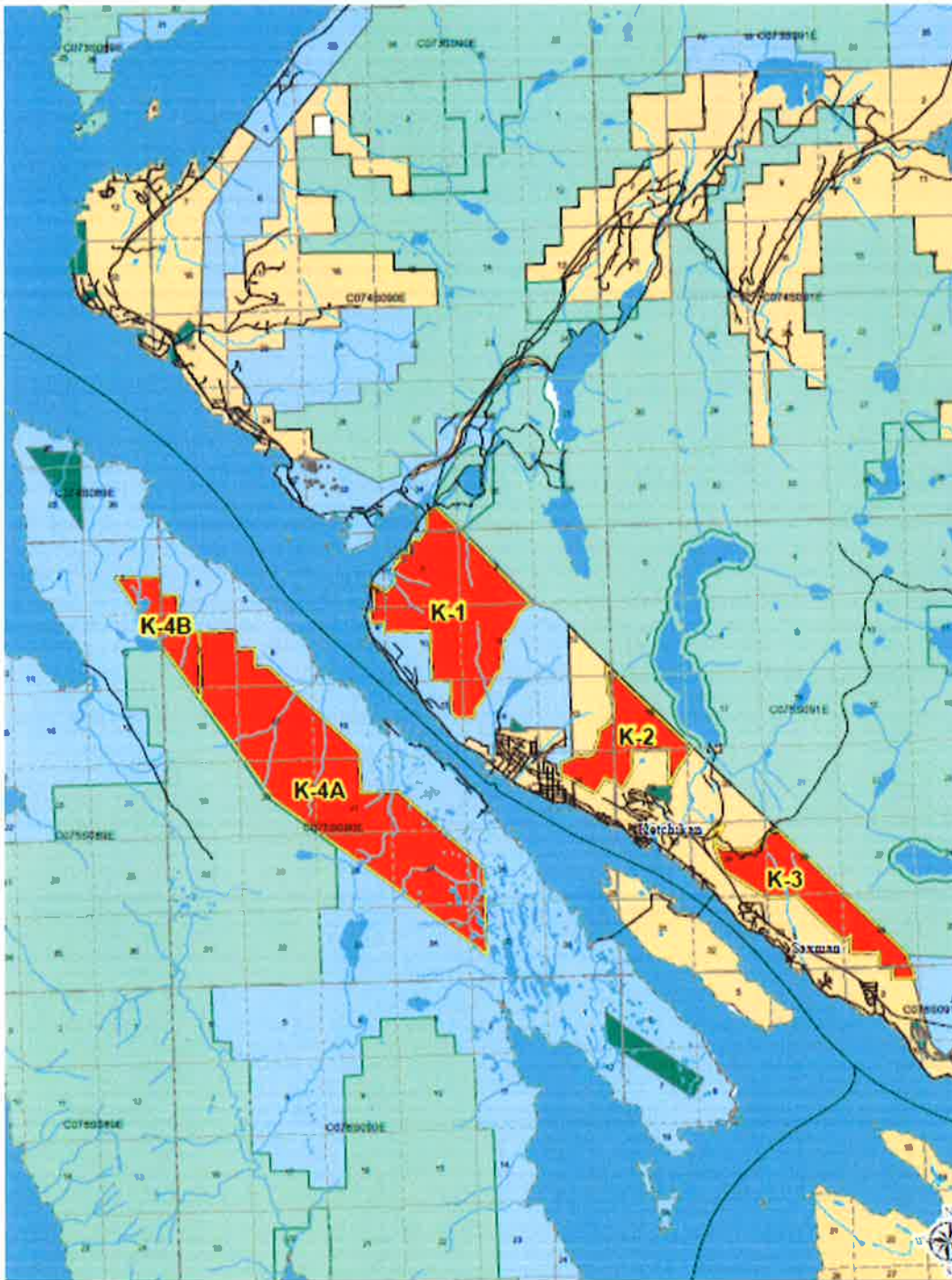
On May 6, 2014 AMHT requested that parcel S-1 be dropped from consideration from the proposed exchange and it was not included in the proposed exchange Feasibility Analysis (FA). At AMHT's request the parcel has been re-included into non-federal parcels considered for exchange. The Federal and Non-Federal parties agree to complete all FA required analysis for S-1. The FA will be amended to reflect the completed work, as appropriate.

Land the Non-Federal Party will consider for conveyance to the United States:

Exhibit A:

***Ketchikan, AK
Area***

***Map of Lands the
Non-Federal Party
will consider for
conveyance to the
United States.***



AMHT Parcels for Exchange - Ketchikan Area

ID	Parcel Name	Acres
K-1	Signal Mtn.	1841
K-2	Minerva Mtn.	681
K-3	Dear Mtn.	926
K-4A	Gravina Mid	3290
K-4B	Gravina/Niblack	418
Total Acres:		7,156

(Acres are approximate)

Date Printed: August 29, 2012 V5

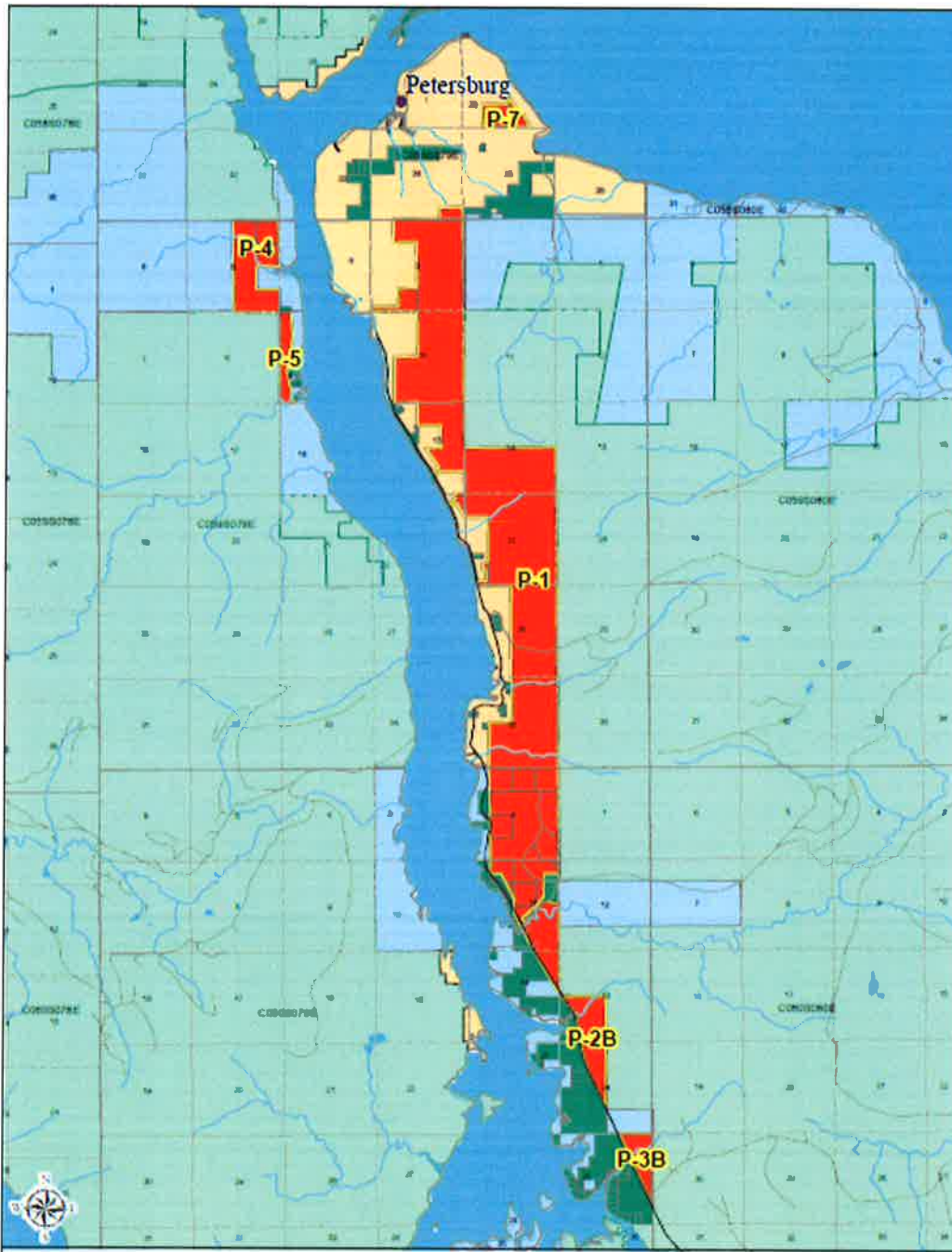
AMHT Parcels	Land Owner/Manager
Retain	USFS
Exchange	State of Alaska
	Other



This is a representation of the land ownership to management in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.

Exhibit A:
Petersburg, AK Area

*Map of Lands the
Non-Federal Party
will consider for
conveyance to the
United States.*



AMHT Parcels for Exchange - Petersburg Area

ID	Parcel Name	Acres	AMHT Parcels	Land Owner/Manager
P-1	Twin Creek	3385	Retain	USFS
P-2B	S Fall Creek	183	Exchange	State of Alaska
P-3B	Blind Pt. E	92	Exchange	Other
P-4	Kupreanof N	280	Exchange	Other
P-5	Kupreanof S	77	Exchange	Other
P-7	Petersburg	72	Exchange	Other

Total Acres: 4,087
(Acreages are approximations)

0 0.5 1 1.5 2 Miles
Date Printed: July 24, 2012 V3



This is a representation of the land ownership/manager in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.

