



	Presented
Comment:	6/23/08
Verified by:	K. Smithers 6/30/08

WASILLA CITY COUNCIL INFORMATION MEMORANDUM

IM No. 08-16

TITLE: REPORT OF FINDINGS PREPARED BY DENALI LAW GROUP FOR REVIEW OF THE DEVELOPMENT PROCESS INVOLVING TWO PROPERTIES LOCATED WITHIN THE WASILLA CITY LIMITS THAT ARE ADJACENT TO THE PARKS HIGHWAY.

Agenda of: June 23, 2008
 Originator: Kristie Smithers, City Clerk

Date: June 9, 2008

Route to:	Department	Signature/Date
X	Finance Director	
X	Deputy Administrator	
X	City Clerk	<i>K. Smithers</i>

REVIEWED BY MAYOR DIANNE M. KELLER: _____

FISCAL IMPACT: yes or no Funds Available yes no

Account name/number:

Attachments: Report of Findings by the Denali Law Group; AM Nos. 08-12

SUMMARY STATEMENT: The attached report of finds is presented by the Denali Law Group in response to AM No. 08-12, which authorized an independent special counsel review of the actions of the City of Wasilla in relation to the development of Creekside Town Square and Gateway Town Crossing.

RECEIVED

JUN 16 2008

OFFICE OF THE CITY CLERK
CITY OF WASILLA



DENALI LAW GROUP

PETERSEN & PAYNE, LLC

TABLE OF CONTENTS

1 Overview of Project.....4

1.1 Services Performed.....4

1.1.1 Document Review4

1.1.2 Communication Review.....11

1.1.3 Interviews Conducted11

1.1.4 Brief Information Meetings.....12

2. Brief Answers to Questions in section 3.2 of RFP No. 0690-0-2008.....13

2.1 Was there inappropriate behavior by City employees in their assistance with the development of the properties?.....13

2.2 If so, was said behavior unethical or illegal?.....13

2.3 Was the City secretly working with the developer to develop the properties?.....13

2.4 Were any policies, codes or statutes violated?.....13

2.5 Was there any wrongdoing or is this how City business is usually conducted?.....14

2.6 Was there unfair favoritism given to the developer over other businesses in the area?.....14

2.7 Was the mayor inappropriate in her letter of August 24, 2007, to a local business partnership or was she acting within her power?.....14

2.8 Review actions during the May 2007 trip to Las Vegas and meetings with the developer of the properties described in Section 1 to see if any personnel policy or any ethical misconduct occurred.....14

3. Issues Analyzed as Presented in Section 3.2 of the RFP.....14

3.1 Was there inappropriate behavior by City employees in their assistance with the development of the properties?.....14

3.1.1	Chronology of Events.....	15
3.1.2	Discussion of the Chronology of Events.....	22
3.1.2.1	May 11, 2007 Correspondence.....	22
3.1.2.2	June 4, 2007 Correspondence.....	23
3.1.2.3	June 7, 2007 James Wood Telephone Message to Thomas Ogren.....	24
3.1.2.4	August 14, 2007, 3:47 p.m. James Wood E-mail to Kristan Cole.....	24
3.1.2.5	August 14, 2007, 3:56 p.m. Casey Reynolds E-mail to Mayor Keller.....	25
3.1.2.6	August 14, 2007 E- mail from Mayor Keller to Casey Reynolds.....	26
3.1.2.7	August 24, 2007 Letter from Mayor Keller to Applicable Land Owners.....	26
3.1.2.8	Conclusion.....	28
3.2	If so, was said behavior unethical or illegal?.....	28
3.3	Was the City secretly working with the developer to develop the properties?.....	33
3.3.1.	Drafting of documentation by the developer.....	33
3.3.2	Coordinating the August 24, 2007 correspondence.....	34
3.3.3	Conclusion.....	34
3.4	Were any policies, codes or statutes violated?.....	34
3.4.1	Department of Economic Development Mission Statement...	35
3.4.2	The right to exercise eminent domain.	36

3.5	Was there any wrongdoing or is this how City business is usually conducted?.....	37
3.6	Was there unfair favoritism given to the developer over other businesses in the area?.....	38
3.7	Was the mayor inappropriate in her letter of August 24, 2007 to a local business partnership or was she acting within her power?.....	38
3.8	Review actions during the May 2007 trip to Las Vegas.....	38
	3.8.1 Suggestion for modification of Personnel Policy and Procedure No. 06-28.....	41
4.	Additional Issues Identified by Complainants.....	42
4.1	Vacation of Duane Drive.....	42
4.2	Dedication of additional right-of-way throughout the development and along Hermon Road.....	43
4.3	Relocation of utilities at or near Hermon Road.....	44
4.4	Closure of Sun Mountain for utility extension.....	44
4.5	Donation of Tract D.....	46
4.6	Due diligence.....	47
4.7	August 22, 2007 letter to First National Bank.....	47
4.8	City's assistance to obtain a Community Development Block Grant	49
4.9	Proposed right-of-way exchange for Sun Mountain Drive.....	49
4.10	Annexation of Maney Acres.....	51
4.11	March 19, 2007 correspondence regarding Mayor's request for right-of-way from the developer.....	51

1. Overview of Project

The City of Wasilla requested a review of the development process and the parties involved in the development of two parcels located adjacent to the Parks Highway in Wasilla. The City of Wasilla also required a detailed and comprehensive report of the investigation's findings and where appropriate, recommendations of action.

The initial request for proposal (RFP) was not specific on how to conduct the investigation nor did the RFP identify any alleged wrongdoing. In order to accomplish the aforementioned request, the Denali Law Group conducted a comprehensive and broad investigation. As described in more detail below, this investigation included a review of numerous documents (both in print and electronic) and numerous interviews both in-person and telephonic.

The Denali Law Group started its investigation by completing an initial document review and then proceeded to identify and interview parties of interest. After the initial interviews, secondary interviews were conducted when necessary and further document review was performed.

1.1 Services Performed

The following is a detailed list of items reviewed and subjects who were interviewed.

1.1.1 Document Review

The Denali Law Group reviewed numerous binders of information covering multiple aspects of the development projects known as Gateway and Creekside. A majority of the information contained in the binders was initially produced due to public record requests made by the Andres-Wymore Partnership. Still additional documents were discovered through follow-up requests and the interview process.

Specifically, the Denali Law Group reviewed all contracts, addendums, codicils, purchase agreements, cost statements, plat or use modification requests, parcel-related reports, initial and all subsequent design schemes and property layout proposals, requests for proposals, invitations to bid, city awards, City Administration electronic communications and digital recordings of City Council meetings.

A non-exhaustive list follows of the types of materials (documents and electronic communications) reviewed; those necessary for to lay a factual foundation or deemed noteworthy are identified by an exhibit designation and are listed below:

Exhibit A
February 23, 2004

Resolution Serial No. 04-08
Wasilla City Council approves concept of an East Sun Mountain Ave. Extension to Seward Meridian Parkway.

Exhibit B
2005-2025

Official Streets & Highways Plan
Gateway Loop and Frontage Road Connection
Provides for an internal loop road connecting Seward Meridian with the Parks Highway connecting existing frontage road system links on the east and west sides of Seward Meridian.

Exhibit C
April 14, 2006

Correspondence
Mayor Keller to Gordon Keith, Department of Transportation (DOT) Director **Proposed right-of-way (ROW) exchange for Sun Mountain.**

Exhibit D
May 30, 2006

Correspondence
Francis Zimmerman DOT ROW Agent to Tim Haugh, Fed. Hwy Admin. ROW Manager
Attachments: Maintenance Agreement, April 14, 2006 Keller to Keith letter; Terms and Process to exchange Sun Mountain; Development site plan; Plan and profile and ROW plans.

Exhibit E
June 30, 2006

Correspondence
Gordon Keith, DOT Director to Mayor Keller
Follow-up to previous meeting and discussion of the exchange of Sun Mountain detailing steps related to relinquishment of ROW to the City for potential future exchange with developer.

Exhibit F
October 2, 2006

Petition of Annexation
Jack Barrett, Teton Investments LLC
Petition to annex Maney Acres.

Exhibit G
October 5, 2006

Correspondence
Mayor Keller to Gordon Keith
Seeks to relinquish east Sun Mountain and seven parcels of Department of Transportation -owned Right of Way.

Exhibit H
November 2, 2006

Correspondence
Scott Thomas, DOT to Dave Grenier, Triad Engineer
Accepting revised traffic impact analysis for Creekside Town Center with conditions.

Exhibit I
November 13, 2006

Correspondence
Mat-Su Borough Platting Division to Citizenry
Mat-Su Borough Platting Division request for comment and vicinity map for Proposed Creekside Town Square Duane Drive vacation notice.

Exhibit J
November 29, 2006

Correspondence
Gordon Keith to Mayor Keller
Response to October 5, 2006 relinquishment request, outlining next steps involved. Meritage negotiating with City to relocate.

Exhibit K
December 2006

Notification of Public Hearing
Mat-Su Borough Platting Board to Citizenry
Names and addresses of those receiving personal notification of the public meeting on the vacation of Duane Drive.

Exhibit L
December 2006

Vicinity map
Original vicinity map of Maney Acres

Exhibit M
December 12, 2006

Publication Documents
Affidavit of Publication and Frontiersman publication vacation of Duane Drive

Exhibit N
February 28, 2007

Correspondence
Scott Thomas, DOT to Marty Westbrook, Meritage
**Traffic impact analysis plat drawing eliminating
frontage road; draft memorandum of agreement for
Creekside Town Center traffic mitigation
requirements (including signal on Parks Highway).**

Exhibit O
March 19, 2007

Correspondence
Mayor Keller to Jack Barrett, Developer
Mayor Keller requesting right-of-way.

Exhibit P
April 4-5, 2007

Correspondence
Casey Reynolds to Curt Menard, Palmer Mayor
MOU AM No. 07-66/67

Exhibit Q
April 11, 2007

E-mail Correspondence
Glen Price, Attorney to Jim Wood, Meritage Broker
cc: Archie Giddings, Casey Reynolds
Discuss action memos and utility relocation.

Exhibit R
April 18, 2007

E-mail Correspondence
Gary LoRusso to numerous Borough employees
**Developer not responsible for upgrades to
Hermon Road.**

Exhibit S
April 20, 2007

E-mail Correspondence
Jim Barnett to Archie Giddings
Discuss proper map of trade concept.

Exhibit T
April 25, 2007

E-mail Correspondence and Map Attachments
Archie Giddings to Jim Barnett

Exhibit U
May 2, 2007

E-mail Correspondence and Traffic Circulation Plan
Tony Hoffman to Archie Giddings
Shows road through Windbreak and 6-Robblees.

Exhibit V
May 4, 2007

Letter of Intent to purchase Windbreak
Meritage Realty USA and Bob Andres
**Purported to be signed by both parties and
acknowledged as expired by A. Andres at the
October 2007 Wasilla City Council meeting.**

Exhibit W
May 7, 2007

Correspondence
Bob Andres to George unknown last name
**Letter purports to be Bob Andres' efforts to clarify
points in the May 4, 2007 letter of intent.**

Exhibit X
May 11, 2007

Correspondence
Archie Giddings to Bob Andres/Property Owners
**100% of Property Owners agree on realignment
Map showing route through Six Robblees and
Windbreak.**

Exhibit Y
May 15, 2007

Correspondence and Advertising
Scott Karner to Paul Hulbert
Advertising regarding two signaled access points.

Exhibit Z
May 18, 2007

E-mail Correspondence
Jack Barrett to Mayor Keller, Sandra Garley, Casey
Reynolds and Archie Giddings
"Dream is becoming a reality."

Exhibit AA
May 20, 2007

Meal receipts from May 2007
Mayor Keller and Casey Reynolds
**International Council of Shopping Centers
Conference in Las Vegas, Nevada receipts from the
various restaurants.**

Exhibit BB
June 4, 2007

Correspondence (unsigned)
Mayor Keller to Sun Mountain Property Owners
**Traffic and safety concerns on Sun Mountain-
"Pursue More Aggressive Means".**

Exhibit CC
June 4, 2007

Correspondence
Mayor Keller to Bill Greenstein (Lithia Motors)
“Lithia-esc” letters/Pursue More Aggressive Means”.

Exhibit DD
July 13, 2007

Correspondence
Jack Barrett to Mayor Keller
Access developer needs from Seward-Meridian and swap for Frontage Road.

Exhibit EE
July 16, 2007

Correspondence
Mike Hartman, DOT to Tim Haugh, FHWA
Providing updated information on relinquishment process and proposed exchange.

Exhibit FF
August 1, 2007

E-Mail Correspondence
Casey Reynolds to Sandra Garley and Archie Giddings
Note to letter on realignment.

Exhibit GG
August 14, 2007

E-Mail Correspondence
Jim Wood to Kristan Cole
Discusses “Lithia-esc” letters to be sent out.

Exhibit HH
August 14, 2007

E-Mail Correspondence
Casey Reynolds to Mayor Keller
cc: Archie Giddings and Sandra Garley
“Lithia-esc” letters. Discusses Jim Wood being informed of the letters before the letters were sent.

Exhibit II
August 22, 2007

Correspondence
Archie Giddings to Craig Thorn
Status letter, **Confirms City’s desire to exchange with Meritage and support of project.**

Exhibit JJ
August 24, 2007

Correspondence
Mayor Keller to Property Owners
“Pursue More Aggressive Means. . .”.

Exhibit KK
September 5, 2007

Correspondence
Tom Ogren to Mayor Keller
RE: June 7, 2007 voice message from Jim Wood

Exhibit LL
September 11, 2007

Correspondence
Casey Reynolds to Jack Barrett
Invitation to Community Development Block Grant

Exhibit MM
September 14, 2007

Correspondence
Mayor Keller to Bob Andres
Will not split property.

Exhibit NN
September 25, 2007

Correspondence
Ken Morton to Archie Giddings
**Denial of one year extension.
Extends completion date to Oct. 15, 2007.**

Exhibit OO
October 5, 2007

Correspondence
Scott Thomas, DOT to Marty Westbrook, Meritage
**Summary of current status of traffic mitigation
related to Creekside Town Square and proposed
ROW exchange.**

Exhibit PP
October 8, 2007

E-mail Correspondence
Tom Ogren to Bob Andres
**Indicates that Tom Ogren was told by Jim Wood
that Bob Andres had sold to Meritage.**

Exhibit QQ
May, 2008

May 2008 Menu
Olives at Bellagio

Exhibit RR
May 5, 2008

Correspondence
Thomas Ogren to Richard K. Payne, Denali Law Group
**Written Statement of Thomas R. Ogren, President,
Six Robbles Inc.**

Exhibit SS
May 13, 2008

Affidavit of James O. Wood Vice President, Meritage
Development Group LLC and Broker for Meritage Real
Estate USA, LLC.

Exhibit TT
June 2008

Personnel Policy and Procedure No. 06-28
Acceptance of Gratuities and Gifts

1.1.2 Communication Review

The Denali Law Group reviewed all documents involved in the communications between the City of Wasilla (City) and developers, contractors, subcontractors, other City departments (including the City Attorney, City Clerk, Mayor, and any other administrative department or City employee), adjacent property owners, and involved members of the public. The type of correspondence reviewed includes any written communication (letters, faxes, internal memorandum, internal notes, department directives and electronic mail and any other document subject of the review).

Many of the aforementioned communications are of cursory importance and are not specifically named in Section 1.1.1. However, several of the aforementioned communications in Section 1.1.1 are noteworthy and are identified by an exhibit designation and presented herewith.

1.1.3 Interviews Conducted

The Denali Law Group interviewed all relevant elected officials, employees, developers, Complainants, adjacent property owners and involved members of the public. These interviews included all levels of City management including Office of the Mayor, City Attorney, City Engineer, City Planner, Economic Development Planner, Past Deputy Administrator and numerous other person of interest.¹

The Denali Law Group conducted interviews with the following individuals:

Robert Andres, Owner, Windbreak Café
Sean Banahan, Manager, Six Robbles', Inc.
Jack Barrett, Managing Member of Meritage Development Group, LLC

¹ The Wasilla City Council was specifically excluded from the interview process. It was decided that given members of the Wasilla City Council are charged with the responsibility of deciding if any action is warranted, the Council should remain a neutral body and distant from the investigation process. Further, it is important to note, that all City Officials and Employees were very cooperative and forthright throughout the investigation.

James Barnett, Attorney for Meritage Realty USA, LLC
Nancy Cameron, Borough Platting Technician
Kristan Cole, Realtor
Edith Erickson, Previous Property Owner, Cottonwood Creek
Rick Feller, Legislative & Media Liaison, Department of Transportation
Sandra Garley, Past Wasilla City Deputy Administrator
Archie Giddings, Wasilla City Engineer
Jim Holycross, Wasilla City Planner
Paul Hulbert, Matanuska-Susitna Borough Platting Officer
Roman Kalytiak, Palmer District Attorney
Gordon Keith, Regional Director, Department of Transportation
Diane Keller, Wasilla City Mayor
Thomas Klinkner, Wasilla City Contract-Attorney
Anita Michels, Sun Mountain Property Owner
Kenneth M. Morton, P.E. Utility Section Chief, Department of Transportation needs to indent
Thomas Ogren, President, Six Robbles', Inc.
Eric Patterson, Lithia Motors
Casey Reynolds, Wasilla City Economic Development Planner
Larry Theobold, Owner, Transmission Shop
Scott Thomas, Regional Traffic Engineer, Department of Transportation
Craig Thorn, Vice President, First National Bank
James Wood, Vice President, Meritage Development Group LLC and Broker for Meritage Real Estate USA, LLC
Fran Zimmerman, Right of Way Agent, Department of Transportation

1.1.4 Brief Information Meetings

The Denali Law Group held multiple meetings to conduct document reviews or to obtain limited information. These meetings are not considered to be interviews but are noted herein in an effort to provide as complete a listing as possible of those who provided documentation or who were contacted in relationship to this investigation. The Denali Law Group met or received documentation or information from the following individuals:

Jeff Carney, Attorney at Law
David Glenn, Grasshopper Aviation
Jamie Newman, Deputy City Clerk
Multiple members of the Palmer District Attorney's Office
Kristie Smithers, City Clerk

2. Brief Answers to Questions in Section 3.2 of RFP No. 0690-0-2008

Many of the questions presented in Section 3.2 of the RFP require non-legal opinions of an individual's behavior or require the assessment of a particular action or inaction as "inappropriate, unfair or as favoritism." Obviously these types of questions are based on personal belief and judgment and are therefore open to debate.

The standards to which our public officials and employees are held are best set and determined by a legislative body, being fully informed of the details of the events and who are presumed to be acting at the behest of their constituents. Therefore, it will ultimately be the Wasilla City Council who will be charged with the responsibility of evaluating this report and assessing what the citizens of Wasilla would find to be "inappropriate, unfair or as favoritism." This report will provide the necessary information for the Wasilla City Council to make its own findings and to assess what action is necessary.

