

PLAN OF MERGER

Koniag, Inc., a regional corporation organized under the laws of Alaska, pursuant to the Alaska Native Claims Settlement Act, § 7, 43 U.S.C. 1606, and Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., village corporations organized under the laws of Alaska, pursuant to the Alaska Native Claims Settlement Act, § 8, 43 U.S.C. 1607, agree to the following Plan of Merger.

ARTICLE I

CORPORATION NAMES

The names of the merging corporations are Koniag, Inc., and Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., and the name of the surviving corporation after merger shall be Koniag, Inc.

ARTICLE II

TERMS AND CONDITIONS

Merger shall take place under the following terms and conditions:

1. Effective date.

The effective date of this merger shall be the date when the State of Alaska issues a Certificate of Merger, after filing of the Articles of Merger, as required by AS 10.05.402. At that time, Koniag,

Inc. and Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., will merge into Koniag, Inc., and their separate corporate existences will cease.

2. Assets and liabilities.

Koniag, Inc., on the effective date of merger, shall by operation of law have all the rights, privileges and immunities, including rights and benefits granted under the Alaska Native Claims Settlement Act, of the merging corporations. All property, of whatever type, except that set out below in Section 3, and all other interests of the merging corporations shall be deemed transferred to Koniag, Inc., the surviving corporation, on the effective date. Koniag, Inc. will also on that date assume all the legal liabilities, obligations and responsibilities, disclosed or undisclosed, known or unknown, contingent or otherwise, of the merging corporations.

3. Property reserved by Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp.

Before the effective date of this merger, Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., will transfer either to each's IRA council, formed under the Indian Reorganization Act, 25 U.S.C. 1461, et seq., or to another successor organization, at its option, a portion of money received after June 30, 1980 from the Alaska

Native Fund, and the surface estate in fee in land not to exceed 5,140 acres for Afognak Native Corp.; 1,470 acres for Akhiok-Kaguyak, Inc., 1,860 for Karluk Native Corp., 2,960 acres for Leisnoi, Inc.; 2,030 acres for Nu-Nachk-Pit, Inc., and 3,350 acres for Old Harbor Native Corp. This land shall be selected by Afognak Native Corp., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., with the advice and assistance of Koniag, Inc. Should these transfers not be complete by the effective date, Koniag, Inc., the surviving corporation, shall complete the transfers as quickly as possible, and in the interim segregate the money or property to be transferred. Each village corporation's successor organizations shall be formed before or as soon as possible after merger.

4. Distribution of Alaska Native Fund money.

Immediately after the effective date of merger, Koniag, Inc., the surviving corporation, will distribute to the former shareholders of Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., Alaska Native Fund money held by Koniag, Inc., in trust, with the remaining portion retained by the successor village organization as described in Section 3 above.

<u>Corporation</u>	<u>Direct Distribution to Shareholders</u>	<u>Amount Retained by New Village Organization*</u>
Afognak Native Corporation	\$2,100/100 shares	\$98,040
Akhiok-Kaguyak, Inc.	\$2,100/100 shares	\$27,930
Karluk Native Corporation	\$2,100/10 shares**	\$35,340
Leisnoi, Inc.	\$2,100/10 shares**	\$56,240
Nu-Nachk-Pit, Inc.	\$2,100/10 shares**	\$38,570
Old Harbor Native Corporation	\$2,100/100 shares	\$63,650

*Calculated at \$190 per enrollee.