Exhibit A:

Wrangell, AK Area

**Map of Lands the
Non-Federal Party
will consider for
conveyance to the
United States.**



AMHT Parcels for Exchange - Wrangell Area

ID	Acres:
W-1	224
W-2	106
W-3	63
W-4	711

Total Acres: 1,104
(Acreages are approximate)

AMHT Parcels	Land Owner/Manager
Retain	Federal - USFS
Exchange	State of Alaska
	Other



Date Printed: August 30, 2012 V5

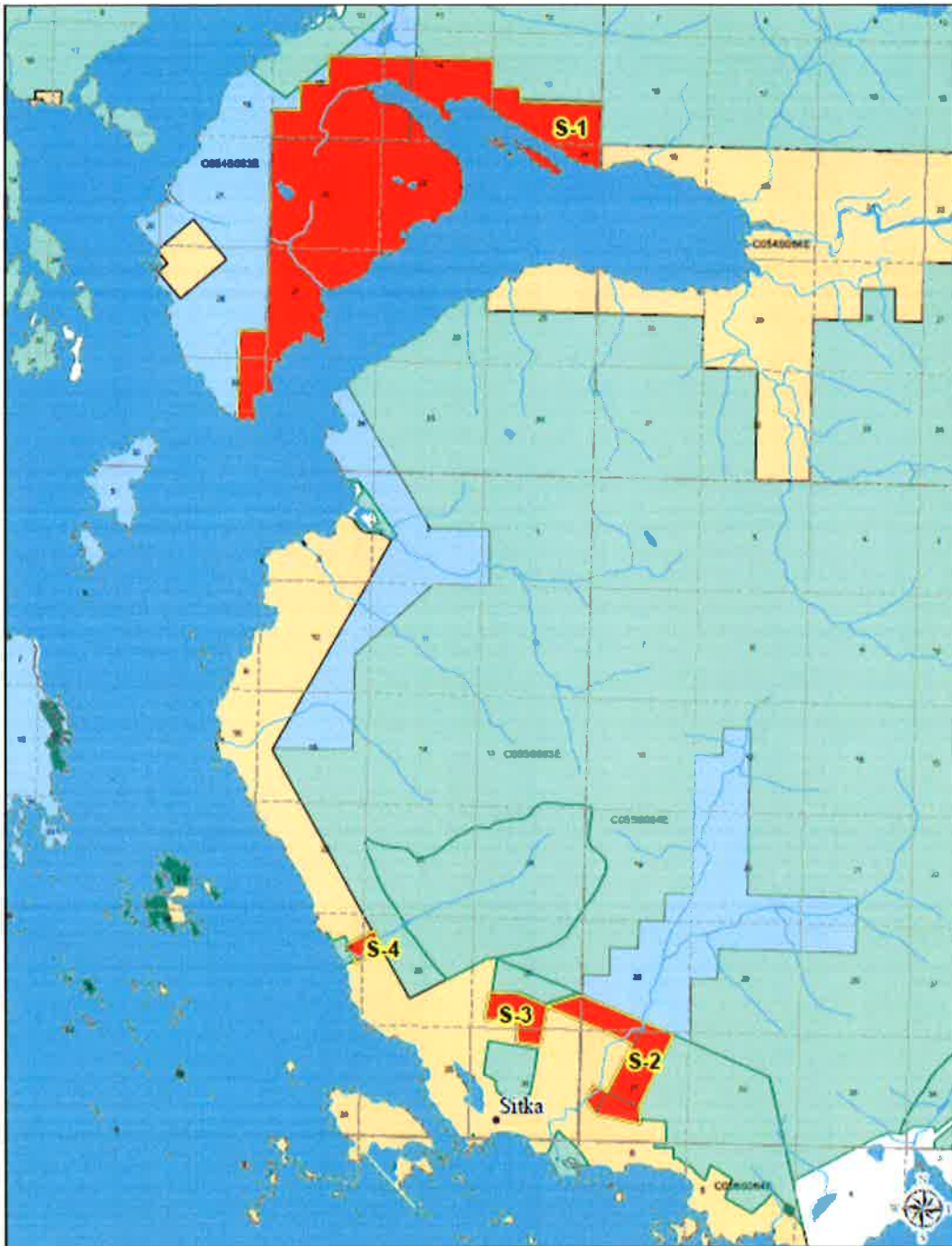


This is a representation of the land ownership shown in the area. For specific legal descriptions and rules as to regulations related to the use of state of Alaska lands, please contact the appropriate land manager.

Exhibit A:

Sitka, AK Area

***Map of Lands the
Non-Federal Party
will consider for
conveyance to the
United States.***



AMHT Parcels for Exchange - Sitka Area

ID	Parcel Name	Acres
S-1	Kathana Bay	2457
S-2	Indian Creek E	296
S-3	Indian Creek W	103
S-4	Cascade Creek	28
Total Acres:		2,884
(Acres are approximate)		

AMHT Parcels	Land Owner/Manager
Retain	Federal - USFS
Exchange	State of Alaska
	Other



Date Printed: July 24, 2012 V4



This is a representation of the land ownership in the area. For specific legal descriptions and rules and regulations related to the use or sale of these lands, please contact the appropriate land manager.

Exhibit A:

Meyers Chuck, AK
Area

*Map of Lands the
Non-Federal Party
will consider for
conveyance to the
United States.*



AMHT Parcels for Exchange - Meyers Chuck Area

ID	Parcel Name	Acres
MC-1	Meyers Chuck	169
Total Acres:		169
<i>(Arrange in approximate)</i>		

AMHT Parcels:	Land Owner/Manager
■ Retain	■ USFS
■ Exchange	■ State of Alaska
	■ Other



Date Printed: July 24, 2012 V3

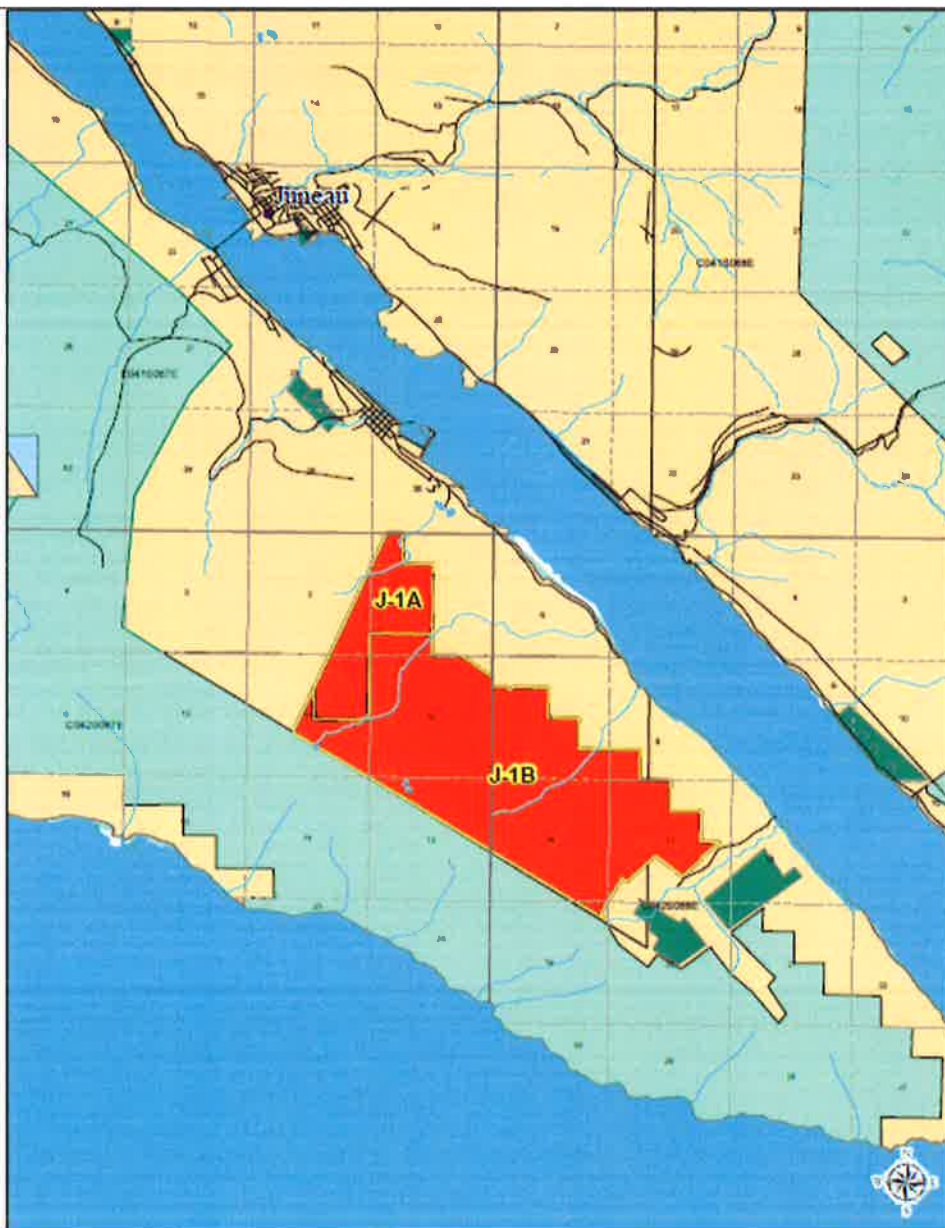


This is a representation of the land ownership management in the area. For specific legal descriptions and rules and regulations related to the use of any of these lands, please contact the appropriate land manager.

Exhibit A:

Juneau, AK Area

**Map of Lands the
Non-Federal Party
will consider for
conveyance to the
United States.**



AMHT Parcels for Exchange - Juneau Area

ID	Parcel Name	Acres
J-1A	Mt Bradley Trail	429
J-1B	Douglas S	2,237
Total Acres		2,666
		(Acreages are approximate)

AMHT Parcels	Land Owner/Manager
Green	Retain
Red	Exchange
Light Blue	Federal - USFS
Medium Blue	State of Alaska
Yellow	Other



Date Printed: August 29, 2013 V4



This is a representation of the land ownership management in the area. For specific legal descriptions and rules and regulations related to the use of any of these lands, please contact the appropriate land manager.

