

TINDALL BENNETT & SHOUP

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January 21, 1999

01-21-99PC4:35 RCVD

Via Hand-Delivery

Michael Scott  
Matanuska-Susitna Borough Manager  
350 E. Dahlia Avenue  
Palmer, Alaska 99645

Re: Pioneer Mountain Properties, LLC (Homestead Resort Properties, LLC I)

Dear Mr. Scott:

We represent Pioneer Mountain Properties, LLC, an Alaska limited liability company ("Pioneer"). Through a recent business combination with Homestead Resort Properties, LLC I ("HRPI"), Pioneer has become the developer of the proposed golf course and residential community which encompasses the land described in the Land Lease With Option to Purchase by and between Matanuska-Susitna Borough and HRPI dated March 25, 1998 (the "Lease"). Pursuant to Section 29 of the Lease, the Lease has been assigned by HRPI to Pioneer. A certified copy of the "Formation and Purpose" section of the Operating Agreement is attached as Exhibit A showing Pioneer is a permitted assignee thereof.

For your information, the managing member of Pioneer is E.G. (Judd) Walker, President and CEO of Waldec Enterprises, Inc. which has been developing commercial and residential properties in Anchorage and the valley since 1974. Walker is the majority owner of Pioneer and will be responsible for all aspects of the development. HRPI remains involved in the project as a minority owner.

We have been advised by HRPI that today is the deadline for curing certain defaults under the Lease. Delivered herewith is a check in the amount of \$1,000 for the December and January lease payments. Also enclosed as Exhibit B is a January 12, 1999 letter from appraisers Follett & Associates to HRPI's attorney, Ken Albertsen, advising that they cannot complete the required appraisal before February 12, 1999. As assignee under the Lease, Pioneer has committed to pay the full amount necessary to have the appraisal performed. If there is anything further that the Borough requires be done under the Lease at this time, please let me know immediately so that we can undertake such activity.

Michael Scott  
January 21, 1999  
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You may be assured that Pioneer, together with Walker's affiliate, Waldec, is fully capable of funding and financing this project and that future performance under the Lease shall be timely and as agreed.

Mr. Walker looks forward to working with you as his engineers begin the design phase this spring.

Very truly yours,

TINDALL BENNETT & SHOUP



John H. Tindall

JHT/cps  
Attachments

cc: Jill Parsons, Land Management Officer (hand-delivered w/ attachments)  
Marcy Martin, Director of Planning (hand-delivered w/ attachments) ✓  
Darcie Salmon, Mayor of Palmer (hand-delivered w/ attachments)