

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This Report is prepared and issued by the developer of this subdivision.
It is NOT prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two years from the date of signing.

Name of Subdivision: Ellamar Subdivision

Name of Developer: Ellamar Properties, Inc

Date of this Report: April 24, 1990

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In this Property Report, the words “You” and “Your” refer to the buyer. The words “We,” “Us” and “Our” refer to the developer.

RISKS OF BUYING LAND

(1) The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

(2) Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

(3) Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.

(4) Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

(5) In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

- WARNINGS -

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This report covers 157 lots located in the Valdez Recording District, Third Judicial District, State of Alaska. There are 128 residential lots and 29 commercial or industrial lots. See page 28 for a listing of these lots. No additional lots are planned for this development.

The developer of this subdivision is:

Ellamar Properties, Inc.
PO Box 203113
Anchorage, AK 99520
Telephone: ~~(907) 278-1311~~ 907-276-2766

The Registered Office and Agent of Ellamar Properties, Inc. is:

Lucy W. Groh
Ellamar Properties, Inc.
PO Box 203113
Anchorage, AK 99520

Telephone: 907-277-8791

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to the property generally has the right to own, use, and enjoy the property. A contract to buy a lot may give you possession but does not give you a legal title. You will not have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the warranty deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot, and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Earnest Money Contract and Delivery of Deed

We will be using either a cash or an installment method of selling lots in the subdivision. As a cash purchaser, you will receive a general warranty deed, free and clear of liens and encumbrances, at closing upon full payment of the purchase price, including closing costs. If you purchase your lot on the installment method, you will receive at closing a general warranty deed, free and clear of all liens and encumbrances, and we will require that you sign a deed of trust and a promissory note as security for the unpaid portion of the price of your lot. The closing will normally take place within 30 days of signing the purchase agreement. If you fail to make your payments required by the note and deed of trust, you may lose your lot and all monies paid. In no event will the delivery of the deed take place later than 180 days of your signing a contract for sale.

Type of Deed

The type of deed which will be used to convey title to you for the lot which you purchase will be a general warranty deed.

ENCUMBRANCES, MORTGAGES, AND LIENS

None of the lots in this subdivision are subject to an encumbrance, mortgage or lien. All lots owned and offered for sale by Ellamar Properties Inc. are free and clear of liens and encumbrances.

RECORDATION OF THE EARNEST MONEY CONTRACT AND DEED

Method of Purpose of Recording

The earnest money contract you sign prior to receiving a deed at closing will not be recorded due to what we anticipate to be such a short time period between your executing the earnest money contract and the actual closing of the transaction, at which time you will receive your Warranty Deed. It should be noted that you can record an earnest money contract in this State, which would offer you protection from the sale of the lot to other bona fide purchasers and future creditors of the developer. If it is your desire that the earnest money contract be recorded, then you may advise us prior to execution of the contract and we will record it at your expense.

UNLESS YOUR CONTRACT OR DEED IS RECORDED, YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASES OR SUBSEQUENT CREDITORS OR ANYONE HAVING AN INTEREST IN THE LAND.

Immediately upon closing, the developer will provide and record a Warranty Deed transferring ownership, subject only to the reservations and exceptions as contained in the U.S. Patent and the Covenants Conditions and recorded restrictions on the Subdivision.

TITLE INSURANCE

We will deliver to you a title insurance policy at such time as a deed is delivered to you.

PAYMENTS

Downpayments and deposits will be held in an escrow account held by First American Title Company of Alaska, 3035 C Street, Anchorage, Alaska 99503, until the deed is delivered to you.

Pre-payments

There will be no pre-payment penalties for payments on your deed of trust note (should you purchase the lot by the installment method). You will have the privilege to prepay the outstanding balance of your note at any time.

Default

Should you execute a purchase money deed of trust note, it will contain a 30 day grace period for your payments. Should you default in those payments, we may declare the total unpaid balance to be due immediately and foreclose against your lot, either through the courts of the State of Alaska or through a nonjudicial foreclosure process. Should we initiate legal proceedings against you, we could acquire a deficiency judgment against you personally for the difference between the proceeds of the sale of the lot subtracted from the current principal balance of your note, plus costs, interest and attorney's fees. Should we conduct a nonjudicial foreclosure, your lot will be sold at public auction and you will lose your earnest money deposit and installments paid but we could not seek any deficiency against you personally.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Ellamar Properties, Inc. has recorded in the Valdez Recording District a set of restrictive covenants which restricts the use of your, and all other, lots in the subdivision. A complete copy of these restrictions is available upon request. The major provision of these agreements will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the covenants and should not be a substitute for a careful study of these agreements by you.