Land Known Encumbrances and Exceptions to Title of the Non-Federal Party :

Land Encumbrances and Reservations from Title Commitment, Commitment #44711, dated June 9, 2015, Schedule B, Section II. NOTE: Numbering is consistent with the numbering of the title commitment rather than in consecutive order.

8. Reservations and exceptions as contained in the U.S. Patent and acts relating thereto. **A bundle of rights was reserved or excluded from conveyance to the State of Alaska and remains under federal authority.**

Land Encumbrances and Reservations from Title Commitment, Commitment #44721, dated June 9, 2015, Schedule B, Section II. NOTE: Numbering is consistent with the numbering of the title commitment rather than in consecutive order.

9. Reservations and exceptions as contained in the tentative approval recorded March 7, 2011 at Document No. 2011-000712-0 and acts relating thereto. (Affects Parcel CRM-5086). **A bundle of rights was reserved or excluded from conveyance to the State of Alaska and remains under federal authority.**
11. Easements and notes as shown on Plat No. 90-1, Plat No. 2010-3 and U.S. Survey 3835. (Affects Parcel CRM-3157-01A). **During the next two years, the non-federal party will research and begin vacation of all valid section line easements.**
12. Easements and notes as shown on Plat No. 96-49. (Affects Parcel CRM-3157-01A). **Survey does not depict surveyed section lines; during the next two years, the non-federal party will research and begin vacation of all valid section line easements.**
13. Easements and notes as shown on Plat No. 93-28. (Affects Parcels CRM-3129-03 (K-4A portion) and CRM-3129-03 (K-4B portion)). **During the next two years, the non-federal party will research and begin vacation or resolution of all valid section line easements, reserved public rights, or reserved public access easements. Under the exchange, if an easement is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
14. Easements and notes as shown on Plat No. 86-6. (Affects Parcel CRM-2556). **During the next two years, the non-federal party will research and begin vacation or resolution of all valid section line easements, reserved public rights, or reserved public access easements. Under the exchange, if an easement is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
20. Covenants, conditions, and restrictions, including the terms and provisions thereof, recorded March 7, 2011 at Document No. 2011-000712-0. (Affects Parcel CRM-5086). **This refers to the Tentative Approval; a bundle of rights was reserved or excluded from conveyance to the State of Alaska and remains under federal authority.**
21. Affidavit of Common Boundary Line Description and the terms and conditions thereof, recorded November 7, 2005 at Document No. 2005-004389-0. (Affects Parcel CRM-3158-01). **The record has no known affect to the exchange.**

36. Deed of Trust, including the terms and provisions thereof:

TRUSTOR: Alaska Power Authority

TRUSTEE: Title Insurance Agency

BENEFICIARY: State of Alaska, Department of Commerce and Economic Development, represented by the Director of the Division of Accounting and Collections, of said State.

AMOUNT: \$187,480,248.72

RECORDED: June 30, 1986 in Book 140 at Page 869

Said Deed of Trust covers this and other property. (Affects Parcel CRM-3156-01). **Under the exchange, it is anticipated that platting actions and/or surveys may be necessary to clarify legal descriptions. If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a "subject to" within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

37. Right, title and interest of Alaska Power Authority, as disclosed by Deed of Trust recorded June 30, 1986 in Book 140 at Page 869. (Affects Parcel CRM-3156-01). **Under the exchange, it is anticipated that platting actions and/or surveys may be necessary to clarify legal descriptions. If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a "subject to" within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
38. Right, title and interest of Ketchikan Consolidated Mines Co., a former owner whose interest has never been conveyed of record. (Affects Parcel CRM-5086). **Document is dated March 25, 1907 for the transfer of several mineral claims; no other recorded document for Mr. Davis was found, no other associated documents were found. The mineral claims may have been located on portions of Parcel CRM-5086 while the lands were under federal ownership. These lands were conveyed to the State of Alaska by Tentative Approval in 1982; the conveyance documents states the lands were "unreserved, are not known to be occupied or appropriated under the public land laws, including the mining laws." No BLM casefile number was excepted or reserved in the Tentative Approval. No State of Alaska or non-federal party casefile number was found for any mining claim or any sub-surface authorization. Under the exchange, if this public record is unacceptable to the federal party, parcel may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

Other known encumbrances not on title commitment:

1. **Alaska State Land Survey 87-307 is filed as Plat 97-10 near CRM-3156-01 (K-1 Signal Mountain portion), and created a discontinuous boundary for CRM-3156-01. The platting action isolated two small remnants of CRM-3156-01 in C075S090E04 and C075S090E09. This survey and conveyance (DNR's Patent to DOT under ADL 104801) created a discontinuous boundary for CRM-3156-01 and "carved out" two relatively small and isolated remnants of USS 3835 Lot 1, which are now separated from the larger parcel and may be entirely within "North Tongass Highway" as depicted on the plat. Under the exchange, these may need to be redacted through legal description update, or the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

2. **An unrecorded Letter Agreement to Ketchikan Public Utilities for non-exclusive right to construct and maintain a security fence encumbers unknown acreage (non-federal casefile MHT 9100103; affects a portion of CRM-5086). This authorization could be expired. Under the exchange, if the federal party finds the encumbrance unacceptable, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

Land Encumbrances and Reservations from Title Commitment, Commitment #44722, dated June 9, 2015, Schedule B, Section II. NOTE: Numbering is consistent with the numbering of the title commitment rather than in consecutive order.

9. Reservations and exceptions as contained in the Tentative Approval recorded August 21, 1995 in Book 116 at Page 802 and acts relating thereto. (Affects Parcel C20550.001). **A bundle of rights was reserved or excluded from conveyance to the State of Alaska and remains under federal authority.**
10. Easements and notes as shown on Plat No. 2002-17. (Affects Parcel CRM-1835). **Platted Haley Avenue 60' right of way would be excluded from the exchange.**
11. Easements and notes as shown on Plat No. 79-13, Plat No. 2003-17 and Plat No. 2004-13. (Affects Parcel CRM-1852). **The affected parcel should cite CRM-1811. Plat 79-13 is also labeled as Sitka Plat 79-615. A 15' portion of a 30' Utility Easement is platted along a portion of the southeastern boundary. Under the exchange, if the easement is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
15. Rights of the public and/or governmental agencies as to Gavin Hill Trail, as disclosed by patent recorded January 15, 2008 at Document No. 2008-000059-0. (Affects Parcel CRM-7003). **Patent 50-2008-0122 excepted and reserved 50' wide right of way A-060938 Gavin Hill Trail to the U.S. Forest Service; the online case abstract indicates the encumbrance is "authorized" status.**
16. The affect, if any, of Agreement to Settle Remaining Entitlement recorded April 5, 2011 at Document No. 2011-000476-0. (Affects Parcel CRM-7003). **This parcel was conveyed to the non-federal party before this document was recorded.**
26. Reservations and exceptions as contained in the Tentative Approval recorded September 20, 1999 in Book 139 at Page 138 and acts relating thereto. (Affects Parcel C20550.002). **A bundle of rights was reserved or excluded from conveyance to the State of Alaska and remains under federal authority.**

Other known encumbrances not on title commitment:

1. **An unrecorded perpetual easement agreement to the City and Borough of Sitka for Cascade Creek Trail encumbers approximately 1.13 acres (non-federal casefile MHT 9100668; affects a portion of Parcel CRM-1811). This document is in the process of being recorded. Under the exchange, if the federal party finds the easement unacceptable, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
2. **An unrecorded easement construction license to the City and Borough of Sitka encumbers approximately 0.70 acres expires December 31, 2015 (non-federal casefile MHT 9100740; affects a portion of Parcel CRM-7003).**

Land Encumbrances and Reservations from Title Commitment, **Commitment #44723**, dated June 9, 2015, Schedule B, Section II. NOTE: Numbering is consistent with the numbering of the title commitment rather than in consecutive order.

12. Easements and notes as shown on Plat No. 2010-5. (Affects Parcel CRM-2528 (W-4 portion)). **This plat subdivided US 3709 Lot 4 to create Lot 4A and Lot 4B; a portion of Lot 4A is in the exchange; Lot 4B is intended to be excluded from the exchange as it is under a Contract for the Sale of Real Property (non-federal party casefiles MHT 9100608 and TLS 2010-02). A portion of Lot 4A within the exchange is encumbered by a dedicated a 100' wide right of way easement for Zimovia Highway. An acceptable encumbrance may be a "subject to" within the conveyance. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
13. Easements, notes, ski run, and/or restrictions, if any, as shown on Plat No. 62-250. (Affects Parcel CRM-2443). **Nothing was found on the survey that indicated "ski run" was dedicated to private or public use or otherwise encumbered the parcel; in this case, it appears that "ski run" was a label without dedication on the plat. The label has no known affect under the exchange. Under the exchange, if the notation is unacceptable to the federal party, the parcel may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
14. Easement and the terms and conditions thereof:

GRANTEE: The Four Dam Pool Power Agency

PURPOSE: operating, maintaining, repairing, replacing, and reconstructing the existing 138 KV electric transmission line and Associated improvements, fixtures and equipment of Grantee (including by not necessarily limed to conductors, insulators, transformers, towers, poles, guy wires, anchors and SCADA equipment)

DATED: July 15, 2002

RECORDED: August 9, 2002

DOCUMENT NO.: 2002-000393-0

THE DESCRIPTION CONTAINED THEREIN IS NOT SUFFICIENT TO DETERMINE ITS EXACT LOCATION WITHIN THE PROPERTY HEREIN DESCRIBED. (COPY ATTACHED). (Affects Parcels CRM-2402; CRM-2454 (W-2 portion) and CRM-2454(W-3 portion)). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a "subject to" within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

15. Easement and the terms and conditions thereof:

GRANTEE: United States of America, acting through the Department of Agriculture, Forest Service

PURPOSE: log transfer facility known as Pat's Creek

DATED: February 15, 2008

RECORDED: May 9, 2008 DOCUMENT NO.: 2008-000142-0

THE DESCRIPTION CONTAINED THEREIN IS NOT SUFFICIENT TO DETERMINE ITS EXACT LOCATION WITHIN THE PROPERTY HEREIN DESCRIBED. (Affects Parcels CRM-2528 (W-4 portion) and CRM-2529). **The legal description in this public record was insufficient to exclude this record from the Title Commitment Report; this easement was authorized by the State of Alaska (casefiles ADL 106352 and ATS 1112; there is an associated survey plat filed in the Wrangell Recording District as Plat 80-6 as Document Number 1980-000257-0 showing the boundary is external to USS 3709 Lot 4). The easement is known to be located within tidelands**

in C064S084E05 and C064S84E06 (external to USS 3709 Lot 4) and is not located within the exchange.

