

THE HOMESTEAD RESORT

Homestead Resort Properties LLC I, in association with Nicklaus Design and a team of resort designers, architects, land planners, and consultants, will transform more than a square mile in a valley of the Chugach Mountains into THE HOMESTEAD RESORT, Alaska's first destination residential resort. THE HOMESTEAD RESORT will incorporate the luxurious facilities of The Homestead Lodge, The Homestead Golf Course designed by Jack Nicklaus and Nicklaus Design, and the private and exclusive Homestead Resort Residential Community.

The "Homestead" name has been chosen to honor Alaska's original homestead settlers and their way of life, and as an invitation to New Homesteaders to participate in Alaska's contemporary wilderness lifestyle at THE HOMESTEAD RESORT.

The Nicklaus name will be honored at THE HOMESTEAD RESORT in a way appropriate and meaningful to Jack Nicklaus and the Nicklaus family. Over many years, Jack Nicklaus has experienced the Alaska Dream hunting and fishing in Alaska's wilderness. Designing The Homestead Golf Course is the fulfillment of his personal dream to design a "wilderness" golf course to complement his world renowned golf course design achievements in the desert, along coastal shores, and on uniquely beautiful landscapes in countries around the world.

The beautiful site for THE HOMESTEAD RESORT is five miles from the original homestead town of Palmer, Alaska (population 4,500). Palmer now has a 5,500 foot paved runway, rail and excellent road accessibility. THE HOMESTEAD RESORT location is less than 50 miles and one hour by highway from the commerce, arts, and entertainment center of Anchorage (population 250,000).

The land acquired by Homestead Resort Properties LLC I for THE HOMESTEAD RESORT lies on the sheltered north side of the Knik River Valley. The land, with its panoramic views, private lake, mile of stream frontage, forests, and open fields, has been characterized as “absolutely gorgeous” by Nicklaus Design and Economics Research Associates, a resort consulting firm retained by Homestead Resort Properties LLC I.

En route from Anchorage to the land acquired for THE HOMESTEAD RESORT, the sights and sounds of the city fade away and the Alaska Dream emerges...the dream tourists from around the world come to see and experience. The land is dominated to the north and south by towering mountains, home to Alaska’s dall sheep. To the east, the view encompasses the Knik River Valley, home to moose, bears, eagles, swans, and varieties of geese, ducks, and other birds. Beyond are the great snow fields and glaciers of the Chugach Mountains. To the west is the agricultural Matanuska-Susitna Valley, carved out a millennia ago by glaciers that once covered the entire area. This rich valley, along with the Knik River Valley, was the first land homesteaded in Alaska.

Images of this kaleidoscope of scenery can be seen throughout the land acquired for development of THE HOMESTEAD RESORT. These beautiful and ever changing images will be a part of the daily experience for guests, golfers, and residents.

At the resort, The Homestead Lodge will be intimately warm and luxurious. The 8,000 square foot Main Lodge will be hand-crafted from massive logs measuring up to 50 feet in length and two feet in diameter. Architectural features of the Main Lodge include: three separate wings, each with a two story glass wall to visually frame the spectacular panoramas shown in the preceding photos; a two story, double hearth rock fireplace; stained glass windows depicting Alaska's heritage and splendor; and a vehicle entry portico with wildlife carved on the log support columns.

The Main Lodge will provide reception, tour, and hospitality services, as well as lovely lounge areas for guests. The Lodge restaurant will serve a distinctively Alaskan menu. An intimate, reservation only dining loft will showcase the chef's personally prepared menu of the day and a breathtaking view over the lake to the Knik Glacier at the head of the valley.

The memorable and refined ambiance of the Main Lodge will carry over into the adjoining guest accommodations, which will reflect an Alpine style log and stucco architecture accented with colorful window flower boxes. One hundred forty deluxe guest room and suite accommodations for tourism and convention guests will be graciously appointed with fireplaces, Jacuzzi spas, handmade furniture items, featherbeds, and traditional quilts.

The "Gallery of American Crafts" gift shop at the Lodge will offer a fascinating variation of artistic expression. The Gallery will exhibit for sale Alaskan Native crafts, Alaskan art and collectibles, and exceptional crafts and handmade historical reproductions indigenous to other culturally rich regions of America.

THE HOMESTEAD RESORT'S prestigious Nicklaus Signature golf course, equestrian facilities, tennis courts, health spa, spacious natural setting and

adjoining wilderness access will provide Lodge guests and resort residents with a wide variety of activities, and an Alaskan experience to enjoy at a world class level.

