

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER
400 WILLOUGHBY, SUITE 400
JUNEAU, ALASKA 99801
907-465-3400

AMENDMENT # 1 TO TIDELAND LEASE
ADL 104320

Tideland lease ADL 104320 is hereby amended to separate Attachment B, ADL 104320A, Deferred Early Entry and Lease Rental Repayment Agreement, from the original lease prior to the transfer of the lease to the City and Borough of Juneau. Deferred rental payments under ADL 104320A shall continue to be made to the State of Alaska, according to the repayment schedule, until the deferred rental amount is paid in full.

Regular annual rental payments due under ADL 104320 shall be paid to the City and Borough of Juneau.

All other terms and conditions of the lease shall remain unchanged.

LESSEE:

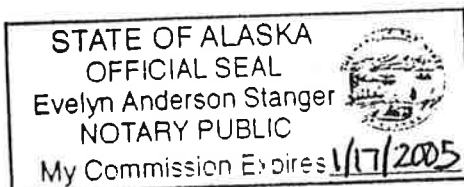
Jon Carter 02-01-01
Jon Carter Date
Douglas Island Pink and Chum, Inc.

LESSOR:

Ron Schonenbach 2/6/01
Ron Schonenbach, Regional Manager Date
Division of Mining, Land and Water
Alaska Department of Natural Resources

STATE OF _____)
) ss.
_____ Judicial District)

THIS IS TO CERTIFY that on this 1st day of February, 2001, before me personally appeared Jon Carter, known to me to be the person named and who signed the foregoing lease amendment and acknowledged voluntarily signing the same.



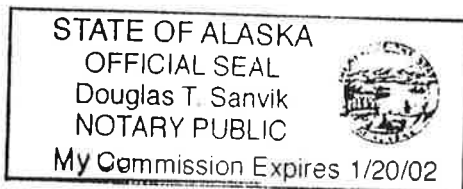
Evelyn Anderson Stanger
Notary Public in and for the State of Alaska
My Commission Expires: 1/17/2005

STATE OF ALASKA)

1st Judicial District)

)ss.

THIS IS TO CERTIFY that on this 6th day of February, 2001,
before me personally appeared Ron Schonenbach, of the Division of
Mining, Land and Water of the Department of Natural Resources of the State of Alaska,
who executed the foregoing Lease Amendment and acknowledged voluntarily signing the
same.



Douglas T. Sanvik
Notary Public in and for the State of Alaska
My Commission Expires: 1/20/02

Tideland Lease ADL 104320 is recorded in Book 381 on Pages 140 - 157 in the Juneau Recording District. Attachment B, ADL 104320A, Deferred Early Entry and Lease Rental Repayment Agreement, is recorded in Book 381 on Pages 153-156.

After recording this amendment in the Juneau Recording District please return to:

State of Alaska
Division of Mining, Land and Water
Department of Natural Resources
400 Willoughby, Suite 400
Juneau, AK 99801

state business, no charge

RECORDING DISTRICT

001524

JUNE 15 2001

2001 FEB - 7 AM 8:33

REQUESTED BY AS/DME/MCW

ASSIGNMENT OF LEASE (ADL NO. 104320)

FOR VALUE RECEIVED, the undersigned, Assignor, grants, transfers and assigns to the STATE OF ALASKA, represented by the Director of the Division of Investments, Department of Commerce and Economic Development, as Assignee, the entire Lessees' interest in and to that certain lease dated the 17th day of October, 1992, and recorded June 25, 1993 in Book 381 at Page 140, records of the Juneau Recording District, a portion of the land owned by STATE OF ALASKA, by and through THE DIRECTOR OF THE DIVISION OF LAND with the consent and concurrence of the COMMISSIONER OF NATURAL RESOURCES, the Lessor(s), located in the Juneau Recording District, First Judicial District of the State of Alaska, described as follows:

Tracts A and B of ALASKA TIDELANDS SURVEY NO. 1356, according to Plat 92-40, Juneau Recording District, First Judicial District, State of Alaska.

THIS ASSIGNMENT is made to secure:

(1) Payment of the principal sum and interest evidenced by a Promissory Note, and any amendments, extensions, or renewals of it, in the original principal sum of ---Four Million Four Hundred Thousand and No/100--- (\$ 4,400,000.00) made by Assignor to the STATE OF ALASKA, represented by the Director of the Division of Investments, Department of Commerce and Economic Development, dated August 12, 1988, in this Assignment called "the Note" and secured by a Security Agreement, in this Assignment called "Security," reference being made to that description as though fully set forth herein; and

(2) Payment of all other sums, with interest, becoming due and payable to Assignee under this assignment or under the Note and Security; and

(3) Performance and discharge of each and every obligation and agreement to Assignor under this assignment or under the Note and Security.

Assignor warrants (1) that Assignor is the sole owner of the entire Lessees' interests in the said lease; (2) that the lease is valid and enforceable and has not been altered, modified, or amended in any manner whatsoever; and (3) that the Assignor is not in default under any of the terms, covenants, or conditions of the lease.

Assignor agrees (1) to observe and perform all obligations imposed upon it under the assigned lease; (2) not to execute any other assignment of Lessees' interest in the lease; (3) not to modify the terms of the lease without the prior written consent of Assignee; (4) not to cancel or terminate the lease; (5) not to sublet the premises in whole or in part, without the prior written consent of Assignee; and (6) at Assignee's request to execute and deliver to Assignee such further assurance and assignments in the premises as Assignee shall from time to time require.

THIS ASSIGNMENT is made on the following terms and conditions:

(1) Until default by Assignor in payment of the principal, interest, or other indebtedness secured by the Note and Security Agreement or in performance of any obligation or agreement under the Note and Security, this assignment, or the assigned lease, Assignor may remain in possession of the premises and retain use and enjoyment of same.

(2) Upon or at any time after such default, Assignee may, at its option, without notice and without regard to the adequacy of the Security, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in the lease and hold, manage and operate the same, reassign Assignor's interest in such lease, or sublet the premises; and apply any rents, income, and profits received therefrom to the payment of all expenses and managing, operating, and maintaining the premises, all expenses included to taking and retaining possession of the premises, and the principal, interest, and other indebtedness secured by the Note and Security, together with all costs and attorney's fees, in such order of priority as to any of the items mentioned' in this paragraph as Assignee in its sole discretion, may determine, any statute, law, custom, or use to the contrary notwithstanding. Exercise or nonexercise by Assignee of the

options granted in this paragraph shall not be considered a waiver of any c by Assignor under the Note and Security or under the lease or this assignment.

(3) Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to sublet the premises, reassign Assignor's interest in such lease, or from any other act or omission of Assignee under the provision hereof unless such loss is caused by the willful misconduct and bad faith of Assignee. Nor shall Assignee be obligated to perform or discharge nor does Assignee undertake to perform or discharge nor does Assignee undertake to perform or discharge any obligation, duty, or liability under the lease or by reason of this assignment and Assignor agrees to indemnify Assignee for, and to hold Assignee harmless from, any liability, loss, or damage which may be incurred under the lease or by reason of this assignment and from any claims and demands which may be asserted against Assignee by reason of any alleged obligations or undertaking to perform or discharge any of the terms, covenants, or agreements contained in the lease. Should Assignee incur any such liability under the lease or by reason of this assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorney's fees shall be secured by this assignment, and Assignor shall reimburse Assignee therefore immediately upon demand and upon the failure of Assignor to do so Assignee may at its option declare all sums secured by this assignment or by the Note and Security immediately due and payable. And it is further understood and this assignment shall not operate to place responsibility for the control, care, management or repair of the premises upon Assignee; nor shall it operate to make Assignee responsible or liable for any waste committed on the property by the tenants or by other parties, or for any dangerous or defective condition of the premises, or for any negligence in the management, upkeep, repair, or control of the premises.

(4) By virtue of said assignment, Assignee shall incur no obligations of Lessee under said lease or any obligation to cure any default of Lessee under said lease.

(5) Upon payment in full of the principal, interest, and all other indebtedness secured by this assignment or by the Note and Security, this assignment shall cease and be of no further effect but the affidavit, certificate, letter, or statement of Assignee or any officer, agent, or attorney of Assignee showing any part of the principal, interest, or other indebtedness to remain unpaid shall constitute conclusive evidence of the validity, effectiveness, and continuing force of this assignment and any person may, and is hereby authorized to, rely thereon.

(6) Assignee may take or release other security for payment of the secured principal, interest, or other indebtedness, may release any party primarily or secondarily liable, and may apply any other security held by them to the satisfaction of the secured principal, interest, or other indebtedness without prejudice to any rights under this assignment.

(7) "Lease" or "the lease" as used in this assignment means the lease hereby assigned and, at the option of the Assignee, any extension of renewal of it and any lease subsequently executed during the term of this assignment covering the premises or any part of them.

(8) Nothing contained in this assignment and no act done or omitted by Assignee pursuant to its terms shall be deemed a waiver by Assignee of any rights or remedies processed by Assignee under the terms of the Note and Security. The right of Assignee to collect the secured principal, interest and other indebtedness, and to enforce any other security may be exercised by Assignee prior to, simultaneously with, or subsequent to any action taken under this assignment.

