

## **St. George Tanaq Corporation Land Use Policy**

### **Introduction**

The purpose of this memorandum is to inform interested parties of the St. George Tanaq Corporation's policies regarding selling and leasing of corporate land.

In establishing these policies the Board of Directors has sought to:

1. Make land available for purchase to persons interested in building a home in the St. George community.
2. Make land available through leasing to encourage commercial development of corporate lands.
3. Manage corporate land holdings in an efficient and professional manner.
4. Generate income to the St. George Tanaq Corporation.
5. Preserve corporate lands for future generations.

Only land that has been surveyed and platted is available for purchase or lease. Surveyed parcels currently available for purchase or lease may be found within the Choochkie Heights Subdivision (6 parcels, 2.04 acres), the East Landing Subdivision (2 parcels, 6.29 acres), the Qawax Subdivision (3 parcels, 1.74 acres), and the Zapadni Bay Subdivision (4 parcels, 1.48 acres).

As set out more fully within this memorandum, the Board of Directors has established different policies depending on whether land is to be used for commercial or residential use.

### **Residential Land Use**

The Board of Directors desires to ensure that land is available for purchase to persons interested in building a home in the St. George community. At the present time the only viable location on St. George Island for residential construction is within close proximity to city roads and utilities. The Tanaq Corporation has three parcels that meet this prerequisite. These parcels are Lots 7 and 8 in Block 1 (.27 acres each), and Lot 2 in Block 2 (.27 acres) of the Choochkie Heights Subdivision. These lots are available for purchase at a price equal to their fair market value at the date of purchase. The appraised value of these parcels in this area as of October 8, 1999 was \$8,000.00 each.

Offers to purchase the aforementioned parcels must be submitted in writing and buyers must be willing to enter into a contract that contains the customary provisions for a sale of real

estate in the State of Alaska. Buyers will also be expected to arrange financing for purchases themselves and must provide reasonable assurance to Corporation management that land being purchased is to be used for residential purposes in the near future. Residential property will not be sold to persons interested in using land for commercial or speculative purposes.

### **Commercial Land Use**

The Board of Directors desires to encourage commercial development that will promote the establishment of a diversified, enduring, and self-sufficient economy for the residents of the St. George community. To reach this goal the Board has established the policy to lease land to persons interested in using corporate property for commercial purposes. The Corporation will not lease land to persons interested in using corporate property for speculative purposes. Lease payments are based on a percentage of fair market value of the lease premises and prospective lessees must be willing to pay all improvement costs, utility and utility hook-up charges, insurance costs, taxes, and any other costs related to use of the property.

To particularly encourage shareholders of the St. George Tanaq Corporation and residents in the St. George community to develop commercial enterprises, the Board has made the decision to reserve certain lots within Corporation subdivisions whereby St. George residents and Tanaq shareholders will be given first priority to acquire leasehold rights. Annual lease payments for use of these parcels will be based on 10% of the fair market value of the property.

These reserved parcels are as follows:

#### East Landing Subdivision

Lot 2, Section 29, T41S, R129W, SM, 1.79 acres.

Lot 4, Section 29, T41S, R129W, SM, 0.54 acres.

#### Qawax Subdivision

Lot 1, Tract 43, 3.51 acres.

Lot 10, Tract 43, 0.79 acres.

#### Zapadni Bay Subdivision

Lot 2, Block 1, 0.34 acres.

Lot 3, Block 1, 0.34 acres.

Lot 1, Block 2, 0.40 acres.

Offers to lease any reserved parcel must be submitted in writing and prospective lessees must be willing to enter into a lease agreement with the Corporation, a copy of which is available for review on request. A lottery system will be used to resolve matters where two or more persons have applied to lease a specific parcel.

All subdivided parcels not reserved specifically for St. George residents and Tanaq

shareholders are available for lease by any interested party. Prospective lessees may expect to pay annual lease payments equal to \$.12 per square foot per month or a percentage, to be determined by negotiation, of the annual gross revenues derived by a lessee's use of the lease premises. Short term lease rates are \$.15 per square foot per month. Once again, offers to lease must be submitted in writing and prospective lessees must be willing to enter into a lease agreement with the St. George Tanaq Corporation.

### **Trespass**

Any entry or presence on property owned by the St. George Tanaq Corporation without permission of corporation management shall be deemed to be unlawful and shall constitute a trespass.

When a trespass violation results in damage to corporation property, the Board of Directors shall determine whether to bring criminal or civil action against the trespasser. Arbitration will be used whenever possible to settle disputes that may arise.

Entry on property owned by the St. George Tanaq Corporation for the purposes listed below is expressly limited:

1. Use of All Terrain Vehicles (ATVs) on corporation property is prohibited from April 1 to January 1 annually and will not be permitted during the remainder of the winter months unless snow cover is of sufficient depth to protect the underlying property from damage.

### **Village Rentals**

To accommodate the wishes of the St. George community, the cottages, dormitory, and the hotel will not be leased to processing companies to house transient workers. Management will be excepted from this restriction, with a limit of no more than five (5) persons in a cottage at a time.

### **Summary**

The Board of Directors of the St. George Tanaq Corporation desires to encourage residential and commercial development of corporate lands. Concurrently, it is the opinion of the Board that corporate property must be protected and managed in a professional and orderly fashion. These policies have been approved by the Board of Directors in an effort to meet the needs of corporate shareholders and St. George residents, while giving serious consideration to the Board's responsibility to preserve and protect corporate land for future generations.

Persons interested in obtaining land for residential or commercial purposes should contact corporate management in either the St. George Tanaq Corporation's St. George or Anchorage office.