**These corporations only authorized ten shares per original shareholder rather than 100.

5. Consent to mineral exploration and development.

Prior to the effective date of merger, Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp. will also transfer to their successor organizations their right under Section 14(f), Alaska Native Claims Settlement Act, 43 U.S.C. 1613(f), to withhold consent to mineral exploration, development or removal within the boundaries of the Native villages of Woody Island and Larsen Bay. For this purpose, the boundaries of the Native village shall be the boundaries of the land transferred under Section 3 above. The successor organizations to Afognak Native Corp. and Akhiok-Kaguyak, Inc. will have the right to reasonably withhold consent to mineral exploration, development or removal within the boundaries of the land transferred to them under Section 3 above. The existing 14(f) rights of

the successor organizations to Natives of Afognak, Inc., Port Lions, Inc., Natives of Akhiok and Kaguyak, Inc., are hereby recognized. Should said transfer not be complete on the effective date, Koniag, Inc., the surviving corporation, will complete the transfer as quickly as possible and in the interim will not conduct or consent to mineral exploration, development or removal within the villages' boundaries.

6. Articles of Incorporation and Bylaws.

As of the effective date, the Articles of Incorporation and the Bylaws of Koniag, Inc., the surviving corporation, shall be those of Koniag, Inc., with the amendments set out in Article IV, below.

7. Directors.

The initial directors of Koniag, Inc., the surviving corporation, on the effective date, shall be those persons who were directors of Koniag, Inc.

8. Approval by the Board of Directors and Shareholders.

Filing the Articles of Merger is conditioned on approval of this Plan of Merger by the Boards of Directors of Koniag, Inc. and Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., by resolution adopted by each board, and by the shareholders of each merging corporation, at an annual or special meeting of the shareholders, properly convened and held for the purpose of voting on approval of this plan, or for other proper purposes. The plan will be considered approved if the holders of a majority of the outstanding shares of each corporation vote for its approval.

ARTICLE III
CONVERSION OF SHARES

Shares of stock in Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., and Koniag, Inc. shall be converted into shares of Koniag, Inc., the surviving corporation, as follows:

Stock in Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., corporations:

1. On the effective date of merger, each share of Afognak Native Corp. stock, Akhiok-Kaguyak, Inc. stock, and Old Harbor Native Corp. stock then issued and outstanding shall be converted automatically into one share of Class B stock in Koniag, Inc., the surviving corporation. Each outstanding certificate which represents a number of shares of stock in Afognak Native Corp., Akhiok-Kaguyak, Inc., or Old Harbor Native Corp., shall, on the effective date, be deemed to represent that number of Class B shares of stock in Koniag, Inc., the surviving corporation. On the effective date of merger, each share of Karluk Native Corp., Leisnoi, Inc. and Nu-Nachk-Pit, Inc. stock then issued and outstanding shall be converted automatically into ten shares of Class B stock in Koniag, Inc., the surviving corporation. Each outstanding certificate which represents a number of shares of stock in Karluk Native Corp., Leisnoi, Inc. or Nu-Nachk-Pit, Inc., shall, on the effective date, be deemed to represent ten times that number of Class B shares of stock in

Koniag, Inc., the surviving corporation. The surviving corporation shall thereafter issue new certificates representing such shares.

Holders of such Class B stock shall receive distributions under 7(m) of the Alaska Native Claims Settlement Act on the same basis as at-large shareholders who hold Class B stock prior to merger. Nothing in this Plan of Merger prejudices or alters the rights or privileges of Class B stock in Koniag, Inc., the merging corporation.

Stock in Koniag, Inc.

2. All Class A and Class B shares of stock in Koniag, Inc., then issued and outstanding, on the effective date of merger, shall be automatically converted into Class A and Class B shares of stock of Koniag, Inc., the surviving corporation.

ARTICLE IV

CHANGES IN ARTICLES OF INCORPORATION

The changes in the Articles of Incorporation of the surviving corporation caused by the merger shall be as follows.

Article III, Purposes and Powers, shall be amended by adding a new Section C:

To act as a corporation resulting from the merger of Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., Old Harbor Native Corp., and Koniag, Inc., pursuant to the Alaska Native Claims Settlement Act, § 30(a) and the Alaska Business Corporation Act, AS 10.05.375 et seq.