However, in view of the fact that the RFP requires answers to the questions contained in Section 3.2, this report will endeavor to answer the questions and provide the Wasilla City Council with additional questions and commentary regarding other matters posed by Complainants or discovered by the investigation.

2.1 Was there inappropriate behavior by City employees in their assistance with the development of the properties?

The opinion of the Denali Law Group is yes.

2.2 If so, was said behavior unethical or illegal?

Yes. It appears the conduct violated criminal statutes, however, it does not appear the matters would be prosecuted.

2.3 Was the City secretly working with the developer to develop the properties?

The opinion of the Denali Law Group is yes. There were communications with members of the development team that were not made part of the public discourse.

2.4 Were any policies, codes or statutes violated?

The opinion of the Denali Law Group is yes.

2.5 Was there any Wrongdoing or is this how City business is usually conducted?

The opinion of the Denali Law Group is yes, there is wrongdoing.

2.6 Was there unfair favoritism given to the developer over other businesses in the area?

The opinion of the Denali Law Group is yes.

2.7 Was the Mayor inappropriate in her letter of August 24, 2007, to a local business partnership or was she acting within her power?

The opinion of the Denali Law Group is the Mayor's behavior was inappropriate.

2.8 Review actions during the May 2007 trip to Las Vegas and meetings with the developer of the properties described in Section 1 to see if any personnel policy or any ethical misconduct occurred.

The opinion of the Denali Law Group is no, ethical misconduct did not occur on the May 2007 trip to Las Vegas.

3. Issues Analyzed as Presented in Section 3.2 of the RFP

Several of the questions posed in Section 3.2 of RFP No. 0690-0-2008 require analysis of the same series of events and surrounding circumstances. Therefore, in an effort to be comprehensive and to avoid needless repetition, the report will reference other sections when necessary and prudent.

3.1 Was there inappropriate behavior by City employees in their assistance with the development of the properties?

After an exhaustive review of all of the aforementioned documentation, recordings of council meetings, electronic mail and numerous hours of interviews, there is one issue that stands alone as distinctively disconcerting and inappropriate. The issue that eclipses all other concerns and complaints involves the use of a feigned threat of eminent domain sent by Mayor Diane Keller on August 24, 2007 to the property owners affected by the Hermon Road traffic circulation plan.

It appears the August 24, 2007 correspondence was intended to compel or coerce property owners affected by the Hermon Road traffic circulation plan to enter into private negotiations with Meritage Development to sell their property. The obvious concern being that under the assumed threat of eminent domain, these property owners would be at a tremendous psychological disadvantage in their efforts to either bargain for the best price for the property with the developer or to maintain possession of their private property at a possible great economic loss.

To fully understand the intent and nature of the August 24, 2007 letters and the desired effect it was hoped these letters would have, it is essential to review the events leading up to the August 24, 2007 letters in chronological order.

3.1.1 Chronology of Events

May 4, 2007.

May 4, 2007, at “Letter of Intent to purchase Windbreak Hotel, Restaurant and Bar is signed by Jack Barrett and Bob Andres.”²

May 11, 2007.

On May 11, 2007, Archie Giddings, Public Works Director, sent correspondence regarding the Hermon Road traffic circulation plan to the affected property owners.³ Attached to the May 11, 2007 correspondence was a circulation plan which indicated the City was considering rerouting the frontage road behind and through current businesses and one vacant lot. There were numerous property owners who received the May 11, 2007 correspondence and circulation plan, including, but not limited to; Bob Andres, Owner of the Windbreak Café and Thomas Ogren, President of Six Robblees’ Inc.

The May 11, 2007 correspondence indicated that the west side of Hermon Road was currently under development as a retail center. The letter went on to state that a new traffic signal was being proposed at South Maney Drive and the Parks Highway to handle the increased traffic volumes expected from the retail center.⁴ The letter further stated that the new frontage road would make a right-of-way exchange possible with each lot along the Parks Highway.⁵ Direct access to the new frontage road would be provided from the rear of each business and each property would then extend to the Parks Highway. According to the circulation plan, there would be no Parks Highway access.

² See Exhibits V, W and PP, presented herewith.

³ See Exhibit X, presented herewith.

⁴ See Exhibit Y, presented herewith (developer advertising highlighting signaled intersections).

⁵ See Exhibit X, presented herewith.

The final paragraph of the May 11, 2007 correspondence states:

The City of Wasilla is seeking your input to determine if these routes are feasible and if you are willing to sell portions of your property to facilitate the new roads. This project is planned for construction over the next five years if it proves to be feasible, and would likely be a joint project between the State, Borough, City and private developers. **The City will only support this plan if 100 percent of the property owners on any one segment are in agreement with the plan.** Please contact me at your earliest convenience to discuss our interest in the new traffic circulation plan at 373-9018.⁶

May 12-13, 2007.

Bob Andres and Thomas Ogren, contact the City to voice their displeasure with the traffic circulation plan. Mr. Andres and Mr. Ogren stated that they believe they spoke to Archie Giddings or one of his staff and unequivocally stated they were opposed to routing the new frontage road through their businesses.⁷ Mr. Andres and Mr. Ogren were both assured that the traffic circulation plan was only a preliminary concept and that the City of Wasilla would not proceed with the concept without 100% of the property owners agreeing with the changes.⁸

June 4, 2007.

On June 4, 2007, Mayor Keller sent a letter to Bill Greenstein, Director of Real Estate, Lithia Motors, Inc. The letter discusses the City's disappointment that Lithia has decided not to agree to the easement for the realignment of Sun Mountain Ave.⁹

⁶ See Exhibit X, presented herewith (emphasis added).

⁷ Information obtained from April 3, 2008 interview with Thomas Ogren and March 2008 interviews with Bob Andres; see also, Exhibits KK and RR, presented herewith.

⁸ During the interview process, Archie Giddings confirmed that he had contact with all, or nearly all, of the individuals who had received the May 11, 2007 correspondence and circulation plan. Mr. Giddings went on to explain that without exception, all those that had received the letter and responded opposed the circulation plan. Mr. Giddings further confirmed that all of the citizens that contacted the City were informed that the City of Wasilla would not pursue the circulation plan as presented in the May 11, 2007 correspondence because the City was requiring 100% acceptance by the affected property owners. Information obtained from April 18, 2008 interview with Archie Giddings; see also, Exhibits KK and RR, presented herewith.

⁹ See Exhibits BB and CC, presented herewith.

The Mayor explained in the letter that the realignment was needed to provide an off-highway traffic corridor for eastbound/westbound vehicles. The Mayor's letter then presents the following two paragraphs:

We understand that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to give local business and property owners every opportunity to work cooperatively with local jurisdictions before pursuing other means.

If there are options to make this easement more beneficial or palatable for Lithia, we would welcome the opportunity to develop them before we explore our other options.¹⁰

June 7, 2007.

On June 7, 2007, Thomas R. Ogren, President of Six Robblees' Inc., received a voice message from Jim Wood, Commercial Broker for Meritage Realty USA, which said, in effect, "The city is going ahead with the rerouting plan so you might as well sell to us now." Mr. Ogren tried to reach Mr. Wood but was unable to reach him by phone.¹¹

On June 7, 2007, Mr. Ogren called the Office of the Public Works Director in an attempt to verify if Mr. Wood was correct that the rerouting plan was going forward. Mr. Ogren was assured that the plan was not going forward and that the City still intended on only moving forward if 100% of the affected property owners were in agreement with the realignment plan.¹²

July 13, 2007.

On June 13, 2007 Jack Barrett, President and Managing Member of Meritage Development Group, LLC and Bill Greenstein, Director of Real Estate for Lithia Motors, Inc., signed a letter of understanding which indicated Meritage and Lithia were striving to work together to find a solution to the frontage road realignment situation.¹³

¹⁰ See Exhibit CC, presented herewith.

¹¹ Information obtained from April 3, 2008 interview with Thomas Ogren.

¹² Information obtained from April 3, 2008 interview with Thomas Ogren.

¹³ See Exhibit DD, presented herewith.

August 14, 2007.

On August 14, 2007 at 3:47 p.m., James Wood, Commercial Broker for Meritage Realty USA, LLC, sent an electronic message to Kristan Cole, Realtor.¹⁴ The message to Kristan Cole reads as follows:

Hi Kristan:

Hope all is going better at Mat Maid. I just got off the phone with Casey Reynolds from the Mayor's office. **They were going to send the letters out on the frontage road changes that affect Anita Michels' Dollar Store and 6 Robblees'. The Mayor was concerned about sending the letter to Ms. Michels and confusing things.** I told them to contact you directly to go over what is happening. Expect a call from Casey or the Mayor about it.

We are still interested in buying or trading with them. Let me know what they would like to do once you get to talk to them.

Take Care,

Jim

Meritage Realty USA LLC
PO Box 770468
Eagle River, AK 99577
Phone: (907) 694-4944¹⁵

On August 14, 2007 at 3:56 p.m., Casey Reynolds, Economic Development Planner, sent an electronic message to Mayor Diane Keller. The message was also sent to Archie Giddings and Deputy Administrator Sandra Garley.¹⁶ The message to Mayor Keller reads as follows:

Mayor,

I spoke with Jim Wood this afternoon regarding the 6 Robblees property and Anita Michaels

¹⁴ See Exhibit GG, presented herewith.

¹⁵ See Exhibit GG, presented herewith (emphasis added).

¹⁶ See Exhibit HH, presented herewith (emphasis added).

property along Sun Mountain Ave that we were going to send the “Lithia-esc” letters to.

Jim said Ms. Michaels is working with Kristan Cole to sell her property and Kristan had come up with any number of land swap/buyout options for Ms. Michaels, but neither Meritage or Ms. Cole has been very successful at motivating Ms. Michaels do anything. I am efforting to get those proposals from Ms. Cole for you so you’ll have them for your conversation with Ms. Michaels.

As for 6 Rob Lees, Jim said they just want to be bought out by the city and are using that as a negotiating position to get a price better than what the city would theoretically pay. Jim said Meritage is fine with that, which is why he’d like us to sent 6 Rob Lees a letter so their negotiating process can get going with 6 Rob Lees feeling they’ve run a clever gambit to get the best price possible.

Casey Reynolds
Economic Development Planner
City of Wasilla
(907) 373-9030¹⁷

On August 14, 2007 at 4:20 p.m., Mayor Keller responded to Casey Reynolds via an electronic message. The electronic message was also sent to Archie Giddings and Sandra Garley.¹⁸ The message to Casey Reynolds reads as follows:

Casey,

I have not been able to get a phone number to contact Ms. Michaels. Does someone at Meritage have a contact number as far as 6 Robbles goes, the WMC has the amount we will pay for the property. He will get a much better price if Meritage purchases the property. You may want to provide that info to Jim Wood.

Thanks,

¹⁷ See Exhibit HH, presented herewith (emphasis added).

¹⁸ See Exhibit HH, presented herewith (emphasis added).

Dianne M. Keller
Mayor, City of Wasilla
907-373-9055 *Phone*
907-373-9096 *Fax*
Mayor@ci.wasilla.ak.us

"In matters of style, swim with the current; In matters of principle, stand like a rock." Thomas Jefferson¹⁹

On August 14, 2007 at 7:50 p.m. Kristan Cole responded to James Wood via an electronic message. The message from Kristan Cole reads as follows:

Hi Jim, yes, if they contact me, I would be glad to explain it to her. I know you are still interested. Perhaps when I have the information, I can meet with Anita and her daughters and talk about all of it at the same time.

Kristan²⁰

August 24, 2007.

On August 24, 2007, Mayor Keller sent a second letter regarding the Hermon Road traffic circulation plan to the affected property owners.²¹ Attached to the August 24, 2007 correspondence was the same circulation plan which was attached to the May 11, 2007 letter.²² The text of the August 24, 2007 letter is presented below:

Dear Property Owner,

The city of Wasilla would like to keep land owners along E. Sun Mountain Ave, such as you, apprised of our intention to create a new traffic corridor in this area. These issues were covered in a letter sent to you by Public Works Director Archie Giddings dated May 8th, 2007. The City of Wasilla, however, would like to reiterate that we are not and have not been satisfied with the traffic flow and safety at and around the intersection of E. Sun Mountain Avenue and Herman

¹⁹ See Exhibit HH, presented herewith (emphasis added).

²⁰ See Exhibit GG, presented herewith.

²¹ See Exhibit JJ, presented herewith.

²² See Exhibit JJ, presented herewith.

Road. We feel this intersection is a substandard traffic solution and creates a significant and expanding safety issue for our citizens.

In response to this issue we are planning on moving forward with a realignment of E. Sun Mountain Avenue and its intersection with Hermon Road. This realignment will require E. Sun Mountain Avenue to be rerouted north of its current East-West path to an area that will likely bisect a portion of your property along this corridor (view attached map). This rerouting will likely require a new city easement through your property.

At the city of Wasilla we strive first to find a win-win solution with business and local property owners for these sort of easement issues. We have taken opportunities to explain our plans, and now invite you to ask any questions about the road realignment and to explore any options that you feel may make this issue easier for you as a property owner. Please contact our staff at your leisure with any questions or comments you may have.

We are confident that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to exhaust every opportunity with local business and property owners and to work cooperatively with other jurisdictions before pursuing other means.

If there are options to make this easement more beneficial or palatable for you, such as a right-of-way exchange, please call Casey Reynolds, Economic Development Planner at 373-9030 to schedule an appointment at your convenience.

Sincerely,

Mayor Dianne M. Keller
City of Wasilla²³

²³ See Exhibit JJ, presented herewith.

3.1.2 Discussion of the Chronology of Events

3.1.2.1 May 11, 2007 Correspondence

The May 11, 2007, letter was drafted and signed by Archie Giddings, Public Works Director. The May 11, 2007 letter was the first contact of any kind that the property owners on Sun Mountain had with the City of Wasilla regarding the potential road realignment.²⁴ The letter presented a circulation plan map which indicated the City was considering rerouting the frontage through the property occupied by Six Robblees', the Windbreak and the raw land of Mr. and Mrs. Michels.²⁵ The circulation map presented with the May 11, 2007 letter was provided to the City by the developer, Meritage Realty USA, LLC. The circulation map was a collaborative effort and concept created by the City and the Developer after a meeting between Archie Giddings and Jack Barrett, President of Meritage Development.²⁶

The final paragraph of the May 11, 2007 correspondence contains a commitment from the City of Wasilla that if 100% of the property owners were not in agreement with the circulation plan, the City would not support the plan. The operative language being:

The City will only support this plan if 100 percent of the property owners on any one segment are in agreement with the plan.²⁷

According to Bob Andres and Thomas Ogren, they both contacted the City immediately to voice their displeasure with the traffic circulation plan. Mr. Giddings confirms that not only did Mr. Andres and Mr. Ogren contact his office to voice their displeasure with the plan, every citizen that he spoke to indicated they would not support the plan.²⁸ Mr. Giddings confirmed that all of the citizens that contacted the city were informed that the City would not pursue the Hermon Road traffic circulation plan as presented in the May 11, 2007 correspondence.²⁹

²⁴ See Exhibit X presented herewith. Established also by information obtained from interviews with Mayor Keller, Archie Giddings, Bob Andres and Thomas Ogren (all confirm the May 11, 2007 letter would have been the first notice presented to the land owners on Sun Mountain).

²⁵ See Exhibit X, presented herewith; see also Exhibit A (City Council's approval of an East Sun Mountain Extension) and Exhibit B (the 2005-2025 Official Streets and Highways Plans), presented herewith.

²⁶ Information obtained from April 18, 2008 interview with Archie Giddings; see also, information obtained from June 12, 2008 interview with Jack Barrett.

²⁷ See Exhibit X, presented herewith (emphasis added).

²⁸ Information obtained from April 18, 2008 interview with Archie Giddings.

²⁹ Information obtained from April 18, 2008 interview with Archie Giddings.

Bob Andres and Thomas Ogren both stated that they did not believe there was any reason to imagine the Hermon Road traffic circulation plan was still being pursued by the City. They were told the plan had been scrapped and they believed the representations made to them by the City.³⁰

3.1.2.2 June 4, 2007 Correspondence

Prior to June 4, 2007, the Wasilla City Administration was having communication difficulties with Lithia Motors. The City was trying to negotiate an easement for the realignment of Sun Mountain Avenue through property owned by Lithia Motors near the Gateway Project and Lithia Motors was not responding to the City's phone messages and letters in a manner that was satisfactory to the City.³¹

The June 4, 2007 letter from Mayor Keller to Bill Greenstein, Director of Real Estate, Lithia Motors, was specifically drafted by Casey Reynolds, Economic Planner, to "get Lithia's attention" and to press Lithia into contacting the City.³² Mayor Keller and Casey Reynolds specifically stated that the June 4, 2007 letter to Lithia was intended to be a very strongly worded letter and to bring Lithia to the table.³³ The intent was to instill in Lithia a concern that eminent domain was a possibility and may be used in order to get them to stop ignoring the City.³⁴

The language that was approved by Mayor Keller to convey the threat of eminent domain to Lithia was:

We understand that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to give local business and property owners every opportunity to work cooperatively with local jurisdictions **before pursuing other means.**³⁵

³⁰ Information obtained from April 3, 2008 interview with Thomas Ogren and March 2008 interviews with Bob Andres.

³¹ Information obtained from April 18, 2008 interview with Mayor Keller, Casey Reynolds and Eric Patterson.

³² See Exhibit CC, presented herewith. Established also by information obtained from April 25, 2008 interview with Casey Reynolds and April 18, 2008 interview with Mayor Keller (21M 40S).

³³ April 18, 2008 interview with Mayor Keller (20M 30S- 21M 04S).

³⁴ See Exhibit CC; also, April 18, 2008 interview with Mayor Keller (20M 30S- 21M 04S and April 25, 2008 interview with Casey Reynolds.

³⁵ See Exhibit CC, presented herewith (emphasis added).

3.1.2.3 June 7, 2007 James Wood Telephone Message to Thomas Ogren

Thomas R. Ogren, President of Six-Robblees, stated that on June 7, 2007 he received a voice message from Jim Wood, Meritage Commercial Broker, which said, in effect, “The city is going ahead with the rerouting plan so you might as well sell out to us now.”³⁶ On June 7, 2007, Mr. Ogren called the Office of the Public Works Director and verified with the City’s Public Works Department that the Hermon Road traffic circulation plan was not going forward.³⁷

The call from Jim Wood to Mr. Ogren was very unsettling to Mr. Ogren because it appeared that the developer was being provided information that was not being provided to the property owners.³⁸ This conclusion does appear to be accurate and the concern well-founded. At a minimum Mr. Wood was privy to information that was not being shared with the property owners most affected by the road realignment.