16. Agreement and the terms and conditions thereof:

BETWEEN: State of Alaska

AND: Alaska Power Authority

REGARDING: Right-of-Way for Electric Power Line for the Tyee Lake Hydroelectric Project

DATED: May 26, 1987

RECORDED: September 3, 1987 in Book 16 at Page 57 (COPY ATTACHED).

Alaska Energy Authority formerly known as the Alaska Power Authority Quit Claimed their interest to the Four Dam Pool Power Agency.

Amendment No. 1, and the terms and conditions thereof:

RECORDED: October 27, 2004

DOCUMENT NO.: 2004-000448-0

Assignment of Right-of-Way, and the terms and conditions thereof:

ASSIGNEE: The Four Dam Pool Power Agency

RECORDED: October 27, 2004

DOCUMENT NO.: 2004-000449-0

Security Assignment of Rights-of-Way/Easements and the terms and conditions thereof:

RECORDED: November 15, 2004

DOCUMENT NO.: 2004-00047 3-0

Amendment to Lease and Easement Documents for Tyee and Swan Lake Hydro Projects and the terms and provisions thereof:

RECORDED: August 19, 2005

DOCUMENT NO.: 2005-000307-0

(Affects Parcels CRM-2402, CRM-2454 (W-2 portion) and CRM-2454 (W-3 portion)). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a "subject to" within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

17. Agreement and the terms and conditions thereof:

BETWEEN: State of Alaska

AND: Alaska Power Authority

REGARDING: Right-of-Way for Tyee Hydroelectric Project Transmission Line

DATED: March 7, 1985

RECORDED: August 26, 1987 in Book 16 at Page 26 (COPY ATTACHED)

Alaska Energy Authority formerly known as the Alaska Power Authority Quit Claimed their interest to the Four Dam Pool Power Agency.

Amendment No. 1, and the terms and conditions thereof:

RECORDED: October 27, 2004

DOCUMENT NO.: 2004-000450-0

Assignment of Right-of-Way, and the terms and conditions thereof:

ASSIGNEE: The Four Dam Pool Power Agency

RECORDED: October 27, 2004

DOCUMENT NO.: 2004-000451-0

Security Assignment of Rights-of-Way/Easements and the terms and conditions thereof:

RECORDED: November 15, 2004

DOCUMENT NO.: 2004-000473-0

Amendment to Lease and Easement Documents for Tyee and Swan Lake Hydro Projects and the terms and provisions thereof:

RECORDED: August 19, 2005

DOCUMENT NO.: 2005-0003 07-0

(Affects Parcels CRM-2454 (W-2 portion) and CRM-2454 (W-3 portion)). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a "subject to" within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

18. Any prohibition of or limitation of use, occupancy or improvements of the land resulting from the rights of the public or riparian owners to use any portion thereof which is now or formerly may have been covered by water, and the rights of the public as set forth in Alaska statutes 38.05.128. (Affects Parcels CRM-2454 (W-2 portion), CRM-2454 (W-3 portion), CRM-2528 (W-4 portion) and CRM-2529). **No recorded document was cited.**
29. Right, title and interest of Mary Cecelia Loftus Churchill, Edward P. Churchill, Francis Churchill, Katherine Churchill Rude, David R. Churchill, William Churchill, Harry Churchill, Roy Ann Churchill Vazquez, Katherine Churchill Binkie and Katherine Rude, formerly Katherine Nora Churchill, as disclosed by Findings and Conclusions, recorded May 18, 1989 in Book 17 at Page 460. (Affects Parcels CRM-2528 (W-4 portion) and CRM-2529). **According to BLM online case abstract AA006585, these lands were relinquished and the case was closed in 1991; it is likely that there is no longer an encumbrance on the parcel. Under the exchange, if any encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

Land Encumbrances and Reservations from Title Commitment, Commitment #44724, dated June 9, 2015, Schedule B, Section II. NOTE: Numbering is consistent with the numbering of the title commitment rather than in consecutive order

11. Easements and notes as shown on Amended Plat No. 81-1. (Affects Parcel CRM-2133).
12. Easement and the terms and conditions thereof:
GRANTEE: The Four Dam Pool Power Agency
PURPOSE: operating, maintaining, repairing, replacing, and reconstructing the existing 138 KV Electric transmission line and associated improvements, fixtures, and equipment of Grantee (including but not limited to conductors, insulators, transformers, towers, poles, guy wires, anchors and SCADA equipment) also Ingress and egress for and in connection with such uses and purposes
DATED: July 15, 2002
RECORDED: August 9, 2002
DOCUMENT NO.: 2002-000685-0
THE DESCRIPTION CONTAINED THEREIN IS NOT SUFFICIENT TO DETERMINE ITS EXACT LOCATION WITHIN THE PROPERTY HEREIN DESCRIBED. (COPY ATTACHED).
(Affects Parcels ; CRM-2214; CRM-2281, CRM-2282, CRM-2283, CRM-2284-02 (ptn), CRM-2289; CRM-2284-02 (ptn), CRM-2306, CRM-2310, CRM-2311; CRM-2284-02 (ptn); CRM-2284-02 (P-2B S Fall Creek Portion) (ptn); CRM-2284-02 (P-2B S Fall Creek Portion) (ptn); and CRM-2284-02 (P-

3B S Blind Point E Portion)). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

22. Agreement and the terms and conditions thereof:

BETWEEN: State of Alaska, acting by and through the Department of Natural Resources, Division of Lands

AND: City of Petersburg

REGARDING: Right-of-Way Permit for power pole #P20-3 anchor and down guy DATED: July 10, 1968

RECORDED: June 23, 1969 in Book 14 at Page 58. (Affects Parcels CRM-2099 and CRM-2104). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

23. Agreement and the terms and conditions thereof:

BETWEEN: State of Alaska, acting by and through the Department of Natural Resources, Division of Lands

AND: Alaska Power Authority

REGARDING: Right-of-Way Permit

DATED: March 7, 1985

RECORDED: August 26, 1987 in Book 29 at Page 634 (COPY ATTACHED).

Amendment to said Right-of-Way Permit recorded October 27, 2004 at Document No. 2004-000988-0.

Assignment of said R-O-W Permit:

ASSIGNEE: The Four Dam Pool Power Agency

RECORDED: October 27, 2004

DOCUMENT NO.: 2004-000989-0

Amendment to said Right-of-Way Permit recorded August 19, 2005 at Document No. 2005-000683-0.

Security Assignment of Right-of-Way/Easements:

ASSIGNEE: Wells Fargo Bank

RECORDED: November 15, 2004

DOCUMENT NO.: 2004-001031-0

THE DESCRIPTION CONTAINED THEREIN IS NOT SUFFICIENT TO DETERMINE ITS EXACT LOCATION WITHIN THE PROPERTY HEREIN DESCRIBED. (Affects Parcels CRM-2099; CRM-2214; CRM-2281, CRM-2282, CRM-2283, CRM-2284-02 (ptn), CRM-2289; CRM-2284-02 (ptn), CRM-2306, CRM-2310, CRM-2311; CRM-2284-02 (ptn); CRM-2284-02 (P-2B S Fall Creek Portion); and CRM-2284-02 (P-3B S Blind Point E Portion)). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

24. Agreement of Lease No. 7 and the terms and provisions thereof:
RECORDED: January 25, 1971 in Book 15 at Page 186. (Affects Parcel CRM-2104). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
25. Agreement of Site Lease No. 5 and the terms and provisions thereof:
RECORDED: January 25, 1971 in Book 15 at Page 218. (Affects Parcel CRM-2104). **If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
26. Subject to the terms and provisions as contained in Trust Indenture granted by Alaska State Housing Authority to Bank of America National Trust and Savings Association, as Trustee, Respecting \$5,560,000 principal amount of Alaska State Housing Authority, State Lease Revenue Bonds (1970 Project - First Phase) \$7,825,000 principal amount of Alaska State Housing Authority State Lease Revenue Bonds (1970 Project – Second Phase) and \$15,710,000 principal amount of Alaska State Housing Authority State Lease Revenue Bonds (1970 Project - Third Phase) dated October 1, 1970 and recorded January 25, 1971 in Mortgage Book 8 at Page 304. (Affects Parcel CRM-2104). **Attempts to contact the Alaska State Housing Authority were unsuccessful. If further research finds any encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
27. Subject to matters that may be disclosed by examination of Special Use Permit to be granted by United States Department of Agriculture, Forest Service in favor of The Four Dam Pool Power Agency, as disclosed by Exhibit A, Federal Land Interests paragraph 2 of Quit Claim of Hydroelectric Facilities, Buildings, Transmission Line Facilities, Substations, and other Improvements and Fixtures, recorded January 31, 2002 in Book 71 at Page 739. THE DESCRIPTION CONTAINED THEREIN IS NOT SUFFICIENT TO DETERMINE ITS EXACT LOCATION WITHIN THE PROPERTY HEREIN DESCRIBED. (Affects Parcels CRM-2099; CRM-2284-02 (P-2B S Fall Creek Portion)). **This record was cited by the title company twice as Exception #27 and Exception #28. If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
28. Subject to the terms and provisions of Utility Permit No. 3-29400-82-42 granted by State of Alaska, Department of Transportation and Public Facilities, dated June 23, 1982, as disclosed by Quit Claim of Hydroelectric Facilities, Buildings, Transmission Line Facilities, Substations and other Improvements and Fixtures, recorded January 31, 2002 in Book 71 at Page 739. THE DESCRIPTION CONTAINED THEREIN IS NOT SUFFICIENT TO DETERMINE ITS EXACT LOCATION WITHIN THE