This assignment, together with the agreements, and warranties contained in it, shall inure to the benefit of Assignee and any subsequent holder of the Note and Security and shall be binding upon Assignor and any subsequent owner of the premises.

DATED at UNENAI, Alaska, this 15th day of July, 19 94.

Assignor: 

Douglas Island Pink and Orum, Inc. (DIPAC)
Ladd Macaulay, Director

CORPORATE ACKNOWLEDGEMENT


State of Alaska)

FIRST) ss.
Judicial District)

The foregoing instrument was acknowledged before me this 15th day of July, 19 94,
by (name) Ladd Macaulay (title) Director of Douglas Island Pink and Chum, Inc. (DIPAC), a(n) Alaskan corporation,
on behalf of the corporation.

SEAL

NOTARY PUBLIC
STEVEN C. WINKER
STATE OF ALASKA


Notary Public, State of Alaska

My Commission Expires: Aug 9, 1996

PLEASE RETURN TO:
DIVISION OF INVESTMENTS
JUNEAU LENDING BRANCH
P O BOX 34159
JUNEAU AK 99803-4159

94- 005725
N/C

JUNEAU REC. DISTRICT
REQUESTED BY AS/DI

'94 JUL 19 AM 10 50

ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

AGREEMENT AND CONSENT TO ASSIGNMENT OF LEASE (ADL NO. 104320)

This Agreement and Consent to Assignment of Lease executed this 19th day of July, 1994, between the STATE OF ALASKA, by and through THE DIRECTOR OF THE DIVISION OF LAND with the consent and concurrence of the COMMISSIONER OF NATURAL RESOURCES, hereinafter called "Lessor" and the STATE OF ALASKA, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT, DIVISION OF INVESTMENTS, hereinafter called "Assignee";

WITNESSETH

WHEREAS, Lessor on October 17, 1992, entered into a lease which was recorded on June 25, 1993 in Book 381 at Page 140, records of the Juneau Recording District, of the premises at Juneau, Alaska described as follows:

Tracts A and B of the ALASKA TIDELANDS SURVEY NO. 1356, according to Plat 92-40, Juneau Recording District, First Judicial District, State of Alaska.

to DOUGLAS ISLAND PINK AND CHUM, INC., as Lessee, for a term of forty-five (45) years, commencing October 17, 1992 and ending October 16, 2037 and;

WHEREAS, DOUGLAS ISLAND PINK AND CHUM, INC. (hereinafter referred to as Assignor) has assigned their interest under such lease to Assignee as security for a loan in the principal sum of Four Million Four Hundred Thousand and No/100----- Dollars (\$4,400,000.00), a copy of which assignment is annexed hereto; and

WHEREAS, the parties hereto are desirous of entering into an agreement respecting their interests with respect to such assignment, **IT IS AGREED:**

1. Lessor does hereby consent to said assignment as collateral security for purposes specified herein.
2. By virtue of said assignment, Assignee shall incur no obligations of Lessee under said lease, and Lessee shall remain liable for the rent and all other obligations to Lessor under said lease. Upon entry into possession of the premises by Assignee under provisions of said assignment, Assignee shall be subject to and be governed by the provisions of the lease in the same manner as though Assignee were the original lessee.
3. In the event Assignee enters into possession of the premises under the assignment, Lessor hereby agrees to amend said lease to name Assignee as Lessee.

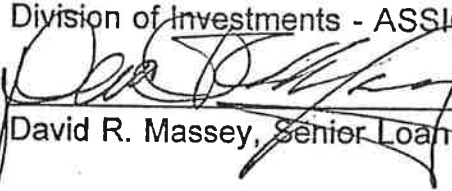
STATE BUSINESS
NO CHARGE

0111 224

4. In the event the lease is cancelled or forfeited, Assignee shall have the option, within sixty (60) days after receipt of notification of termination by the Lessor, to acquire the lease for the unexpired term by curing the default. Lessor shall notify Assignee within thirty (30) days of the occurrence of any breach by Lessee of the terms, conditions or obligations of the lease. In the event the Assignee exercises the option to cure the Lessee's default, Assignee shall be liable to Lessor only for those deficiencies of Lessee of which the Assignee had proper notice.
5. Notice of default or any breach in performance shall be mailed by registered or certified mail, return receipt requested, to Assignee. A notice given hereunder shall be deemed delivered in a United States Post Office enclosed in a registered or certified postage prepaid wrapper.
6. This Agreement and Consent to Assignment of Lease shall constitute the exclusive agreement between Assignee and Lessor. In the event of a conflict between terms of this Agreement and Consent to Assignment of Lease and the terms of the Lease, the terms of this Agreement and Consent to Assignment shall control.

Dated 7/18/94

STATE OF ALASKA
Division of Investments - ASSIGNEE


David R. Massey, Senior Loan Officer

Dated 7/19/94

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
Division of Land - LESSOR

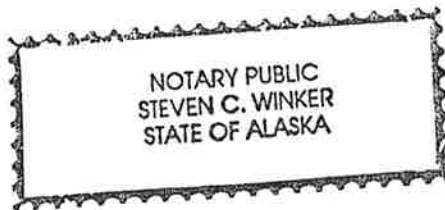

Authorized Representative

PUBLIC OFFICER ACKNOWLEDGEMENT

State of Alaska)
) ss.
 First Judicial District)

The foregoing instrument was acknowledged before me this 18th day of July, 1994, by (name) David R. Massey, (title) Senior Loan Officer, Juneau Lending Branch, of the State of Alaska, Division of Investments.

SEAL



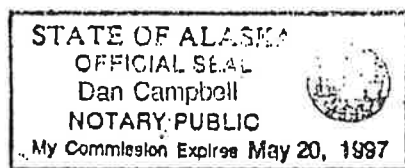
Steven C. Winker
 Notary Public, State of Alaska
 My Commission Expires: July 9, 1996

PUBLIC OFFICER ACKNOWLEDGEMENT

State of Alaska)
) ss.
 First Judicial District)

The foregoing instrument was acknowledged before me this 19th day of JULY, 1994, by (name) ANDREW W. PEKOVICH, (title) REGIONAL MANAGER, of the State of Alaska, Department of Natural Resources, Division of Land.

SEAL



Dan Campbell
 Notary Public, State of Alaska
 My Commission Expires: 5/20/94

94-005726

n/c

JUNEAU REC. DISTRICT
 REQUESTED BY AS/DI

'94 JUL 19 AM 10 51

PLEASE RETURN TO:
 DIVISION OF INVESTMENTS
 JUNEAU LENDING BRANCH
 P O BOX 34159
 JUNEAU AK 99803-4159

ASSIGNMENT OF LEASE (ADL NO. 104320)

FOR VALUE RECEIVED, the undersigned, Assignor, grants, transfers and assigns to the STATE OF ALASKA, represented by the Director of the Division of Investments, Department of Commerce and Economic Development, as Assignee, the entire Lessees' interest in and to that certain lease dated the 17th day of October, 1992, and recorded June 25, 1993 in Book 381 at Page 140, records of the Juneau Recording District, a portion of the land owned by STATE OF ALASKA, by and through THE DIRECTOR OF THE DIVISION OF LAND with the consent and concurrence of the COMMISSIONER OF NATURAL RESOURCES, the Lessor(s), located in the Juneau Recording District, First Judicial District of the State of Alaska, described as follows:

Tracts A and B of ALASKA TIDELANDS SURVEY NO. 1356, according to Plat 92-40, Juneau Recording District, First Judicial District, State of Alaska.

THIS ASSIGNMENT is made to secure:

(1) Payment of the principal sum and interest evidenced by a Promissory Note, and any amendments, extensions, or renewals of it, in the original principal sum of ---Four Hundred Fifty Thousand and No/100--- (\$ 450,000.00) made by Assignor to the STATE OF ALASKA, represented by the Director of the Division of Investments, Department of Commerce and Economic Development, dated July 25, 1990, in this Assignment called "the Note" and secured by a Security Agreement, in this Assignment called "Security," reference being made to that description as though fully set forth herein; and

(2) Payment of all other sums, with interest, becoming due and payable to Assignee under this assignment or under the Note and Security; and

(3) Performance and discharge of each and every obligation and agreement to Assignor under this assignment or under the Note and Security.

Assignor warrants (1) that Assignor is the sole owner of the entire Lessees' interests in the said lease; (2) that the lease is valid and enforceable and has not been altered, modified, or amended in any manner whatsoever; and (3) that the Assignor is not in default under any of the terms, covenants, or conditions of the lease.

Assignor agrees (1) to observe and perform all obligations imposed upon it under the assigned lease; (2) not to execute any other assignment of Lessees' interest in the lease; (3) not to modify the terms of the lease without the prior written consent of Assignee; (4) not to cancel or terminate the lease; (5) not to sublet the premises in whole or in part, without the prior written consent of Assignee; and (6) at Assignee's request to execute and deliver to Assignee such further assurance and assignments in the premises as Assignee shall from time to time require.