3.1.2.4 August 14, 2007, 3:47 p.m. James Wood E-mail to Kristan Cole

On August 14, 2007 at 3:47 p.m.,³⁹ James Wood, Commercial Broker for Meritage Realty USA, LLC, sent an electronic message to Kristan Cole, Realtor.⁴⁰ The electronic message to Kristan Cole mentions a conversation that Mr. Wood had just concluded with Mr. Reynolds. Specifically, Mr. Wood tells Ms. Cole that he just got off the phone with Mr. Reynolds and that Mr. Reynolds had told Mr. Wood that the City would be sending “the letters” out on the frontage road changes. Mr. Wood was communicating with Ms. Cole about the sending of “the letters” because it had been decided that a letter would not be sent to the Michels. It appears the City Administration, and possibly Mr. Wood, believed that Ms. Cole represented the Michels or at least was making progress with the Michels in an effort to negotiate a sale to Meritage. There is also some discussion that a strongly worded letter may “confuse things”. It appears what is meant by “confuse things” is that the Michels were already negotiating with the developer or a least initially appeared interested in entering into negotiations.⁴¹

³⁶ Information obtained from April 3, 2008 interview with Thomas Ogren; see also, Exhibits KK and RR, presented herewith.

³⁷ Information obtained from April 3, 2008 interview with Thomas Ogren; see also, Exhibits KK and RR, presented herewith.

³⁸ As of May 4, 2007, the developer believed there was an agreed upon intent to purchase Mr. Andres property. See Exhibits V and PP, presented herewith; see also, Exhibits KK and RR, presented herewith.

³⁹ The time the letter was written is significant because only nine minutes later does Mr. Reynolds draft an electronic message to the Mayor regarding his conversation with Jim Wood; *see also*, Exhibit HH, presented herewith.

⁴⁰ See Exhibit GG, presented herewith.

⁴¹ See Exhibits GG and HH presented herewith; also established by information obtained from April 18, 2008 interviews with Mayor Keller (there was also some discussion that the Michels were spared the August 24,

In Mr. Wood's interview, he denies having any knowledge that the letters would possess the eminent domain language.⁴² However, this e-mail at least demonstrates that Mr. Wood was privy to the City's efforts and plans to communicate with the remaining property owners on Sun Mountain. Further, given the close proximity in time to Mr. Reynolds' e-mail to Mayor Keller and the casual manner in which Mr. Wood refers to the City sending out "the letters" in his e-mail to Ms. Cole, it does appear that Mr. Wood understands the intent and nature of the letters or at a minimum that the letters would assist the developer in his efforts to obtain the remaining parcels.

3.1.2.5 August 14, 2007, 3:56 p.m. Casey Reynolds E-mail to Mayor Keller

On August 14, 2007 at 3:56 p.m., Casey Reynolds sent an electronic message to Mayor Diane Keller (the message was also sent to Archie Giddings and Deputy Administrator Sandra Garley). As noted above, this letter was sent less than nine minutes after Mr. Wood drafted his letter to Ms. Cole.⁴³

This electronic message discusses a conversation Casey Reynolds just concluded with Jim Wood. Mr. Reynolds indicates that he had discussed with Mr. Wood that the City would be sending "Lithia-esc" letters to Six Robbles'. It is without dispute that the term "Lithia-esc letters" refers to the "more aggressive means" language in the June 4, 2007 letter, from Mayor Keller to Bill Greenstein, Director of Real Estate, Lithia Motors. Specifically, the term "Lithia-esc" refers to the following operative language:

We are confident that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to exhaust every opportunity with local business and property owners and to work cooperatively with other jurisdictions before pursuing other means.⁴⁴

Therefore, the most logical conclusion that can be drawn from the August 14, 2007 electronic communications between Jim Wood and Casey Reynolds and Casey

2007 letter because they were elderly and a letter of this nature might have been difficult for them to cope with).

⁴² Information obtained from April 15, 2008 interview with Jim Wood; see also, Exhibit SS, presented herewith.

⁴³ The time frame of these two e-mails is obviously significant in that the reader can be assured that Mr. Reynolds and Mr. Wood are talking about the same conversation and the same letters. See Exhibits GG and HH, presented herewith.

⁴⁴ See Exhibits CC and JJ, presented herewith; also established by information obtained from April 18, 2008 interviews with Mayor Keller and Casey Reynolds.

Reynolds and Mayor Keller is that the City Administration was working in concert with Jim Wood in order to send letters that threatened eminent domain action. The only reason to conspire to send out letters of this nature would be to motivate the unwilling private sellers to enter into negotiations with the developer.⁴⁵

3.1.2.6 August 14, 2007 E- mail from Mayor Keller to Casey Reynolds

On August 14, 2007, Mayor Keller responded to Casey Reynolds' electronic message. Her August 14, 2007 response seems focused on communicating with Mr. and Mrs. Michels. The message does not indicate any confusion as to what "Lithia-esc letters" means. It appears the Mayor understands what a "Lithia-esc" letter is and why a "Lithia-esc" letter is necessary in this situation.⁴⁶

3.1.2.7 August 24, 2007 Letter from Mayor Keller to Applicable Land Owners

The August 24, 2007 letter from Mayor Keller regarding the Hermon Road traffic circulation plan was only the second notice of any kind to the affected property owners; the first notice regarding the Hermon Road traffic circulation plan being the May 11, 2007 letter from Archie Giddings.⁴⁷ The August 24, 2007 correspondence and the May 11, 2007 correspondence both contain the same circulation map. The map shows a road cutting through the Windbreak, Six Robblees' and Michels' property.⁴⁸ The August 24, 2007 letter, in comparison to the May 11, 2007 letter, does not describe the traffic circulation plan as a possibility but rather an eventuality.⁴⁹ The August 24, 2007 letter indicates that the City of Wasilla:

“...[is] **planning on moving forward** with a realignment of E. Sun Mountain Avenue and its intersection with Hermon Road. This realignment will require E. Sun Mountain Avenue to be rerouted north of its current East-West path to an area that will likely bisect a portion of your property along this corridor (view attached map). This rerouting will likely require a new city easement through your property.”⁵⁰

Clearly, this leaves no room to believe that the City is considering other options or that there is any room for negotiation.

⁴⁵ See Exhibits JJ, HH and CC, presented herewith.

⁴⁶ See Exhibit HH, presented herewith.

⁴⁷ See Exhibits JJ and Exhibit HH, presented herewith.

⁴⁸ See Exhibits JJ and HH, presented herewith.

⁴⁹ See Exhibits JJ and HH, presented herewith.

⁵⁰ See, Exhibit JJ, presented herewith (emphasis added).

The letter continues on to state, “[w]e have taken opportunities to explain our plans...”⁵¹ This statement is not accurate. According to all witnesses questioned in regards to this topic, including members of the City Administration, the affected parties only received one prior notice, which was the May 11, 2007 letter from Archie Giddings. The only other communication with the affected land owners was when the property owners contacted the City and received the assurance that the Hermon Road traffic circulation plan, as presented in the May 11, 2007 correspondence, had been abandoned. Therefore, for the August 24, 2007 letter to state that property owners had “opportunities” to have plans explained in regards to the Hermon Road traffic circulation plan is not correct.

Obviously, the most significant portion of the August 24, 2007 letter from the Mayor to the affected property owners is the “Lithia-esc” language.⁵² The language contained in the August 24, 2007 was drafted by Casey Reynolds.⁵³ As noted previously, the “Lithia-esc” language was originally drafted to bring a multi-million dollar corporation, organized and based outside of the State of Alaska, to the bargaining table with the Administration of the City of Wasilla. Mr. Reynolds specifically indicated that the June 2007 letter to Lithia Motors was intended to be a “very strongly worded letter” with the intent to flex the City’s muscle.⁵⁴ Mayor Keller indicated that she signed the letter for the purpose of showing Lithia that the City of Wasilla meant business and that the Mayor was paying attention.⁵⁵

All Administration witnesses confirmed that there was no desire, plan or discussion to actually use eminent domain as presented in the August 24, 2007 correspondence.⁵⁶ Only that the “Lithia-esc” language was found to be effective in bringing Lithia Motors to the table and was therefore resurrected against the affected property owners on Sun Mountain.

⁵¹ See Exhibit JJ, presented herewith.

⁵² The “Lithia-esc” language is identical to the language presented in the June 4, 2007 letter to Lithia Motors:

We are confident that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to exhaust every opportunity with local business and property owners and to work cooperatively with other jurisdictions before pursuing other means.

See Exhibits JJ and CC, presented herewith.

⁵³ April 25, 2008 interview with Casey Reynolds and April 18, 2008 interview with Mayor Keller (21M 40S).

⁵⁴ April 25, 2008 interview with Casey Reynolds.

⁵⁵ April 18, 2008 interview with Mayor Keller (20M 30S- 21M 04S).

⁵⁶ April 18, 2008 interview with Mayor Keller; April 25, 2008 interview with Casey Reynolds; April 18, 2008 interview with Archie Giddings; and April 22, 2008 interview with Sandra Garley.

In addition, Casey Reynolds specifically indicated that there were multiple meetings regarding the August 24, 2007 correspondence before it was sent to the affected property owners. Mr. Reynolds indicated that Archie Giddings, Sandra Garley and Mayor Keller were aware of the letters' nature and tone and everyone understood the underlying intent behind the letter. The Mayor best articulated the City's intent to be to push the developer and private property owners together in order to achieve a safer and more efficient frontage road system.⁵⁷

3.1.2.8 Conclusion

It appears to be irrefutable that the Administration, specifically Mayor Keller and Casey Reynolds, acted in an inappropriate manner in their assistance with the development of the relevant properties. It appears that Archie Giddings and Sandra Garley were also aware of the August 24, 2007 "Lithia-esc" letters before they were sent.⁵⁸ Mr. Giddings and Ms. Garley did not object to the nature of the letters and took no action to stop the letters from being sent.⁵⁹

The Administration further acted inappropriately by threatening eminent domain with no intention to pursue such an option.⁶⁰ The stated objective of the August 24, 2007 correspondence was to force reluctant and uninterested private sellers to negotiate with a developer. It is believed by the Denali Law Group that the City Administration's desire was not to obtain financial gain. It is believed that the Administration's goal and intent were not necessarily malicious. The Administration simply wished to obtain a better and safer frontage road option.

As noted above, after the information presented in Sections 3.1.2.1 - 3.1.2.8 is reviewed and understood, the question "Was there inappropriate behavior by City employees in their assistance of the development of the properties . . .?"⁶¹ is best put to the Wasilla City Council.

3.2 If so, was said behavior unethical or illegal?

The Complainants have alleged the City Administration committed extortion by collaborating with a developer to coerce private property owners into negotiating to sell their property under the false threat of eminent domain. Alaska Statute (AS)

⁵⁷ See Exhibits JJ and CC, presented herewith; April 18, 2008 interview with Mayor Keller.

⁵⁸ See Exhibit FF, presented herewith.

⁵⁹ Mr. Giddings stated in his April 18, 2008 interview that he questioned to himself and possibly to Ms. Garley, the need for the August 24, 2007 letter, given the uniform rejection to the identical plan presented in the May 11, 2007 letter.

⁶⁰ April 25, 2008 interview with Casey Reynolds and April 18, 2008 interview with Mayor Keller; see also, Exhibit MM, presented herewith.

⁶¹ See RFP No. 0690-0-2008/WM, Section 3.2.1.

11.41.520 contains the elements of extortion⁶² and AS 11.41.530 contains the elements for the closely related charge of coercion.⁶³

⁶² AS 11.41.520 extortion, reads in its entirety as follows:

- (a) A person commits the crime of extortion if the person obtains the property of another by threatening or suggesting that either that person or another may:
 - (1) inflict physical injury on anyone, except under circumstances constituting robbery in any degree, or commit any other crime;
 - (2) accuse anyone of a crime;
 - (3) expose confidential information or a secret, whether true or false, tending to subject a person to hatred, contempt, or ridicule or to impair the person's credit or business repute;
 - (4) take or withhold action as a public servant or cause a public servant to take or withhold action;
 - (5) bring about or continue a strike, boycott, or other collective unofficial action, if the property is not demanded or received for the benefit of the group in whose interest the person making the threat or suggestion purports to act;
 - (6) testify or provide information or withhold testimony or information with respect to a person's legal claim or defense; or
 - (7) inflict any other harm which would not benefit the person making the threat or suggestion.
- (b) A threat or suggestion to perform any of the acts described in (a) of this section includes an offer to protect another from any harmful act when the offeror has no apparent means to provide the protection or when the price asked for rendering the protection service is grossly disproportionate to its cost to the offeror.
- (c) It is a defense to a prosecution based on (a)(2), (3), or (4) of this section that the property obtained by threat of accusation, exposure, lawsuit, or other invocation of official action was honestly claimed as restitution or indemnification for harm done in the circumstances to which the accusation, exposure, lawsuit, or other official action relates, or as compensation for property or lawful services.
- (d) In this section, "property of another" means property in which a person has an interest that the defendant is not privileged to infringe, whether or not the defendant also has an interest in the property and whether or not the person from whom the property was obtained or withheld also obtained the property unlawfully. "Property of another" does not include property in the possession of the defendant in which another has only a security interest, even if legal title is in the secured party under a conditional sales contract or other security agreement; in the absence of a specific agreement to the contrary, the holder of a security interest in property is not privileged to infringe the debtor's right of possession without the consent of the debtor.
- (e) Extortion is a class B felony.

The relevant portion of extortion that comes closest to addressing the issues at hand are found in AS 11.41.520(a)(4) and reads as follows:

- (a) A person commits the crime of extortion if the person obtains the property of another by threatening or suggesting that either that person or another may:
 - (4) take or withhold action as a public servant or cause a public servant to take or withhold action;

The relevant portion of coercion that comes closest to addressing the issues at hand are found in AS 11.41.530(a)(4) and reads as follows:

- (a) A person commits the crime of coercion if the person compels another to engage in conduct from which

⁶³ AS 11.41.530 coercion reads as follows:

- (a) A person commits the crime of coercion if the person compels another to engage in conduct from which there is a legal right to abstain or abstain from conduct in which there is a legal right to engage, by means of instilling in the person who is compelled a fear that, if the demand is not complied with, the person who makes the demand or another may
 - (1) inflict physical injury on anyone, except under circumstances constituting robbery in any degree, or commit any other crime;
 - (2) accuse anyone of a crime;
 - (3) expose confidential information or a secret, whether true or false, tending to subject a person to hatred, contempt, or ridicule or to impair the person's credit or business repute;
 - (4) take or withhold action as a public servant or cause a public servant to take or withhold action;
 - (5) bring about or continue a strike, boycott, or other collective unofficial action, if the property is not demanded or received for the benefit of the group in whose interest the person making the threat or suggestion purports to act;
 - (6) testify or provide information or withhold testimony or information with respect to a person's legal claim or defense.
- (b) It is a defense to a prosecution under (a)(2), (3), or (4) of this section that the defendant reasonably believed that the accusation or exposure was true or that the lawsuit or other invocation of official action was justified and that the defendant's sole intent was to compel or induce the victim to take reasonable action to correct the wrong that is the subject of the accusation, exposure, lawsuit, or invocation of official action or to refrain from committing an offense.
- (c) Coercion is a class C felony.

there is a legal right to abstain or abstain from conduct in which there is a legal right to engage, by means of instilling in the person who is compelled a fear that, if the demand is not complied with, the person who makes the demand or another may

- (4) take or withhold action as a public servant or cause a public servant to take or withhold action;

Extortion does not apply because the City Administration has not obtained or attempted to obtain the property of another by threatening or suggesting that either that person or another may take or withhold action as a public servant or cause a public servant to take or withhold action. Extortion, in essence, requires the unjust enrichment of the individual who is extorting the underlying subject or victim. No member of the City Administration was personally enriched and it appears they would not have become personally enriched.

As for coercion, it may be problematic to prove beyond a reasonable doubt that coercion applies to these facts. The City Administration did not compel another to engage in conduct from which there is a legal right to abstain or abstain from conduct in which there is a legal right to engage, by means of instilling in the person who is compelled a fear that, if the demand is not complied with, the person who makes the demand or another may take or withhold action as a public servant or cause a public servant to take or withhold action. Specifically, the August 24, 2007 correspondence did not produce any action on the part of the property owners. It does not appear that anyone sold their property because of the threat contained in the August 24, 2007 letter or entered into negotiations to sell their property to their detriment.

It appears that the crime of “attempted coercion” may apply, but most likely would not be prosecuted. The relevant portion of the attempt statute that applies is found in AS 11.31.100(a)⁶⁴ and reads as follows:

⁶⁴ AS 11.31.100. Attempt.

- (a) A person is guilty of an attempt to commit a crime if, with intent to commit a crime, the person engages in conduct which constitutes a substantial step toward the commission of that crime.
- (b) In a prosecution under this section, it is not a defense that it was factually or legally impossible to commit the crime which was the object of the attempt if the conduct engaged in by the defendant would be a crime had the circumstances been as the defendant believed them to be.

- (a) A person is guilty of an attempt to commit a crime if, with intent to commit a crime, the person engages in conduct which constitutes a substantial step toward the commission of that crime.

It does appear that the City Administration, specifically Mayor Keller and Casey Reynolds did attempt to coerce the private property owners into entering into negotiations with the private developer to sell their property when they had voiced a specific desire not to sell and/or not to sell for a price the developer was willing to pay and pursuant to conditions the developer had set.

In discussions with Palmer District Attorney Roman Kalytiak, it was agreed that given the information available at this time and as conveyed by the Denali Law Group, the elements of the crime of attempted coercion may apply, but given the Mayor will no longer be in office as of October 2008 and that the private parties never took action because of the August 24, 2007 correspondence, the Office of the District Attorney would likely not take any action.

-
- (c) In a prosecution under this section, it is an affirmative defense that the defendant, under circumstances manifesting a voluntary and complete renunciation of the defendant's criminal intent, prevented the commission of the attempted crime.
 - (d) An attempt is
 - (1) an unclassified felony if the crime attempted is murder in the first degree;
 - (2) a class A felony if the crime attempted is an unclassified felony other than murder in the first degree;
 - (3) a class B felony if the crime attempted is a class A felony;
 - (4) a class C felony if the crime attempted is a class B felony;
 - (5) a class A misdemeanor if the crime attempted is a class C felony;
 - (6) a class B misdemeanor if the crime attempted is a class A or class B misdemeanor.
 - (e) If the crime attempted is an unclassified crime described in a state law which is not part of this title and no provision for punishment of an attempt to commit the crime is specified, the punishment for the attempt is imprisonment for a term of not more than half the maximum period prescribed as punishment for the unclassified crime, or a fine of not more than half the amount of the maximum fine prescribed as punishment for the unclassified crime, or both. If the crime attempted is punishable by an indeterminate or life term, the attempt is a class A felony.

3.3 Was the City secretly working with the developer to develop the properties?

3.3.1 Drafting of documentation by the developer.

The City Administration was working closely with the developer to move the Creekside and Gateway projects forward.⁶⁵ Each member of the City Administration that was interviewed confirmed that the City was working closely with the developer to move these projects forward.⁶⁶ Further, each member of the City Administration defended the need to work closely with a developer on a project of this magnitude.