Homestead Resort Properties LLC I and Nicklaus Design have consulted over a ten month period, reviewed initial golf course routings, and expect to sign a final design agreement for a Nicklaus Signature golf course. The Nicklaus Signature golf course at THE HOMESTEAD RESORT will draw praise the world over for playability and design artistry integrated into the breathtaking natural landscape. Over his career, Jack Nicklaus has created more "Top 100" golf courses than any other golf course designer. It is no surprise that Nicklaus designed golf courses are identified as the single, differentiating feature distinguishing the most financially successful residential resorts in competitive market venues.

With multiple tees and playing distances approaching each sculptured green, The Homestead Golf Course will challenge and reward players from enthusiastic intermediates to the best PGA professionals. Set against the backdrop of Alaska's magnificent mountain scenery, The Homestead Golf Course could be the next Nicklaus masterpiece named to the "Top 100"!

THE HOMESTEAD RESORT, featuring the Nicklaus Signature "golf course in the wilderness," will be recognized by resort real estate investors and the golfing world as a premier golfing and resort experience.

The Golf Clubhouse at The Homestead will be crafted in the ancient and beautiful mortise and tenon, timber frame architectural style. The club house will be a stunning complement to the log and log/stucco architecture of The Lodge. The golf course and club house will be open to the public, with privileges for resort residents, members, and Lodge guests.

THE HOMESTEAD RESORT will be the first private residential resort community in Alaska. Hidden along the fairways of THE HOMESTEAD RESORT'S Nicklaus Signature golf course will be a balanced combination of luxury townhouses and single family home sites. The size of The Homestead's residential community is projected at 200 combined units, subject to the completion of engineering studies and the master land planning of the resort and golf course.

The equestrian center at The Homestead Lodge will offer guests and the public the finest indoor and outdoor riding facilities and show arenas in Alaska. The equestrian center will offer boarding, training, riding instruction, and championship horse shows. For the adventurous, a wilderness trail ride will take guests from the Resort to explore the Knik and Marcus Baker Glaciers and the many valleys of the Chugach mountains. As always, summer hay rides and winter sleigh rides will be fun for all!

Many other adventure day trips will be readily available to Lodge guests within a two hour radius of THE HOMESTEAD RESORT. These include: fishing for salmon and rainbow trout; river rafting; visiting Hatcher Pass and the historic Independence Mine; the Matanuska Glacier; touring the sights of Anchorage and Prince William Sound; and stopping down the road at the Reindeer and Musk Ox Farms. Most trips will have guests back at The Lodge for dinner.

Flightseeing excursions to glaciers, Mt. McKinley, and the remote areas of Alaska's vast wilderness are only minutes from Palmer.

Miles of trails winding throughout the Resort, and a walking path around the lake, will provide for relaxed and scenic summer wanderings. In the winter these trails will be groomed and tracked for cross country skiing. An ice skating rink will be maintained on the lake in front of The Lodge. Images of skiers gliding through

the woods, skaters cutting figure eights and warming around bonfires, horse drawn sleighs, and joyful gatherings around the hearth create nothing less than a Currier and Ives setting for winter vacationers, local guests, and the year-round residents at THE HOMESTEAD RESORT!

YOU ARE INVITED TO THE HOMESTEAD RESORT!

Come stay as a guest or conduct business at The Homestead Lodge, where luxury and Alaskan informality meet. You will be welcomed and cared for with old world homestead hospitality!

Dine and socialize at THE HOMESTEAD RESORT'S magnificent, hand-crafted log lodge!

Golf with old and new friends at The Homestead Golf Course, where Jack Nicklaus and Mother Nature have combined to brilliantly shape the landscape and fulfill a Jack Nicklaus dream!

Fly over remote Alaskan wilderness; see glaciers and historic gold mines; enjoy the pleasure of horseback riding; tour Alaska's biggest city and smallest villages; and go fishing before playing golf...or after...or both!

Live along the fairways of THE HOMESTEAD RESORT'S prestigious Nicklaus Signature golf course in the midst of Alaska's scenic cathedral, and have it all!

The Alaska Dream will be your experience at THE HOMESTEAD RESORT!

VALUES STATEMENT

As the President of Homestead Resort Properties LLC I, my responsibility and commitment is first, foremost and resolutely to you, the investor, for the security and profitability of your investment . Our collective goal is to successfully and profitably develop a world class destination and residential golf resort in Alaska.

Homestead Resort Properties LLC I (HRP) has identified certain values as fundamental to the company and the long term success of THE HOMESTEAD RESORT. The fundamental values of the company may be expanded , but they are otherwise non-negotiable. They represent my commitment to you and to HRP, as well as your commitment to HRP and to me. I would be pleased to discuss them further with any potential investor.