PROPERTY HEREIN DESCRIBED. (Affects Parcels CRM-2099; CRM-2175; CRM-2210; CRM-2214; CRM-2281, CRM-2282, CRM-2283, CRM-2284-02 (ptn), CRM-2289; CRM-2306, CRM-2310, CRM-2311; CRM-2284-02 (P-2B S Fall Creek Portion) (ptn); and CRM-2284-02 (P-3B S Blind Point E Portion)). **This record was cited by the title company twice as Exception #27 and Exception #28. If this encumbrance is confirmed to be located within the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

35. Any question that may arise due to shifting or changing in course of an unnamed river or stream as disclosed by Plat No. 81-1. (Affects Parcel CRM-2133). **Plat Note 5 encumbers a 50’ wide access easement along any water frontage (for public access). An acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an easement or encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
45. The effect, if any, of Amended Interagency Land Management Transfer, recorded October 9, 1967 in Book 11 at Page 183. (Affects Parcels CRM-1930; CRM-1932 and CRM-1933). **This record was cited by the title company twice as Exception #45 and Exception #46. This Interagency Land Management Transfer is part of State of Alaska casefile ADL 34074. It appears that the surface estate of CRM-1932 and CRM-1933 are encumbered by this agreement; the legal description excluded CRM-1930 from the agreement. Under the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
46. Right, title and interest of the Division of Aviation, Department of Public Works, as disclosed by Interagency Land Management Transfer, recorded October 9, 1967 in Book 11 at Page 183. (Affects Parcels CRM-1930; CRM-1932 and CRM-1933). **This record was cited by the title company twice as Exception #45 and Exception #46. This Interagency Land Management Transfer is part of State of Alaska casefile ADL 34074. It appears that the surface estate of CRM-1932 and CRM-1933 are encumbered by this agreement; the legal description excluded CRM-1930 from the agreement. Under the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**
47. We also find of record by do not insure Record of Survey, recorded September 14, 2009 at No. 2009-16. (Affects Parcels CRM-2060-02; CRM-1930; CRM-1932 and CRM-1933). **Parcel CRM-1932 and CRM-1933 surface estates appear to be 100% encumbered by the Amended Interagency Land Management Transfer agreement. Under the exchange, an acceptable encumbrance may be a “subject to” within the conveyance, or the authorization may be closed by the non-federal party with a new, similar authorization granted by the federal party in the public record. If an encumbrance is unacceptable to the federal party, the encumbrance may be surveyed and removed from the exchange, or the entire parcel may be removed from the exchange.**

54. NOTE: THE APPLICATION FOR TITLE INSURANCE REFERENCES FALLS CREEK MILLSITE AREA. WE FIND NOT DEFINITIVE DESCRIPTION OF RECORD FOR THE FALLS CREEK MILLSITE AREA. **“Falls Creek Millsite Area” is now referred to as the “Quarry Sawmill Subdivision” and is associated with Trust Land Survey TLS 2012-06, filed in the Petersburg Recording District as Plat 2013-6. It is the intent of the non-federal party to exclude this subdivision from the exchange.**

56. Easement and the terms and conditions thereof:

GRANTEE: United States of American and its assigns

PURPOSE: recreational public trail AREA AFFECTED: portion of the E1/2E1/2 of Section 10, T59S, R79E

DATED: August 13, 2013

RECORDED: September 10, 2013

DOCUMENT NO.: 2013-000729-0

(Affects Parcel CRM-2099)

Other known encumbrances not on title commitment:

1. **The non-federal party requested that this public record be added to the Title Commitment Report, however it was not cited. Section Line Easement Vacation EV 2-99 was filed as Plat 80-8, Document Number 1980-001329-0 in the Petersburg Recording District. This public record is a vacation of a portion of the Section Line Easements in CRM-2133 portion within P-5 Kupreanof S.**

**EXHIBIT B
FEDERAL LAND**

The Federal lands proposed for exchange are National Forest System (NFS) lands located within the proclamation boundary of Tongass National Forest, and encompass approximately 21,175 acres. The federal lands are located in four remote areas near Naukati & Hollis, AK on Prince of Wales Island; Shelter Cove on Revillagigedo Island South of Ketchikan, AK; and a small tract near the north end of Gravina Island near Ketchikan, AK.

All parcels and townships will need some level of boundary-line survey. Mutually agreed upon approximate estimated acreages will be utilized until formal surveys are complete, and these approximate, estimated acreages are depicted on the maps in this *Exhibit B*. A prioritization of parcels for conveyance was mutually negotiated to balance the equal value approach to reflect any gain or loss discovered upon final survey. The parcel prioritization and valuation equalization is shown *Exhibit E*.

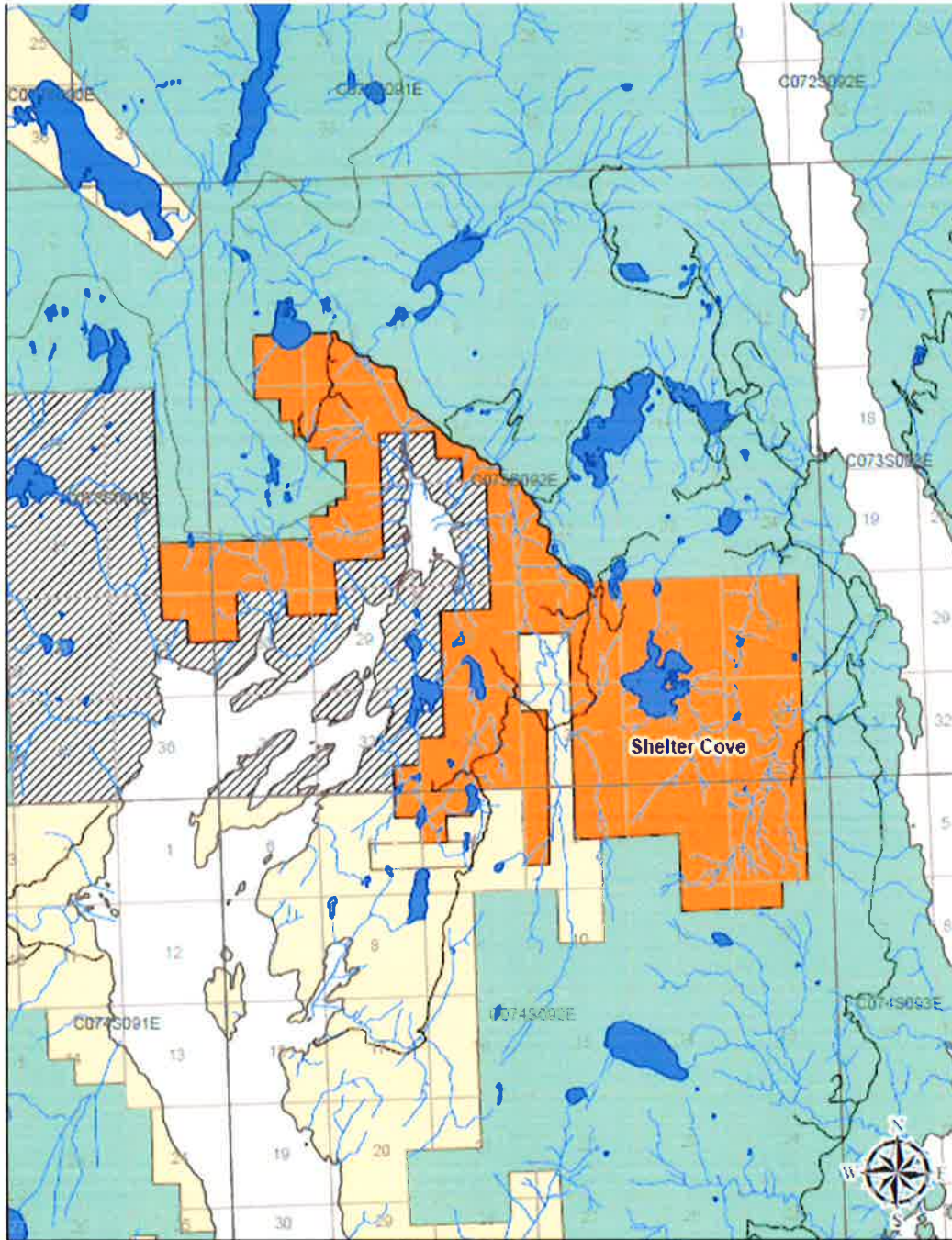
All parcels proposed for exchange have timber and value as it may contribute to the whole property. In the course of analysis the Federal and Non-Federal parties agree that the proposed timberland property shall be appraised in accordance with Forest Service Handbook 5409.12, Chapter 20, Section 21 – Whole Property Appraisals.

