Eyak Homesite Program Summary

In 1990, The Eyak Corporation's Board of Directors established a Shareholder lease program to make land available for homesites and recreational cabins. Based on input from Shareholders, the Board has revised the land lease program several times during the subsequent years, resulting in the SLUP.

At the Board's request, the Land Committee undertook an in-depth review of the SLUP to address questions and concerns raised by Shareholders and to recommend improvements for the Board's consideration. On May 15, 2021, the Board approved the revised Shareholder land lease program, which has been named the Eyak Homesite Program (referred to as "EHP" or the "Program").

The purpose of the EHP is to make certain lands available to original Shareholders and their lineal descendants for homesites and related uses. Through the Program, the Corporation will lease lands to eligible Shareholders for 99 years, for a nominal fee. Specifics of the EHP are addressed below.

Policies and Procedures

1. Shareholder Eligibility

   a) The 100 shares of stock in the Corporation issued to an original Shareholder entitles each original Shareholder, and any Native heir or successor of an original Shareholder of the Corporation who currently holds stock in the Corporation, the option to obtain a 1.5-acre homesite lot, subject to the Program limitations.

   b) The entitlement to a 1.5-acre homesite lease originates on a representational basis with the 100 shares of stock issued to an original Shareholder. It is not personal to any individual Shareholder. Shares will only be counted once for purposes of this Program, notwithstanding subsequent inheritance or transfer of these shares to another Shareholder who has not previously received a Shareholder homesite lease. The Corporation intends that this limitation will result in equal treatment of all shares and original Shareholders by limiting land distribution to a one-time per share distribution basis.

2. Application Process

   a) Applicants will first apply for an EHP Permit and submit a $100 fee. After preliminary approval by TEC, applicants must obtain a survey of the proposed lot. Upon the applicant's completion of a survey and completion of all applicable governmental approvals, the Corporation may issue an EHP lease in its sole discretion.

   b) Applications will be submitted to the Corporation's Land Department, which will review the application to determine the following: whether the application is complete; whether the applicant is eligible for an EHP lease; whether the proposed parcel is on available lands; and whether the proposed lot size and shape meet the Program criteria.

c) Applications determined to meet all requirements will be submitted to the Land Committee for its review.

d) Applications will be considered by the Land Committee in the order they are received from the Land Department.

e) If the Land Committee rejects an application, the applicant will be notified of the basis for the denial and be provided an opportunity to amend the application to address the deficiency if it is correctible.

f) If the Land Committee reaches a favorable determination on an application, the application will be forwarded to the Board for review for final approval. Board approval is required for all Program applications.

g) Applications will be considered by the Board in the order they are received from the Land Committee.

h) Only "complete" applications will be reviewed by the Board for approval. In order to be deemed complete, an applicant must file a survey with the proper platting authority, and obtain any required local, State, or federal approvals and permits.

i) If the Board denies the application, the applicant will have the opportunity to submit a new application.

j) No structures or improvements are allowed on a Program site until an application has received final approval by the Board and TEC has executed a lease with the applicant. TEC retains complete and sole discretion to enter into any lease under the Program.

k) In areas where more than one homesite application is received or is anticipated, the Corporation, in its sole discretion, may require that a subdivision plan be completed to minimize conflicts in land use or access, before any application is approved.

3. Land Availability

The TEC Board of Directors will in its sole discretion make available real property for Program lease applications. Appendix __ is a map of the available lands for Program leases.

4. Lease Size

a) Shareholder homesite leases will not exceed 1.5 acres per Shareholder homesite lot for each 100 shares of stock owned by that Shareholder on a proportional basis (100 shares = 1.5 acres; 150 shares = 2.25 acres; 200 shares = 3.0 acres). The Corporation may issue lots on a proportional basis for less than 100 shares, but under no circumstances will an EHP Lease be less than 0.3 acres in size. In the event that a Shareholder does not hold sufficient shares to obtain an EHP Lease of at least 0.3 acres based on the above-stated formula (at least 20 shares), then in the sole discretion of the Corporation, that Shareholder may pool or aggregate shares with another Shareholder to obtain an EHP Lease of at least 0.3 acres, subject to the other restrictions of this Program.

b) If a Shareholder owns more than 100 shares, then two Eyak Homesite Program Leases totaling an area larger than 1.5 acres (but still contiguous to the original 1.5-acre homesite) may be applied for in a size determined in proportion to the number of shares owned by that Shareholder, as determined pursuant to the above-stated formula. The first such lease to be 1.5 acres, and the second lease to be for the excess of acreage over 1.5 acres (but no less than .3 acres). The Corporation does not represent that such larger Eyak Homesite Program Leases satisfy the requirements of ANCSA so as to avoid tax implications for the Shareholder; the Shareholder takes both such Eyak Homesite Program Leases subject to all such risks.

