

REAL ESTATE CONTINGENCY AGREEMENT

1. This agreement is made this 4th day of February, 2009, between Juneau International Airport (JNU), whose address is 1873 Shell Simmons Drive, Suite 200, Juneau, Alaska 99801, hereinafter referred to as JNU or GUARANTOR, and the State of Alaska, Department of Fish and Game, Division of Habitat (DFG) whose address is P.O. Box 110024, Juneau, AK 99811-0024, hereinafter referred to as GUARANTEE. The Department of Natural Resources, Division of Mining Lands and Water (DNR), whose address is P.O. Box 111020, Juneau, AK 99811-1020, will act as the FACILITATOR in this agreement.

2. BACKGROUND

In order to comply with Federal Aviation Administration (FAA) safety requirements, JNU needs to expand existing runway safety areas (RSAs) at each end of the existing runway and is embarking on a project to do so. Expanding the RSAs will require a total of 4.76 acres of Mendenhall Wetlands State Game Refuge (refuge) land, hereinafter referred to as "RSA transfer parcels".

The statute creating the refuge (AS16.20.034), assigns management of the surface and subsurface estate to DNR, but actions that might affect refuge habitat must be done in accordance with a Refuge Management Plan (management plan) prepared by DFG. The management plan for the refuge, which was adopted by reference per regulation 5 AAC 95.520, contains provisions by which JNU may acquire refuge land for airport expansion provided certain conditions are met and "impacts to the refuge and to refuge resources are fully mitigated through restoration and/or replacement".

DFG/DNR have interpreted the above-quoted management plan language to mean replacement land for the RSA transfer parcels must be within or adjacent to the refuge. JNU disputes this interpretation and has also sought a finding of "superior public need for or use of the land" under AS 16.20.034(j). In the interest of moving the permitting process for the RSA project to a timely conclusion, however, JNU is willing to accept DFG/DNR's mitigation requirement and interpretation of that requirement, solely for the purpose of this specific agreement, without accepting it as precedent for future airport projects.¹

JNU has agreed to a \$5.7 million compensatory Mitigation Plan as a means of addressing all unavoidable project-related impacts to wetlands and fish habitat (both on airport property and in the refuge). The Mitigation Plan isolates funding for replacing the RSA transfer parcels. In accordance with the Mitigation Plan, the Southeast Alaska Land Trust (SEAL Trust) role will be to provide suitable replacement lands that are either within the existing refuge boundary or adjacent to it.

If and only if SEAL Trust is unable to provide suitable and sufficient land to replace the RSA transfer parcels, and subject to the terms of this agreement, JNU hereby agrees to make available up

¹ The U.S. Army Corps of Engineers routinely allows off-site mitigation and replacement for wetland impacts. JNU finds the DNR interpretation to be, in general, overly restrictive and, over time, potentially unworkable.

to 4.8 acres of suitable airport property as a guarantee that such replacement land will be provided. The parcel JNU will make available if necessary, as set forth in this agreement and herein referred to as GUARANTEE PARCEL, abuts the refuge boundary south of the airport dike and includes a portion of the Otter Pond. DFG agrees that JNU's parcel will provide the functional capacity unit (FCU) equivalent of the RSA transfer parcels. The general concept of a land exchange with the State for the RSA project was approved by the Airport Board at its regular meeting on June 11, 2008. The transfer of all or a portion of the GUARANTEE PARCEL would also require Assembly approval.

Construction of the RSA projects will occur while the RSA transfer parcels are still technically part of the refuge but JNU will be granted management authority when the final decision for the conveyance of the parcels is signed, pending any appeal(s). An early-entry permit will provide interim authorization for construction and require a tideland survey in accordance with DNR instructions once construction is complete. The actual transfer of title (patent) for the RSA transfer parcels will occur after the tideland survey is completed.

If, by a specified reckoning date (see paragraph 5 below), SEAL Trust has been unable to provide enough suitable replacement land, JNU will make up the difference by initiating the process of transferring the necessary portion of the GUARANTEE PARCEL to the state.

3. FCU EQUIVALENCY OF GUARANTEE PARCEL

Subject to the terms of this agreement, GUARANTOR agrees to provide and GUARANTEE agrees to accept all or part of the GUARANTEE PARCEL generally illustrated in Figure 1 (attached), containing 4.8 acres, more or less, with a functional capacity at least equal to the RSA transfer parcels. Final size will be determined by subtracting the functional capacity of the approved lands provided by SEAL Trust, if any, from that of the GUARANTEE PARCEL.