Land the Forest Service will consider for conveyance to the Non-Federal Party

Exhibit B:

Shelter Cove Area
Ketchikan, AK

*Map of Lands the
Forest Service will
consider for
conveyance to the
Alaska Mental
Health Trust
Authority.*



**Alaska Mental Health Trust - U.S. Forest Service
Proposed Administrative Land Exchange**

**Mental Health
Selected Areas**

Shelter Cove
Selection: 8,170 Acres
(Average is approximately)

Land Owner/Manager

Federal Administration USFS

State of Alaska

Other

0 0.5 1 1.5 2 Miles

Date Printed: August 30, 2012 V2

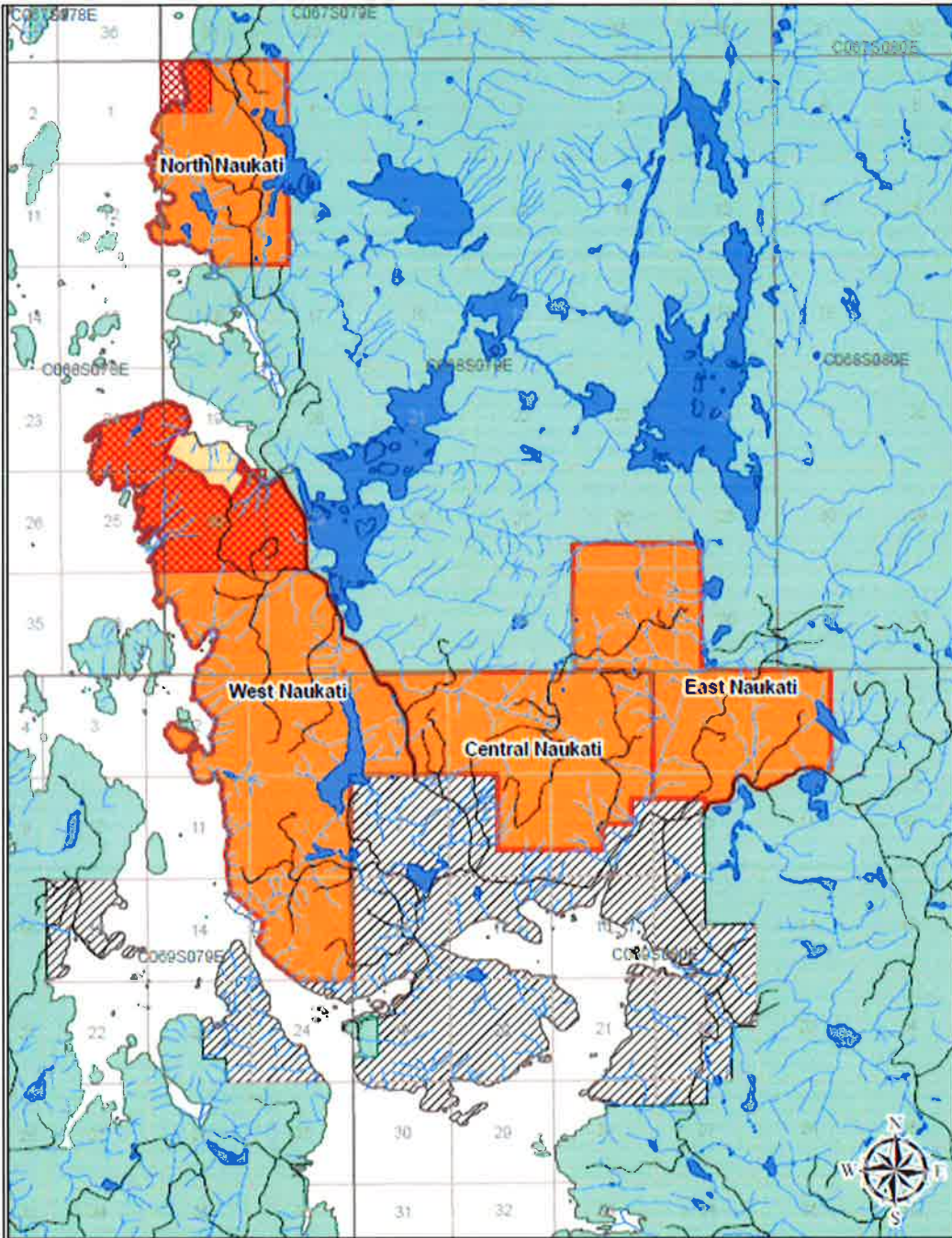
This is a representation of the land to be managed by the trust. The specific legal descriptions and other land-related information for these lands please contact the appropriate land manager.








Exhibit B:

Naukati, AK Area

Map of Lands the Forest Service will consider for conveyance to the Alaska Mental Health Trust Authority.



**Alaska Mental Health Trust - U.S. Forest Service
Proposed Administrative Land Exchange**

 Mental Health Selected Areas	 Land Owner Manager Federal Administration USFS	 Tongass Futures Roundtable Special Interest Area
 State of Alaska	 Other	

Naukati Selection:
 Central 2,177 Acres
 East 2,084 Acres
 North 1,490 Acres
 West 4,914 Acres
 Total: 10,665 Acres
 (Acreage is approximate.)

Date Printed: September 18, 2012 V3

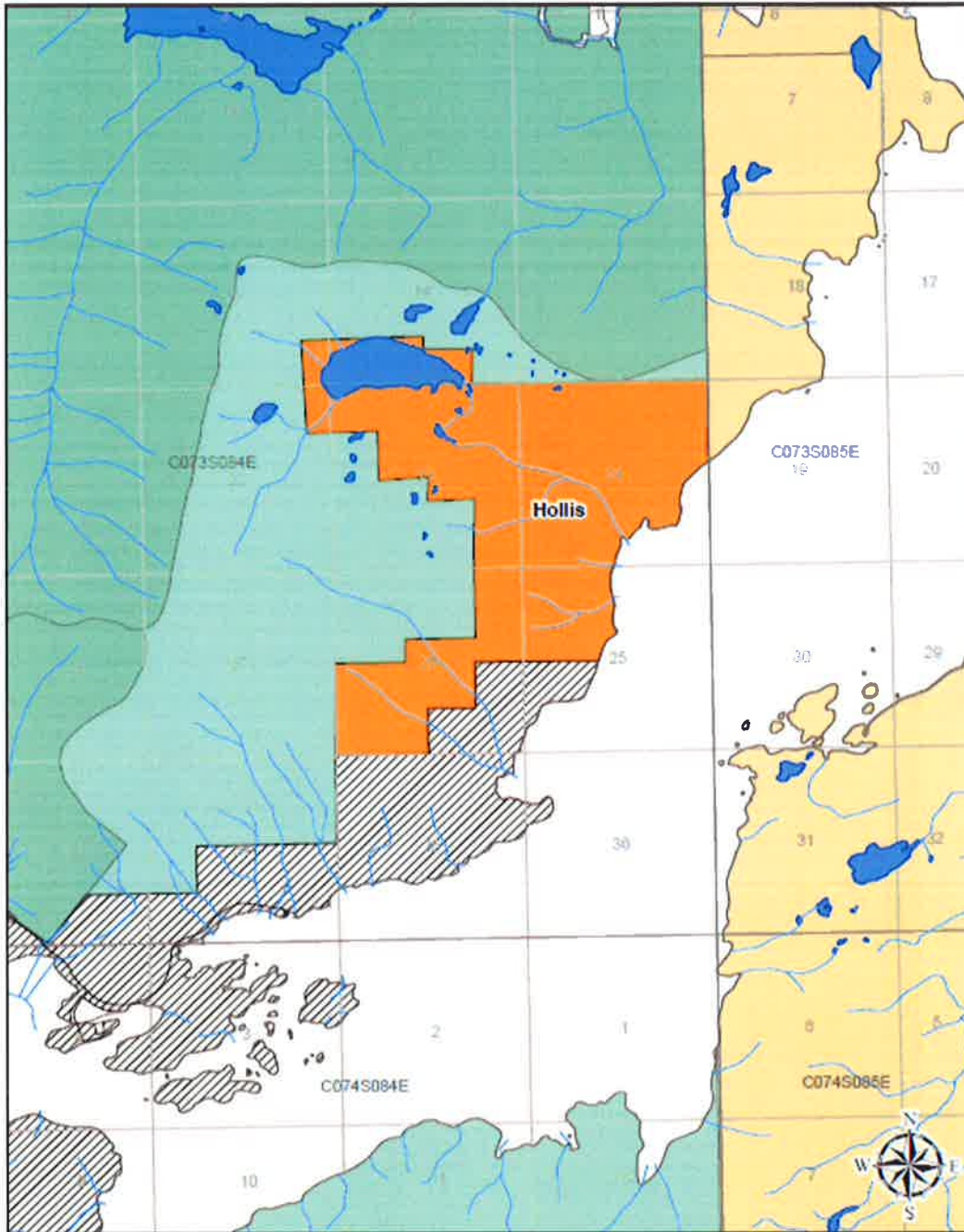
This is a representational map of the land parcels being considered for the exchange. For specific legal descriptions and other information related to the exchange of these lands, please contact the appropriate land manager.



Exhibit B:

Hollis, AK Area

***Map of Lands the
Forest Service will
consider for
conveyance to the
Alaska Mental
Health Trust
Authority.***



**Alaska Mental Health Trust - U.S. Forest Service
Proposed Administrative Land Exchange**

**Mental Health
Selected Areas**

Hollis
Selection: 1,344 Acres
(Average to approximately)

Land Owner/Manager

Federal Administration USFS

State of Alaska

Other

Karta River Wilderness

0 0.25 0.5 0.75 1 Miles

Date Printed: August 30, 2012 V3

This is a representation of the land ownership/management in the area.
For specific legal descriptions and rules and regulations related to the
use or sale of these lands, please contact the appropriate land manager.