Section 2 of these agreements provides for a 30 year term of these agreements and provides for an automatic 10 year extension.

Section 3 deals with amendments during the 30 year term requiring not less than 90% of the lot owner's concurrence.

Section 4 of these agreements indicates that the covenants conditions and restrictions can be enforced by the developer or any lot owner.

Section 5 of these agreements limits the use of the lots to single family residential and recreational purposes. It also restricts the dumping of rubbish and trash and prohibits trailers, mobile homes, or temporary housing quarters except when used for a period not to exceed twenty-four months during the construction of the permanent residence. This section also limits fences to six feet in height. It also limits certain building materials for the exterior siding and finishes of permanent structures.

Section 6 limits to only one residential dwelling per lot.

Section 7 requires that no dwelling will exceed two stories in height.

Section 8 requires a ten foot setback requirement for any structure.

Section 9 limits to two any additional outbuildings not attached to the residential dwelling and sets certain quality workmanship standards for such outbuildings.

Section 10 requires that all sewage disposal systems be in conformity with the requirements and standards of the Alaska Department of Environmental Conservation.

Section 11 requires that no trees be removed from any lot except trees necessary for clearing construction sites for dwellings or outbuildings.

Section 12 provides a limitation to further resubdivision of lots into small lots by indicating any such resubdivision cannot result in new lots of less than 40,000 square feet.

Section 13 establishes certain lots for commercial uses and excepts those lots from Paragraphs 3, 6, 7, 8, 9, 11, 16, and partially from Paragraph 5 of these agreements.

Section 14 prohibits the keeping of any animals on the lots for commercial purposes.

Section 15 prohibits any lot owner from allowing his lot to be used in noxious, offensive or nuisance activities. This section also prohibits the operating of a gas or diesel powered generator unless contained in a noise reduction container.

Section 16 limits the use of signs by individual lot owners and the developer.

Easements

All lots will have drainage easements with a width of twenty feet running along property lines, with ten feet of the easement lying on each side of the lot line. These easements will not affect your use of the property except you will not be allowed to build improvements within said easement.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENTAL

Subdivision plans and plats have been approved by all regulatory authorities and the plat has been recorded in the District Records Office, Valdez Recording District, Third Judicial District, State of Alaska.

Zoning

There are no zoning laws applicable to the subdivision; however, the majority of the lots included in this offering may be used for residential purposes only. This use is consistent with the restrictive covenants. However, we have set aside certain lots for commercial or industrial purposes. Those lots which permit commercial or industrial development are as follows:

Block 3, Lot 14; Block 4, Lots 1, 2 and 3; Block 5, Lots 9 and 10; Block 6, Lot 3; Block 7, Lots 1, 2, 3, 4, ~~19~~, 20, 21, 22, 23, 24, 25, 26, 29 and 30; Block 8, Lots 2, 4, 6 and 8; Block 10, Lots 3, 4, 5 and 28.

Surveying

Each lot has been surveyed and marked for identification. Rebar corner stakes have been set into the ground.

Permits

No permits will be required from any State or local regulatory agency prior to the commencement of construction of your dwelling except as stated herein. A permit may be required from the Department of the Army, Corps of Engineers. We have received a permit from the Department of the Army, Corps of Engineers to construct roads at Ellamar. That permit is recorded at Book 106, pages 84, 85, 86, 87 and 88, Recorder's Office, Valdez Recording District, Valdez, Alaska. That permit requires that prospective owners of the following described lots be notified in writing prior to purchase, that an individual Department of the Army permit may be required prior to the placement of dredged or fill material into wetlands and other waters of the United States and that purchasers shall contact the United States Army Corps of Engineers to obtain a jurisdictional determination for any projects in those areas:

Block One, Lots 4 through 11 Block Six, Lots 1 through 13
Block Two, Lots 1 through 20 Block Seven, Lots 1 through 30
Block Three, Lot 14 Block Eight, Lots 1 through 10
Block Four, Lots 1 through 3 Block Nine, Lots 1 through 11
Block Five, Lots 1 through 14 Block Ten, Lots 1 through 26

If you have purchased one of the lots described above, and you intend to commence construction on your property, you may need to obtain a Department of Army permit prior to the placement of dredged or fill material on the land, or contact the U.S. Army Corps of Engineers to obtain a jurisdictional determination for your project.