As for the creation of documents and site maps, it appears that where it may create the appearance of impropriety or a conflict of interest, the reality is a smaller city would by necessity rely on the developer's counsel and engineers for this type of assistance to keep costs low and to take advantage of expertise outside the city.⁶⁷

Archie Giddings reported that the developer created all of the site and road alteration maps.⁶⁸ The site and road alteration maps are relatively expensive to create and the City does not have the technology on site to produce the site and road alteration maps. Mr. Giddings indicated that it is very common for a developer to create these types of maps and drawings for the City in order to clearly show the goals of the project.

The City Administration also indicated that it is not unusual for the City to utilize a developer's attorney or opposing party's counsel to draft various types of documents for the City. The City will then review the documents drafted and have the City's legal counsel review the documents, if it is deemed necessary, and make the necessary corrections, if any. In this case, Thomas Klinkner, Wasilla City Attorney, indicated that he did not recall reviewing any documentation from the City's dealings with the developer.⁶⁹ The City Administration also indicated that they did not believe it was necessary to incur legal fees to review the documents. It was believed that they had the expertise to review the documents and to negotiate appropriate changes. Given the nature of the documents, it appears that the Administration is correct. It was not necessary to have the City Attorney review the documents in question. The re-platting process and the interactions with the Mat-Su Borough were within the expertise of the City employees, including the vacation

⁶⁵ See Exhibit Z, presented herewith.

⁶⁶ April 18, 2008 interview with Mayor Keller; April 25, 2008 interview with Casey Reynolds; April 18, 2008 interview with Archie Giddings; and April 22, 2008 interview with Sandra Garley.

⁶⁷ See Exhibits S and U, presented herewith.

⁶⁸ See Exhibits N, X, JJ, U, and T; see also April 18, 2008 interview with Archie Giddings.

⁶⁹ March 28, 2008 interview with Thomas Klinkner.

of Duane Drive and dedication of additional right of way for utilities and road expansion.

The fact that the developer is alleged to have drafted multiple documents for the City, including but not limited to correspondence, memorandums of understanding, and other types of legislative proposals, has placed the City in the position of having the appearance of a conflict of interest.⁷⁰ The City should, of course, strive to avoid even the appearance of such a conflict. This is obviously difficult because of the City's occasionally conflicting goal to keep their legal and administrative fees as low as possible. Notwithstanding, it does not appear that there was any impropriety regarding the drafting of maps or documents, only a city attempting to keep costs low and take advantage of expertise outside of the city.

3.3.2 Coordinating the August 24, 2007 correspondence

As discussed above in Sections 3.1.2.1 - 3.1.2.8, the evidence strongly suggests that the City Administration did surreptitiously coordinate with the developer to send letters to private property owners which threatened eminent domain. As noted previously, the City Administration had no intention to pursue the eminent domain option and the stated goal was to compel the reluctant and uninterested private parties to meet with and negotiate with a developer.

3.3.3 Conclusion

The creation of documentation for the City by the developer does create the appearance of impropriety and a possible conflict of interest, but the reality of limited budgets and resources explains this course of conduct.

However, as discussed in Sections 3.1.2.1 - 3.1.2.8, it is the Denali Law Group's opinion that the City Administration did secretly work with the developer to send letters to private property owners which threatened eminent domain.⁷¹

3.4 Were any policies, codes or statutes violated?

As previously discussed, it is possible that the crime of attempted coercion may apply. It does appear members of the Wasilla City Administration did attempt to coerce private property owners into entering into negotiations with the developer to sell their property.⁷² It also appears that the City Administration violated the stated goals of the Department of Economic Development's Mission Statement.

⁷⁰ See Exhibits Q and S, presented herewith.

⁷¹ See RFP No. 0690-0-2008/WM, Section 3.2.3.

⁷² See AS 11.41.530(a)(4) and Alaska Statute 11.31.100(a).

3.4.1 Department of Economic Development Mission Statement.

This report accepts the definition of “City policy” to include individual department mission statements communicated to the public.⁷³ Therefore, the City Administration is committed to observing the promises and commitments of the Department of Economic Development’s Mission Statement. The Department of Economic Development’s Mission Statement reads as follows:

We are committed to achieving an unparalleled quality of life for the people of Wasilla, Alaska by building prosperity, fostering opportunity, and unleashing the "can do" spirit in our community. The City will accomplish this by:

- Proactively marketing Wasilla as a viable business location.
- Assembling and disseminating pertinent development information about Wasilla.
- Work with and assist local businesses and assist prospects/site selectors interested in the area.
- Work with local businesses and agencies to grow locally owned businesses⁷⁴

The City of Wasilla Economic Development Mission Statement specifically states that the City intends to build prosperity and foster opportunity by working with local businesses to help them grow. The City Administration failed to abide by this mission statement by coordinating with the developer to threaten the use of eminent domain, when eminent domain was not contemplated by the City as an option, for the purpose to compel the local business owners’ cooperation in a private land sale with the developer.

As discussed in greater detail in previous sections, when the administration chose to work in concert with the developer, the City did not “assist the growth or prosperity” of those local businesses who did not wish to sell their property.⁷⁵ The City Administration created an unfair bargaining position for the local businesses. The local businesses that received the August 24, 2007 letter were under the belief and impression that the City might use the power of eminent domain to achieve their desired goal of placing a road through their property. Obviously, the threat of eminent domain would weigh on a seller’s mind when negotiating the price for the

⁷³ RFP No. 0690-0-2008/WM section 3.2.4.

⁷⁴ www.cityofwasilla.com/mayor/ecodev.asp. (The Department of Economic Development’s Mission Statement was taken from the City’s web site).

⁷⁵ See information presented in Sections 3.1.2.1 - 3.1.2.8 of this report; see also www.cityofwasilla.com/mayor/ecodev.asp.

property or deciding whether to sell or not. This would negatively affect the seller's position and harm private businesses, which is a clear violation of the Economic Development Mission Statement.

3.4.2 The right to exercise eminent domain.

Pursuant to AS 09.55.240(a)(1), the State of Alaska or a city may make use of the power of eminent domain for a broad range of public uses including:

- (a) Except as provided in (d) and (e) of this section, the right of eminent domain may be exercised for the following public uses:
 - (1) all public uses authorized by the government of the United States;

However, AS 09.55.240(d) does place limits on the power of eminent domain as follows:

- (d) **The power of eminent domain may not be exercised to acquire private property from a private person for the purpose of transferring title to the property to another private person for economic development purposes.** This subsection does not apply to transfers of private property to another private person if one or more of the following apply:
 - (1) the landowner consents, either before or after a condemnation proceeding has been filed, to the use of the property for a private commercial enterprise or other economic development;
 - (2) the private person has been expressly authorized by statute either to exercise the power of eminent domain or to receive an interest in land acquired by the exercise of eminent domain;
 - (3) the transferred property is used for a private way of necessity to permit essential access for extraction or use of resources;
 - (4) the acquisition is used, in part, for leasing property to a private person that occupies a portion of public property or a public facility,

including a private business that occupies a portion of an airport, port, or public building;

- (5) the property is transferred to a person by oil and gas lease under AS 38.05.180;
- (6) the property is transferred to a common carrier.⁷⁶

Despite the restrictions on a city's power of eminent domain as discussed in AS 09.55.240(d), the legislature may approve the exercise of eminent domain against private property pursuant to AS 09.55.240(f).⁷⁷

In this case, the City Administration took no action to begin the eminent domain process. The City Administration simply threatened the use of eminent domain but had no intention of going forward with the threat.⁷⁸ Therefore, it does not appear that the City Administration violated any provision of AS 09.55.240.

3.5 Was there any wrongdoing or is this how City business is usually conducted?

As previously noted above, there appears to be a criminal statute that has been violated by the City Administration. Therefore, by definition, a wrongdoing has taken place and any other city administrations in Alaska would be prohibited from duplicating the behavior.

As discussed in more detail above, the City Council may find that beyond the criminal nature of the conduct, the conduct is also not appropriate. The City Council may find that even though, other cities may find it acceptable to coordinate with developers to make false threats of eminent domain, this conduct is not appropriate in Wasilla, Alaska. Every community must gauge what it will and will not tolerate from its leaders and how far the letter of the law can be stretched. This

⁷⁶ Emphasis added.

⁷⁷ AS 09.55.240(f) as follows:

- (f) Notwithstanding the limitations on the power of eminent domain in (d) and (e) of this section, the legislature may approve the exercise of eminent domain against private property in an Act, the subject of which is limited to the transfer of the property for a purpose otherwise restricted under (d) or (e) of this section.

⁷⁸ See Exhibit JJ; also, April 18, 2008 interview with Mayor Keller; April 25, 2008 interview with Casey Reynolds; April 18, 2008 interview with Archie Giddings; and April 22, 2008 interview with Sandra Garley.

conduct should not be tolerated even if other communities find it somehow acceptable or commonplace.

3.6 Was there unfair favoritism given to the developer over other businesses in the area?

As discussed in previous sections, the City Administration did show favoritism towards the developer over the local property owners when the City Administration chose to work in concert with the developer to send the August 24, 2007 letters. The August 24, 2007 letters, at a minimum, placed the property owners at a significant bargaining disadvantage by instilling in the property owners a fear of eminent domain. This disadvantage clearly demonstrates “unfair favoritism” to the developer.

3.7 Was the Mayor inappropriate in her letter of August 24, 2007, to a local business partnership or was she acting within her power?

The final determination as to whether the City Mayor acted inappropriately is a question best left to the deliberative process of the City Council. However, as discussed in detail above, there appears to be little question that the City Mayor did act inappropriately when she signed and mailed August 27, 2007 letters threatening eminent domain.

3.8 Review actions during the May 2007 trip to Las Vegas.

On or about May 19, 2007 through May 24, 2007, Casey Reynolds and Mayor Keller flew to Las Vegas, Nevada to attend the International Council of Shopping Centers Conference (ICSC). The ICSC began on May 20, 2007 and concluded on May 23, 2007.⁷⁹ During the ICSC, Mr. Reynolds and Mayor Keller met with several national retailers and developers.

On May 20, 2007, while at the ICSC, Casey Reynolds and Mayor Keller attended a large dinner at the Olives at Bellagio, hosted by Jack Barrett, President of Meritage Realty USA, LLC.⁸⁰ During her April 18, 2008 interview, Mayor Keller reported that this meal was paid for by Meritage Realty. It appears that the meals for both Mr. Reynolds and Mayor Keller most likely cost between \$120.00 to \$150.00 with drinks and gratuity.⁸¹

⁷⁹ There were rumors and allegations that Mayor Keller and Mr. Reynolds traveled with the developer, or the developer paid for them to travel, to Arizona to tour other developments. All witnesses denied that any trips took place. (Information obtained from June 12, 2008 interview with Jack Barrett and April 18, 2008 interview with Mayor Keller).

⁸⁰ Information obtained from June 12, 2008 interview with Jack Barrett.

⁸¹ See Exhibit QQ, presented herewith.

Personnel Policy and Procedure No. 06-28, Acceptance of Gratuities and Gifts, reads as follows:

“[i]n performing duties for the City, an employee is expected to give the citizens of Wasilla efficient and courteous service without any reward beyond the compensation provided by the City. No employee may solicit, accept or receive, directly or indirectly, a gift, whether in the form of money, service, loan, travel, entertainment, hospitality, employment, or in any other form, that is a benefit to the employee’s personal or financial interests, under circumstances in which it could reasonably be inferred that the gift is intended to influence the performance of duties of the City. A gift for this purpose includes any transfer or loan of property, or provision of services, to an employee for less than full value.”⁸²

Personnel Policy and Procedure No. 06-28 contains a list of appropriate gifts. Meals and refreshments are listed as suitable gifts under certain circumstances:

Meals or refreshments of reasonable value provided in connection with a proper business purpose, the expense of which if paid by the employee would be reimbursable as a business expense.⁸³

Personnel Policy and Procedure No. 06-28, Acceptance of Gratuities and Gifts, does not have a mandatory reporting requirement for gifts of a predetermined amount. For example, AS 39.52.130(b)(1)(2) Improper Gifts, reads:

- (b) Notice of the receipt by a public officer of a gift with a value in excess of \$150.00, including the name of the giver and description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt.
 - (1) if the public officer may take or withhold official action that affects the giver; or
 - (2) if the gift is connected to the public officer’s governmental status.

⁸² See Exhibit TT, presented herewith.

⁸³ See Exhibit TT, presented herewith.

A policy or statute such as this gives public officers and employees a bright-line rule to follow and instructions on how to proceed if they believe they have received a gift that may appear to be inappropriate. Personnel Policy and Procedure No. 06-28, is vague and relies on terms that are open to interpretation such as “reasonably be inferred.”

If one compares the May 20, 2007 Olives at Bellagio dinner with the other meals that Mayor Keller and Mr. Reynolds had in Vegas, it does appear that the May 20, 2007 meal hosted by Jack Barrett was by far the most extravagant and expensive of the meals consumed on the trip. The following are the meals consumed by Mayor Keller and Mr. Reynolds, joint meals are identified with an asterisk:

May 19, 2007	\$44.99	Bouchon Bakery*
May 20, 2007	\$9.97	Phil’s Deli
May 20, 2007	\$18.66	Café Ba Ba Reeba
May 20, 2007	\$26.75	The Orchard*
May 20, 2007	\$11.00	Olives at Bellagio*
May 21, 2007	\$9.97	Phil’s Deli
May 21, 2007	\$5.06	The Orchard
May 21, 2007	\$13.00	The Orchard
May 22, 2007	\$12.68	The Orchard*
May 22, 2007	\$12.68	The New Frontier Restaurant
May 23, 2007	\$15.28	The Orchard*
May 23, 2007	\$34.65	Hyatt Regency Phoenix Networks*
May 23, 2007	\$15.28	The New Frontier Restaurant
May 24, 2007	\$29.30	Hyatt Regency Phoenix in-room
May 24, 2007	\$10.27	Phoenix International Sports Bar
May 24, 2007	\$5.93	McDonalds
Unknown	\$6.99	Umberto’s of Las Vegas
Unknown	\$5.93	Panda Express ⁸⁴

The controlling language of Personnel Policy and Procedure No. 06-28, Acceptance of Gratuities and Gifts, is “under circumstances in which it could reasonably be inferred that the gift is intended to influence the performance of duties of the City.” Even though Mayor Keller and Mr. Reynolds were paying far less for meals in Nevada prior to the May 20, 2007 meal at the Bellagio, it does not appear that Mayor Keller and Casey Reynolds’ acceptance of the May 20, 2007 Olives at Bellagio dinner could be interpreted to have substantially affected the performance of their official duties. Nor does it appear that a reasonable person would question their judgment in exercising official duties on a matter affecting the donor based on the gift of the May 20, 2007 meal at the Bellagio. Further, it cannot be said that

⁸⁴ See Exhibit AA, presented herewith.

acceptance of these meals was so frequent as to raise an appearance of the use of the person's public position for private gain.

It does not appear a gift of a \$150.00 meal to Mayor Keller and Mr. Reynolds would violate the City of Wasilla's Personnel Policy and Procedure No. 06-28, Acceptance of Gratuities and Gifts. However, as noted above, Section 3.2.8 of RFP No. 0690-0-2008, calls for a judgment call, best made by the Wasilla City Council.

3.8.1 Suggestion for modification of Personnel Policy and Procedure No. 06-28

The Wasilla City Council may wish to modify Personnel Policy and Procedure No. 06-28 by adding additional subsections which read in effect:

Notice of the receipt by a public officer of a gift with a value in excess of \$150.00, including the name of the giver and description of the gift and its approximate value, must be provided to the designated supervisor within 30 days after the date of its receipt.

- (1) if the public officer may take or withhold official action that affects the giver; or
- (2) if the gift is connected to the public officer's governmental status.

A designated supervisor may request guidance from the city council concerning whether acceptance of a particular gift is prohibited.

Restrictions relating to gifts imposed by this section do not apply to campaign contributions to a candidate for elective office if the contribution complies with laws and regulations governing elections and campaign disclosure.

A public officer or employee who knows, or reasonably should know, that a family member has received a gift because of the family member's connection with the public office or position held shall report the receipt of the gift by the family member including the name of the giver and description of the gift and its approximate value to the designated supervisor within 30 days of the knowledge of its receipt if receipt of the gift by the public officer or employee would violate this section.

This modification to Personnel Policy and Procedure No. 06-28 will add specificity and guidance to supervisors when dealing with gifts or potential gifts from the citizenry.

4. Additional issues identified by Complainants

During the interview process and the review of the minutes and recordings of council meetings, there have been numerous complaints lodged by various citizens. The following topics and discussions are an attempt to address all issues identified by the various Complainants.

4.1 Vacation of Duane Drive

The Complainants voiced concerns that the vacation of Duane Drive was an effort on the part of the City of Wasilla to unjustly advantage or enrich the developer. The argument continued that this advantage or enrichment was not made available to the public at large and constituted a great fiscal gain to the developer. This position has been found to be unsound.

The platting action to eliminate a roadway has been reserved in its entirety to boroughs. It is true that cities have the right to make comment, but it is the borough who maintains the platting responsibility. Specifically, Matanuska-Susitna Borough Title 16 (MSB 16.15.032-.045) and AS Title 29 (AS 29.40.120-160) control the elimination or modification of roads and easements.

There are very specific public notice requirements before such action can be taken.⁸⁵ It requires not only publication but actual written notice to the affected property owners who did not sign the petition.⁸⁶

In the case of the vacation of Duane Drive, the written notice was provided to all affected property owners, including Mr. and Mrs. Michels and the owners of the Windbreak Café and Six Robblees'.⁸⁷ Further, the publication requirements were strictly followed according to statute and code.⁸⁸

AS 29.40.160(a) specifically dictates who obtains the ownership rights of vacated easements or roadways. AS 29.40.160(a) states:

[t]he title to the street or other public area vacated on a plat attaches to the lot or land bordering the area in equal proportions, except that if the area was originally

⁸⁵ See Exhibits I, K and M, presented herewith.

⁸⁶ See AS 29.40.130; see also, Exhibit K, presented herewith.

⁸⁷ See Exhibit K, presented herewith.

⁸⁸ See Exhibits I, K and M, presented herewith.

dedicated by different persons, original boundary lines shall be adhered to so that the street area that lies on one side of the boundary line shall attach to the abutting property on that side, and the street that lies on the other side of the boundary line shall attach to the property on that side. . .

Therefore, once Duane Drive was vacated, the road was evenly distributed to the property owners that abutted the road pursuant to AS 29.40.160(a). In this case, the developer owned all relevant portions of the property that abutted Duane Drive (except for one which the developer has an option to purchase).⁸⁹ The vacation of Duane Drive appears to be in every respect an action made pursuant to common practice and law.⁹⁰

4.2 Dedication of additional right-of-way throughout the development and along Hermon Road

The Complainants have voiced concerns that the developer was given unwarranted credit and accolades for his willingness to dedicate additional right-of-way throughout the interior of the development.⁹¹ The Complainants believe that the developer will benefit from wider roads and the ability to widen roads and therefore the dedication of additional right-of-way should not be seen as an offset against their perceived obligation to move the utilities along Hermon Road.