4. DIMINISHMENT OF VALUE, RISK OF LOSS

GUARANTOR agrees to not do, nor allow another to do, any act prior to settlement date that causes the value or title of the GUARANTEE PARCEL to diminish or to be encumbered. All risk of loss of damage to the GUARANTEE PARCEL prior to reckoning date shall be borne by GUARANTOR. If any such loss, damage, diminishment, or encumbrance occurs, this agreement is voidable at the GUARANTEE'S option and the GUARANTOR shall be obligated to substitute other suitable airport wetlands adjacent to the refuge with functional capacity at least equal to that portion of the GUARANTEE PARCEL established under Paragraph 3 that is diminished or encumbered.

5. RECKONING DATE

The reckoning date is hereby established as 5 years from the issuance date of the DNR Early Entry Permit. On that date, the GUARANTOR will submit to the GUARANTEE a list of all parcels within or adjacent to the refuge boundary that have been provided by SEAL Trust to the State of Alaska, or have substantially progressed toward State ownership in accordance with DNR procedures. For each parcel, the list will provide: 1) a legal description, 2) documentation of FCU value, 3) status of the

acquisition, and 4) a map illustrating the location. The State of Alaska will determine if individual parcels have sufficiently progressed toward state ownership to be counted toward the total compensation goal. Delays in acquiring a parcel resulting from inaction by the State of Alaska will not be a reason for disqualifying a parcel from counting toward that total.


Of the parcels accepted for ownership by the State of Alaska or judged by the State of Alaska to have sufficiently progressed toward State ownership, GUARANTOR and GUARANTEE will mutually determine the combined FCU value and whether additional FCUs are needed to fully compensate the State of Alaska for refuge land transferred to JNU ownership. If additional FCU value is needed, the GUARANTOR will initiate the process to transfer a portion of the GUARANTEE PARCEL having the required FCUs to State ownership in accordance with CBJ and DNR procedures. The parties will exercise good faith and due diligence to timely resolve this matter. In any event, a legal action under this agreement is forever barred unless filed on or before January 1, 2018.

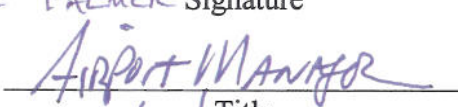
6. ENTIRE AGREEMENT

This document contains the entire agreement between GUARANTOR and GUARANTEE and FACILITATOR. There are no other conditions, terms, or promises that are not set forth herein.

7. EXECUTION BY GUARANTOR, GUARANTEE, AND FACILITATOR

GUARANTOR:




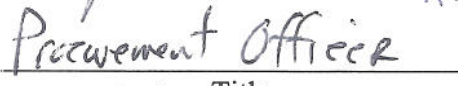
DAVE PALMER Signature


Title
2/4/2009

Date

GUARANTEE:

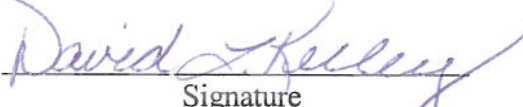


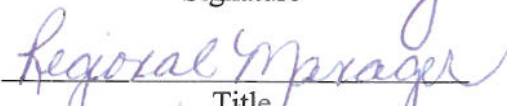
Signature JOHN WHITE
ADF&G


Title
2/4/09

Date

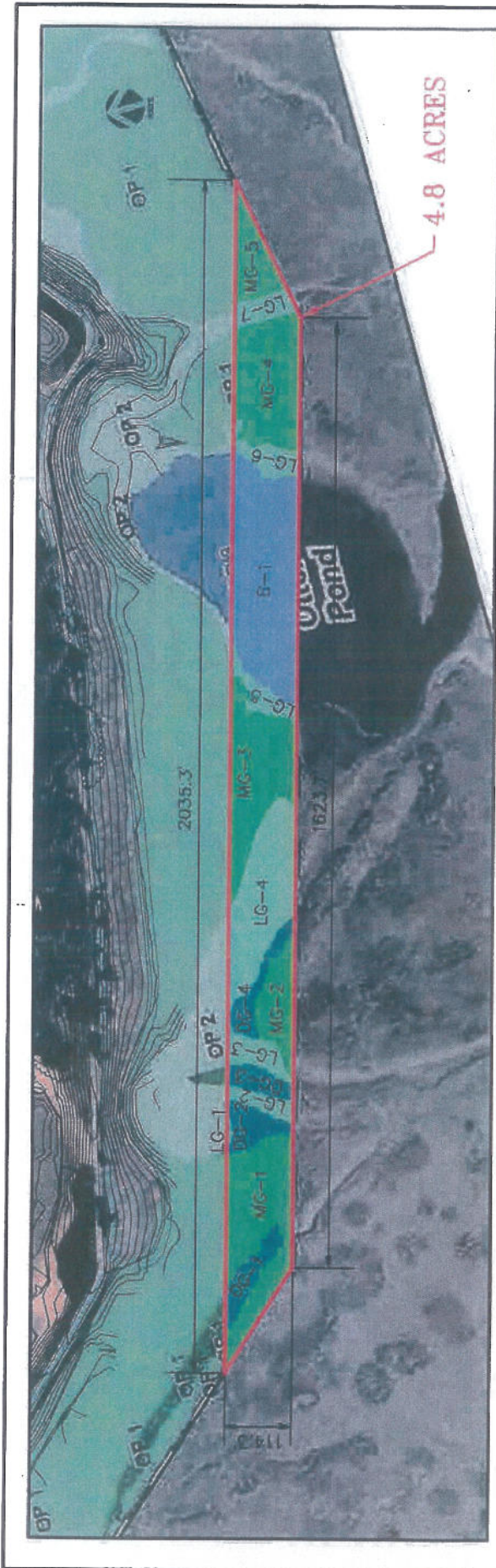
FACILITATOR:



Signature


Title
2/4/09

Date



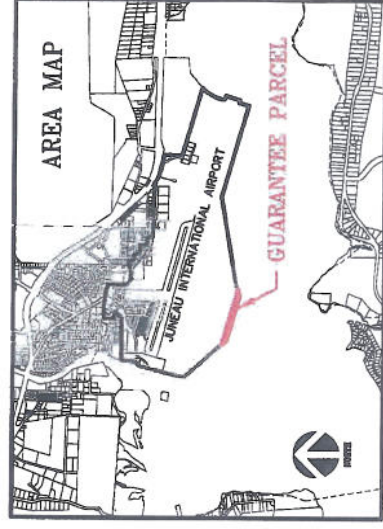
4.8 ACRES

Wetlands Functional Assessment
RSA transfer parcels
(from JNU Mitigation Plan, Appendix A)

Project	Wetland ID	NMI Class	Acres	Enviro Score	Functional Units
RSA west end (Refuge)	WR1	E1UB3	0.17	137.56	21.7
	WR2	EXJUN	0.80	124.93	99.9
	WR3 (H)	EZEM1 (H)	0.16	123.43	19.7
RSA east end (Refuge)	ER1 (H)	EZEM1 (H)	1.69	125.70	212.4
	ER4 (L)	EZEM1 (L)	0.37	127.77	47.3
			Totals:	4.76	598.1

Wetlands Functional Assessment
4.8 ACRE GUARANTEE PARCEL

NMI Class	Wetland ID	Area (ac)	Enviro Score	Functional Units
EXEM LOW (Dark Green)	DG-1	5.041		
	DG-2	5.841		
	DG-3	4.720		
	DG-4	4.840		
EXEM HIGH (Medium Green)	MG-1	29.858		
	MG-2	10.765		
	MG-3	25.720		
	MG-4	24.447		
	MG-5	9.600		
EXJUN (Light Green)	LG-1	340		
	LG-2	3,103		
	LG-3	4,051		
	LG-4	25,102		
	LG-5	3,107		
	LG-6	3,000		
	LG-7	3,568		
TOTALS:			208,871	801,521



NOTES:
1. WETLAND TYPES SHOWN ARE DERIVED FROM FES FIGURE 3-28 "FLOAT PLANE POND WETLAND & OTHER POND AREA WETLANDS".

<p>REVISIONS</p> <table border="1"> <thead> <tr> <th>REV</th> <th>DATE</th> <th>BY</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	REV	DATE	BY	DESCRIPTION					<p>DATE PRINTED: _____</p> <p>CHECKED: <input checked="" type="checkbox"/> TIC</p> <p>DATE: NOV 12, 2008</p>	<p>SOLE</p> <p>DESIGNED: TIC</p> <p>DRAWN: <input checked="" type="checkbox"/> TIC</p> <p>CHECKED: TIC</p>	<p>CITY AND BOROUGH OF JUNEAU</p> <p>JUNEAU INTERNATIONAL AIRPORT</p>	<p>B Carlson Dam Inc.</p> <p>712 WEST 10TH STREET JUNEAU, ALASKA 99801 www.carlsondam.com</p>	<p>Figure 1</p> <p>GUARANTEE PARCEL</p> <p>SHEET No. 1 of 1</p>
REV	DATE	BY	DESCRIPTION										

Attachment 2-B
ADL 107380
Final Finding and Decision