There are no permits required for individual water and sewer systems before beginning construction on your lot. Any individual water supply or sewage disposal system constructed on any lot must meet the applicable requirements of 18 Alaska Administrative Code Sections 70, 72, and 80. However, after you have installed a water well or a septic tank system, it will be necessary to submit information to the department of the Environmental Conservation, Anchorage, Alaska.

Septic tank form: Department of Environmental Conservation
Water well form: Department of Environmental Conservation

Environment

No environmental study has been prepared. No determination has been made as to the possible adverse effects the subdivision may have upon the environment and surrounding area.

ROADS

ACCESS TO THE SUBDIVISION

There are no roads accessing the subdivision. Access can only be provided by boat or airplane. Boats can anchor in Virgin Bay, a protected bay 3/4 miles long and 1/3 mile wide and lot owners can dinghy to shore. Airplanes on wheels can land at Tatitlek Airport and walk approximately one and a half miles to the subdivision. Float airplanes can land in Virgin Bay. Various operators have boats in Valdez and in Ellamar and will provide transportation for a negotiated fee. Barge type boats are available in Whittier and in Valdez to transport building materials and equipment to the subdivision for a cost of approximately \$500-\$900 per trip.

Because of the lack of road access, the various home lending organizations such as Federal Housing Administration, Veteran's Administration and Alaska Housing Finance Corporation will not make home loans for purchase or construction. The State of Alaska does have a Nonconforming Housing Loan Fund which may be available to purchasers.

ACCESS WITHIN THE SUBDIVISION

The plat designates certain roads within the subdivision and the right of way has been dedicated to the public by the filing of the plat.

Road construction within Ellamar Subdivision has been divided into Unit I and Unit II as shown on the Plat. The roads in Unit I have been built by the developer at no direct cost to you. The road right-of-way is thirty feet wide and has a constructed rock and gravel road twelve feet wide and at least six inches thick. There are drainage easements on each side of the road. The roads are not delineated in lanes and are suitable only for all-terrain vehicles and occasional use of very light trucks.

Anyone desiring to purchase a lot in Unit II is advised that no roads have been built in Unit II nor are they planned to be built by the developer.

The Ellamar Property Owner's Association shall be responsible for the maintenance, if any, of all roads in the subdivision. The roads will not be maintained by any public authority. Depending on the need and nature of the road maintenance voted upon by the Property Owner's Association, it is estimated that the annual cost for road maintenance could be from \$0.00 to \$75.00 per year for each lot.

DUE TO WEATHER CONDITIONS, THE ROADS WILL NOT BE MAINTAINED OR GRADED DURING THOSE MONTHS IN WHICH SNOW EXISTS UPON THE GROUND, WHICH GENERALLY MEANS MAINTAINED ROADS WILL NOT BE AVAILABLE FOR THE MONTHS OF NOVEMBER THROUGH MAY AND THUS ACCESS WILL BE LIMITED.

SINCE THE DEVELOPER IS MAKING NO ARRANGEMENTS FOR MAINTENANCE OF THE ROADS AND THAT SUCH WILL BE LEFT TO THE PROPERTY OWNERS ASSOCIATION'S DISCRETION, PURCHASERS SHOULD BE AWARE THAT, IF MAINTENANCE IS NOT PERFORMED, THE ROADS MAY DETERIORATE AND ACCESS BECOME DIFFICULT OR IMPOSSIBLE.

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT FOR FURTHER CONSTRUCTION OF ROADS AND THERE ARE NO ROADS TO BE BUILT WITHIN UNIT II BY THE DEVELOPER.

In order to describe for you the relationship between the subdivision and nearby communities, the following chart is provided:

Nearby communities are:	Population (Based on 1980 census)
Valdez	3171
Cordova	1959
Distance over Paved Roads	
Valdez	Roads not available
Cordova	Roads not available
Distance over Unpaved Roads	
Valdez	Roads not available
Cordova	Roads not available
Distance by Air	
Valdez	22 Miles
Cordova	50 Miles

There is no county seat since this property is located in an Unorganized Borough, as provided by Alaska Statutes, which means there is no local government.