All witnesses and documentation support the position that the Mat-Su Borough, the City of Wasilla and the Department of Transportation all approve of the additional right-of-way throughout the development and Hermon Road. All of the witnesses agreed that the additional right-of-way is essential if the project is to handle the future flow of traffic from the realigned frontage road. The dedication of the additional right-of-way through the development was a great expense to the developer and appears to satisfy DOT and primarily benefit the public.⁹²

⁸⁹ Larry Theobald, Owner of the “Transmission Shop” owned the last and remaining parcel and also entered into the petition to vacate Duane Drive. See Exhibit I, presented herewith.

⁹⁰ See Exhibit P, (Casey Reynolds response to allegation of concerned citizen) presented herewith.

⁹¹ The developer dedicated a total of 24 feet of right-of-way (utility and road easements) to the Mat-Su Borough.

⁹² In addition, it appears the developer has made other concessions regarding the layout of the Creekside development to his fiscal detriment. Sportsman’s Warehouse was required to be relocated, requiring the loss of valuable land and a building pad, in order to accommodate the City and Department of Transportation’s request to leave a right-of-way for the future frontage road; a right-of-way which was rendered virtually useless due to the location of the new Target store.

4.3 Relocation of utilities at or near Hermon Road

The Complainants voiced concerns that the developer should have incurred the cost of relocating the utilities.⁹³ The question regarding the relocation of the utilities at or near Hermon Road was posed to the following individuals:

James Barnett, Attorney for Meritage Realty USA, LLC
Nancy Cameron, Borough Platting Technician
Sandra Garley, Past Wasilla City Deputy Administrator
Archie Giddings, Wasilla City Engineer
Paul Hulbert, Matanuska-Susitna Borough Platting Officer
Gordon Keith, Regional Director, Department of Transportation
Scott Thomas, Regional Traffic Engineer, Department of Transportation
James Wood, Commercial Broker for Meritage Realty USA, LLC
Fran Zimmerman, Right-of-Way Agent, Department of Transportation

The consensus from these individuals is that Hermon Road will most likely need to be widened in the future. There is no timeline to undertake this project and to date no studies have been done to design such an expansion. As part of the platting process, the developer has committed to giving twenty-four (24) feet of right-of-way to the expansion but has made no commitment to agree to move the utilities if it becomes necessary at some unknown future time. According to the City Administration and Mat-Su Borough employees, it is understood that this commitment will need to be formalized through the Borough platting process before the Borough Platting Board will issue any other permits or platting changes.

The aforementioned Borough employees, City employees and Department of Transportation employees agree that failing to negotiate a requirement for the developer to pay for the potential utility move at some future date is not unusual and not inappropriate.⁹⁴

4.4 Closure of Sun Mountain for utility extension

The Complainants voiced concerns that the City of Wasilla kept Sun Mountain closed for utility extension for a longer period than necessary in order to harass or punish the property owners on Sun Mountain Avenue.

Archie Giddings, Wasilla Public Works Director, agreed that Sun Mountain Drive was under construction and blocked longer than it should have been. Mr. Giddings stated the reason for the closure being longer than necessary was because the City,

⁹³ See Exhibit R, presented herewith.

⁹⁴ See Exhibit Q (electronic communication from Glen Price to various individuals including, Archie Giddings, discussing understanding that the City would pay for the utility relocation); see also Exhibit R, presented herewith.

the Department of Transportation and the developer did not want to re-pave the area because there were anticipated projects to follow.

Mr. Giddings stated that no decisions were made out of malice or because of a desire to punish the businesses owners on Sun Mountain Drive.⁹⁵ Mr. Giddings stated that the City of Wasilla and the Department of Transportation anticipated that it was going to be necessary to do more excavation to repair and adjust the intersection and therefore it did not make sense to unblock and repave the area.⁹⁶

The developer's point of view, according to Mr. Giddings, was that the intersection was still a "semi-construction site" and the closure of the intersection was not limiting access, therefore leaving the intersection partially closed was reasonable. Mr. Giddings specifically stated that it was his opinion that the intersection was not a critical link, due in part that the intersection was not the only access to any of the local businesses. He further commented that the Department of Transportation agreed and did not require the re-opening of the section of road until October 15, 2007.⁹⁷

It was anticipated by the City, developer, and the Department of Transportation that it would be necessary to work under a different permit, but ultimately this plan also fell through.⁹⁸ According to Archie Giddings, the City requested to extend the water permit 1-170000-07-156 and sewer permit 1-170000-07-157 for a year because he still believed it was "pointless to keep digging up the same intersection" when it was going to be reconstructed. In respect to the reasonableness of the time frame to complete the project and to repave the road, Mr. Giddings stated, "Not a huge cost, more principle. . . . If everyone was getting along, it would have been reasonable."⁹⁹

The Department of Transportation fundamentally supports Mr. Giddings' recollection of the events surrounding this issue. According to Fran Zimmerman, Department of Transportation Right-of-Way Agent, the City contacted the utilities section and obtained a permit for the water and sewer modifications to provide those services to the developer.

Rick Feller, Legislative & Media Liaison, Department of Transportation, stated the original permit was issued without the requirement to resurface that section of Sun Mountain because it was anticipated that it would not be necessary to require

⁹⁵ Information obtained from April 18, 2008 interview with Archie Giddings (h1, m 37, s. 22).

⁹⁶ Mr. Giddings stated that Meritage was responsible for safety during the utility extension, but the Department of Transportation was the ultimate authority over the project. Mr. Giddings' position was that as long as the City is under a permit to work in the right-of-way, the intersection can remain blocked.

Information obtained from April 18, 2008 interview with Archie Giddings.

⁹⁷ See Exhibit NN, presented herewith.

⁹⁸ Information obtained from April 18, 2008 interview with Archie Giddings; see also, Exhibit T, filed herewith.

⁹⁹ Information obtained from April 18, 2008 interview with Archie Giddings.

resurfacing of an area that would just be torn-up again months later. It was only after the right-of-way exchange became something less than a foregone conclusion and the City had abandoned the realignment, when the utility section of the Department of Transportation had to reassess and require the area to be permanently resurfaced the next season and as soon as possible.¹⁰⁰

On September 25, 2007, Kenneth M. Morton, Department of Transportation P.E. Utility Section Chief, drafted a letter to Archie Giddings wherein the Department of Transportation denied the City of Wasilla's request to modify water permit 1-170000-07-156 and sewer permit 1-170000-07-157 pertaining to restoration of Sun Mountain Avenue.¹⁰¹ Upon interviewing Mr. Morton, it was learned that he was largely in agreement with Mr. Giddings. He believed it was initially a reasonable accommodation until the final transfer occurred. He also stated that it would require the developer to incur a needless capital cost to immediately repave the intersection. Mr. Morton stated that he had never had a conversation with Meritage or any representative from the developer. Mr. Morton stated that he refused to extend the right-of-way permits pertaining to Sun Mountain Avenue because it became clear that the transfer was not going to happen, so the intersection needed to be restored to its preexisting condition.

There appears to be no evidence that supports the position that the relevant portion of Sun Mountain Avenue was left blocked and unpaved in order to punish and fiscally damage the surrounding businesses.

4.5 Donation of Tract D

The Complainants voiced concerns that the proposed gift of Tract D (wetlands along the Cottonwood Creek previously owned by Edith Erickson)¹⁰² was actually a worthless land donation and of no financial gain to the City and it was disingenuous of the developer and the City Administration to tout such as a worthwhile land donation.

Archie Giddings acknowledged that the land was not usable land and, from the developer's point of view, it would "look good" to donate something you can't build on anyway. The land was not part of a land swap nor was it purchased by the City of Wasilla.¹⁰³

Edith Erickson stated that she has sold all her property holdings at or near Maney Acres. For tax purposes, Ms. Erickson does have an agreement with the developer

¹⁰⁰ Information obtained from April 18, 2008 interview with Archie Giddings.

¹⁰¹ See, Exhibit NN, presented herewith.

¹⁰² See Exhibit SS, Affidavit of James O. Wood, (14.61 acres sold/closed on September 30, 2005,) presented herewith.

¹⁰³ Information obtained from April 18, 2008 interview of Archie Giddings (4M, 39S).

to have five acres of the property conveyed back to her and that five acres will be donated to the City. Ms. Erickson further confirmed that to date the developer has not violated the agreement.

There appears to be no direct fiscal benefit to the developer for deeding the property back to Ms. Erickson so it can be donated to the City. There appears to be no negative aspects in this arrangement for the public or Ms. Erickson.

4.6 Due Diligence

The Complainants voiced concerns that the City of Wasilla did not make an effort to verify the developer's financial ability to complete the projects and fulfill promises made to the State of Alaska, City and the Mat-Su Borough. Further, the Complainants stated that the City should have completed a civil lawsuit records check and review of pending liens before assisting the developer with his efforts to move forward with this project.

Without exception, all City witnesses and Department of Transportation witnesses stated that it is not reasonable to expect a city to inquire into the financial ability of a developer to start or complete a project. The subjects of the interviews further agreed that the City should not be in the business of reviewing the business plans of developers and deciding if a plan is viable. Those interviewed uniformly voiced that inquiries into the economic viability of a developer or a particular project are not just uncommon but unheard of in the State of Alaska.¹⁰⁴ However, when a developer is working on a right-of-way, the City is contemplating that bonds will now be required but no due diligence is performed to verify the viability of the developer if the required bond is in place

There appears to be a firm consensus amongst state, city and borough officials that it is not government's role to check the financial viability of a project or a developer before an agency starts assisting the business or individual. It was unanimously agreed that those who do not have the financial ability to complete a project do not have the ability to pay the very expensive start-up costs.

4.7 August 22, 2007 letter to First National Bank

The Complainants voiced concerns that the City of Wasilla should not have provided a letter to First National Bank regarding the status of the development

¹⁰⁴ Interviews with: Rick Feller, Legislative & Media Liaison, Department of Transportation, Sandra Garley, Past Wasilla City Deputy Administrator, Archie Giddings, Wasilla City Engineer, Jim Holycross, Wasilla City Planner, Paul Hulbert, Matanuska-Susitna Borough Platting Officer, Gordon Keith, Regional Director, Department of Transportation, Diane Keller, Wasilla City Mayor, Casey Reynolds, Wasilla City Economic Development Planner, Scott Thomas, Regional Traffic Engineer, Department of Transportation, and Fran Zimmerman, Right-of -Way Agent, Department of Transportation.

project and that the letter was incomplete or possibly deceptive in that the letter failed to discuss the financial status of the developer and the tenuous nature of the road improvement plan.

Casey Reynolds requested Archie Giddings' assistance in drafting the August 22, 2007 letter to First National Bank.¹⁰⁵ Mr. Giddings volunteered to draft the letter for Mr. Reynolds because he felt that he had more information than Mr. Reynolds and that it would be easier to draft the letter himself than to convey the information to Mr. Reynolds.

Gordon Keith, Regional Director Department of Transportation, indicated that he had reviewed the August 22, 2007 letter from Archie Giddings to First National Bank.¹⁰⁶ Mr. Keith stated that he received a copy of the August 22, 2007 shortly after it was drafted and indicated that there was nothing specifically incorrect in the letter and he did not believe there was anything unusual in the request for the letter, the letter's creation or need for the letter. Mr. Keith did state that even though the letter was neither expressly incorrect nor inappropriate, the Department of Transportation felt it necessary to clarify the letter with an October 5, 2007 letter from Scott Thomas, Department of Transportation Regional Traffic Engineer.¹⁰⁷ The October 5, 2007 letter from Scott Thomas did summarize the current status of the traffic mitigation related to Creekside Town Square and the proposed right-of-way exchange. The October 5, 2007 letter from Scott Thomas did not contradict the August 22, 2007 correspondence, it simply spelled out the status of the projects and provided important specifics.

Craig Thorn, Vice President of First National Bank, was willing to speak on general principles and customary matters, but not as to the specifics of this situation. Mr. Thorn was willing to state that First National Bank requested the August 22, 2007 letter from the developer because adequate access and transportation infrastructure was an issue for the development and therefore for the loan. Mr. Thorn also indicated that he had no conversations or contact with any member of the City Administration regarding this matter at any time.

Mr. Thorn indicated that the bank was interested in knowing the local government's general position and the general status of the traffic matters. Mr. Thorn agreed the August 22, 2007 letter was vague and made no firm commitments upon which the lending institution could rely.¹⁰⁸ Mr. Thorn indicated that he was aware that the City of Wasilla was not in a position to make firm commitments in respect to Department of Transportation matters, specifically the traffic light and exchange or

¹⁰⁵ Pursuant to the June 9, 2008 interview with Craig Thorn, no one at the bank contacted the City, the developer requested the letter to be drafted for First National Bank; see Exhibit II, presented herewith.

¹⁰⁶ See Exhibit II, presented herewith.

¹⁰⁷ See Exhibit OO, presented herewith.

¹⁰⁸ See Exhibit II, presented herewith.

right-of-way. Mr. Thorn stated that he understood the August 22, 2007 letter not to be binding and accepted the language to be non-committal. Mr. Thorn indicated that the financing for this matter has been over time and has come in phases..¹⁰⁹

The August 22, 2007 letter from Archie Giddings to Craig Thorn made no commitments and was vague in its tenor. According to the intended reader it conveyed nothing the bank could rely on except, that the City was working with the developer and not opposed to the concept of the project. Given the lack of commitment in the terminology of the August 22, 2007 letter, there is no readily apparent liability created and no viable claim of deceit.

4.8 City's assistance to obtain a Community Development Block Grant (CDBG)

The Complainants have voiced concerns that the developer was given preferential treatment by Casey Reynolds in his efforts to assist the developer in obtaining a Community Development Block Grant (CDBG).¹¹⁰

Mr. Reynolds is the Wasilla City Economic Development Planner, one of his roles is to help developers bring new growth to Wasilla. His efforts to assist the developer with a CDBG do not appear to be in conflict with the stated goals of his position.

Mr. Reynolds stated that he attempted to get many other individuals and businesses interested in applying for a CDBG but given the confines of the federal regulations no developer in Wasilla has ever applied. In this case, the developer declined to apply for similar reasons.¹¹¹

4.9 Proposed right-of-way exchange for Sun Mountain Drive

The Complainants have voiced concerns that the proposed frontage road exchange abutting Maney Acres is further evidence that the developer was being given a benefit that would not be offered to the average citizen and was directly detrimental to their business interests. The Complainants further contend that the proposed plan to vacate the frontage road south of Maney Acres would essentially condemn their property by eliminating meaningful access.

Gordon Keith, Director of the Department of Transportation, indicated that the plan to exchange the frontage road that abuts Maney Acres was a concept that had been contemplated by the DOT prior to being contacted by the City of Wasilla or the

¹⁰⁹ Mr. Thorn stated that there is an 8.1 million dollar recorded deed of trust on the property in the name of First National Bank. Mr. Thorn stated that this deed of trust is a normal matter and nothing unusual.

¹¹⁰ See Exhibit LL, presented herewith.

¹¹¹ April 17, 2008 interview of Casey Reynolds; also, June 13, 2008 interview with Jack Barrett.

developer.¹¹² Mr. Keith indicated that the DOT had long hoped to have the time, funding and resources to move the frontage road system north and away from the Parks Highway.¹¹³ Mr. Keith stated that if the frontage road system was moved north of the Parks Highway it would provide a safer and more efficient traffic system for Wasilla.¹¹⁴ In essence, the DOT was pleased to learn that the developer was willing to move the frontage road into his development, reviving DOT of the future burden.

To accomplish this trade, the road exchange had to be requested by the City of Wasilla and had to be of “equal or greater utility, function and value” in its service to the community.¹¹⁵ The DOT did not object to the concept of the proposed plan.¹¹⁶ DOT confirmed that an interior frontage road system was their goal and could be constructed to provide equal or greater utility, function and value.¹¹⁷ Further, the DOT asserted that an interior frontage road system is still the goal and preferred route for the frontage road.¹¹⁸

Therefore, the plan to reroute the frontage road through the developer’s property was a solution that is still preferred by the DOT and the City of Wasilla. This proposed rerouting of the frontage road would clearly be a safer and better solution for Wasilla. To say it was concocted by the developer or created to damage the businesses on Sun Mountain is incorrect.¹¹⁹

The Complainants further allege that the properties on Sun Mountain would be inversely condemned by the rerouting of the frontage road north of its present location. There is no question that if the frontage road is rerouted north of its location the businesses on Sun Mountain would be adversely affected. That being said the rerouting of Sun Mountain Drive north of its current position is the long range plan of the City of Wasilla and the DOT, independent of this development or this developer.

There is no indication that any one plan had been fully embraced by the City, the developer or the DOT. There was certainly a hope to reroute the frontage road north of Sun Mountain but the reality is the realignment was more of a moving target and at different points in time there were alternate plans and maps proposed

¹¹² April 23, 2008 interview with Francis Zimmerman and Gordon Keith; see also, Exhibit C, presented herewith.

¹¹³ See Exhibit E, presented herewith.

¹¹⁴ April 23, 2008 interview with Francis Zimmerman and Gordon Keith; see also, Exhibits D and E, presented herewith.

¹¹⁵ See Exhibits E G, J and EE presented herewith.

¹¹⁶ See Exhibits E and D, presented herewith.

¹¹⁷ See Exhibits E and J, presented herewith.

¹¹⁸ April 23, 2008 interview with Francis Zimmerman and Gordon Keith; see also, Exhibits D, E and EE presented herewith.

¹¹⁹ Further, if the frontage road was vacated, all property owners abutting the frontage road would add the vacated road to their property not just the developer.

for the rerouting of the frontage road. If these plans were all to have been implemented, the properties along Sun Mountain Drive would lose all access to the front of the properties and would only be accessible from the rear of their property.

It does appear that the ultimate desired solution is to reroute the frontage road which would take away all access from the south for the aforementioned properties. This desired solution was not manufactured by the developer nor was it created with the intent of destroying local businesses. The reality of the realignment plan was the City's and the Department of Transportation's desire to create a safer and more efficient frontage road system relieving the Parks Highway from much of the local traffic of Wasilla.

4.10 Annexation of Maney Acres

The Complainants allege that the annexation of Maney Acres¹²⁰ was somehow done in an expedited fashion or in some manner evolved in an inappropriate manner.

Jack Barrett made the request for annexation on October 6, 2006.¹²¹ In processing/approving the October 6, 2006 request the City codes and regulations were followed. There appears to be no irregularities in the voluntary annexation process.

4.11 March 19, 2007 correspondence regarding Mayor's request for right-of-way from the developer

The Complainants allege that the March 19, 2007 letter¹²² from Mayor Keller to the developer is disingenuous because it requests action from Mr. Barrett that had been previously discussed and memorialized in previous correspondence and communications.