HRP's resort design and development decisions reflect thoughtful land stewardship, the highest environmental standards, and a commitment to create a memorable Alaskan experience and lifestyle for guests and residents at THE HOMESTEAD RESORT. Alaskan experience and lifestyle, to the greatest extent, are defined by connection and continuity with the natural environment, and the perception and imagination of wilderness. To achieve this, I am bringing together a team of renowned designers, land planners, architects, and professionals to design and build The HOMESTEAD RESORT. Nicklaus Design, Robert Lamb Hart, and Unique Timber will form the core of this development team .

HRP is committed to pursue and achieve excellence, and expects this in turn from its employees. HRP acknowledges and respects its employees as the company's most important asset.

HRP's has a responsibility and commitment to the greater Palmer community where the company conducts business. With its resources and the facilities of THE HOMESTEAD RESORT, HRP will contribute to enhance the community's quality of life, particularly directing its commitments to benefit kids. HRP will support Big Brother/Big Sister of Alaska to enable the extension of this program to the children of the Tanana-Susitna Valley. Preliminary discussions have been initiated with a national sports marketing group to underwrite the Big Brother/Big Sister program and joint promotion of a nationally televised "skins" golf tournament at The Homestead Resort Golf Course. HRP also will support children's Special Olympics, provide employment and opportunities for young people in the resort's local community.

Commitment to values will constantly challenge the company, as well as HRP's design and development team, to aspire to create a stunning, destination resort that connects with the environment and expresses the Alaskan Experience. Commitment to values requires measured development decisions, and a responsiveness to employee and community needs. Commitment to these values provides the greatest assurance that HRP will be successful, profitable, and personally rewarding for each investor.

ROBERT LAMB HART

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September 23, 1996

Mr. Victor Trygstad
6700 Finger Lake South View Drive
Wasilla, AK 99687

Dear Victor:

We are very pleased that you have selected our firm to assist in realizing your exciting vision for this property. Seeing the magnificent physical setting illustrated in the information package we recently reviewed, we are enthusiastic to begin working with you and the Nicklaus Organization. As you requested, we are writing to bring you up to date with our firm's recent projects.

Our firm is a group of 45 planners, architects and landscape architects with offices in San Francisco and New York. The firm was founded in 1967 and since then, the mainstream of our practice has been planning and design for new community and resort development, usually in "special situations" where a unique natural environment or new market conditions require innovative thinking. We have worked in all regions of this country, in Europe and around the Pacific Rim.

Our clients have included some of the leading landowners and developers in the business, such as:

- Irvine Ranch
- The Walt Disney Organization
- Mobil Land Development
- Jack Nicklaus Development Corporation
- CSX Corporation/The Greenbrier Hotel
- Pacific Union Company
- The Hudson's Bay Company/Markland Properties
- The Pebble Beach Company
- Gerald Hines Interests
- Alexander & Baldwin Properties/Hawaii
- Mitsubishi International Corporation
- Vail Associates
- Misawa Homes of America
- Guinness PLC/The Gleneagles Hotel Group

What distinguishes our firm from some others is a combination of the following:

- **Golf and real estate.** We have dedicated a significant part of our practice to understanding the relationship between golf courses and high quality real estate development. We have worked with some of the most innovative developers, land owners, golf course architects and operators -- all the people who create these places -- to plan some of the leading places where golf has played an important role in creating land values.
- **Market-driven design.** We have also learned how the great resorts create a memorable experience and why people return to spend their time year-after-year. We've also learned how to combine the right physical and natural elements to create value through community identity. As a result, we utilize the disciplines of planning, landscape architecture and architecture to create resort and community environments that will have a competitive edge in the market place, and resort and residential "products" that make sense as an investment. At the same time, our master plans result in complete, practical, cost-effective environments -- the total customer experience.
- **Business discipline/teamwork.** We typically work very closely with our clients. We become, in effect, a part of their staff. For that reason, we approach planning and design as an integral part of a disciplined business process.
- **Big-firm/small-firm.** We combine the broad experience and technical depth of a large international firm, with the kind of direct, active, personal service of the principals, David Howerton and Bob Hart, usually found only in a local firm. The end result is attention to detail, enthusiasm, quick response, and a high level of commitment on each project.

Related Projects

Examples of our work are listed below.

Community/Resort Development

- At Walt Disney World in Florida, the most successful destination resort ever built, we prepared planning studies of the 27,000 acres and we master planned the 4,500 acre "host community," Lake Buena Vista, including its "town center" and related residential real estate around two championship Joe Lee golf courses. We also designed the first buildings and landscapes there which established the community's style.
- **The next Disney Destination Resort.** We were recently selected by Disney as planners for their next complete destination resort in Asia. We joined them in an analysis of their Florida and European projects, and our first round of design studies for the new resort was recently completed.