UTILITIES

In this section of the property report, we will discuss the utilities available to the subdivision. In the case of water, sewer, electricity, telephone and fuel or other energy sources, we will identify each supplier, if any, and describe for you the provisions for making these utilities available to your lot.

WATER

Water will not be supplied to each of the individual lots in the subdivision. You will have to drill an individual well. The estimated cost of drilling a well and installation of a pump (excluding pipe to a dwelling) is from \$20.00 to \$25.00 per foot. We estimate wells would range between 50 to 150 feet in depth. A pump would cost \$300 to \$400 additionally. In addition to those amounts, there may be, depending upon the contractor hired, a further cost for transporting a drilling machine to the site. We would estimate that if you were to bear the entire expense of such (as opposed to sharing the cost with other lot owners) transportation costs would be estimated to be \$1,000.00. There is no assurance a productive well can be installed and, if it cannot, no refund of the purchase price of the lot will be made.

THE PURITY AND CHEMICAL CONTENT OF THE WATER CANNOT BE DETERMINED UNTIL EACH INDIVIDUAL WELL OR SOURCE OF WATER IS COMPLETED AND TESTED.

FURTHER, THERE IS NO ASSURANCE THAT A SUFFICIENT SUPPLY OF WATER FOR THE ANTICIPATED POPULATION EXISTS IN THE SUBDIVISION.

There is no requirement for you to obtain a permit to drill a well on your lot. However, you will be required to submit information to the Department of Environmental Conservation after the completion of a well on your lot. The necessary forms setting out the requirements for this information can be obtained from the Department of Environmental Conservation, Anchorage, Alaska. There is no cost or fee for obtaining or submitting this information.

Further, because of the proximity to a stream, individual pressured water systems will not be permitted on the following lots unless the systems are designed by a registered professional

engineer and approved by the Alaska Department of Environmental Conservation:

- Lots 8, 10, 11, 13, 15, 17, 18 and 20, Block 2;
- Lots 1, 2, 3, 4 and 5, Block 6;
- Lots 4 and 5, Block 7;
- Lots 2, 3, 4, 5, 25, 26, 27 and 28, Block 10.

Prior to the sale of any of the above lots, the developer will advise the purchaser that the purchaser must obtain, before construction, the required approval from the Department of Environmental Conservation for construction of a water system. The cost of acquiring such approval shall be at the expense of the purchaser.

SEWER

The lots in the subdivision do not have any provided method of sewage disposal. There will not be a central sewage system. We have received a general subdivision approval for sewer disposal. Except as noted below for certain lots, no other permit is required to install individual sewer systems. If an on-site system cannot be installed, no refund of the purchase price of the lot will be made. The inability to have an on-site sewage system may have an affect upon the purchaser's ability to obtain construction or permanent financing.

ALTHOUGH THERE ARE NO PERMITS REQUIRED FOR THE INSTALLATION OF INDIVIDUAL SEPTIC SYSTEMS, BECAUSE THE LOTS IN THIS OFFERING HAVE NOT BEEN APPROVED FOR THE USE OF ON-SITE SEPTIC SYSTEMS, THERE IS NO ASSURANCE THAT A SEPTIC TANK WILL FUNCTION PROPERLY ON YOUR LOT.

There is no requirement for you to obtain a permit to install a septic system on your lot. However, you will be required to submit information to the Department of Environmental Conservation after the completion of a system on your lot. The necessary forms setting out the requirements for this information can be obtained from the Department of Environmental Conservation, Anchorage, Alaska. There is no cost or fee for obtaining or submitting this information.

A percolation test may be desirable to determine whether a septic tank will function properly. The estimated cost of a percolation test is \$300 to \$500, which includes the equipment.

It is estimated that the installation of a septic tank system for a lot in this subdivision will cost from \$1,500 to \$2,500 which includes transportation costs of equipment and materials. Due to the lack of pumping or hauling services, holding tanks will not be a practicable method of disposal.

Further, because of proximity to a stream, individual water carried sewage systems will not be permitted on the following lots unless the system is designed by a registered, professional engineer and approved by the Alaska Department of Environmental Conservation:

Lots 8, 10, 11, 13, 15, 17, 18 and 20, Block 2;
Lots 1, 2, 3, 4 and 5, Block 6;
Lots 4 and 5, Block 7;
Lots 2, 3, 4, 5, 25, 26, 27 and 28, Block 10.