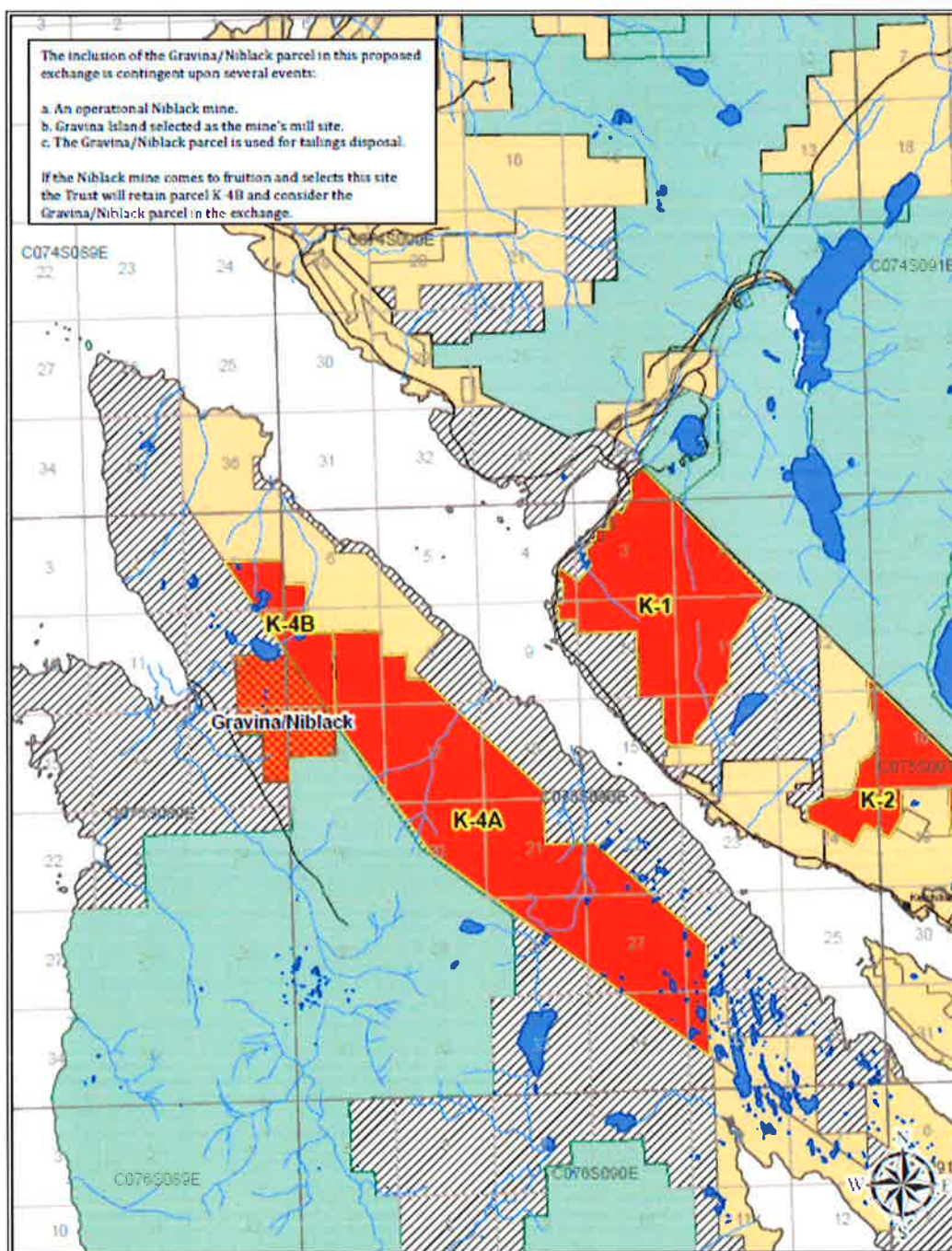


Prince of Wales
Island, Alaska

Exhibit B-

Gravina Island
Parcel
Ketchikan, AK

*Map of Lands the
Forest Service will
consider for
conveyance to the
Alaska Mental
Health Trust
Authority.*



**Alaska Mental Health Trust - U.S. Forest Service
Proposed Administrative Land Exchange**

- | | |
|---|-----------------------------|
| Mental Health Selected Areas | Land Owner/Manager |
| Mental Health Exchange Areas | Federal Administration USFS |
| Tongass Futures Roundtable Special Interest Area | State of Alaska |
| Ketchikan Selection: 541 Acres
<small>(Acres as appropriate)</small> | Other |

Date Printed: September 19, 2012 V2

0 0.5 1 1.5 2 Miles
This is a representation of the land ownership management in this area. The specific legal descriptions and rules and regulations are related to the use of each of these lands. Please contact the appropriate land manager.



Land Reservations of the Forest Service, Exceptions to Title and Uses to be Recognized:

EXCEPTING AND RESERVING TO THE UNITED STATES:

1. A right-of-way thereon for ditches or canals constructed by the authority of the United States according to the provisions of the Act of August 30, 1890 (26 Stat. 391; 43 U.S.C. 945).
2. The following National Forest System Roads (NFSR) appropriated by the United States, over or upon the lands, together with the right of the United States, Its officers, employees, agents, contractees, lessees, permittees, or assignees to the complete enjoyment of all rights, privileges, and benefits previously granted issued, reserved, or appropriated under the Alaska National Interest Lands Conservation Act of December 2, 1980, 94 Stat. 2442, 43 U.S.C. 1635(1) (1988):

SUBJECT TO, however, to the following terms, conditions, and/or covenants:

1. Easements, rights and reservations of the United States and third parties, if any, of record existing on the date of this grant, and Grantee shall obtain such permission as may be necessary on account of any such interests.
2. Research Easements to access and continue Forest Service research activities on research study plots located on the land for a period of 10 years beginning on the date of conveyance to the grantee.

Research Easement- The uses allowed within the research easement are to access and continue Forest Service research activities on the TWYGS study plots on the lands for a period of 10-years beginning on the date of conveyance. (*Affects Naukati Parcels, Only*)

- a. A research study plot located within Sec. 30, T. 68 S., R. 79 E., Copper River Meridian;
 - b. A research plot located within Secs. 11-14, T. 69 S. R. 79 E., Copper River Meridian;
 - c. A research study plot located within Secs. 3 and 4, T. 69 S., R. 80 E., Copper River Meridian;
 - d. A research study plot located within Sec. 9, T. 69 S., R. 80 E. , Copper River Meridian.
3. The following reciprocal rights-of-way as authorized under Section 4407 of Safe, Accountable, Flexible, Efficient Transportation Equity Act of August 10, 2005, Public Law 109-59, 119 Stat. 1777, between the United States of America and State of Alaska, Department of Transportation and Public Facilities:
 - a. (*Shelter Cove Road*) A right-of-way easement of approximately 300 feet in width, for a term of fifty (50) years, which is non-renewable, for highway and utility planning purposes, including the right to conduct engineering and all other activities necessary or incident to highway and utility planning, design and environmental review processes, along, over and across lands within recorded Right-of-Way Easements referenced under document numbers 2009-000545-0 and 2014-000269-0 on February 26, 2009, and February 11, 2014; respectively in the Ketchikan Recording District, First Judicial District, State of Alaska.

- b. (*North Prince of Wales Road No. 20*) A right-of-way easement of approximately 300 feet in width, for a term of fifty (50) years, which is non-renewable, for highway and utility planning purposes, including the right to conduct engineering and all other activities necessary or incident to highway and utility planning, design and environmental review processes, along, over and across the following described lands within recorded Right-of-Way Easement referenced in document number 2010-001736-0, dated May 28, 2010 in the in the Ketchikan Recording District, First Judicial District, State of Alaska.

Outstanding Rights:

1. (*North Naukati*) Lee Falk was granted a 33 foot ROW in an Easement Deed dated 8/10/1995. This permit shall continue as long as needed for access to the Sarkar Subdivision Land (MS 1577)
2. (*Hollis Parcel*) Craig Ranger District has issued 1 special use permit in Section 24, T. 73 S., R. 84 E., CRM for a home and boathouse built in 1938. The permit was issued to Wolf Creek Boatworks and is authorized through December 31, 2015.
3. (*Hollis Parcel*) Wolf Creek Boat works filed a surface water right application. Alaska Department of Natural Resources (DNR) has received the applications and it is pending adjudication. The water right is located in Sec. 24, T. 73 S., R. 84 E. CRM.
4. (*Shelter Cove Area*) The right to itself, its permittees or licensees, to enter upon, occupy and use, any part of all said land lying within one hundred (100) feet of the centerline of the transmission line right-of-way of the Alaska Energy Authority, Power Project No. 2911 (AA-56764) for the purposes set forth in and subject to the conditions and limitations of Section 24 of the Federal Power Act of August 26, 1935, as amended 41 Stat. 1075, as amended 16 U.S.C. 818, located in Secs. 22, 23, 26, and 27 of T. 73 S., R. 92 E., Copper River Meridian.
5. (*Gravina/Niblack Parcel*) Ketchikan Misty Fiord Ranger District has issued 7 current, special use permits for a communication site known as the "High Mountain Repeater Site" on top of High Mountain in Section 18, T. 75 S., R. 90 E., CRM (Latitude 54.918056, Longitude -130.840556.) Permits have been issued permits through December 29, 2029, and include the following parties identified below.
 - a. Ketchikan Public Utilities (KPU);
 - b. AP&T Wireless;
 - c. US,DHS, Coast Guard;
 - d. US Department of Transportation (USDOT), Federal Aviation Administration (FAA)
 - e. KRBD/ Rainbird Community Broadcasting;
 - f. Alaska Department of Administration.
6. (*West Naukati Parcel*) Utility Lines do exist along NFSR 20000000 on State Lands and likely follow the right-of-way onto federal lands. There is not a current special use permit issued for entire utility easement. A complete analysis and determination will be made prior to conveyance.