THIS ASSIGNMENT is made on the following terms and conditions:

(1) Until default by Assignor in payment of the principal, interest, or other indebtedness secured by the Note and Security Agreement or in performance of any obligation or agreement under the Note and Security, this assignment, or the assigned lease, Assignor may remain in possession of the premises and retain use and enjoyment of same.

(2) Upon or at any time after such default, Assignee may, at its option, without notice and without regard to the adequacy of the Security, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in the lease and hold, manage and operate the same, reassign Assignor's interest in such lease, or sublet the premises; and apply any rents, income, and profits received therefrom to the payment of all expenses and managing, operating, and maintaining the premises, all expenses included to taking and retaining possession of the premises, and the principal, interest, and other indebtedness secured by the Note and Security, together with all costs and attorney's fees, in such order of priority as to any of the items mentioned in this paragraph as Assignee in its sole discretion, may determine, any statute, law, custom, or use to the contrary notwithstanding. Exercise or nonexercise by Assignee of the

options granted in this paragraph shall not be considered a waiver of any default by Assignor under the Note and Security or under the lease or this assignment.

(3) Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to sublet the premises, reassign Assignor's interest in such lease, or from any other act or omission of Assignee under the provision hereof unless such loss is caused by the willful misconduct and bad faith of Assignee. Nor shall Assignee be obligated to perform or discharge nor does Assignee undertake to perform or discharge nor does Assignee undertake to perform or discharge any obligation, duty, or liability under the lease or by reason of this assignment and Assignor agrees to indemnify Assignee for, and to hold Assignee harmless from, any liability, loss, or damage which may be incurred under the lease or by reason of this assignment and from any claims and demands which may be asserted against Assignee by reason of any alleged obligations or undertaking to perform or discharge any of the terms, covenants, or agreements contained in the lease. Should Assignee incur any such liability under the lease or by reason of this assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorney's fees shall be secured by this assignment, and Assignor shall reimburse Assignee therefore immediately upon demand and upon the failure of Assignor to do so Assignee may at its option declare all sums secured by this assignment or by the Note and Security immediately due and payable. And it is further understood and this assignment shall not operate to place responsibility for the control, care, management or repair of the premises upon Assignee; nor shall it operate to make Assignee responsible or liable for any waste committed on the property by the tenants or by other parties, or for any dangerous or defective condition of the premises, or for any negligence in the management, upkeep, repair, or control of the premises.

(4) By virtue of said assignment, Assignee shall incur no obligations of Lessee under said lease or any obligation to cure any default of Lessee under said lease.

(5) Upon payment in full of the principal, interest, and all other indebtedness secured by this assignment or by the Note and Security, this assignment shall cease and be of no further effect but the affidavit, certificate, letter, or statement of Assignee or any officer, agent, or attorney of Assignee showing any part of the principal, interest, or other indebtedness to remain unpaid shall constitute conclusive evidence of the validity, effectiveness, and continuing force of this assignment and any person may, and is hereby authorized to, rely thereon.

(6) Assignee may take or release other security for payment of the secured principal, interest, or other indebtedness, may release any party primarily or secondarily liable, and may apply any other security held by them to the satisfaction of the secured principal, interest, or other indebtedness without prejudice to any rights under this assignment.

(7) "Lease" or "the lease" as used in this assignment means the lease hereby assigned and, at the option of the Assignee, any extension or renewal of it and any lease subsequently executed during the term of this assignment covering the premises or any part of them.

(8) Nothing contained in this assignment and no act done or omitted by Assignee pursuant to its terms shall be deemed a waiver by Assignee of any rights or remedies processed by Assignee under the terms of the Note and Security. The right of Assignee to collect the secured principal, interest and other indebtedness, and to enforce any other security may be exercised by Assignee prior to, simultaneously with, or subsequent to any action taken under this assignment.

This assignment, together with the agreements, and warranties contained in it, shall inure to the benefit of Assignee and any subsequent holder of the Note and Security and shall be binding upon Assignor and any subsequent owner of the premises.

DATED at Juneau, Alaska, this 13th day of July, 19 94.

Assignor: 

Douglas Island Pink and Chum, Inc. (DIPAC)
Ladd Macaulay, Director

CORPORATE ACKNOWLEDGEMENT

State of Alaska

FIRST

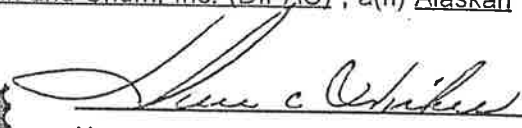
Judicial District)

) ss.

The foregoing instrument was acknowledged before me this 15th day of July, 1994,
by (name) Ladd Macaulay (title) Director of Douglas Island Pink and Chum, Inc. (DIPAC), a(n) Alaskan corporation,
on behalf of the corporation.

SEAL

NOTARY PUBLIC
STEVEN C. WINKER
STATE OF ALASKA


Notary Public, State of AlaskaMy Commission Expires: Aug 9, 1996

94- 005729

N/C

JUNEAU REC. DISTRICT
REQUESTED BY AS/DI

PLEASE RETURN TO:
DIVISION OF INVESTMENTS
JUNEAU LENDING BRANCH
P O BOX 34159
JUNEAU AK 99803-4159

'94 JUL 19 AM 10 52

ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

AGREEMENT AND CONSENT TO ASSIGNMENT OF LEASE (ADL NO. 104320)

This Agreement and Consent to Assignment of Lease executed this 19th day of July, 1994, between the **STATE OF ALASKA**, by and through THE DIRECTOR OF THE **DIVISION OF LAND** with the consent and concurrence of the COMMISSIONER OF NATURAL RESOURCES, hereinafter called "Lessor" and the **STATE OF ALASKA**, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT, DIVISION OF INVESTMENTS, hereinafter called "Assignee";

WITNESSETH

WHEREAS, Lessor on October 17, 1992, entered into a lease which was recorded on June 25, 1993 in Book 381 at Page 140, records of the Juneau Recording District, of the premises at Juneau, Alaska described as follows:

Tracts A and B of the ALASKA TIDELANDS SURVEY NO. 1356, according to Plat 92-40, Juneau Recording District, First Judicial District, State of Alaska.

to **DOUGLAS ISLAND PINK AND CHUM, INC.**, as Lessee, for a term of forty-five (45) years, commencing October 17, 1992 and ending October 16, 2037 and;

WHEREAS, **DOUGLAS ISLAND PINK AND CHUM, INC.** (hereinafter referred to as Assignor) has assigned their interest under such lease to Assignee as security for a loan in the principal sum of ---Four Hundred Fifty Thousand and No/100--- Dollars (\$450,000.00), a copy of which assignment is annexed hereto; and

WHEREAS, the parties hereto are desirous of entering into an agreement respecting their interests with respect to such assignment, **IT IS AGREED:**

1. Lessor does hereby consent to said assignment as collateral security for purposes specified herein.
2. By virtue of said assignment, Assignee shall incur no obligations of Lessee under said lease, and Lessee shall remain liable for the rent and all other obligations to Lessor under said lease. Upon entry into possession of the premises by Assignee under provisions of said assignment, Assignee shall be subject to and be governed by the provisions of the lease in the same manner as though Assignee were the original lessee.
3. In the event Assignee enters into possession of the premises under the assignment, Lessor hereby agrees to amend said lease to name Assignee as Lessee.


4. In the event the lease is cancelled or forfeited, Assignee shall have the option, within sixty (60) days after receipt of notification of termination by the Lessor, to acquire the lease for the unexpired term by curing the default. Lessor shall notify Assignee within thirty (30) days of the occurrence of any breach by Lessee of the terms, conditions or obligations of the lease. In the event the Assignee exercises the option to cure the Lessee's default, Assignee shall be liable to Lessor only for those deficiencies of Lessee of which the Assignee had proper notice.
5. Notice of default or any breach in performance shall be mailed by registered or certified mail, return receipt requested, to Assignee. A notice given hereunder shall be deemed delivered in a United States Post Office enclosed in a registered or certified postage prepaid wrapper.
6. This Agreement and Consent to Assignment of Lease shall constitute the exclusive agreement between Assignee and Lessor. In the event of a conflict between terms of this Agreement and Consent to Assignment of Lease and the terms of the Lease, the terms of this Agreement and Consent to Assignment shall control.

Dated

7/18/94

STATE OF ALASKA

Division of Investments - ASSIGNEE


David R. Massey, Senior Loan Officer

Dated

7/19/94

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

Division of Land - LESSOR

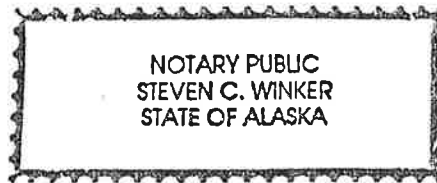

Authorized Representative

PUBLIC OFFICER ACKNOWLEDGEMENT

State of Alaska)
) ss.
First Judicial District)

The foregoing instrument was acknowledged before me this 18th day of July, 19 94, by (name) David R. Massey, (title) Senior Loan Officer, Juneau Lending Branch, of the State of Alaska, Division of Investments.