Prior to the sale of any of the above lots, the developer will advise the purchaser that the purchaser must obtain, before construction, the required approval from the Department of Environmental Conservation for the construction of a sewage system. The cost of acquiring such approval shall be at the expense of the purchaser.

ELECTRICITY

There is not now, nor is there anticipated to be in the future, electricity to the subdivision. We will not supply electrical services to the subdivision.

The alternate source would be generators whose cost would depend upon the size and capacity needs, but which are estimated to cost \$400 to \$600 if purchased in Anchorage, Alaska.

TELEPHONE

Telephone service is not now available to any lots in the subdivision, nor is it known when, or if, such service will be available in the future. We will not supply telephone service to the lots.

FUEL OR OTHER ENERGY SOURCE

We have made no provision for the availability of any fuel or energy source to be available for heating or cooking in the subdivision.

FINANCIAL INFORMATION

The information discussed in this section of the property report will focus on the financial information relative to our Company.

We have experienced an operating loss during our last several fiscal years and continue to rely on additional financing from our single shareholder. This may affect our ability to discharge our financial obligations. The accountants have qualified their opinion because the financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the Company be unable to continue in existence.

A copy of our financial statement for the period ending December 31, of the last calendar year is available from us upon request.

LOCAL SERVICES

Under this topic, we will discuss the availability of fire and police protection. The location of schools, medical care and shopping facilities.

FIRE PROTECTION

Fire protection is not available to the subdivision.

POLICE PROTECTION

Police protection is not available to the subdivision. The closest available police protection is from the Alaska State Troopers whose closest dispatch office is Valdez, Alaska.

SCHOOLS

The nearest elementary school available to the residents of the subdivision is at the village of Tatitlek approximately one and one-half miles from the subdivision; however, there is not any transportation available from the subdivision to such school.

The nearest junior high and senior high schools are in Valdez, which is twenty-two miles from the subdivision. No transportation is available from the subdivision.

HOSPITAL

The name and location of the nearest hospital is Valdez Community Hospital, Valdez, Alaska. Since the subdivision is inaccessible by road, ambulance service from the subdivision to the nearest hospital would be necessary by private boat or plane with the possible availability of Coast Guard assistance.

PHYSICIANS AND DENTISTS

The nearest physicians and dentists' offices are located in the community of Valdez, Alaska.

SHOPPING CENTERS

The nearest shopping facilities to the subdivision are located in the community of Valdez, Alaska.

PUBLIC TRANSPORTATION

Public transportation is available to the subdivision only through the Alaska State Ferry System which operates a year round ferry between Valdez - Cordova - Whittier. When requested or signaled this ferry will stop in Tatitlek Narrows, off Virgin Bay. Transportation by dinghy to and from the shore or to and from the ferry is the responsibility of the passengers and must be arranged by them. It should be anticipated the ferry will pass by the subdivision on a scheduled basis, but which schedule changes weekly as a result of demand.

RECREATIONAL FACILITIES

In this section of the Property Report, we will discuss the recreational facilities that may be provided by the Ellamar Property Owners' Association, herein called the Association. The plat of the Subdivision contains land that might be used to construct an airstrip that is 1000 feet long and 100 feet wide. We have conveyed by deed this land to the Association. The Association may or may not decide to vote to construct the airstrip at some future date. If the Association constructs the airstrip, an operation and maintenance fee, as well as a construction fee, may be levied by the Association. The developer will not operate or maintain the airstrip if it is built by the Association. The property for the airstrip conveyed by the Association is not encumbered by any mortgage or deed of trust.

There was recently completed at Tatitlek, Alaska, a village located approximately one and one-half miles from Ellamar Subdivision, an airstrip t a cost of not less than three million dollars (\$3,000,000.). Although no easements for roads presently exist between Tatitlek and Ellamar, the developer has commenced negotiations with the Native Village of Tatitlek to obtain such easements. There is no positive assurance at this time that such easements can be obtained or that a road will be built

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section of the Property Report, we will discuss the general topography, the characteristics of the land included in this offering and the climate of the area where the subdivision is located.

GENERAL TOPOGRAPHY

The description of the general topography of the land is as follows: Level waterfront to moderate to steep slope, wooded and partially wooded hilly terrain. None of the land in the subdivision is to remain as natural open space or as developed parkland.