**EXHIBIT C-
IMPLEMENTATION SCHEDULE**

Action Item Feasibility Analysis-FA (Items 1-8)	Responsible for Preparation	Responsible for Costs- See Exhibit D	Target Date
1. Exchange Proposal - Define the Estates (FA)	Non-Fed/FS		✓ Completed 2012-2014
2. Forest Plan Compliance Review/Public Benefits Summary (FA)	FS		✓ Completed July 2014
3. Obtain Title Insurance Commitment (FA)	Non-Fed/FS		✓ Completed May 2013, Updated May 2014, 2015 Update in progress.
4. Boundary Management Review (LDVs) (FA)	Forest Surveyor		✓ Completed June 2014
5. Federal Land Status Report (FA)	FS		✓ Preliminary Review Completed in June 2014
6. *Water Rights Analysis (FA)	Hydro/Appraiser		Preliminary 7/2014
7. Valuation Consultation (FA)	Appraiser		✓ Completed August 2014
8. Identify Party Responsible for Costs (FA)	Non-Fed/FS		
9. Draft ATI & Exhibits	FS		✎ In Progress – May/June 2015
10.**Oversight (FA and Draft ATI)	RO/WO		✓ Completed April 10, 2015
11. Execute Agreement To Initiate (ATI)	Non-Fed/SO/RO		△ June 30, 2015
12. *Request BLM Serialization/ Segregation	FS		△ Tentative- July-2015
13. Prepare Notice of Publication/Posting	FS		△ Tentative- August-2015
14. Notify County Commissioners, State Clearinghouse, Congressional Delegations, Tribal Governments, and other Agencies	FS		△ Tentative- August-2015
15.**Submit Notice of Publication for 30-day Appropriation Committee Review	FS		12/2015
16. *Notify Permittees	FS		September 2015
17. 4-Week Publication Period	FS		△ Tentative- September- 2015
18. Initiate Public Scoping	FS		△ Tentative- September- 2015
19. *Request Land Survey (BLM/Forest Service)	FS		7/15/2015
20. *Request Withdrawal Revocation(s)	FS		7/15/2015
21. *Prepare Mineral Potential Report	Non-Fed/FS		7/15/2015
22. Complete Certificate of Possession	FS		12/2016
23. Obtain SHPO Concurrence	FS		12/2016
24. Prepare TES Report/Consultation	FS		12/2016
25. Prepare Wetlands/Floodplains Report	FS		12/2016
26. Prepare Hazardous Substances Evaluation	Non-Fed/FS		12/2016
27. Analyze Effects on Cost Share Agreements	FS		Ongoing
28. Request Appraisals	FS		8/2015-9/2015

29. Finalize Appraisals	Appraiser		7/2016
30. Prepare Appropriate NEPA Documentation	FS		12/2016
31.*Request BLM Concurrence on Minerals	FS		1/1/2016
32. *NEPA Comment Period (draft EIS)	FS		12/2016 – 1/2017
33. Appraisal Reviews and Approvals	Appraiser		10/2016
34. Certificate of Use and Consent	FS		10/2016
35. Agreement on Values	Non-Fed/FS		10/2016
36. Finalize NEPA Document	FS		2-4/2017
37. Draft Decision Document	FS		3-4/2017
38. Draft Exchange Agreement (optional)	FS		7/2017
39.**Oversight (NEPA document and supporting documents, draft decision, appraisals and reviews, draft exchange agreement, and initial file material)	RO/WO		5/2017
40. Issue Draft Decision for 45 day Objection Period	FS		5/2017
41. Respond to Objections	FS		7/2017
42. Issue Final Decision	FS		8/2017
43.*** Certify Estate Consistency	FS		12/2016
44. Request Preliminary Title Opinion	FS		8//2017
45. Provide Preliminary Title Opinion	OGC		8/2017
46. Execute Exchange Agreement (optional)	Non-Fed/FS		8/2017
47. Prepare Form FS-5400-10 (Digest)	FS		1/1/2017-6/1/2018
48. *Submit to WO for Congressional Oversight	FS		(*If Needed)
49. Record Exchange Agreement and Update Title Commitments (optional)	Non-Fed/FS		8/1/2017
50. *Prepare/Obtain Easements, Relinquishments for Special Use Permits	Non-Fed/FS		7/2017
51. Prepare Deed to Non-Federal Land; Patent Request/Exchange Deed to Federal Land	Non-Fed/FS		7/2017
52. Supplemental Certificate of Possession	FS		7/1/2017
53. *Execute Easements/Relinquishment	Non-Fed/FS		6/2017
54. Execute Deeds to Non-Federal Land	Non-Fed		8/2017
/55. Deliver Deeds and/or Patent/	FS		8/2017
56. Record Patent and All Deeds and/or Patent	NoN-Fed/FS		8/2017
57. File Water Rights Transfer/Use Documents	Non-Fed/FS		8/2017
58. Return Deeds to Non-Federal Land with Title Insurance Policy	Non-Fed Party		9/2017
59. Final Certificate of Use and Consent	FS		9/2017

60. Return Copies of Recorded Patent or Deeds to RO	FS		9/2017
61. Submit Final Form FS-5400-10 (Digest) to WO	FS		10/2017
62. Request Final Title Opinion	FS		11/2017
63. Provide Final Title Opinion	OGC		12/2017
64. Post Status and Close Case	FS		6/1/2018

* If applicable/if needed.

** Regional oversight applies to ALL cases. WO review required commensurate with WO designated value threshold.

***Certify that the estate appraised is identical to the physical estate; estate noted in Decision Document, Exchange Agreement, and Deeds.

**EXHIBIT D
PROJECTED COSTS AND ALLOCATION**

Item #	Corresponding ATI Description	Task	Forest Service Costs	AMHT Costs	Total
1	Land Valuation	Land Valuation, (Appraisal)	15,000	112,500	127,500
		Timber Cruise	5,000	375,200	380,200
		Mineral Assessment	5,000	112,500	117,500
2	Survey	Survey	15,000	450,000	465,000
3	Title Work, Curative Actions	Title Insurance, Escrow	5,000	75,000	80,000
		Boundary Mgmt	10,000	100,000	110,000
		Water Rights	10,000	5,000	15,000
4	Environmental Site assessment	Environmental assessment	5,000	97,500	102,500
5	Environmental Analysis (NEPA)	NEPA	5,000	750,000	755,000
6	Closing (Escrow, Recording)	Closing	0	100,000	100,000
7	AMHT Staff Time	AMHT Staff	0	300,000	300,000
8	Forest Service Staff Time	FS Lands Specialist Staff	75,000	75,000	150,000
		Grand Totals	\$150,000	\$2,552,700	\$2,702,700

These costs represent estimates of what each agency will pay in the effort of completing this exchange. Some of the costs listed in the Forest Service column represent specialist time needed to review or provide information to those contracted by the Non-Federal Party to provide analysis.

**EXHIBIT E
VALUATION EQUALIZATION**

VALUE EQUALIZATION shall be accomplished by reducing or eliminating parcels from the land exchange following the below sequences:

If the value of the Federal parcels exceeds the value of the Non-Federal Parcels and it becomes necessary to decrease the amount of Federal lands in the exchange in order to equalize appraised values, the parties mutually agree to the following adjustments:

1. The Non-Federal Party will make a cash equalization payment within the allowable limits to the extent such funds are available.
2. Federal parcels will remain in the exchange in the order identified in table below (top to bottom) as necessary to equalize value (i.e. the lowest priority parcels which appear at the bottom will be deleted first if necessary to balance the exchange):

If the value of the Non-Federal Parcels exceeds the value of the Federal Parcels and it becomes necessary to decrease the amount of Non-Federal lands in the exchange in order to equalize appraised values, the parties mutually agree to the following adjustments listed in priority order in the table below.

NON-FEDERAL PARCELS				FEDERAL PARCELS					
Priority	Area	Parcel No.	Approximate, Estimated Acreage	Priority	Area	Parcel No./ Name	Proposed Approximate Acreage		
1	Ketchikan, AK	K-1	1,852	1	Ketchikan, AK	Shelter Cove	8,224		
1	Ketchikan, AK	K-2	681	2	Naukati, AK	North Naukati	1,490		
1	Ketchikan, AK	K-3	894			West Naukati	4,933		
1	Ketchikan, AK	K-4A	3,290			Central Naukati	2,167		
1	Ketchikan, AK	K-4B	418			East Naukati	2,283		
1	Ketchikan, AK	P-1	3,385			3	Hollis, AK	Hollis	1,537
2	Petersburg, AK	P-2B	181					4	Ketchikan, AK (Gravina Island)
2	Petersburg, AK	P-3B	92	Acreage Totals:					
2	Petersburg, AK	P-4	280	<i>The exchange is to convey all non-federal parcels in this table 1, and then as many of federal parcels to make an equal value exchange. This will be determined at the time of the appraisal based on equal value. Additional acreages may be dropped, if this occurs the acreages/parcels within the table will be used to balance and equalize in value the exchange.</i>					
2	Petersburg, AK	P-5	40						
2	Petersburg, AK	P-7	2						
3	Wrangell, AK	W-1	224						
3	Wrangell, AK	W-2	106						
3	Wrangell, AK	W-3	63						
3	Wrangell, AK	W-4	711						
4	Sitka, AK	S-1	2457						
4	Sitka, AK	S-2	281						
4	Sitka, AK	S-3	108						
4	Sitka, AK	S-4	26						
5	Meyers Chuck, AK	MC-1	169						
6	Juneau, AK	J-1B	2237						
		J-1A	429						
Acreage Totals:			18,066						