SEAL



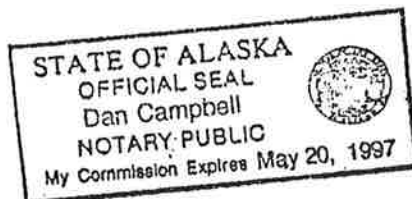
Steven C. Winker
 Notary Public, State of Alaska
 My Commission Expires: August 4, 1996

PUBLIC OFFICER ACKNOWLEDGEMENT

State of Alaska)
) ss.
First Judicial District)

The foregoing instrument was acknowledged before me this 19th day of JULY, 19 94, by (name) ANDREW W. PEKOVICH, (title) REGIONAL MANAGER, of the State of Alaska, Department of Natural Resources, Division of Land.

SEAL



Dan Campbell
 Notary Public, State of Alaska
 My Commission Expires: 5/20/97

94- 005730
 n/c

PLEASE RETURN TO:
 DIVISION OF INVESTMENTS
 JUNEAU LENDING BRANCH
 P O BOX 34159
 JUNEAU AK 99803-4159

JUNEAU REC. DISTRICT
 REQUESTED BY AS/DI

'94 JUL 19 AM 10 52

ASSIGNMENT OF LEASE (ADL NO. 104320)

FOR VALUE RECEIVED, the undersigned, Assignor, grants, transfers and assigns to the STATE OF ALASKA, represented by the Director of the Division of Investments, Department of Commerce and Economic Development, as Assignee, the entire Lessees' interest in and to that certain lease dated the 17th day of October, 1992, and recorded June 25, 1993 in Book 381 at Page 140, records of the Juneau Recording District, a portion of the land owned by STATE OF ALASKA, by and through THE DIRECTOR OF THE DIVISION OF LAND with the consent and concurrence of the COMMISSIONER OF NATURAL RESOURCES, the Lessor(s), located in the Juneau Recording District, First Judicial District of the State of Alaska, described as follows:

Tracts A and B of ALASKA TIDELANDS SURVEY NO. 1356, according to Plat 92-40, Juneau Recording District, First Judicial District, State of Alaska.

THIS ASSIGNMENT is made to secure:

(1) Payment of the principal sum and interest evidenced by a Promissory Note, and any amendments, extensions, or renewals of it, in the original principal sum of **---One Hundred Twenty Thousand and No/100---** (\$ 120,000.00) made by Assignor to the STATE OF ALASKA, represented by the Director of the Division of Investments, Department of Commerce and Economic Development, dated **December 11, 1990**, in this Assignment called "the Note" and secured by a Security Agreement, in this Assignment called "Security," reference being made to that description as though fully set forth herein; and

(2) Payment of all other sums, with interest, becoming due and payable to Assignee under this assignment or under the Note and Security; and

(3) Performance and discharge of each and every obligation and agreement to Assignor under this assignment or under the Note and Security.

Assignor warrants (1) that Assignor is the sole owner of the entire Lessees' interests in the said lease; (2) that the lease is valid and enforceable and has not been altered, modified, or amended in any manner whatsoever; and (3) that the Assignor is not in default under any of the terms, covenants, or conditions of the lease.

Assignor agrees (1) to observe and perform all obligations imposed upon it under the assigned lease; (2) not to execute any other assignment of Lessees' interest in the lease; (3) not to modify the terms of the lease without the prior written consent of Assignee; (4) not to cancel or terminate the lease; (5) not to sublet the premises in whole or in part, without the prior written consent of Assignee; and (6) at Assignee's request to execute and deliver to Assignee such further assurance and assignments in the premises as Assignee shall from time to time require.

THIS ASSIGNMENT is made on the following terms and conditions:

(1) Until default by Assignor in payment of the principal, interest, or other indebtedness secured by the Note and Security Agreement or in performance of any obligation or agreement under the Note and Security, this assignment, or the assigned lease, Assignor may remain in possession of the premises and retain use and enjoyment of same.

(2) Upon or at any time after such default, Assignee may, at its option, without notice and without regard to the adequacy of the Security, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in the lease and hold, manage and operate the same, reassign Assignor's interest in such lease, or sublet the premises; and apply any rents, income, and profits received therefrom to the payment of all expenses and managing, operating, and maintaining the premises, all expenses included to taking and retaining possession of the premises, and the principal, interest, and other indebtedness secured by the Note and Security, together with all costs and attorney's fees, in such order of priority as to any of the items mentioned in this paragraph as Assignee in its sole discretion, may determine, any statute, law, custom, or use to the contrary notwithstanding. Exercise or nonexercise by Assignee of the

options granted in this paragraph shall not be considered a waiver of any default by Assignor under the Note and Security or under the lease or this assignment.

(3) Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to sublet the premises, reassign Assignor's interest in such lease, or from any other act or omission of Assignee under the provision hereof unless such loss is caused by the willful misconduct and bad faith of Assignee. Nor shall Assignee be obligated to perform or discharge nor does Assignee undertake to perform or discharge nor does Assignee undertake to perform or discharge any obligation, duty, or liability under the lease or by reason of this assignment and Assignor agrees to indemnify Assignee for, and to hold Assignee harmless from, any liability, loss, or damage which may be incurred under the lease or by reason of this assignment and from any claims and demands which may be asserted against Assignee by reason of any alleged obligations or undertaking to perform or discharge any of the terms, covenants, or agreements contained in the lease. Should Assignee incur any such liability under the lease or by reason of this assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorney's fees shall be secured by this assignment, and Assignor shall reimburse Assignee therefore immediately upon demand and upon the failure of Assignor to do so Assignee may at its option declare all sums secured by this assignment or by the Note and Security immediately due and payable. And it is further understood and this assignment shall not operate to place responsibility for the control, care, management or repair of the premises upon Assignee; nor shall it operate to make Assignee responsible or liable for any waste committed on the property by the tenants or by other parties, or for any dangerous or defective condition of the premises, or for any negligence in the management, upkeep, repair, or control of the premises.

(4) By virtue of said assignment, Assignee shall incur no obligations of Lessee under said lease or any obligation to cure any default of Lessee under said lease.

(5) Upon payment in full of the principal, interest, and all other indebtedness secured by this assignment or by the Note and Security, this assignment shall cease and be of no further effect but the affidavit, certificate, letter, or statement of Assignee or any officer, agent, or attorney of Assignee showing any part of the principal, interest, or other indebtedness to remain unpaid shall constitute conclusive evidence of the validity, effectiveness, and continuing force of this assignment and any person may, and is hereby authorized to, rely thereon.

(6) Assignee may take or release other security for payment of the secured principal, interest, or other indebtedness, may release any party primarily or secondarily liable, and may apply any other security held by them to the satisfaction of the secured principal, interest, or other indebtedness without prejudice to any rights under this assignment.

(7) "Lease" or "the lease" as used in this assignment means the lease hereby assigned and, at the option of the Assignee, any extension or renewal of it and any lease subsequently executed during the term of this assignment covering the premises or any part of them.

(8) Nothing contained in this assignment and no act done or omitted by Assignee pursuant to its terms shall be deemed a waiver by Assignee of any rights or remedies processed by Assignee under the terms of the Note and Security. The right of Assignee to collect the secured principal, interest and other indebtedness, and to enforce any other security may be exercised by Assignee prior to, simultaneously with, or subsequent to any action taken under this assignment.

This assignment, together with the agreements, and warranties contained in it, shall inure to the benefit of Assignee and any subsequent holder of the Note and Security and shall be binding upon Assignor and any subsequent owner of the premises.

DATED at TOWSON, Alaska, this 15th day of July, 19 94.

Assignor: 

Douglas Island Pink and Chum, Inc. (DIPAC)
Ladd Macaulay, Director

State of Alaska

FIRST

Judicial District)

) ss.

The foregoing instrument was acknowledged before me this 15th day of July, 1994,
by (name) Ladd Macaulay (title) Director of Douglas Island Pink and Chum, Inc. (DIPAC), a(n) Alaskan corporation,
on behalf of the corporation.

SEAL

NOTARY PUBLIC
STEVEN C. WINKER
STATE OF ALASKA



Notary Public, State of Alaska

My Commission Expires: August 9, 1996

94- 005733

N/C

PLEASE RETURN TO:
DIVISION OF INVESTMENTS
JUNEAU LENDING BRANCH
P O BOX 34159
JUNEAU AK 99803-4159

JUNEAU REC. DISTRICT
REQUESTED BY AS/PI

'94 JUL 19 AM 10 53

ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS

AGREEMENT AND CONSENT TO ASSIGNMENT OF LEASE (ADL NO. 104320)

This Agreement and Consent to Assignment of Lease executed this 19th day of July, 1994, between the **STATE OF ALASKA**, by and through THE DIRECTOR OF THE DIVISION OF LAND with the consent and concurrence of the COMMISSIONER OF NATURAL RESOURCES, hereinafter called "Lessor" and the **STATE OF ALASKA**, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT, DIVISION OF INVESTMENTS, hereinafter called "Assignee";

WITNESSETH

WHEREAS, Lessor on October 17, 1992, entered into a lease which was recorded on June 25, 1993 in Book 381 at Page 140, records of the Juneau Recording District, of the premises at Juneau, Alaska described as follows:

Tracts A and B of the ALASKA TIDELANDS SURVEY NO. 1356, according to Plat 92-40, Juneau Recording District, First Judicial District, State of Alaska.

to **DOUGLAS ISLAND PINK AND CHUM, INC.**, as Lessee, for a term of forty-five (45) years, commencing October 17, 1992 and ending October 16, 2037 and;

WHEREAS, **DOUGLAS ISLAND PINK AND CHUM, INC.** (hereinafter referred to as Assignor) has assigned their interest under such lease to Assignee as security for a loan in the principal sum of ---One Hundred Twenty Thousand and No/100----- Dollars (\$120,000.00), a copy of which assignment is annexed hereto; and

WHEREAS, the parties hereto are desirous of entering into an agreement respecting their interests with respect to such assignment, **IT IS AGREED:**

1. Lessor does hereby consent to said assignment as collateral security for purposes specified herein.
2. By virtue of said assignment, Assignee shall incur no obligations of Lessee under said lease, and Lessee shall remain liable for the rent and all other obligations to Lessor under said lease. Upon entry into possession of the premises by Assignee under provisions of said assignment, Assignee shall be subject to and be governed by the provisions of the lease in the same manner as though Assignee were the original lessee.
3. In the event Assignee enters into possession of the premises under the assignment, Lessor hereby agrees to amend said lease to name Assignee as Lessee.