Special Construction Techniques

Special construction techniques will be required to build on all lots within the subdivision which contains steep slopes, rock outcroppings, or unstable soil conditions. Construction of residences on such lots will require use of fill to construct a compact level area upon which to base a foundation. The affected lots which will require special construction techniques due to steep slopes, rock outcroppings or unstable soils are as follows:

Lots 25, 26, 27, 28, 29 and 30, Block 10; Lots 3, 4, 5, 6, 7 and 8, Block 1.

The individual lot owners will be responsible for corrective action relating to construction on their lots. This will affect the type and costs of construction.

THE FOLLOWING LOTS HAVE A SLOPE OF TWENTY PERCENT OR MORE ON SOME PORTION OF THE LOT WHICH MAY AFFECT THE TYPE AND COST OF CONSTRUCTION.

LOTS 25, 26, 27, 28, 29 AND 30, BLOCK 10; LOTS 3, 4, 5, 6, 7 AND 8, BLOCK 1.

WATER COVERAGE

None of the lots are covered by water at any time. The land within the subdivision is typical Southcentral Alaska muskeg. During spring breakup and after a rainfall, some portions of all the lots have standing water. The water front lots are at a mean

high tide line and in some instances extreme high tides may cover a portion of these lots. Construction needs to be accomplished above the extreme high tide mark.

DRAINAGE AND FILL

Much of the property in this subdivision could be described as Alaskan muskeg which is common to Southcentral Alaska. It would be anticipated that all of the lots would require some amount of fill material in constructing a typical Alaskan recreational dwelling, the exact amount of which would depend largely on the size of the structure one placed upon the lot and the construction method chosen. You, the lot purchaser, would be responsible for any necessary corrective action, if any, on your lot, the exact nature of which would be dependent on the individual lot and the construction desired. If gravel fill is needed the estimated cost for such including transportation to the site is approximately \$500.00.

FLOOD PLAIN

The subdivision is not, to our knowledge, located within a flood plain. It is not in an area designated by any federal, state or local agencies as being flood prone.

FLOODING AND SOIL EROSION

We do not have a program which provides at least minimum controls of soil erosion, sedimentation or periodic flooding throughout the subdivision. The drainage and flood prevention measures which we have taken may not be sufficient to prevent property damage or health and safety hazards.

NUISANCES

To our knowledge, there are no nuisances which may adversely affect the subdivision.

HAZARDS

This area, as is much of Alaska, subject to natural hazards of earthquakes, fires, and avalanches.

Additionally, on some of the lots in the subdivision there exists certain unusual safety hazards in the form of dilapidated

buildings associated with an abandoned copper mine or mine shafts. These man-made hazards are located on the following lots:

Lot 22, Block 7 (An air shaft approximately 6 feet in diameter and 50 feet deep.)

Lot 23, Block 7 (Dilapidated buildings.)

Lot 24, Block 7 (An ore shaft of unknown size and depth.)

Lot 25, Block 7 (Dilapidated buildings.)

Lot 26, Block 7 (Dilapidated buildings.)

Lot 27, Block 7 (Dilapidated buildings.)

Lots 2 and 4, Block 8 (Large ore pit approximately 100 feet in diameter and 100 feet deep.)

CLIMATE

The following is a table of the average temperature ranges, summer and winter, for the subdivision; based on thirty year average for the City of Valdez which is the nearest place where records are kept.

	High	Low	Mean
Summer (June – August)	60.2	44.1	52.17
Winter (December – February)	26.9	12.9	19.9

The following is a table of average precipitation, based on a nine year average for the City of Valdez.

Average rainfall 39.31 inches
Average snowfall 291.7 inches

OCCUPANCY

As of March 19, 1986, there are four (4) home occupied on a full time or part time basis within the subdivision.

ADDITIONAL INFORMATION

In this part of the property report, we will be describing the provisions which we have made for the establishment of a homeowners association, the requirements for your payment of your taxes and assessments. In addition, we will be describing other factors relating to the subdivision which are important for you to know prior to your purchase of your lot.

PROPERTY OWNERS' ASSOCIATION

The Ellamar Property Owners' Association has been incorporated and will be activated as an entity when ten percent (10%) of the lots are sold. We will control the Property Owners' Association, and this control will continue until fifty-one percent (51%) of the lots are sold. A copy of the Articles of Incorporation and By-laws are available upon request.