5. Special Provisions Relating to Leases on lands affected by the *EVOS Lands Agreement*

a) Notwithstanding the foregoing provisions relating to aggregating shares, and to granting larger homesites to holders of more than 100 shares, the 1.5-acre lots surveyed as part of the *EVOS Lands Agreement* are available only to those Shareholders who hold or can aggregate with other Shareholders 100 shares or more of stock. These lots cannot be less than nor more than 1.5 acres per lot because of conveyance and survey restrictions. For these lots only, holders of less than 100 shares may aggregate shares to equal at least 100 shares and thereby receive one 1.5-acre homesite, and holders of more than 100 shares may not receive more than 1.5 acres. In order to assure that such Shareholders are treated equally with other shareholders, the provisions of subsection 4.b. above providing for the grant of an additional homesite will apply to such Shareholders, except that the excess of lands will be contained in another homesite lot located at another location not subject to the *EVOS Lands Agreement*. In addition to the $100 application fee, the Corporation's survey cost must be reimbursed to the Corporation within 60 days of Board approval of the submitted Shareholder application.

6. Restrictions on Use

a) To remain eligible for this program, the uses or status of each homesite leased lot and lessee (Shareholder) must comply with all relevant ANCSA and ANILCA provisions, the terms of any lease issued by the Corporation, the Corporation's Eyak Homesite Program Policies, and all applicable laws, regulations, and ordinances, and, where applicable, the terms of other use limitations, such as the *EVOS Lands Agreement.* These provisions include single-family residential use (including traditional extended family use) for ten years, and that the land may not be further subdivided.

b) The Shareholder will not block or hinder the Corporation's access to the homesite, or any adjacent lands owned by the Corporation or other property owners.

7. Reservation of Rights and Disclaimers by Corporation

a) The Corporation may designate available lands under the Eyak Homesite Program in its sole discretion. The Corporation reserves the right to reserve lands for uses other than for the Eyak Homesite Program, and the Corporation reserves the right to grant or deny any application in its sole discretion. Unless specifically designated as available for the Program, lands are deemed reserved for other purposes.

b) The Corporation does not warrant title to the lands under any Program lease, the adequacy or availability of access to any Program lot, or the suitability of any lands for use under the Program.

c) The Corporation does not guarantee that the Eyak Homesite Program satisfies the requirements of ANCSA so as to avoid tax implications.

8. Payment of All Costs by Applicant

a) The applicant must pay all costs associated with applying for and developing a Program lease, including survey, provision of legal access, water, sewer and permit fees, and all costs associated with applicable governmental regulation (including costs of obtaining approval under State of Alaska, or City subdivision requirements), including, but not limited to provision of legal access, soil percolation tests, water system and wastewater disposal system design, maintenance and installation, etc.

9. Eyak Homesite Program Lease

a) A lease issued under this Program will be granted to Shareholders for a 99-year lease term.

b) A lease issued under this Program is also subject to TEC land use policy requirements, which may be amended from time to time.

10. ANCSA Section 21(J) and Related Requirements

The Eyak Homesite Program policy is intended to satisfy the requirements of Section 21(j) of ANCSA, and, therefore, the following requirements apply to the Program:

a) Shareholder Homesite Lease Program leases are available only to Shareholders over the age of 18.

b) The land within any lease issued pursuant to the Eyak Homesite Program is restricted by covenant to single-family (including traditional extended family customs) residential occupancy for a period of not less than ten years.

c) No commercial uses are allowed on an Eyak Homesite Program homesite.

d) The shareholder homesite will be issued pursuant to a lease that sets forth the occupancy restrictions and requirements of the Corporation's established land use policies.

e) The Corporation intends that Program leases constitute the "real property interest" required by Section 21(j).

f) The Eyak Homesite Program lease and any improvements located thereon will not be transferred, assigned, mortgaged, bequeathed, subleased, sold, or otherwise alienated, in whole or in part, without the written permission of Eyak.

11. Administrative Fee

a) Applications for an Eyak Homesite Program lease must include a $100 administrative fee.

12. No Co-Sign

a) The Corporation will not co-sign nor otherwise collateralize or guarantee any note for any shareholder homesite lease or subordinate its interest in the lease to facilitate financing.

13. Amendments to Eyak Homesite Program Policy

a) The Corporation reserves the right to amend this Eyak Homesite Program policy from time to time in its sole discretion. All such amendments will apply to any lease issued prior to or after such amendments.

List of Appendices for Eyak Homesite Program

1. EHP Application (included)
2. Permit? (Through the SLUP, TEC initially issued a Permit and then issued a Lease after the survey was completed) (page 1 of a permit is included)
3. EHP Lease (included)
4. Map of Available Lands (omitted)
5. Boundary Guidance (example included)
6. FAQs (omitted)