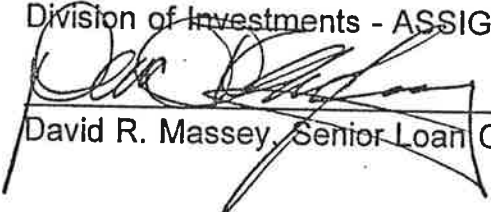
4. In the event the lease is cancelled or forfeited, Assignee shall have the option, within sixty (60) days after receipt of notification of termination by the Lessor, to acquire the lease for the unexpired term by curing the default. Lessor shall notify Assignee within thirty (30) days of the occurrence of any breach by Lessee of the terms, conditions or obligations of the lease. In the event the Assignee exercises the option to cure the Lessee's default, Assignee shall be liable to Lessor only for those deficiencies of Lessee of which the Assignee had proper notice.
5. Notice of default or any breach in performance shall be mailed by registered or certified mail, return receipt requested, to Assignee. A notice given hereunder shall be deemed delivered in a United States Post Office enclosed in a registered or certified postage prepaid wrapper.
6. This Agreement and Consent to Assignment of Lease shall constitute the exclusive agreement between Assignee and Lessor. In the event of a conflict between terms of this Agreement and Consent to Assignment of Lease and the terms of the Lease, the terms of this Agreement and Consent to Assignment shall control.

Dated

7/18/94

STATE OF ALASKA

Division of Investments - ASSIGNEE


David R. Massey, Senior Loan Officer

Dated

7/19/94

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

Division of Land - LESSOR

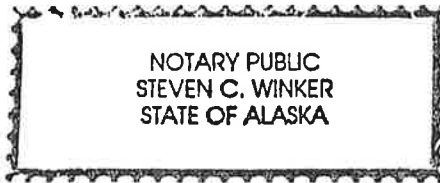

Authorized Representative

PUBLIC OFFICER ACKNOWLEDGEMENT

State of Alaska)
) ss.
 First Judicial District)

The foregoing instrument was acknowledged before me this 18TH day of July, 1994, by (name) David R. Massey, (title) Senior Loan Officer, Juneau Lending Branch, of the State of Alaska, Division of Investments.

SEAL



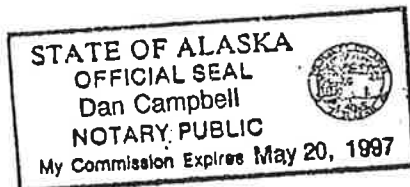
Steven C. Winker
 Notary Public, State of Alaska
 My Commission Expires: August 9, 1996

PUBLIC OFFICER ACKNOWLEDGEMENT

State of Alaska)
) ss.
 First Judicial District)

The foregoing instrument was acknowledged before me this 19TH day of JULY, 1994, by (name) ANDREW W. PEKOVICH, (title) REGIONAL MANAGER, of the State of Alaska, Department of Natural Resources, Division of Land.

SEAL



Dan Campbell
 Notary Public, State of Alaska
 My Commission Expires: 5/20/97

94- 005734
 N/C

PLEASE RETURN TO:
 DIVISION OF INVESTMENTS
 JUNEAU LENDING BRANCH
 P O BOX 34159
 JUNEAU AK 99803-4159

JUNEAU REC. DISTRICT
 REQUESTED BY AS/DI

'94 JUL 19 AM 10 54

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND
P.O. Box 107005
Anchorage, Alaska 99510-7005

ADL No. 104320

TIDELANDS LEASE AGREEMENT

Pursuant to:
A.S. 38.05.070(a);
A.S. 38.05.810(b)-(d).

This Lease Agreement is made and entered into this 17th day of October, 1992, between the State of Alaska, by and through the Director of the Division of Land with the consent and concurrence of the Commissioner of Natural Resources (hereinafter referred to as "the Lessor"), and *Douglas Island Pink and Chum, Inc.* whose address is *2697 Channel Drive, Juneau, Alaska 99801* (hereinafter referred to as "the Lessee").

WITNESSETH:

WHEREAS, the Lessor has undertaken the necessary administrative actions under applicable laws and regulations to fully authorize and enable the lease of the Parcel described herein, which is acknowledged by the Lessee by his signature hereto;

WHEREAS, the Lessee is aware of the provisions of Title 38, Alaska Statutes, Title 11, Alaska Administrative Code, and other applicable laws, regulations, and ordinances, and fully understands the duties and obligations of the Lessee under this Lease, and the rights and remedies of the Lessor,

NOW THEREFORE, the Lessor and the Lessee, in consideration of the mutual covenants and conditions stated in this Lease, agree as follows:

The Lessor agrees to lease to the Lessee the following parcel of land (hereinafter referred to as "the Parcel") which is situated in the State of Alaska and is described as follows:

Tracts A and B of Alaska Tidelands Survey No. 1356, containing 4.88 acres, more or less, according to the amended survey plat recorded in the Juneau Recording District on August 24, 1992 as plat 92-40.

EXCEPTING AND RESERVING THEREFROM, to the Lessor and its assigns during the term of this Lease, the following specific interests, which shall be in addition to and not in derogation of any general reservations to the Lessor which are required by law and which may be stated elsewhere in this Lease:

Subject to: Platted easements and reservations;

Attachment A, Special Stipulations, attached to and made part of this lease agreement;

Attachment B, Repayment Agreement of Early Entry Permit Fees and first 5 years of Lease Rental; and

Attachment C, Development Plan, attached to and made part of this lease agreement.

TO HAVE AND TO HOLD the said demised premises for a term of 45 years commencing on the 17th day of **October 1992** and ending at 12 o'clock midnight on the 16th day of **October, 2037**, unless sooner terminated as hereinafter provided.

LEASE COMPENSATION. (a) The Lessee shall pay to the Lessor compensation as follows, without the necessity of any billing by the Lessor:

Equal *annual* payments, in advance, on or before the 17th day of **October** of every year during the first five years of the lease at the rate of *Twenty thousand four hundred dollars (\$20,400.00)* per *annum* of which *Seventeen thousand eight hundred fifty dollars (\$17,850.00)* is deferred each year for the first five years per the attached Repayment Agreement. Beginning October 17, 1997 lease rental will be adjusted to the current fair market value rate. In addition to the adjusted current fair market value rent due October 17, 1997 the deferred payments will commence per the attached Repayment Agreement.

The Lessor may, upon 10 days' notice, review and copy any records of the Lessee that are necessary to verify the Lessee's compliance with this paragraph.

(b) In accordance with AS 38.05.105, the lease compensation is subject to adjustment by the Lessor at the commencement of the sixth year of the term and every fifth year thereafter (the "adjustment date"). The compensation adjustment takes effect on the applicable adjustment date, regardless of whether the adjustment determination occurs before or after that date. All reasonable costs of the adjustment, including reappraisal if required by the Lessor, shall be borne by the Lessee.

It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

THE LESSOR AND THE LESSEE FURTHER COVENANT AND AGREE AS FOLLOWS:

1. Use of Parcel. The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances, and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution and sanitation control. The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate himself and his improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances, and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent or suppress pollution of the ground, surface water, air, or land, and to prevent or suppress grass, brush, or forest fires, and to prevent erosion or destruction of the land.

2. Permanent Improvements. The Lessee must within 90 days of completion of any site improvements including, but not limited to, structural improvements, clearing, leveling, excavation, and backfill, file with the Lessor adequate and reasonable documentation of such improvements, setting forth all applicable costs and quantities. Failure to provide such documentation will result in loss of credit for such improvements in determination of the original condition of the Parcel for reappraisal purposes.

3. Encumbrance of Parcel. The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's title to the Parcel, or any portion thereof, nor enter into any lease, easement, or other obligation of the Lessor's title without the prior written consent of the Lessor; and any such act or omission, without the prior written consent of the Lessor, shall be void against the Lessor.

