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October 7, 2014

Chris Zimmerman

Zimmerman & Wallace

711 Gaffney Road, Suite 202

Fairbanks, Alaska 99701

Sent via email: chris@mzwlaw.com

Re: ***TCUC Meeting October 9, 2014***

Dear Chris,

I represent the Tok Chamber of Commerce ("the Chamber") in connection with its rights to operate the Tok Visitors' Center/Library ("Visitors' Center"). I understand that you, in turn, represent the Tok Community Umbrella Corporation ("TCUC"), which recently obtained title to the land that the Visitors' Center sits on. Title to the land was transferred from the State following legislative appropriations for construction of the Visitors' Center – appropriations that were granted solely at the Chamber's request and on the Chamber's behalf in the 1990's. This letter responds to your letter to TCUC regarding the Visitors' Center dated August 31, 2014, and addresses TCUC's recent efforts, subsequent to your letter, to displace the Chamber from the Visitors' Center.

Your attention to this matter is urgent, as TCUC has announced its intent to vote on "eviction" of the Chamber at its upcoming regularly scheduled meeting on October 9, 2014. TCUC has absolutely no legal right to evict the Chamber from the Visitors' Center or to otherwise impede the Chamber from running the Visitors' Center, as intended by the legislature when it approved the funding appropriation for this purpose.

The Chamber, (formerly referred to as the "Tok Area C of C"), has operated a visitors' center on the current site for decades. The original facility was a small trailer, and in the late 1980's and early 1990's the Tok Area C of C initiated and ultimately obtained appropriations from the legislature and governor for the purpose of constructing a new visitors' center on the existing site. The effort to obtain the appropriations, including providing supporting legislative testimony, was coordinated and conducted by the Tok Area C of C, independent and exclusive of TCUC or any other Tok entity. Support for this effort also was provided by other statewide chambers of commerce and the Yukon chamber, since the Alaska, Yukon and Alaska Highway chambers all share and distribute local and regional information for their own communities and other chamber communities.

In the course of the appropriations process, funds also were included to add the library to the facility. After the legislature voted to approve the appropriations, the State asked that the funds be received for construction by an organization such as TCUC, rather than directly to the Tok Area C

of C, consistent with the State's practice and policies pursuant to Alaska State 29.60.850(a) and Article IX, § 6 of the Constitution of the State of Alaska. TCUC expressly agreed to receive the funds on this pass-through basis, and to transfer title to the Chamber when construction was complete and after title for the land had been received from the State. On this basis and understanding, the Chamber has operated the site as a visitors' center and library since construction (although during some of these interim years the Chamber shared operational responsibilities for the visitors' center with the Alaska Public Lands Information Center).

This understanding of the legislative intent to appropriate the funds for the purpose and benefit of the Visitors' Center was clear when TCUC and the Chamber entered into their Lease Agreement, dated June 12, 2004. When the Lease Agreement was being drafted, representatives from the Chamber and TCUC mutually agreed that title to the facility would transfer to the Chamber once TCUC itself received title from the State of Alaska. This mutual understanding, that TCUC had only received the state appropriations for the Visitors' Center on a pass-through basis for the Chamber, also is evident in the terms of the Lease Agreement itself. For example, the Lease Agreement's preface provides that the Chamber agreed to "take over the operation and maintenance of the building . . . until a formal transfer of management of this building for the community." Under the Lease Agreement, both parties expressly agreed to transfer title to the Chamber once TCUC obtained it. While the terms of the transfer remained unspecified because TCUC had not yet received title and the State's accompanying reversion clause, (as was later set forth in Patent No. 2360, issued on January 30, 2014, and recorded on February 5, 2014), the parties understood that transfer would be subject only to the limitations necessary to ensure that the facility continued to operate consistent with the legislative appropriation, as required by the State as part of the appropriation itself.

The intent expressly agreed to by TCUC when it accepted the appropriation funds on the Chamber's behalf, and specified in the Lease Agreement – that TCUC would only receive the funds and title on a pass-through basis on behalf of the Chamber – also is consistent with TCUC's long-standing practice of handling other pass-through funds it receives on behalf of other community organizations. For example, TCUC regularly constructively receives and delivers funds from legislative appropriations and grants to the Fire Department, Tok Clinic, Dog Mushers, Tok Shooters, AGSD, Veterans of Foreign Wars, Tok Airport, Tok-a-Tans, Rifle Range, and other public, private, and non-profit agencies and services operating in the public interest. Indeed, TCUC was created primarily for this purpose, as until TCUC's inception Tok did not have any formal entity that could receive state funds for the public purpose. TCUC was not established to hold property, operate businesses, or construct buildings for the establishment of a future borough or municipality, but rather to receive and distribute funds to organizations in the community and surrounding area.

Although the written Lease Agreement expired in 2009, the parties have continued to operate under the terms of the agreement over the course of the last five (5) years while waiting for the State to transfer title to TCUC so that TCUC, in turn, could transfer title to the Chamber. The Chamber has relied on the original agreement for receipt of the appropriation funds, as evidenced in the Lease Agreement, and has continued to operate under the terms of the Lease Agreement without interruption ever since, to the benefit of TCUC and the Tok community. During this period, the Chamber worked constantly to complete the title survey and receive the patent to the property and building. Unfortunately, it took years longer than anyone contemplated for title to transfer from the State, but this does not relieve TCUC of its obligation not to interfere with the Chamber's operation of the Visitors' Center at the facility, which was the purpose and intent of the legislative appropriations and the basis and consideration for the parties' subsequent Lease Agreement.

