AGREEMENT REGARDING FLIGHT OPERATIONS AND PRACTICES OF COMMERCIAL SKI TOURS

PARTIES

THIS AGREEMENT entered into this 24th day of MARCH, 2011 by and between the Haines Borough, ("Haines" or "Borough") an Alaskan municipal corporation whose address is P.O. Box 1209, Haines, Alaska 99827, and Southeast Alaska Backcountry Adventures, ("SEABA" or "Permittee"), an Alaskan corporation whose address is P.O. Box 1368 Haines, Alaska 99827.

RECITALS

1. Haines issues permits for the conduct of commercial ski tours within the Haines Borough in accordance with the provisions of Chapters 5.04 and 5.18 of the Haines Borough Code.

2. SEABA has received a permit from Haines authorizing SEABA to conduct commercial ski tours.

3. SEABA contracts with a certificated air carrier authorized to operate helicopters in connection with the commercial ski tours operated by SEABA.

4. A number of residents of Haines are impacted by SEABA's permitted activities and have expressed concerns to Haines and to SEABA about potential impacts of SEABA's use of helicopters on wildlife, recreational users and Borough residents.

5. SEABA is willing to commit to take action to address concerns of some residents of Haines regarding SEABA's permitted activities through a voluntary agreement with Haines.

6. Haines is willing to enter into a voluntary agreement with SEABA to establish requirements to be followed by SEABA and Haines to reduce the impacts of SEABA's permitted activity on Borough residents and wildlife in lieu of involuntary regulation of SEABA activities through provisions of the Haines Borough Code.

CONSIDERATION

For good and valuable consideration the receipt whereof is hereby acknowledged Haines and SEABA agree as follows:

Terms and Conditions

A. Flight Rules

1. Unless weather, safety conditions, mechanical difficulties or Federal Aviation Administration requirements dictate otherwise, SEABA shall require any helicopter transporting SEABA customers to:

a. follow the access route described below:

From the 33 Mile heliport- Use Porcupine Creek, McKinley Creek or Glacier Creek to access Porcupine Peak and Flower Mountain areas. Avoid Jarvis Creek, and the Klehini River to keep noise away from residences. Access the Mt. Jonathan Ward area from the Porcupine Peak area. Use a route directly behind 33 Mile to access Four Winds area.

From the 18 Mile heliport - Take off and approach should be down river to avoid residences. Routes to skiing areas should go directly across the Chilkat River and into the mountains. Avoid flying parallel to the Chilkat or Klehini Rivers. When flying to and from the Ferebee Glacier area, avoid Chilkoot Lake and Lutak residents.

From the Haines Airport – Fly directly up the Takhin Valley to access areas south of the Takhin and Tsirku Rivers. Fly directly across the Chilkat River and up the slope between Haska Creek and the Kicking Horse River to access areas south of Mt. Emmerich, including the Rainbow and Davidson Glacier areas. Avoid Haska Creek and Kicking Horse River. Avoid traversing slopes facing Chilkat Inlet to avoid residences.

Helicopters transiting between heliports should fly on the opposite side of the valleys from residences.

b. attain as quickly as practicable after takeoff and maintain a minimum elevation of 1,500 feet above ground level ("AGL") while in flight.

c. maintain a minimum distance of one-half mile from wildlife on public lands while in flight and shall not hover over, circle or harass wildlife.

d. maintain a distance of 1/2 mile above the valley floors except when (1) shuttling passengers from the bottom to the top of a run, (2) during landing and takeoffs.

e. maintain a distance of 1/2-mile horizontal (ground level) distance or 1,500 feet AGL above observed recreational users except when (1) shuttling passengers from

the bottom to the top of a run, (2) during landing and takeoffs.

B. Shared Use Policy

SEABA and Haines shall implement and comply with the following policies for shared use of backcountry within the Borough:

1. SEABA shall yield to non-motorized, recreational backcountry users ("User"), within the boundaries of the area known as Telemark Ridge at the head of the Haskat Creek drainage on a by request basis provided the User has complied with the procedures set forth in this agreement.

2. User must contact SEABA by phone or email at least 48 hours in advance of User's planned activity and request to use a specific area on a specific day or days up to a maximum of three (3) consecutive days.

3. User must notify the borough clerk by phone or email of the request.

4. Confirmation of receipt of the request shall be given to User and the borough clerk by SEABA within 24 hours of SEABA's receipt of the request.

5. Modifications of User requests may not be made less than 48 hours in advance of User's planned activity.

6. Any cancellation of the request shall be communicated by User to Permittee before 9am on the day of User's planned activity.

7. SEABA is not required to yield to a User who has previously failed to communicate a cancellation to SEABA.

8. SEABA is not required to yield to the same User for more than ten days per month.

C. Investigations of Reported Failures

Any failure by Permittee to follow Flight Rules or follow the Shared Use Policy of this Agreement ("Permittee Failure") may be reported to the borough manager ("Manager").

Any failure by any User to follow the Shared Use Policy ("User Failure") may be reported to Manager.

Upon receipt of a reported Permittee Failure or User Failure, Manager shall investigate the matter and make a determination regarding whether either a Permittee Failure or User Failure has occurred. The results of this investigation shall be provided to Permittee and User and preserved in writing.

D. Consequences of Failure

1. Any Permittee Failure may be considered by the Borough Assembly when acting on future permit requests of Permittee.

2. Any Permittee Failure may be considered by Manager when making future allocations of skier days to Permittee.

3. The parties recognize that the damages resulting from any Permittee Failure are not capable of being measured in economic terms and include, among other things, a perceived reduction in the general quality of life of Haines residents, possible reductions in wildlife populations, reduced opportunity for quiet recreation and general inconvenience to the public. For this reason, the parties agree that Permittee shall pay to Borough as damages for any Permittee Failure and upon Borough's demand a sum of two-hundred dollars ($200) for each Permittee Failure.

E. General Provisions

1. Notices. Any and all notices required or permitted under this Lease shall be addressed as follows and may be mailed by certified or registered mail or hand delivered to the following addresses or such other addresses as may be designated by each party:

Haines Borough	SEABA
P.O. Box 1209	P.O. Box ~~1368~~ 1426
Haines, Alaska 99827	Haines, Alaska 99827
ATTN: Borough Manager	ATTN: General Manager

2. Rights or Remedies. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

3. Waiver and Forbearance. Except to the extent that such party may have otherwise agreed in writing, no waiver by such party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent

breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by such party to seek a remedy for any breach of the other party be deemed a waiver by such party of its rights or remedies with respect to such breach.

4. Integration and Modification. This document contains the entire agreement of the parties hereto. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this Agreement or the performance of either party hereto are merged and integrated into the terms of this document. This Agreement may not be modified or amended except by a writing signed by both parties hereto, and any purported amendment or modification is without effect until reduced to a writing signed by both parties hereto.

5. Governing Law and Venue. This Agreement shall be construed and governed by the laws of the State of Alaska. All suits related to this Agreement shall only be brought in state court in the First Judicial District, State of Alaska, at Juneau.

Entered into this 24th day of MARCH, 2011.

HAINES BOROUGH

By: Mark Earnest
Mark Earnest
Borough Manager

SOUTHEAST ALASKA BACKCOUNTRY ADVENTURES

BY:
ITS: General Manager