The choice of language in the March 19, 2007 letter is unusual but not uniquely troubling.¹²³ The March 19, 2007 letter does discuss the City acquiring right-of-way access through parcels of property owned by Mr. Barrett, a topic that had been discussed for years prior to March 2007. The letter does approach the topic of the requested right-of-way as if the City and the developer had not discussed it prior to March 2007. The Complainants' allegation is the letter was designed to lay a false paper trail. This idea does not seem realistic given so many state, federal and borough agencies were all familiar with the general road realignment concept with this developer. The reason for drafting the letter as if it was the first brush with the idea is not apparent and no sound answer was given when interviewing the City Administration. It seems to be the case of poor draftsmanship, not the creation of a false paper trail that would lead nowhere.

¹²⁰ See Exhibit L, presented herewith.

¹²¹ See Exhibit F, presented herewith.

¹²² See Exhibit O, presented herewith.

¹²³ See Exhibit O, presented herewith.

EXHIBIT

A

Requested by: Public Works
Prepared by: Public Works
Adopted: February 23, 2004
Vote: Unanimous

CITY OF WASILLA
RESOLUTION SERIAL NO. 04-08

A RESOLUTION OF THE WASILLA CITY COUNCIL APPROVING THE CONCEPT OF AN EAST SUN MOUNTAIN AVENUE EXTENSION TO SEWARD MERIDIAN PARKWAY TO PROMOTE LOCAL BUSINESS DEVELOPMENT BY PROVIDING ALTERNATE ACCESS TO THE PARKS HIGHWAY AND PALMER-WASILLA HIGHWAY.

WHEREAS, the State of Alaska Department of Transportation is in the planning stage for Seward Meridian Parkway Improvements, and

WHEREAS, local input for Seward Meridian Parkway will enable the State incorporate the City's desire for better access along East Sun Mountain Avenue into the Seward Meridian Parkway Improvement Project, and

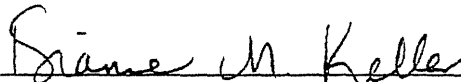
WHEREAS, the local business district is in support of an alternative access route to the Parks Highway and Palmer-Wasilla Highway from East Sun Mountain Avenue, and


WHEREAS, an alternate access for East Sun Mountain Avenue will allow the community to access the business district in a manner that eases congestion at Hermon Road and reduces traffic impact to the neighboring residential area along Whispering Woods Drive.

NOW THEREFORE BE IT RESOLVED that the Wasilla City Council approves that the concept of an East Sun Mountain Avenue Extension to Seward Meridian Parkway, and that this alternate access is in the best interest of the community.

ADOPTED by the Wasilla City Council on February 23, 2004.

ATTEST:


DIANNE M. KELLER, Mayor


KRISTIE L. SMITHERS, CMC
City Clerk

[SEAL]



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: Resolution Serial No. 04-08

Agenda of: February 23, 2004
Originator: Public Works Director

Date: February 13, 2004

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
	Public Works Planning	
	Finance *signature required	
X	Clerk	<i>[Signature]</i>

REVIEWED BY MAYOR DIANNE M. KELLER:

[Signature: Dianne M. Keller]

FISCAL IMPACT: yes\$ or no

Funds Available yes no

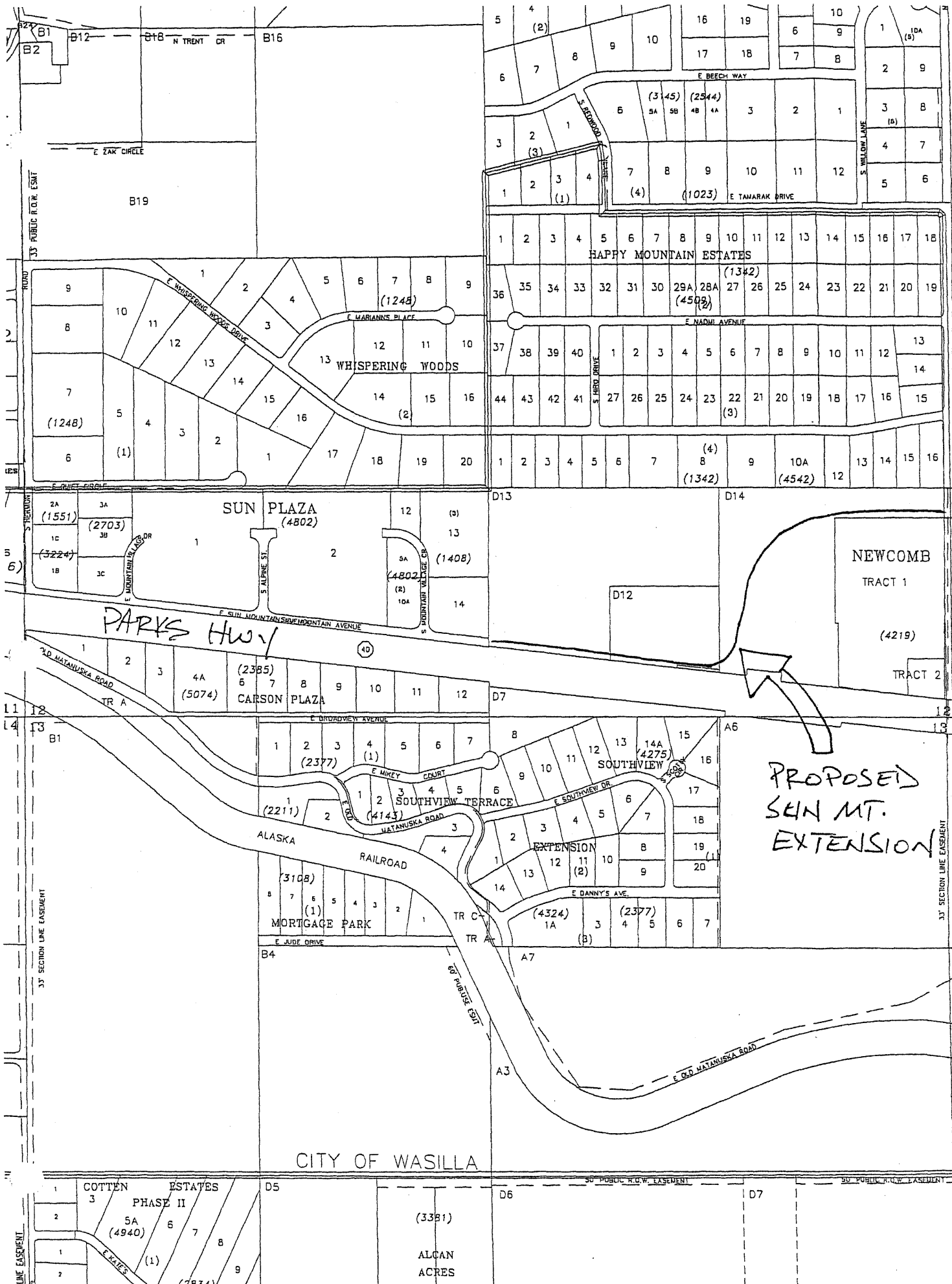
Account name/number:

Attachments: none

SUMMARY STATEMENT:

This Resolution will help DOT with the design for Seward Meridian Improvements that are currently in the planning stage. The Administration has been working with the local business district and has identified the need for an alternate access for East Sun Mountain Avenue to promote local business development and ease congestion at Hermon Road.

At a minimum, DOT will be able to fund intersection improvements at Seward Meridian that may include a traffic signal for an East Sun Mountain Avenue extension, with the approval of this resolution. The City is seeking local support to proceed with the road extension as a City project.



SEWARD MERIDIAN

33' SECTION LINE EASEMENT

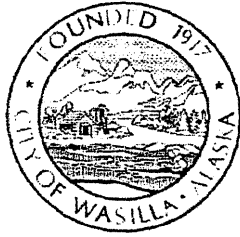
PROPOSED
SUN MT.
EXTENSION

CITY OF WASILLA

EXHIBIT

B

City of Wasilla
OFFICIAL STREETS & HIGHWAYS
PLAN
FY 2005 – 2025



Mayor
Dianne M. Keller

City Council
Howard O'Neil
Diana L. Straub
Steve Menard
Marty Metiva
Ron Cox
Mark A. Ewing

City of Wasilla
290 E. Herning
Wasilla, AK 99654
907 373-9020
www.cityofwasilla.com

2005 – 2025 Street and Highway Plan Recommendations

After reviewing the current and future traffic volumes, traffic circulation, State and Borough planning documents, previous recommendations and needs lists, the following transportation improvements are recommended. Recommendations have been broken out into short range and long range projects within the City of Wasilla, and improvements within the Matanuska Susitna Borough that would directly benefit the City. Short range recommendations are limited to those projects that (1) have committed construction funds through the State Transportation Improvement Program (STIP), (2) are on either the Borough's or the City's Capital Improvement Program (CIP) within the next 5 years, or (3) are part of projects identified by the City as needed and anticipated to be constructed by the private sector.

Short Range Recommendations (2005-2010) *Streets are listed in alphabetic order. List does not reflect a priority ranking.*

Alternative Parks Highway Corridor – Arterial/Interstate – Route selection and Design future transportation corridor will provide alternate route around Wasilla city center for through highway traffic and potentially a new railroad route around the city.


Aviation Avenue (formally Church Road South Extension) – New Minor Collector – Future corridor from S. Mack Drive to Wasilla Airport will provide access to existing airport, the intermodal rail facility, and the Museum of Alaska Transportation and Industry and other future development.

Boundary Street Extension – Commercial Street -New link provided by the extension of Boundary from Swanson Avenue to Bogard Road will provide alternate route for local internal traffic now using Main Street.

Crusey Street Improvements – Major Collector - Reconstruct to accommodate a five lane facility between the Parks Highway and Bogard Road, including pathway, landscaping, and lighting. Improved connection to the high school will create smoother major generator flow with fewer turning conflicts.

Gateway Loop and Frontage Road Connection– Major Collector – New link to be constructed as part of large commercial development proposed for northwest corner of Parks Highway and Seward Meridian Parkway. Project will provide an internal loop road connecting Seward Meridian with the Parks Highway at signalized intersections and connect the existing frontage road system links on the east and west sides of Seward Meridian.

Lucus Road Improvements – Major Collector – Improvements between Parks Highway and Spruce Avenue to an upgraded two lane facility with



Signalized Intersections

- Maney Way, Foundry Way and Parks Highway – signalized intersection to serve current and anticipated major commercial development in Wasilla, as well as providing a connection through this commercial area to Herman Road. Construction costs to be borne by the private sector.
- Gateway Drive and Parks Highway – Signalized intersection to serve a large commercial shopping project in Wasilla, as well as a connection to the Gateway intersection on Seward Meridian Parkway. Construction costs to be borne by the private sector.

Road System Related Projects

- Wasilla Depot/Station – Intermodal passenger terminal and parking area near the Wasilla Airport.
- Park and Ride Lots – Parks Highway and Seward Meridian, Palmer Wasilla Highway, and Knik Goose Bay Road.

Long Range Recommendations (2008-2025) *Streets are listed in alphabetic order. List does not reflect a priority ranking.*

Alternative Parks Highway Corridor – Arterial/Interstate – Construction of transportation corridor providing alternate route around Wasilla city center for through highway traffic and potentially a new railroad route around the city.

Crusey Street Extension – Major Collector – Improvements will extend south to connect to a signalized intersection on the Palmer-Wasilla Highway Extension to accommodate future development between the Palmer-Wasilla Extension, the Parks Highway and Knik-Goose Bay Road.

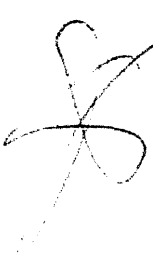
Main Street Improvements – Major Collector -Widen to a four or five lane facility or a one-way couplet with Talkeetna/Yenlo Street.

Old Matanuska Road Rehabilitation – Minor Collector –Improvements will upgrade corridor between Palmer Wasilla Highway and Fairview Loop.

Palmer Wasilla Highway Expansion – Arterial – Future improvements will widen existing road to a four or five lane facility to relieve congestion on existing route. Project will eventually include coordinated signals and realigned intersections where feasible.

Parks Highway, Lucus Road to Big Lake Road – Interstate/Arterial – Improvements will widen existing road to four lanes to accommodate increasing through traffic volume.

Seward Meridian/Carson Street Extension – Arterial – New link will extend arterial south from Old Matanuska Road to Fairview Loop.



Sun Mountain Avenue Realignment – New Major Collector – Realign existing Sun Mountain (frontage road) to provide safer stacking distances for vehicles at the Herman Road intersection. New transportation corridor would extend from Hermon Road to Palmer-Wasilla Highway intersection at Cottonwood Mall serving as an alternate route for the Parks Highway and the Palmer-Wasilla Highway.

Thomas Street Connection – New link would connect Thomas Street to Togiak Street providing an alternate route for traffic moving from Fairview Loop to the Palmer-Wasilla Extension via Glenwood Avenue.

Road System Related Projects

- Signal System Interconnect – Interconnect signals along Parks Highway and in the central business district.

Recommended Projects in the Matanuska-Susitna Borough *Streets are listed in alphabetic order. List does not reflect a priority ranking.*

Fairview Loop Road Upgrades – Upgrade to current standards

Fern Street Extension – Extend to Edlund Street

Hermon Road Extension – Extend north from Whispering Woods Drive to Palmer Wasilla Highway and south to Fairview Loop

Leota Street Extension – Connect to Fairview Loop

Seldon Road Extension East – Extend Seldon/Bogard Road east to the Glenn Highway

Seldon Road Upgrade – Upgrade between Wasilla-Fishhook to Wards Road

Seldon Road Extension West – Extend from Wards Road to Church Road


Seldon Road Extension West – Extend Seldon Rd. west from Church Road to Beverly Lakes Road, Pittman Road and eventually to King Arthur Drive

Seward Meridian Extension North – Extend from Bogard Road to Seldon Road

Spruce Avenue Extension – Extend from Peck Street to Seward Meridian



- City of Wasilla Enterprise Funds – these funds are used to account for operations that are financed and operated similar to private businesses – where costs of providing goods or services is financed or recovered through user charges. City Enterprise funds have been established for Utilities, the Wasilla Airport, and the Multi-Use Sports Complex.
- Voter approved Bonds – Wasilla property owners may, in the future, support sale of bonds to make specific improvements to the City street system.
- Grant Funding - grant applications for CIP project funds are submitted each year from the State, private foundations [for example the Rasmussen Foundation], and from various federal agencies such as the Environmental Protection Agency (EPA).
- State Transportation Improvement Program (STIP) - the Alaska Department of Transportation and Public facilities creates the State Transportation Improvement Program (STIP) on a three-year cycle. The STIP funds projects in four categories:
 - National Highway System (NHS), *current project - Parks Highway*
 - State Highway System (SHS), *for example - Palmer-Wasilla Highway*
 - Community Transportation and Economic Development Program (CTP), *current example - Crusey Street*
 - Trails and Recreational Access for Alaska (TRAAK)

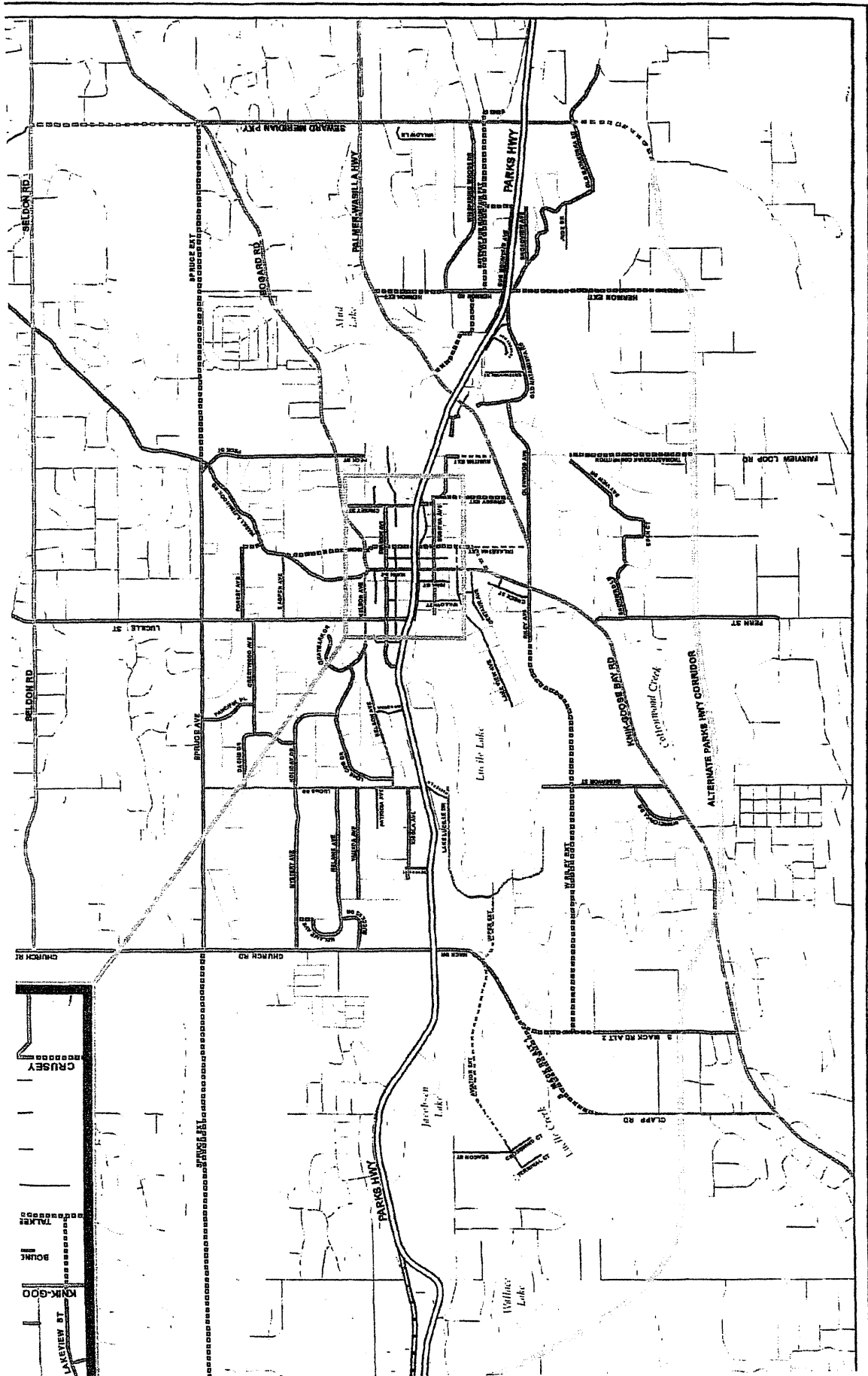


Some of the projects listed in the 2005 – 2025 *Official Streets and Highway Plan* recommendations require the involvement of the private sector. The City recognizes that an alternative way to achieve plan implementation is to involve private funding, and shall work aggressively with appropriate state and federal transportation agencies and private parties to accomplish these privately funded projects. In doing so, the City encourages cooperation between government agencies and these private sector partners, including entering into land exchanges for transportation corridors and adopting creative financing techniques.