4. Assignment of Parcel. The Lessee may not assign or sublet the Parcel, without the prior written approval of the Lessor. The Lessor may approve such assignment or subletting if the Lessor finds it to be in the best interest of the State. No assignment or subletting of the Parcel shall be approved until the assignee agrees to be subject to and governed by the provisions of this Lease in the same manner as the original Lessee. No such assignment or subletting will be effective until approved by the Lessor in writing. No assignment or subletting of the Parcel, or any portion thereof, by the Lessee shall annul the Lessee's obligation to pay the rent herein required for the full term of this lease. Except as provided in this lease, no subdivision of the leasehold interest, including any exposed airspace thereon, shall occur.

5. Denial of Warranty Regarding Conditions. The Lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the social, economic, or environmental aspects of the Parcel, to include, without limitation, the soil conditions, water drainage, natural or artificial hazards which may exist, or the profitability or fitness of the Parcel for any use.

6. Agreement to Terms of Lease Documents. (a) The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants contained herein.

(b) If all or part of said Parcel has been tentatively approved, but not yet patented, by the United States to the Lessor, then this Lease shall be conditioned upon receipt by the Lessor of such patent. If for any reason the Lessor does not receive patent, any rental payments made to the Lessor under this Lease will not be refunded. Any prepaid lease rentals on lands to which patent is denied the Lessor shall be refunded to the Lessee of record and any properly recorded lienholder, if any, jointly. The money refunded shall, however, be limited to the prorata portion of the unexpired term. The Lessor shall have no further liability to the Lessee for the termination of the Lease.

7. Payment of Taxes and Assessments. The Lessee shall pay all taxes and assessments accruing against the Parcel during the term of the Lease.

8. Right-of-Way for Public Highways and Utilities. In the event that the Parcel borders or includes one or more section lines, the Lessor hereby expressly reserves unto itself and its successors and assigns a right-of-way 100 feet wide and centered on such section line or lines.

9. Navigable and Public Waters. The Lessor reserves an easement 50 feet wide for public access along the mean high water line or ordinary high water mark of all water bodies listed in this Lease which are bordering on or included within the Parcel. Public easements to and along listed water bodies are reserved for all of those uses and purposes normally associated with or incident to an easement for access to the public resources of the water body to and along which the easement has been reserved. No public access easement may be obstructed or otherwise rendered by the Lessee incapable of reasonable use by the public for the purposes for which it was reserved. No public access easement may be vacated, abandoned, or extinguished without approval of the Lessor.

10. Reservation of Easements. The Lessor expressly reserves the right to take for the use of the State of Alaska and the right to grant to third parties, easements or rights-of-way of unlimited size across the Parcel herein leased if it is determined to be in the best interests of the State to do so, even though the creation of the easement or right-of-way terminates the entire leasehold estate; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

11. Condemnation of Leasehold or Improvements. With the exception of the taking of easements or rights-of-way which is governed by paragraph 10 above, if the whole or any part of the Parcel is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

(a) Taking of the entire premises. If all of the premises are taken by condemnation, the terms of the Lease and all rights of the Lessee will immediately terminate, and the rent must be adjusted so that it is due only until the date the Lessee is required to surrender possession of the premises. The Lessor is entitled to all the condemnation proceeds, except that the Lessee will be paid the portion of the proceeds attributable to the fair market value of the buildings or improvements placed on the condemned premises by the Lessee.

(b) Taking of substantial part of premises. If the taking is of a substantial part of premises, the following rules apply:

(1) If the taking by condemnation reduces the ground area of the Parcel by at least 30 percent or materially affects the use being made by the Lessee of the Parcel, the Lessee has the right to elect to terminate or not to terminate the Lease by written notice to the Lessor not later than 180 days after the date of taking.

(2) If the Lessee elects to terminate, the provisions in (a) of this subsection govern the condemned portion of the Parcel and the terms of the Lease govern disposal of the remainder of any buildings or improvements made by the Lessee.

(3) If the Lessee elects not to terminate, the Lease continues and the Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value of the buildings or improvements placed on the condemned portion of the premises by the Lessee. Rent at the existing rate will terminate on the date of taking. Except as it may be adjusted from time to time under the terms of the Lease and applicable statutes, rent for the balance of the term will be adjusted by the Lessor to reflect the taking.

(c) Taking of insubstantial part of premises. If the taking by condemnation reduces the ground area of the Parcel by less than 30 percent and the Lessor determines that the taking is of such an insubstantial portion that the Lessee's use of the Parcel is not materially affected, the provisions of (b)(3) of this subsection will govern.

12. Access. The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.

13. Valid Existing Rights. This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land in existence on the date of execution of this Lease.

14. Inspection. The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance of the covenants and conditions of this Lease and for the performance of other lawful requirements.

15. Mineral Reservations. The Lessor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils. The Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, that no rights reserved hereunder shall be exercised by the Lessor or its subsurface lessees, until provision has been made by the Lessor or its subsurface lessees to pay to the Lessee of the land upon which the rights are herein reserved, full payment for all damages sustained by said Lessee by reason of entering upon said land; and provided that, if said Lessee for any cause whatever refuses or neglects to settle said damages, the Lessor or its subsurface lessees, or any applicant for a subsurface lease, contract or option from the Lessor or its subsurface lessee for the purpose of exploring for or extracting valuable minerals, coal, petroleum, natural gas, or geothermal resources shall have the right, after posting a surety bond with the Lessor issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or after posting with the Lessor a sufficient bond executed by one or more individual sureties approved by the Lessor and after due notice and an opportunity to be heard, to exercise rights granted to it for reasonable use of the surface required for the full enjoyment of the reserved subsurface rights which it holds. Each surety bond shall be sufficient in amount and security to secure the affected rights of the surface Lessee, and such Lessee and the Lessor or its subsurface lessee shall have the standing which may be necessary to determine the damages which the surface Lessee of such lands may suffer, and the security appropriate to hold the surface Lessee harmless in relation thereto.

16. Surface Reservations. Unless otherwise stated in this Lease or in an attachment or amendment hereto, the Lessee shall not sell or remove for use elsewhere any of the surface resources of the parcel, e.g., stone, gravel, sand, peat, topsoil, timber, or any other material valuable for building or commercial purposes; provided, however, the Lessee may make reasonable personal use of such materials on the site.

17. Appropriation or Disturbance of Waters. (a) During the term of this Lease, the Lessee shall have the right to apply for an appropriation of ground or surface water on the Parcel in accordance with the Alaska Water Use Act. All water applied for and appropriated during the term of this Lease shall remain appurtenant to the Parcel during said term, and such water and water rights shall not be severed or transferred from the Parcel or any part thereof during said term without the prior consent of the Lessor. The Lessee's rights under any permit or certificate of appropriation shall revert to the Lessor upon termination of the Lease or forfeiture of the Lease for cause.

(b) If the Lessee desires to use the Parcel to construct any form of hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute, or change the natural flow or bed of any anadromous fish river, lake or stream, the Lessee shall, prior to the commencement of any such operation, procure the approval of the Commissioner of the Department of Fish and Game.

10-111 (Rev. 8/89)

18. Acquisition of Rights or Interests. Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.

19. Land Alterations Due to Natural or Artificial Causes. The Parcel described herein shall constitute the entire Parcel of property to be leased by the Lessor to the Lessee pursuant to this agreement. If, through natural or artificial causes, accretion or reliction of land occurs contiguous to the Parcel, the Lessee shall have no right to occupy or use such accreted land unless a separate lease is entered with the Lessor with respect to such lands. The parties agree and stipulate that the rules of law usually applicable to accretion or reliction of land shall not apply to this Lease, nor to the Parcel leased hereunder, in order that the parties may give effect to the provision agreed upon herein.

20. Waiver or Forbearance. The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, after the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease nor destroy or in any manner impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

21. Breach and Remedies. (a) Time is of the essence in the Lease Agreement. If the Lessee shall breach the performance of any of the terms, covenants, conditions or stipulations contained herein or attached hereto, and said breach shall not be remedied within 60 days after written notice of such breach has been served upon the Lessee and the holder of a security interest by the Lessor, the Lessee shall be subject to such legal action as the Lessor shall deem appropriate, including, but not limited to, the termination of this Lease, provided that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lease may be in breach. In the event that this Lease is terminated for breach of any of the covenants or conditions contained herein or attached hereto, all rents paid by the Lessee shall be forfeited to and retained by the Lessor not as a penalty but as liquidated damages. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to termination.

(b) If the Lessee fails to cure or remedy a breach of default within the time allowed in (a) of this paragraph, the holder of a security interest who has received notice under (a) of this paragraph may cure or remedy the breach or default if the breach or default can be cured by the payment of money or, if this cannot be done, by performing or undertaking in writing to perform the terms, covenants, restrictions and conditions of the lease capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this paragraph, or within any additional period which the Lessor may allow for good cause.