Article VII shall be amended by:

1. Deleting the fourth paragraph in its entirety, and substituting the following:

Class B shares shall be issued to those Natives who are enrolled pursuant to the Act in the Koniag, Inc. Regional Native Corporation of Alaska, but who are not enrolled in any certified village corporation in the region, including those Natives entitled to stock because of merger of Koniag, Inc. with a village corporation.

2. Deleting the sixth paragraph in its entirety and substituting the following:

Whenever funds are distributed under Section 7(j) of the Alaska Native Claims Settlement Act to shareholders in village corporations in the Koniag, Inc. Region, Class B shares shall be entitled to receive dividends, the amount of which shall bear the same ratio to the amount distributed among the village corporations that the number of outstanding shares of Class B stock bears to the number of outstanding shares of Class A stock held by shareholders who are also shareholders in a certified village corporation at the time of the dividend; provided, however, that an equitable portion of the amount distributed as dividends to Class B shareholders may be withheld by this corporation and combined with village corporation funds to finance projects that will benefit the region generally.

ARTICLE V

ACTIONS TAKEN PRIOR TO MERGER

1. The Boards of Directors of Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp., and the Board of Directors of Koniag, Inc. will recommend to their respective shareholders that they consider and approve the terms of this Plan of Merger, and authorize the transactions it describes.

2. Material change in position.

Between the date this Plan of Merger is approved by the Boards of Directors of Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., or Old Harbor Native Corp., and the effective date of merger, they shall not take any corporate action which would materially change the financial positions of the corporations from their position on the date of approval by the Board of Directors, except the following: transfers of Alaska Native Fund moneys and land as specified in Article II, Section 3 above; dividends required to be paid under the Alaska Native Claims Settlement Act; transactions in the ordinary course of business; or actions taken with the consent of Koniag, Inc. Between the date this Plan of Merger is approved by the Board of Directors of Koniag, Inc. and the effective date of merger, Koniag, Inc. will not take any corporate action which would materially change the financial position of the corporation from its position on the date of approval of the plan by the Board, except the following:

transactions in the ordinary course of business; actions required under the Alaska Native Claims Settlement Act; or actions taken with the consent of Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., and Old Harbor Native Corp.

3. Abandonment.

This Plan of Merger, and the obligations therein, shall be deemed abandoned automatically upon any of the following events: disapproval of the plan by the Board of Directors of Koniag, Inc.; or the plan's failure to win approval by the holders of a majority of stock in either Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., Old Harbor Native Corp., or Koniag, Inc. at their respective shareholders meetings. In the event one or more village corporations disapprove the plan, either by shareholder or Board of Directors vote, it shall remain in effect as to the other corporations. In addition, if the conditions of Section 2 above are not complied with by a merging corporation, or if any other event occurs which so materially changes the financial position of a merging corporation, the other merging corporations may, by resolution of their Boards of Directors, abandon the plan as to them at any time up to the filing of the Articles of Merger.

4. Documents.

Afognak Native Corp., Akhiok-Kaguyak, Inc., Karluk Native Corp., Leisnoi, Inc., Nu-Nachk-Pit, Inc., Old Harbor Native Corp., and Koniag, Inc. agree to execute and deliver such documents, and to take

such other action, as is considered necessary by Koniag, Inc., the surviving corporation, to carry out transfer of title or possession of all property, rights, privileges and powers except those set out in Section 3, Article II, to the surviving corporation, and to carry out the intent of this Plan of Merger.

DATED: October 3, 1980

[Signature]
President, Koniag, Inc.

DATED: Oct 6/1980

[Signature]
President, Afognak Native Corp.

DATED: Oct. 10, 1980

[Signature]
President, Akhiok-Kaguyak, Inc.

DATED: Oct. 4, 1980

[Signature]
President, Karluk Native Corp.

DATED: Oct 3, 1980

[Signature]
President, Leisnoi, Inc.

DATED: OCT 8, 1980

[Signature]
President, Nu-Nachk-Pit, Inc.

DATED: Oct 4, 1980

[Signature]
President, Old Harbor Native Corp.