Streets and Highways Plan Updates and Maintenance:

Once adopted, the Streets and Highways Plan will be evaluated and updated at a minimum every five years. The City Public Works Department is responsible for ensuring that reviews are completed. The City will notify the general public of the opportunity to review the proposed updates to the adopted street plan by newspaper advertisements.

The Planning Commission will review the Wasilla Streets and Highways Plan in December of each year to determine if projects identified on the Short Range or



CRUSEY

TALKEE

BOHNE

KING-GOOD

LAKEVIEW ST

0 50 100

0.1 0.2

ALTERNATE PARKS HWY CORRIDOR

PARKS HWY

PARKS HWY

SELDON RD

SELDON RD

CHURCH RD

LUCAS ST

SPRUCE EXT

ROGARD RD

SELDON RD

Jacobson Lake

Wallace Lake

Lake Itz

Cottonwood Creek

Lake Creek

CLAPP RD

MACR RD ALT 2

NALBY ST

FRON ST

FARMVIEW LOOP RD

HARMON EXT

SELDON RD

PAUL NEWBELL A HWY

SELDON RD

SELDON RD

EXHIBIT

C

RECEIVED

APR 18 '06

DIANNE M. KELLER
MAYOR

CITY OF WASILLA
290 E. Herning Ave.
Wasilla, AK 99654-7091
Phone: (907) 373-9055
Fax: (907) 373-9096

April 14, 2006

Mr. Gordon Keith
Regional Director
Department of Transportation and
Public Facilities
4111 Aviation Avenue
Anchorage, AK 99519

RECEIVED
APR 19 2006
TSU

Regional Director's Office Central Region	ROUTE	COPY	ACTION
Construction & Operations		✓	
Preconstruction Engineer		✓	✓
Planning & Admin. Services			✓
Leg. Liaison & Pub. Affairs		✓	
Maintenance & Operations			
Commissioner			
Dep. Commissioner			
Dep. Commissioner			
Regional Admin.			
Ted Stevens M.A.			
File			✓

RE: E. Sun Mountain Avenue, Wasilla; Proposed Right-of-Way Exchange

Dear Mr. Keith:

The City of Wasilla has been contacted by a developer who is proposing two large commercial developments along E. Sun Mountain Avenue in Wasilla. One development will occur near Cottonwood Creek and the other will occur near Seward Meridian Parkway.

As you know, E. Sun Mountain Avenue was recently upgraded as part of the Parks Highway improvements with right-of-way purchases at each end extending the frontage road along the highway. The developer is proposing to dedicate new right-of-way for E. Sun Mountain Avenue eastward to provide a connection to Seward Meridian Parkway behind Sears. The developer is proposing to exchange portions of the existing E. Sun Mountain Avenue right-of-way for the new right-of-way on a square foot per square foot basis.

The City understands that it has authority to approve such an exchange as E. Sun Mountain Avenue has been turned over to the City. The City believes that such an exchange will vastly improve traffic flow in the area by connecting the frontage road to Seward Meridian Parkway. The City is seeking concurrence from the Department to proceed with the right-of-way exchange and for the Department to verify what legal documents and procedures will be needed to complete the process.

These projects are on a fast track, and the City is seeking assistance in this manner at the Department's earliest convenience. Any assistance you can provide is greatly appreciated.

Sincerely,

Dianne M. Keller

Mayor Dianne M. Keller
City of Wasilla

ACTION:
SCOTT THOMAS / BRAD SWARTZ

EXHIBIT

D

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

STATEWIDE DESIGN & ENGINEERING SERVICES DIVISION
CENTRAL REGION - RIGHT OF WAY SECTION

FRANK H. MURKOWSKI, GOVERNOR

4111 AVIATION AVENUE
P.O. BOX 196900
ANCHORAGE, ALASKA 99519-6900
(907) 269-0700 (FAX 248-9456)
(TTY 269-0473) 1-800-770-5263

May 30, 2006

Re: East Sun Mountain Avenue
Parks Hwy: Seward Meridian
Parkway to Crusey Street
Project No. NH-OA4-1(12)/52474

Mr. Tim Haugh
Environmental and Right of Way Programs Manager
Federal Highway Administration
Alaska Division
P.O. Box 21648
Juneau, Alaska 99802

Dear Mr. ^{Jim} Haugh:

As we previously discussed, I am enclosing copies of the following information related to the potential exchange of a portion of East Sun Mountain Avenue:

1. Copy of the Maintenance Agreement with the City of Wasilla for portions of the Parks Highway: Seward Meridian Parkway to Crusey Street project.
2. Copy of City of Wasilla Mayor Keller's letter dated April 14, 2006, requesting assistance in the potential exchange of a portion of Sun Mountain Avenue for alternate right-of-way.
3. Copy of draft response from the Department to Mayor Keller outlining the terms and process that would be necessary to relinquish the Sun Mountain Avenue right-of-way to the City.
4. Copy of proposed development site plan that would realign Sun Mountain Avenue right-of-way to connect with Seward Meridian Parkway.
5. Copy of relevant plan sheets from project plan set including plan and profile and right-of-way plans.

As referenced in the Maintenance Agreement, Sun Mountain Avenue is one of four existing frontage roads that were improved as part of the above Parks Highway project. In order to make these improvements, it was necessary to acquire additional right-of-way to extend Sun Mountain Avenue easterly and westerly to serve adjacent properties. On the eastern end, Parcels 11 and 12 were acquired to extend Sun Mountain Avenue to serve three properties located north of the Parks Highway. These properties are:


1. Tract 1 of Waiver Plat No. 92-108 (a portion of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 12, T17N, R1W, S.M.)
2. Tract 1 of Waiver Plat No. 84-76 (a portion of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 12, T17N, R1W, S.M.)
3. Tract 2 of Waiver Plat No. 84-76 (a portion of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 12, T17N, R1W, S.M.)

These three properties are encompassed within the site development plan referenced above and are highlighted in yellow on the enclosed right-of-way plan sheets (Sheets T10 and T11).

Included with the draft letter to Mayor Keller are the statutory requirements involved with relinquishing Sun Mountain right-of-way.

Please call me at 907-269-0708 to discuss the potential exchange once you receive these materials.

Sincerely,



Frances E. Zimmerman
Right of Way Agent

Enclosures as stated

EXHIBIT

E

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

STATEWIDE DESIGN & ENGINEERING SERVICES DIVISION
CENTRAL REGION - RIGHT OF WAY SECTION

FRANK H. MURKOWSKI, GOVERNOR

4111 AVIATION AVENUE
P.O. BOX 198900
ANCHORAGE, ALASKA 99519-8900
(907) 269-0700 (FAX 248-9456)
(TTY 269-0473) 1-800-770-5263

June 30, 2006

Re: East Sun Mountain Avenue
Parks Hwy.: Seward Meridian
Parkway to Crusey Street
Project No. NH-OA4-1(12)52474

Mayor Dianne M. Keller
City of Wasilla
290 East Herning Avenue
Wasilla, Alaska 99654-7091

Dear Mayor Keller,

Thank you for the opportunity to meet and discuss the potential exchange of right-of-way associated with a portion of Sun Mountain Avenue for alternate access to facilitate commercial development adjacent to this frontage road. Our Department supports planning for a future connection of Sun Mountain Avenue to Seward Meridian Parkway. This will enable many store-to-store trips to be made locally with less short-trip traffic and conflicts on and off the Parks Highway. The Department has no preferred route for this future connection.

In order for the City to exchange right-of-way with the developer, the Department needs to convey the additional right-of-way that was acquired for the frontage roads to the City. The exchange of road right-of-way between the City and the developer will require construction of the replacement road to allow access to the same properties currently served by that portion of Sun Mountain Avenue.

The City will have to adopt an extension of Sun Mountain Avenue to Seward Meridian Parkway in the city's Official Streets and Highway Plan (OS&HP). We understand that this is in process and anticipated to be approved by the City Council by the end of June 2006.

Per our existing Maintenance Agreement for the above referenced project dated May 12, 2003, it is our understanding that the upgrades and extensions to the following City roads are to be maintained and operated as City facilities:

1. Sun Mountain Avenue - Improvements east and west of the existing roadway
2. Foundry Way - Improvements for connecting roadway to the Parks Highway

3. Maney Drive – Improvements for connecting roadway to the Parks Highway
4. Industrial Drive – Roadway Improvements between Old Matanuska Road and Creekside Plaza.

In order for the Department to make improvements to these City roads, it was necessary to acquire additional right-of-way parcels as part of the federal-aid project. The Department of Transportation and Public Facilities (the Department) acquired 27 parcels for the improvements to these roads. In order to unify ownership of these facilities, these parcels of property should be conveyed to the City of Wasilla (the City). Portions of the improvements to these roads extend into the Parks Highway right-of-way. As provided in the Maintenance Agreement, the Department will continue to own and control the Parks Highway right-of-way (see paragraph 10 of the agreement), while the City continues to be responsible for maintenance and operations of these roads (see paragraph 6 of the agreement).

Federal code provides two options related to the conveyance of title to right-of-way involved in a federally funded project; **relinquishment** and **disposal**.

A **relinquishment** is defined as the conveyance of a portion of a highway right-of-way or facility by a State highway agency to another Government agency for highway use. Federal regulations governing relinquishments are found in 23 CFR part 620B. It states, in part:

§ 620.202 Applicability

The provisions of this subpart apply to highway facilities where Federal-aid funds have participated in either right-of-way or physical construction costs of a project. The provisions of this subpart apply only to relinquishment of facilities for continued highway purposes. Other real property disposals and modifications or disposal of access rights are governed by the requirements of 23 CFR part 710.

A conveyance to the City of Wasilla for use other than continued highway purposes is considered a **disposal** and must be in compliance with the provisions of 23 CFR part 710D. Section 710.403 (a) states:

The STD must assure that all real property within the boundaries of a federally-aided facility is devoted exclusively to the purposes of that facility and is preserved free of all other public or private alternative uses, unless such alternative uses are permitted by Federal regulation or the FHWA. An alternative use must be consistent with the continued operation, maintenance, and safety of the facility, and such use shall not result in the exposure of the facility's users or others to hazards.*

* State Transportation Department

For the Department to convey property under the provisions for **relinquishment**, the right-of-way (either Sun Mountain Avenue or an alternative replacement route) must continue to be used for highway purposes. Assuming that Sun Mountain Avenue or its replacement would continue to be used for highway purposes, the steps would be as follows:

1. The City needs to submit a written request for relinquishment of the right-of-way.
2. Federal regulations provide that there does not need to be a charge for a relinquishment to a Federal, State, or local government agency for continued highway purposes.
3. Following final acceptance of the physical construction of the project by the Federal Highway Administration (FHWA), the Department must notify the FHWA of the proposed conveyance to the City. The Letter of Final Acceptance for construction of this project is not anticipated to be available prior to July 2007; however, we are willing to request a waiver of this requirement from FHWA to initiate the relinquishment prior to that date.
4. The Department must provide the Division Administrator of the FHWA a map to scale with dimensions identifying the facilities to be relinquished, the FHWA project number, and the date of the proposed relinquishment.
5. The proposed relinquishment must have written justification to the satisfaction of the FHWA that:
 - (a) The subject land will not be needed for Federal-aid highway purposes in the foreseeable future;
 - (b) The right-of-way being retained is adequate under present day standards for the facility involved;
 - (c) The release will not adversely affect the Federal-aid highway or traffic thereon; and
 - (d) The lands to be relinquished are not suitable for retention in order to restore, preserve, or improve the scenic beauty adjacent to the highway as described in the Highway Beautification Act of 1965 (23 U.S.C. 319 and Public Law 89-285, Title III, sections 302-305).
6. Upon receipt of the written request and justification, the division engineer of the FHWA shall have a review conducted to determine that the proposed relinquishment meets the requirements set forth in its regulations.
7. If the FHWA approves the proposed relinquishment, the Department must provide public notice for a period of 30 days prior to the date of the intended conveyance.
8. If no objection is received to the proposed relinquishment, the Department will prepare a Commissioner's Quitclaim Deed for conveyance of the additional properties acquired for the frontage roads. The deed needs to be executed by the Department and the City, and recorded in the State District Recorder's Office. The Commissioner's Quitclaim Deed will

include a reverter clause stating that if the relinquished right-of-way is used for any purpose other than highway right-of-way without written approval by the Department and the FHWA, title will revert to the Department and the pro-rata share of any federal-aid funds that have been expended in connection with the original project for acquisition and/or construction of the right-of-way will be repaid by the City to the Department.

Additional requirements related to the relinquishment of highway right-of-way to another government agency are set forth in the Alaska Right-of-Way Manual under Section 9.9.8 Road Transfers, which states:

Road transfers occur when DOT&PF formally transfers ownership and control for a road or section of road to another government agency (federal, state, or local). Despite the transfer, DOT&PF remains responsible for all 23 C.F.R. requirements on roads classified as arterials, urban collectors, and rural major collectors for all time. For roads that are classified local, rural minor collector, or TRAAK (Trails and Recreational Access for Alaska) projects, DOT&PF's responsibilities end at the conclusion of the design life of the construction project as indicated in the project Memorandum of Understanding (MOU).

Sun Mountain Avenue is considered a local urban street. The design life for this project is 20 years.

As Sun Mountain Avenue was improved using federal funds, any proposed modification to or exchange of its right-of-way must be submitted through the Department for review and approval by the FHWA. Mike Hartman, Chief of our Right of Way Section, and Fran Zimmerman of his staff discussed the proposed right-of-way exchange with Tim Haugh, Environmental and Right of Way Programs Manager for the Alaska Division of FHWA, and Dale Lewis, FHWA Area Engineer, on June 19, 2006. FHWA does not object to the concept of the exchange with the understanding that the replacement road will provide access to the same properties that are currently served by Sun Mountain Avenue, and be constructed to provide equal or greater utility, function, and value as the portion of Sun Mountain Avenue being exchanged. FHWA will require an analysis of the cost of the road improvements and right-of-way involved in the proposed exchange, and federal-aid reimbursement may be required.

Our Department does not have any scheduled funding to improve or extend Sun Mountain Avenue to Seward Meridian Parkway. While we support dedicating public right-of-way to improve the local road infrastructure and making the necessary road improvements, state, local, or private funding may be necessary to enable these improvements.

If the OS&HP officially adopts a frontage road extension to Seward Meridian Parkway, our Department can support a realignment of Blue Lupine Drive (the north Parks Highway frontage road between Trunk Road and Seward Meridian Parkway) to match up with Sun Mountain Avenue. Without a plan we cannot promote this connection. We can endorse the realignment ahead of any completion of streets west of Seward Meridian as long as it is included in the official OS&HP for the City. This connection improves the potential use of a future traffic signal and provides for future internal traffic collection from Cottonwood Creek to Trunk Road. Funding may be available from the State Legislature to assist in the cost of making this connection once the OS&HP is in place.

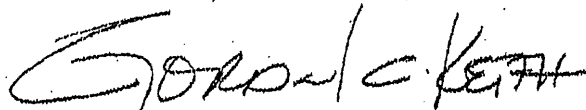
We also support reserving setbacks or a right-of-way for an internal collector from Hermon Road, across Cottonwood Creek, to the signal at Cottonwood Creek/Fred Meyer Mall. There are likely many trips that could use that route for shop-to-shop commutes. In the long term, this connection could be one of the tools we will need to apply to minimize congestion at the Parks Highway and Palmer-Wasilla Highway traffic signal. This intersection is modeled to be the busiest hub for traffic in the Mat-Su Valley, the equivalent of the "Tudor and Lake Otis" intersection in Anchorage. Our choices are to either build an interchange there or build alternate routes. With 50,000 plus trips forecasted on the Parks Highway, it will take the Hermon Road extension, Sun Mountain Avenue extension, and an alternative Parks Highway corridor to handle the anticipated traffic in lieu of an interchange.

Copies of the relevant statutory and other requirements for relinquishment are attached for your reference. They include:

- 23 CFR Part 620B – Relinquishment of Highway Facilities
- AS 19.05.070. – Vacating and Disposing of Land and Rights in Land.
- DEPARTMENT Right of Way Manual – Section 9.9.8 Road Transfers

If you have any questions or need additional information, please feel free to contact me.

Sincerely,



Gordon C. Kelth, P.E.
Regional Director
Central Region

cc: Tim Haugh, Environmental and Right of Way Programs Manager, Alaska,
Division, Federal Highway Administration

EXHIBIT

F

**PETITION BY PROPERTY OWNERS AND RESIDENT REGISTERED FOR
ANNEXATION TO THE CITY OF WASILLA**

Subject to approval by the Local Boundary Commission of a petition from a city government, AS 29.06.040(c)(3) allows territory adjoining the petitioning city government to be annexed to that city if all owners of the property proposed for annexation³ and all registered voters residing on that property first petition the governing body of that city for annexation.

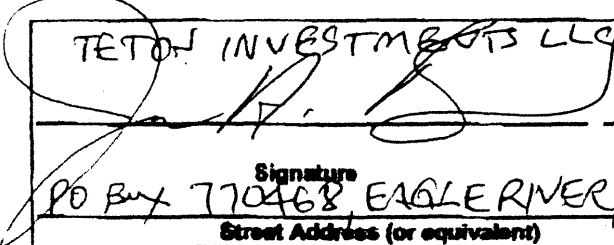
The owner(s) of and all registered voter(s) residing on the property described below hereby petition the City of Wasilla for annexation of the property described below to the City of Wasilla.

Legal description of the property:

[REDACTED]
LOTS 1-5, BLOCK 1 AND
LOTS 1-13, BLOCK 2
MAVEY ACRES NO. 2, PLAT 85-6

Names of resident registered voters currently living on the property:

[REDACTED]

TETON INVESTMENTS LLC	
	Jack A. Burnett
Signature	Printed Name
PO Box 770468, EAGLE RIVER, AK 99577	Managing Member
Street Address (or equivalent)	Date
	12/26/06
Signature	Printed Name
Street Address (or equivalent)	Date

³ 3 AAC 110.990(12) defines "property owner" to mean "a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands; "property owner" does not include lienholders, mortgagees, deed of trust beneficiaries, remaindermen, lessees, or holders of unvested interests in land."

PETITION BY PROPERTY OWNERS AND RESIDENT REGISTERED FOR ANNEXATION TO THE CITY OF WASILLA


Subject to approval by the Local Boundary Commission of a petition from a city government, AS 29.08.040(c)(3) allows territory adjoining the petitioning city government to be annexed to that city if all owners of the property proposed for annexation² and all registered voters residing on that property first petition the governing body of that city for annexation.

The owner(s) of and all registered voter(s) residing on the property described below hereby petition the City of Wasilla for annexation of the property described below to the City of Wasilla.

Legal description of the property: MANEY ACRES No 2
LOTS 1-5 BLOCK 2
6-13 BLOCK 2
LOTS 1-5 BLOCK 1

Names of resident registered voters currently living on the property:

[Redacted]

	<u>JACK A BENNETT</u>
<u>P.O. Box 876041</u>	<u>Printed Name</u>
<u>Wasilla, AK 99687</u>	<u>OCTOBER 21, 2006</u>
<u>Street Address (or equivalent)</u>	<u>Date</u>
<u>Signature</u>	<u>Printed Name</u>
<u>Street Address (or equivalent)</u>	<u>Date</u>

² SAAC 118.080(12) defines "property owner" to mean "a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands; "property owner" does not include lessees, mortgagees, deed of trust beneficiaries, receivers, trustees, or holders of unvested interests in land."

