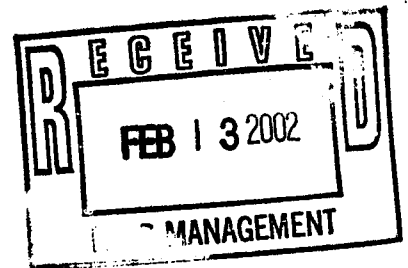


**Pioneer Mountain Properties LLC**

6208 Staedem Dr.  
Anchorage, AK 99504-1628  
(907) 333-6025



February 12, 2002

Mat-Su Borough  
Land Management  
Ron Swanson

Re: Relinquishment of Borough Lease with Homestead Resort Properties

Dear Ron,

It is my sad duty to relinquish Homestead Resort Properties/Pioneer Mountain Properties rights to the Borough lease on the following 320 acres of real property listed in our lease agreement:

Tract A as by ASCS 92-118. which, includes a portion of Section 7, Township 17N, Range 3E and a portion of Section 18, Township 17N, Range 3E, all located in the Seward Meridian.

A semi-private/private golf course was a great vision for the property, unfortunately the feasibility was another issue. No feasibility study was performed due to the lack of interest in the project. I feel that is a good indicator that the cost of a primo golf course exceeds the demand for such a course. Efforts made to find investors failed and will now have to come to an end.

Another golf course for sale in the Valley will probably end up selling for about half or less of what it cost to build. The short growing season of Alaska creates a major problem with high up front costs associated with a golf course. Many golfers are leery of paying a one time fee of \$20,000 or more for membership and would likely have to be satisfied by daily greens fees. Using rough math it would take somewhere between 35,000 and 40,000 players per year, at 55 dollars a head to make a golf course profitable with up front costs of \$10 million dollars, selling 250 memberships as well. 40% of that would have to be down payment put up front by investors with no probable return for years. Paraphrasing, I had many say that the "math just doesn't work". Regrettably, I must agree.

It is in my intent to apply for the southern 240 acres of this tract immediately after this relinquishment. There are much more feasible ways to use this property and benefit the public much more directly.

Pioneer Mountain Properties has remained current on taxes and payments. PMP relinquishes the property in the condition it was leased/sold under, good condition. No improvements were made.

I feel that PMP has maintained a solid relationship with Land Management and will do so in the future. I look forward to working with the Borough on other applications I have filed for PMP. Thank you for all of your assistance and cooperation!

Sincerely,

A handwritten signature in black ink, appearing to read "E.G. Judd Walker". The signature is written in a cursive style with a large initial "E" and "J".

E.G. Judd Walker  
General Manager  
Pioneer Mountain Properties, LLC