All owners of lots in the subdivision which are purchased subsequent to the effective date of this property report are required to be members of the Property Owners' Association.

The current level of payments to the Property Owners' Association is \$0 per lot per year. The payments, if and when levied, will constitute a maintenance fund which may, from time-to-time, be increased as permitted by the By-laws of the Property Owners' Association. There are currently no dues planned for the Property Owners' Association.

The Property Owners' Association will eventually own and be responsible for maintaining the roads and a possible future airstrip and, if it desires as a group, to enforce the restrictive covenants.

TAXES

Currently, the subdivision is not located within any organized borough and therefore not subject to any property taxes. Should, in the future, taxes be levied, then such would be your responsibility from the date you receive your deed.

RESALE OR EXCHANGE PROGRAM

We have no program to assist you in the resale of your lot. You will have the right to exchange your lot for another unsold lot, only if the lot is of a greater sales price, within twelve months from your receipt of a deed provided that all lots in this subdivision have not been sold. Should you elect to exchange and if your initial purchase was not a cash purchase, you will be credited with all principal reductions to the sales price, that is, your down payment and principal reduction of the monthly payments. You will not receive credit for that portion of your monthly payments credited to interest. You will also bear the cost of reconveyance, recording and attorney's fees associated with such exchange. Costs associated with the new lot will be borne as described in the earnest money contract under which you purchased your first lot.

EQUAL OPPORTUNITY IN LOT SALES

We are operating our development company and sales activities in compliance with Title 8 of the Civil Rights Act of 1968 by not directly or indirectly discriminating on the basis of race, religion, sex or national origin, in any of the following general areas:

Lot marketing and advertising, rendering of lot services, and in requiring terms and conditions on lot sales and leases.

LISTING OF LOTS

The subdivision is divided into two Units. The roads in Unit I will be completed before October 1988. The 99 lots in Unit I are as follows:

Unit I

Lots 12, 13, 14, Block 3.

Lots 12, 13, 14, Block 5.

Lots 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, Block 6

Lots 1 through 30, Block 7.

Lots 1 through 10, Block 8.

Lots 1 through 12, Block 9.

Lots 1 through 30, Block 10.

Unit II

The 58 lots in Unit II are as follows:

Lots 1 through 11, Block 1.

Lots 1 through 20, Block 2.

Lots 1 through 11, Block 3.

Lots 1 through 3, Block 4.

Lots 1 through 11, Block 5.

Lots 4 and 5, Block 6.

All of the above lots are according to the official plat thereof filed under Plat No. 82-13, records of the Valdez Recording District, Third Judicial District, State of Alaska.

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

COST SHEET

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs. There may be other fees for use of the recreational facilities.

All costs are subject to change.

Estimated One-Time Charges

- | | |
|--|-------------------|
| 1. Water connection fee/installation of private well | \$ <u>Unknown</u> |
| 2. Sewer connection fee/installation of private on-site sewer system | \$ <u>Unknown</u> |
| 3. Construction Costs to extend electric and/or telephone services | \$ <u>None</u> |
| 4. Other (Identify) | \$ <u>Unknown</u> |

Total \$ Unknown

Total of estimated sales price and one-time charges \$ Unknown

Estimated annual charges, exclusive of utility use fees

- | | |
|---|-----------------------|
| 1. Taxes - Average unimproved lot after sale to purchaser | \$ <u>Not as yet.</u> |
| 2. Dues and assessments | \$ <u>Not as yet.</u> |

Certification

The information contained in this Property Report is an accurate description of our subdivision and development plans.

ELLAMAR PROPERTIES, INC.
Signature of Senior Executive Officer

By: _____
Lucy W. Groh

Signature of Senior Executive Officer

Receipt, Agent Certification and Cancellation Pate

PURCHASER RECEIPT
IMPORTANT: READ CAREFULLY

NAME OF SUBDIVISION: Ellamar

OILSR Number: 0-06101-11-26

Date of Report April 24, 1990

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by _____ Date _____

Street Address _____

City _____ State _____ Zip _____

If any representations are made to you which are contrary to those in this Report, please notify the:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot _____ Block _____ Section _____

Name of Salesperson _____

Signature _____ Date _____

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

.....
Name of Subdivision _____

Date of Contract _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser's Signature: _____ Date: _____

Receipt, Agent Certification and Cancellation Pate

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