Notwithstanding the Chamber's faithful and full execution of its responsibilities under the terms of the Lease Agreement, last week when the Chamber attempted to have its annual septic system pumping performed it learned that TCUC already had this work done at the premises, without notice to the Chamber. Thereafter, the Chamber learned that on September 25, 2014, the TCUC Board

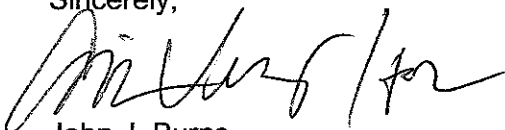
met for a "Special Meeting" to discuss "Eviction of the Tok Chamber of Commerce." TCUC's effort to circumvent the public process and subvert the intent of the Lease Agreement and the legislative appropriation for the Visitor Center by addressing this important issue in a last-minute emergency meeting is highly unusual and inappropriate, if not illegal. Almost as disturbing, the Tok area paper (a copy of which is attached), reported that TCUC also voted to "pay for the winterization costs of the septic system done by Burnham's," which suggests that the septic work was done in advance of the meeting, as this action was not discussed or approved at the last public TCUC meeting or voted on by the Board in any public forum. Additionally, and equally inexplicably, TCUC voted to pay the Chamber's bill for its routine winterization done by Brigner Enterprise earlier in the week, even though the Chamber already arranged, authorized and paid for this work itself, as it has done annually over the past ten years as part of its lease obligations.

The TCUC Board's recent actions are alarming and highly inappropriate. TCUC does not have the right to evict the Chamber from the Visitors' Center, as TCUC is bound by the parties' original agreement for receipt of the appropriation funds, as well as the terms of the lease that provides for the Chamber to lease the premises *until permanent transfer of title and management to it* from TCUC.

The Chamber, as it repeatedly has suggested and proposed to TCUC, remains willing and ready to discuss transfer of title or a new lease agreement on mutually agreeable terms to allow the Chamber's continued operation of the Visitor Center on the premises. However, TCUC cannot unilaterally terminate the Chamber's operation of the Visitor Center in the facility that was built expressly for this purpose. We urge TCUC to reconsider its position and its stated intent to initiate an eviction process. If TCUC proceeds with this or any other action contrary to the parties' original agreement, the Chamber will have no option but to pursue legal action. It is undoubtedly in the interests of the Tok Community to resolve this issue without need for legal recourse. To that end, if the parties cannot reach agreement on lease terms, then I urge you to counsel your client to agree to non-binding arbitration as contemplated in the Lease Agreement. The Chamber would be willing to arrange for arbitration, perhaps with retired District Court Judge Winston Burbank, if it becomes necessary.

Chris, please give me a call today to discuss this urgent issue, and confirm that you will relay this letter to your client promptly in advance of Thursday's scheduled meeting. It is imperative that TCUC maintain the status quo while these important issues get resolved, whether that happens through further discussion, arbitration or some other facilitated process. Maintaining the status quo will ensure that all interests are adequately protected, without need for costly court intervention that will only serve to undercut both parties' ability to focus on their important community contributions and obligations. Maintaining the status quo pending appropriate resolution also is particularly imperative since there is no "emergency" at hand with regard to the building or its occupants that necessitates unilateral or immediate action. Accordingly, while I hope that a mutually acceptable resolution can be worked out informally and expediently, I ask for your client's assurances that it will maintain the status quo in the meantime while we engage in efforts to resolve the current impasse.

Sincerely,

A handwritten signature in dark ink, appearing to read "John J. Burns", with a stylized flourish at the end.

John J. Burns

cc: Board of Directors, Tok Chamber of Commerce

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Tok Community Umbrella Corporation September 25 Special Meeting Notes

President Alvin Bates called the meeting to order at 7:34 p.m. on September 25, at Fast Eddy's Meeting Room.

Board members present were: Alvin Bates Rhonda VanZandt, Theresa Woody, Cherish Brigner. Board member John Bristol was not present.

A quorum was present.

3 community members were present.

Proof of Meeting: Notice was posted at Three Bears, Tok mini-mart and the Post Office.

Agenda was approved.

New Business:

- Winterization of Building (Tok Visitor Center). The Board voted that TCUC pay for the winterization costs of the building being done by Brigner Enterprise. Motion carried with a three majority vote; Cherish withheld her vote due to conflict of interest.

- Winterization of Septic System (Tok Visitor Center) Board voted that TCUC pay for the winterization costs of the septic system done by Burnham's.

- Eviction of the Tok Chamber of Commerce. A motion was made to table this until the regular monthly meeting due to lack of community members present. A vote was taken with 2 for and 2 against. After further discussion, another vote was taken and the board agreed unanimously to table this item till our next regular meeting October 9, 2014.

Meeting was adjourned at 8:15 p.m

Respectfully submitted,

Cherish Brigner, Secretary

ALSO, PLEASE NOTE THAT NEXT MONTH'S MEETING WILL BE HELD IN THE BACK ROOM OF FAST EDDY'S AT 7:30 P.M. OCTOBER 9, 2014.

Tok-A--Tan Homemakers

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10/16 - Vald

10/17 Cordo

10/24-25 - To

10/30 - Tok a

10/31-11/1 -

11/7-11/8 - V