(c) In the event that this Lease is terminated, or in the event that the Parcel, or any part thereof is abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or re-enter and take possession of said Parcel, or any part thereof, and without liability for any damage therefor, remove all persons and property therefrom either by summary proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

22. Disposition of Improvements and Chattels After Termination. (a) The Lessee shall, within 60 days after termination of the Lease by the Lessor or by operation of law, remove all improvements and chattels located on the Parcel, provided that the Lessor first determines that such removal will not cause injury or damage to the Parcel or seriously impair its redisposal. Following such removal, the Lessee shall leave the Parcel in a safe and clean condition acceptable to the Lessor. The Lessor may, in its discretion, extend the time for removal of improvements under this subparagraph where undue hardship is demonstrated.

(b) If any improvements or chattels having an appraised value exceeding \$10,000.00, as determined by the Lessor, are not removed from the Parcel within the time allowed, they shall, upon 30 days prior written notice to the Lessee, be sold at public auction under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed the improvements or chattels on the land, after deduction for the benefit of the Lessor of all monies due and owing under this Lease and all expenses incurred in administering the termination and conducting the sale. If there are no other bidders at such sale, the Lessor is authorized to bid on such improvements or chattels. In such event, the Lessor shall acquire all rights, both legal and equitable, which any other purchaser could acquire by reason of said sale and purchase.

(c) Any chattels or improvements having a total appraised value of \$10,000.00 or less, as determined by the Lessor, and which are authorized for removal by the Lessor but are not removed within the time allowed, shall become the absolute property of the Lessor upon the expiration of the time allowed.

(d) Authorized improvements of the Lessee which the Lessor determines have become fixtures of the Parcel shall be purchased by the subsequent purchaser or lessee. There will be no compensation to the Lessee for improvements which were not authorized under the Lease.

23. Indemnity to Lessor. During the term of the Lease the Lessee shall indemnify and hold the Lessor harmless from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims, arising out of or in connection with the use or occupancy of the Parcel by the Lessee or by any other person holding under the Lessee, or at its sufferance or invitation; and from any accident or fire on the Parcel; and from any nuisance made or suffered thereon; and from any failure by the Lessee to keep the Parcel in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and from any assignment, sublease, or conveyance, attempted or successful, by the Lessee of the Parcel or any part thereof or interest therein contrary to the conditions and covenants of this Lease. The Lessee will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Parcel at the sole risk of the Lessee, and will save the Lessor harmless from any claim of loss or damage thereto by any cause whatsoever.

24. Surrender of Leasehold. Upon the expiration, termination or cancellation of this Lease the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel.

25. Notices. All notices required or permitted under this Lease Agreement shall be made by certified mail, postage prepaid, to the parties at the following addresses:

To the Lessor: Division of Land
 P.O. Box 107005
 Anchorage, Alaska 99510-7005

To the Lessee: *Douglas Island Pink and Chum, Inc.*
 2697 Channel Drive
 Juneau, Alaska 99801

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Parcel who has properly recorded its interest in the Lease with the Lessor.

26. Service Charges. The Lessee shall pay a service charge for any late payment or returned check issued by it as follows:

(a) Late Payment Penalty: A service charge plus annual interest (twice the interest rate charged on installment payments at the prevailing rate for real estate mortgage loans made by the Federal Land Bank for the farm credit district for Alaska) on the amount due will be charged on a past-due account until payment is received by the Lessor or until the Lease Agreement termination date is reached. Acceptance of a late payment or of a service charge for a late payment is subject to the Lessor's rights under paragraphs 20 and 21 of this Lease.

(b) Returned Check Penalty: A service charge will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under (a) of this paragraph shall continue to accumulate.

27. Integration and Modification. This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.

This Lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

28. Severability of Clauses of Lease Agreement. If any clause, or provision, herein contained, shall be adjudged to be invalid, it shall not affect the validity of any other clause or provision of this Lease or constitute any cause of action in favor of either party as against the other.

IN WITNESS WHEREOF the State of Alaska, as Lessor, acting through the Director of the Division of Land of the Department of Natural Resources or his lawfully-designated representative, and otherwise being lawfully authorized, and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the applicable statutes, as amended, the rules and regulations promulgated thereunder, and the terms, conditions and provisions herein contained or attached, which on the Lessor's or the Lessee's respective parts are to be kept, observed and performed.

LESSEE:



Douglas Island Pink and Chum, Inc.

Ladd Macaulay, Executive Director

APPROVED:


COMMISSIONER
Department of Natural Resources

LESSOR:


FOR THE DIRECTOR
Division of Land

STATE OF ALASKA)
) ss.
 Third Judicial District)

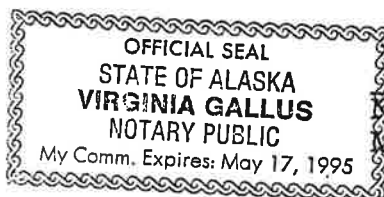
THIS IS TO CERTIFY that on this 30th day of April, 1993, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, as such, personally appeared Ladd Macaulay known to me to be the Executive Director of Douglas Island Pink and Chum, Inc. the corporation which executed the foregoing instrument, and who acknowledged to me that he executed the same for and on behalf of said corporation, and that he is fully authorized by said corporation so to do; Ladd Macaulay acknowledged to me that he signed and executed the same freely and voluntarily, for the uses and purposes therein stated.

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

Margaret Ford
 Notary Public in and for the State of Alaska
 My Commission expires: 11/27/96

STATE OF ALASKA)
) ss.
 Third Judicial District)

THIS IS TO CERTIFY that on this 10 day of May, 1993, before me personally appeared ROBERT A. BAKER of the Division of Land of the Department of Natural Resources of the State of Alaska, who executed the foregoing Lease and acknowledged voluntarily signing the same.



Virginia Gallus
 Notary Public in and for the State of Alaska
 My Commission expires: _____

APPROVED AS TO FORM:

Barbara J. Miracle
 Assistant Attorney General
 Date: 7/3/80

**ATTACHMENT A
TIDELANDS LEASE AGREEMENT ADL 104320
SPECIAL STIPULATIONS**

1. For the purpose of this lease, the development plan shall be limited in form and scope to those improvements shown on Attachment C, unless approved in writing by the lessor prior to the installation and construction. Use of the area for purposes other than those specified shall constitute breach of this lease.
2. The Alaska Constitution guarantees any citizen of the United States or resident of the state the right of access to navigable and public waters of the state. The Public Trust Doctrine further guarantees the public right to use navigable waters and the land beneath them for navigation, commerce, fishing and other purposes.

This tide and submerged lands lease is subject to the provisions of the Public Trust Doctrine. The Lessor reserves the right to grant other interests to the subject parcel consistent with the Public Trust Doctrine as long as said interests will not unreasonably interfere with the use of the parcel by the Lessee.

3. An urban fishery float and safe access thereto shall be available for public use on Tract B, Alaska Tideland Survey No. 1356 on a seasonal basis (June 15-September 30) with reasonable hours of operation throughout the term of the lease. The float shall have appropriate signs and safety features, and public use rules approved by the Lessor, and shall be made available for public use at no charge. Failure to maintain the urban fishery float and make it available for public use at no charge shall, at the Director's discretion, be cause for the Lessor to re-impose a continuous 50 foot shoreline public access easement throughout the entire leasehold.
4. Upon request, the Lessee shall furnish the Lessor a copy of its biannual reports to the State Department of Commerce and Economic Development. Said reports to be furnished within 30 days of receipt of such request.
5. The lessee shall allow the public reasonable access to the public vehicle parking lot, sidewalks along Channel Drive and the parking lot, fish viewing window for visitors, telephone and rest room facilities.
6. The director may terminate all or a part of the land encompassed by this leasehold upon a finding that the land or a part of the land has not been used for the purpose specified in the Lease Agreement for a period of two years.
7. This lease may not be assigned or subleased except with the consent of the director, and in any case may only be transferred to an applicant eligible under the provisions of AS 38.05.810(b)-(d).

8. Insurance is required and is subject to annual review and adjustment by the Department of Natural Resources, who may require a reasonable increase based on increased risk. Proof of the following coverage must be shown prior to execution of the lease.
 - (a) The insurance policy must be written by a company or companies that are on the Division of Insurance's "admitted list" or the "surplus lines insurance list". The broker/agent must be licensed to do business in the state and, if surplus lines insurance is provided, the broker must have a surplus broker license.
 - (b) The lessee shall carry a comprehensive general liability insurance policy in the amount of \$1,000,000 endorsed to cover the operations under this project, naming the state as an additional insured under the policy. Proof of insurance shall be required on a yearly basis.

ATTACHMENT B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND
P.O. BOX 107005
ANCHORAGE, AK 99510-7005

DEFERRED EARLY ENTRY AND LEASE RENTAL REPAYMENT AGREEMENT
ADL 104320A

This Deferred Early Entry and Lease Rental Repayment Agreement is entered into this 17th day of October, 1992, between the State of Alaska, by and through the Director of the Division of Land or his designated representative, hereinafter referred to as the Lessor, and Douglas Island Pink and Chum, Incorporated (DIPAC), hereinafter referred to as the Lessee, whose mailing address is 2697 Channel Drive, Juneau, Alaska 99801.

The purpose of this agreement is to provide a way for the Lessee to repay the deferred rent owed to the State of Alaska for its Early Entry Authorization and first five years of lease rental for use of state tidelands adjacent to Gastineau Channel. An agreement was made between the Division of Land and DIPAC that DIPAC would be required to pay 1% of the fair market value rental for the first ten years which included the early entry period. The remaining rent would be deferred until the eleventh year at which time the deferred rent would be payable in equal yearly installments over a fifteen year period.

Deferred rent in the amount of \$58,887.00 is owed for the early entry authorization period of September 17, 1987 through October 16, 1992. Deferred rent for the first five years of the lease agreement (October 17, 1992 through October 16, 1997) totals \$89,250.00 for a combined total of \$148,137.00 (see attached payment schedule). The subject property is described as Tracts A and B of Alaska Tidelands Survey No. 1356, containing 4.88 acres, more or less, according to the amended survey plat recorded in the Juneau Recording District on August 24, 1992 as plat 92-40.

The Lessor and the Lessee, in consideration of the mutual terms and conditions stated in this repayment agreement, agree as follows:

The Lessee shall pay to the Lessor the unpaid rental in equal annual installments of \$9,875.80 (Nine Thousand Eight Hundred Seventy-five dollars and 80 cents) commencing on the 17th day of October, 1997, until the entire amount of \$148,137.00 has been paid in full. The total number of payments shall be 15 (fifteen) payments of \$9,875.80.

Failure to remit monies due within the time allowed shall be a breach of this agreement. If the Lessee shall breach the performance of any terms and conditions contained herein or attached hereto, and said breach shall not be remedied within 60 days after the written notice of such breach has been served upon the Lessee by the Lessor, the Lessee shall be subject to such legal action as the Lessor shall deem appropriate including, but not limited to, termination of the tidelands lease, serialized as ADL 104320, of which this repayment agreement shall be a part hereof. In the event that this agreement is terminated for breach of any of the terms and conditions contained herein or attached hereto, all monies paid by the Lessee shall be forfeited to and retained by the Lessor not as a penalty but as liquidated damages.

Service Charges: The Lessee shall pay a service charge for any late payment or returned check issued by it as follows:

- A. **Late Payment Penalty:** A service charge plus annual interest (twice the interest rate charged on installment payments at the prevailing rate for real mortgage loans made by the Federal Land Bank for the farm credit district for Alaska) on the amount due will be charged on a past-due account until payment is received by the Lessor.
- B. **Returned Check Penalty:** A service charge will be assessed for any check on which the bank refuses payment. If the bank refuses payment, the default termination date remains the same. Late penalties under (A) shall continue to accumulate.

All notices required under this agreement shall be made in writing, postage prepaid to the Lessor and Lessee at the following addresses:

State of Alaska
Department of Natural Resources
Division of Land, Contract Administration Unit
P.O. Box 107005
Anchorage, AK 99510-7005

Douglas Island Pink and Chum, Incorporated
2697 Channel Drive
Juneau, AK 99801

The Lessee must inform the Lessor in writing of all changes of address. The Lessor shall deem that the Lessee have received any notice or demand if sent by United States certified mail to the Lessee last address of record.

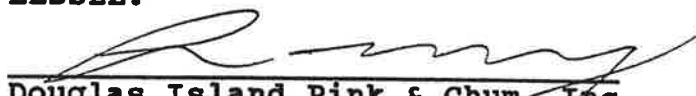
It is agreed that the terms and conditions of this repayment agreement herein contained shall be binding upon the successors and assigns of the respective parties hereto.

This agreement may not be modified or amended except by a document signed by the Lessor and the Lessee and any purported amendment or modification shall be without legal effect until reduced to writing and signed by the Lessor and the Lessee.

If any clause or provision of this agreement shall be adjudged to be invalid, it shall not effect the validity of any other clause or provision of this agreement or constitute any cause of action in favor of either party as against each other.

IN WITNESS WHEREOF the State of Alaska, as Lessor, acting through the Director of the Division of Land of the Department of Natural Resources or his lawfully-designated representative, and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the terms and conditions contained herein or attached hereto.

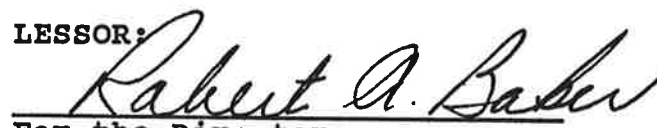
LESSEE:


Douglas Island Pink & Chum, Inc.

Date: 4/30/93

Ladd Macaulay, Executive Director

LESSOR:


For the Director
Division of Land

Date: 5/10/93

STATE OF ALASKA)
) ss.
____ Judicial District)

THIS IS TO CERTIFY that on this 30th day of April 1993, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, as such, personally appeared Ladd Macaulay known to me to be the Executive Director of Douglas Island Pink and Chum, Inc. the corporation which executed the foregoing instrument, and who acknowledged to me that he executed the same for and on behalf of said corporation, and that he is fully authorized by said corporation so to do; Ladd Macaulay acknowledged to me that he signed and executed the same freely and voluntarily, for the uses and purposes therein stated.

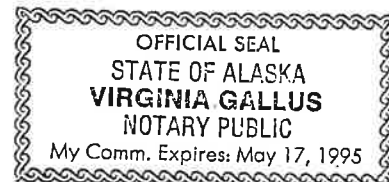
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Margaret Ford
Notary Public in and for the State of Alaska
My Commission expires: 11/27/96

STATE OF ALASKA)
) ss.
3rd Judicial District)

THIS IS TO CERTIFY that on this 10 day of May 1993, before me appeared Robert A. Baker of the Division of Land of the Department of Natural Resources of the State of Alaska, who executed the foregoing Lease Repayment Agreement and acknowledged voluntarily the same.

Virginia Gallus
Notary Public in and for the State of Alaska
My Commission expires: _____



**ATTACHMENT B
ADL 104320A**

BOOK **0381** PAGE **155**

**REPAYMENT AGREEMENT SCHEDULE
FOR
EARLY ENTRY PERIOD OF 9-17-87 THROUGH 10-16-92
AND
THE FIRST FIVE YEARS OF LEASE RENTAL FOR 10-17-92 THROUGH 10-16-97**

DEFERRED RENT FOR EARLY ENTRY PERMIT

Time Period	Payment	Rental Deferred	Deferred Accumulation
Early Entry Permit - 1 %			
9/17//87 - 9/16/88	\$1,500	\$10,500	\$10,500
9/17//88 - 9/16/89	1,500	10,500	21,000
9/17//89 - 9/16/90	1,500	10,500	31,500
9/17//90 - 9/16/91	1,500	10,500	42,000
9/17//91 - 10/16/92	2,413	16,887	58,887

DEFERRED RENTAL FOR FIRST FIVE YEARS OF LEASE

Time Period	Payment	Rental Deferred	Deferred Accumulation
Lease - 1 % Payment Phase			
10/17/92 - 10/16/93	\$2,550	\$17,850	\$ 76,737
10/17/93 - 10/16/94	2,550	17,850	94,587
10/17/94 - 10/16/95	2,550	17,850	112,437
10/17/95 - 10/16/96	2,550	17,850	130,287
10/17/96 - 10/16/97	2,550	17,850	148,137

**REPAYMENT SCHEDULE
FOR EARLY ENTRY PERIOD AND FIRST FIVE YEARS OF LEASE**

Time Period	Payment	Deferred Rental Due	Deferred Accumulation
Lease - Full Payment Plus Payment of Deferred Rental Due (10/17/97 Reappraisal Due)			
10/17/97 - 10/16/98	FMV Rental	\$9,875.80	\$138,261.20
10/17/98 - 10/16/99	"	9,875.80	128,385.40
10/17/99 - 10/16/00	"	9,875.80	118,509.60
10/17/00 - 10/16/01	"	9,875.80	108,633.80
10/17/01 - 10/16/02	"	9,875.80	98,758.00
(10/17/02 Reappraisal Due)			
10/17/02 - 10/16/03	"	9,875.80	88,882.20
10/17/03 - 10/16/04	"	9,875.80	79,006.40
10/17/04 - 10/16/05	"	9,875.80	69,130.60
10/17/05 - 10/16/06	"	9,875.80	59,254.80
10/17/06 - 10/16/07	"	9,875.80	49,379.00
(10/17/07 Reappraisal Due)			
10/17/07 - 10/16/08	"	9,875.80	39,503.20
10/17/08 - 10/16/09	"	9,875.80	29,627.40
10/17/09 - 10/16/10	"	9,875.80	19,751.60
10/17/10 - 10/16/11	"	9,875.80	9,875.80
10/17/11 - 10/16/12	"	9,875.80	0.00
(10/17/12 Reappraisal Due)			

ATTACHMENT C, DEVELOPMENT PLAN
ADL 104320

Douglas Island Pink and Chum, Inc.

Attachment C, Development Plan is not being recorded as it is not legible/reproducible for microfilming purposes. A copy of the Development Plan can be seen in the casefile located in the Division of Land.

93-004428
N/C

JUNEAU REC. DISTRICT
REQUESTED BY AS/DL

'93 JUN 25 PM 1 19

RETURN TO:
STATE OF ALASKA
DEPT OF NATURAL RESOURCES
DIV OF LAND - CONTRACT ADMIN
P.O. BOX 107005
ANCHORAGE, AK 99510-7005