EXHIBIT

G

RECEIVED

DIANNE M. KELLER
MAYOR

OCT 20 '06

CITY OF WASILLA
290 E. Herning Ave.
Wasilla, AK 99654-7091
Phone: (907) 373-9055
Fax: (907) 373-9096

Regional Director's Office Central Region	ROW	COPY	ACTION
Construction & Operations		<input checked="" type="checkbox"/>	
Preconstruction Engineer		<input checked="" type="checkbox"/>	
Planning & Admin. Services			
Leg. Liaison & Pub. Affairs			
Maintenance & Operations			
Commissioner			
Dep. Commissioner/Hwy.			
Dep. Commissioner/Avia.			
Regional Admin.			
Ted Stevens AIA			
File			<input checked="" type="checkbox"/>

ROW

October 5, 2006

Mr. Gordon C. Keith, P.E.
Regional Director, Central Region
State of Alaska
Department of Transportation and Public Facilities
Anchorage, Alaska

RE: East Sun Mountain Avenue; Parks Highway Improvements Seward Meridian Parkway to
Crusey Street, Project No. NH-OA4-1(12)/52474

Dear Mr. Keith:

Thank you for your letter of June 30, 2006 regarding the referenced project. The City of Wasilla hereby requests relinquishment of the East Sun Mountain Avenue right-of-way to the City. The purpose of this request is to convey said right-of-way to the City of Wasilla, such that the City can be in a position to exchange the right-of-way for a proposed East Sun Mountain Avenue extension to Seward Meridian Parkway. The City also requests a waiver to initiate relinquishment of the right-of-way prior to final acceptance of Parks Hwy Improvements expected by FHWA in 2007.

Attached are three maps showing the rights-of-way proposed for relinquishment, numbers NH-OA4-1(12) T10, T11, and T15. Note that map T10 shows right-way not directly associated with E. Sun Mountain. However, it is anticipated that future development of the adjacent parcel will eliminated the need for this right-of-way as backslope for the Parks Highway. The adjacent parcel is planned to be re-graded lowering ground elevations next to the highway. The adjacent parcel will be used for the new alignment of E. Sun Mountain Avenue connection to Seward Meridian Parkway.

The City looks forward to a successful relinquishment and exchange of right-of-way for the proposed East Sun Mountain Avenue Extension to Seward meridian Parkway. This extension will provide a critical transportation link for the area that will reduce traffic congestion on the Parks Highway.

Sincerely,
Dianne M. Keller
Mayor Dianne M. Keller

EXHIBIT

III

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

STATEWIDE DESIGN & ENGINEERING SERVICES DIVISION
CENTRAL REGION - TRAFFIC, SAFETY AND UTILITIES

FRANK H. MURKOWSKI, GOVERNOR

4111 AVIATION AVENUE
P.O. BOX 196900
ANCHORAGE, AK 99519-6900
(907) 269-0650 (FAX) 907-269-0654
(TTY 269-0473)

November 2, 2006

Mr. Dave Grenier, P.E.
Triad Engineering
P.O. Box 110890
Anchorage, AK 99511

RE: Creekside Town Center (Formerly Pioneer Square)
Second Draft Traffic Impact Analysis Review

Dear Mr. Grenier,

Thank you for the work by Thiel Engineering and yourself on behalf of Meritage Group LLC. Our Department accepts the basic conclusions of this Traffic Impact Analysis:

- a) a new traffic signal is warranted on the Parks Highway at Foundry Avenue. At this location, the grade of the Parks Highway is most favorable for downhill and uphill approaches to a signal, in combination with traffic from both sides of the highway,
- b) internal circulation routes planned are valuable for internal trip capture,
- c) long term planning for Hermon Road and frontage roads are necessary per the City of Wasilla OS&HP,

Our acceptance of the TIA is conditioned upon this letter and our attached comments.

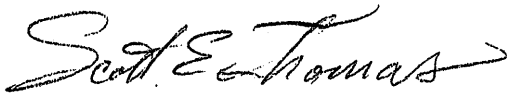
In the first TIA draft, we only had an estimate of future retail site hoped to be developed. Now we have confirmation of national retailers which will become significant traffic generators, just as they are visibly noted in Anchorage. At nearly 400,000 square feet of planned development, this will be the equivalent of two Walmart Supercenters, or nearly one quadrant of the Dimond Mall area.

The next step is for us to draft a Memorandum of Agreement. This agreement will be patterned after other large development agreements to date, and will outline access permitting requirements, the TIA mitigation improvements schedule, who is to perform the Design, Construction, Maintenance, and what the costs will be. After both parties reach agreement, then Design Plans will need to be prepared and reviewed, followed by Construction and Final Inspection. A permit will be issued for public use once Final Inspection is complete.

A Memorandum of Agreement is being prepared by us and will be transmitted to Triad Engineering and Meritage Group LLC in December.

If you have any questions, feel free to call me at 269-0639,

Sincerely,

A handwritten signature in cursive script that reads "Scott E. Thomas".

Scott E. Thomas, P.E.
Regional Traffic Engineer

Attachments:

Second Draft TIA Comments
Letter to City of Wasilla on Frontage Road Relinquishment

Cc:

Gordon Keith, P.E., Regional Director, Central Region DOT/PF
Steve Horn, P.E., Director, Construction and Operations, DOT/PF
John Tolley, Chief, Planning and Administrative Services, DOT/PF
Rob Campbell, P.E., Regional Preconstruction Engineer DOT/PF
Judy Dougherty, P.E., Chief, Highway Design Section, DOT/PF
Mike Hartman, Chief, Right of Way Section, DOT/PF
Al Burton, Right of Way Agent, ROW Section, DOT/PF
Rich Sewell, Mat-Su Planner, Planning Section, DOT/PF

Murph O'Brien, Chief of Planning, Mat-Su Borough
Sandra Garley, Chief of Planning, City of Wasilla

EXHIBIT

I



MATANUSKA-SUSITNA BOROUGH

• PLATTING DIVISION •

350 EAST DAHLIA AVENUE, PALMER, ALASKA 99645-6488

PHONE 745-9874 • FAX 745-9876

Comments Due: December 6, 2006

November 13, 2006

Preliminary Plat Distribution List

AK. Dept. of Fish & Game	MSB E.M.S. – Wasilla-Lakes
AK. Dept. of Transportation - Anchorage	MSB – Cultural Resources
US Army Corp of Engineers	MSB – Dept of Public Works, Right-of-way
AK. Dept. of Transportation – Palmer	MSB – Dept. of Public Works, Engineering
AK. DNR, Land Mgmt. & Water Mgmt.	MSB – Code Compliance
AK. DNR Habitat Mgmt. & Permitting	MSB – Community Development
AK. DNR Public Access Assertion & Defense	MSB – Planning Division
City of: Wasilla (5 courtesy copies)	M.E.A.
Fire Service Area: Wasilla-Lakes	M.T.A.
Community Council:	Enstar Natural Gas
MSB – Road Service Area:	G.C.I.

TAX MAP: WA 11

ASSEMBLY DISTRICT: 4

Pre-App: 10/4/06

TITLE: CREEKSIDE TOWN SQUARE, TRACT E & LOT 1
LEGAL: SECTION 11, T17N, R1W SEWARD MERIDIAN, ALASKA
PETITIONER: TETON INVESTMENTS LLC / LARRY & SARAH THEOBALD
ADDRESS: P.O. BOX 876041 WASILLA, AK 99687
SURVEYOR: LANTECH
ADDRESS: 440 W. BENSON BLVD., STE. 200 ANCHORAGE, AK. 99503

Attached is a copy of a petition which has been received by the Matanuska-Susitna Borough Platting Division for the proposed Preliminary Plat w/ vacations.

The request is to subdivide Block 1, Lots 1-5 and Block 2, Lots 6-13 of Maney Acres No. 2 (Plat # 85-6) and Lot 1 of Maney Acres (Plat # 83-225) into one new Tract and one new Lot to be known as Creekside Town Square Tract E & Lot 1, containing 24.2 acres +/- . Petitioner has requested to vacate E. Duane Dr. and utility easement adjacent to ROW, and portions of the utility easements along the west, east and south boundaries, and to vacate the 15' screening easement between proposed Lot 1 and Tract E.

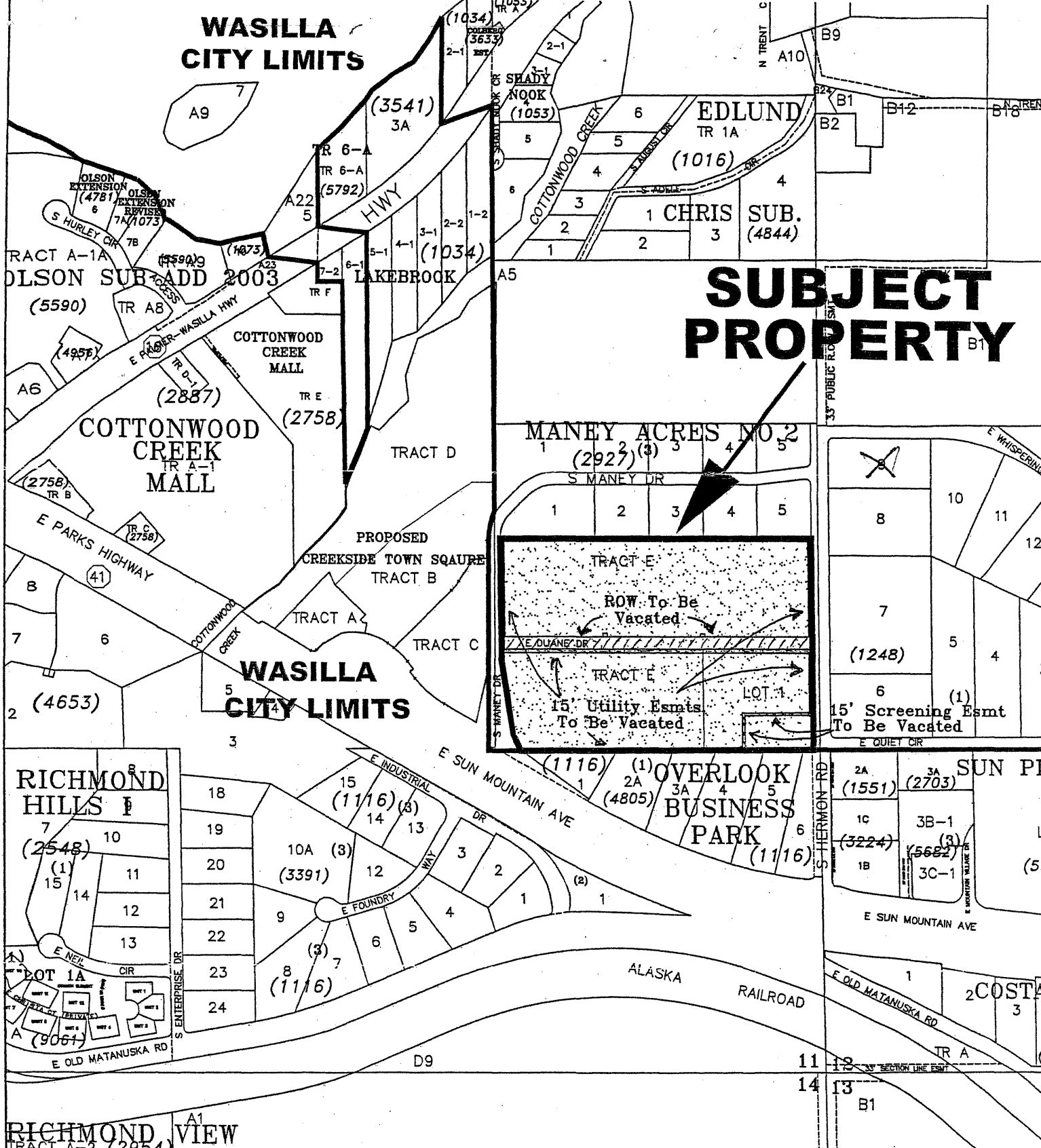
All comments, existing files and correspondence that you may have relating to this case must be submitted to the Platting Division by **December 6, 2006** so that we may incorporate this information into our recommendations to the Platting Board, for the public hearing to be held **December 21, 2006**.

Thank you,

Nancy Cameron, Platting Technician

WASILLA CITY LIMITS

SUBJECT PROPERTY



VICINITY MAP
 PROPOSED CREEKSIDE TOWN SQUARE
 TRACT E & LOT 1, LOCATED WITHIN
 SECTION 11, T17N, R1W
 SEWARD MERIDIAN, ALASKA

EXHIBIT

J

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

DESIGN & ENGINEERING SERVICES DIVISION
CENTRAL REGION - RIGHT OF WAY SECTION

FRANK H. MURKOWSKI, GOVERNOR

4111 AVIATION AVENUE
P.O. BOX 196900
ANCHORAGE, ALASKA 99519-6900
(907) 269-0700 (FAX 248-9456)
(TTY 269-0473) 1-800-770-5263

November 29, 2006

Mayor Dianne M. Keller
City of Wasilla
290 East Herning Avenue
Wasilla, Alaska 99654-7091

Re: Relinquishment and Conveyance of
Improvements Pursuant to Maintenance
Agreement Dated May 12, 2003
NH-OA4-1 (12), 52474
Parks Highway: Seward Meridian to
Crusey Street

Dear Mayor Keller,

Thank you for the City's request for the relinquishment of seven (7) parcels.¹ Under a previous agreement dated May 12, 2003, the City agreed to accept responsibility for the maintenance of several roads.² It is the Department's desire to complete the relinquishments in one agreement.

The City's request for relinquishment requires a justification.³ We are asking the City to provide proof of ownership of Sun Mountain Avenue. After the relinquishment, DOT&PF remains responsible to the federal government for the continued use of the improvements.⁴

In a separate request, Meritage Development LLC is negotiating with the City for the relocation of portions of East Sun Mountain Avenue. The FHWA does not object to the concept of an alternate access route and exchange with the understanding that a replacement road *be constructed*.⁵ The FHWA requirement

¹ Sheets no. T 10 (parcel no.9), T 11 (parcel no.11and 12), and T 15 (parcels no. 39, 40, 41and 42) as a portion of project NH-OA4-1 (12) 52474.

² Roads that received upgrades and extensions during the Parks Highway Project NH-OA4-1(12) 52474 are a pedestrian under crossing, Sun Mountain Avenue, Foundry Way, Maney Drive, and Industrial Drive.

³ See Letter to Mayor dated June 30, 2006

⁴ Paragraph 10 of Maintenance Agreement dated May 5, 2004

⁵ The replacement road must provide access to the same properties that are currently served by Sun Mountain Avenue. The new road must also be constructed to provide equal or greater utility, function and value. FHWA also requires a cost analysis and has the right of reimbursement.

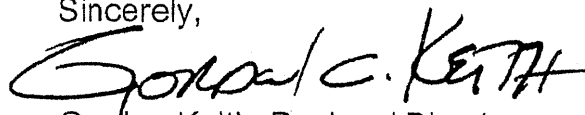
of construction or right of reimbursement requires that DOT&PF have authority to approve the agreement for the removal/replacement of Sun Mountain Avenue by Meritage Development, LLC. Attached for your reference are our approximate costs associated with the recent improvements to the east and west end of Sun Mountain Avenue.

The request for the transfer of portions of parcel 9 includes backslopes for the existing on-ramp, and cannot be relinquished.⁶ Meritage's request to change backslopes in the state's right-of-way can most easily be accomplished by application by the developer to DOT&PF for a Temporary Construction Permit.

DOT&PF will prepare a Commissioner's Deed that will include a reversionary clause and a covenant running with the land. The purpose of these provisions is to transfer, to any subsequent developer, the right of reimbursement. DOT&PF and the FHWA require for removal/replacement or improvements.

We look forward to working with the City in accomplishing these goals.

Sincerely,



Gordon Keith, Regional Director
Central Region, DOT/PF

Cc: Steve Horn, P.E. Director, Construction Operations, DOT/PF
John Tolley, Chief, Planning and Administration Services, DOT/PF
Rob Campbell, P.E., Regional Preconstruction Engineering, DOT/PF
Judy Dougherty, Chief, Highway Design Section, DOT/PF
Mike Hartman, Chief, Right of Way Section, DOT/PF
Al Burton, Right of Way Section, DOT/PF
Rich Sewell, Mat-Su Planning Section, DOT/PF

Murph O'Brien, Chief Planning, Mat-Su Borough
Sandra Garley, Chief of Planning, City of Wasilla
Jack Barrett, President, Meritage Development, LLC, PO BOX 876041 Wasilla, AK 99687
Dave Grenier, P.E., Triad Engineering, PO Box 110890 Anchorage, AK 99511

⁶ As shown on Right of Way plan Sheet T10

Sun Mountain Extension Cost Estimate

East End

Begin Station 2+327.5

End Station 1+802

Improvement Length 525.5 meters

Item Number	Item	Unit	Unit Price	Quantity	Amount
201(1A)	Clearing	ha	\$4,000.00	0.5	\$2,000.00
201(2B)	Grubbing	LS	\$35,000.00	0.027	\$945.00
203(3)	Unclassified Excavation	m^3	\$5.00	7991	\$39,955.00
203(6A)	Borrow, Type A	Mg	\$5.00	5500	\$27,500.00
301(1A)	Aggregate Base Course, D-1	Mg	\$6.00	1300	\$7,800.00
401(1A)	ACP Type IIA	Mg	\$30.00	633.1	\$18,993.00
401(2)	Asphalt Cement PG 52-28	Mg	\$210.00	34.45	\$7,234.50
603(17-600)	600 mm-Pipe	Meter	\$200.00	12.6	\$2,520.00
603(20-600)	600 mm Pipe End Sections	Each	\$300.00	2	\$600.00
604(3)	Reconstruct Existing Manhole	Each	\$1,600.00	1	\$1,600.00
618(1)	Seeding	ha	\$1,800.00	0.7975	\$1,435.50
620(1)	Topsoil	m^2	\$1.00	7975	\$7,975.00
670(10B)	Methyl Pavement Marking	Liter	\$14.25	480	\$6,840.00

Total \$125,398.00

West End

Begin Station 3+425

End Station 3+710

Improvement Length 285 meters

Item Number	Item	Unit	Unit Price	Quantity	Amount
201(1A)	Clearing	ha	\$4,000.00	0.8544	\$3,417.60
201(2B)	Grubbing	LS	\$35,000.00	0.031	\$1,085.00
203(3)	Unclassified Excavation	m^3	\$5.00	32835	\$164,175.00
203(6A)	Borrow, Type A	Mg	\$5.00	5745	\$28,725.00
301(1A)	Aggregate Base Course, D-1	Mg	\$6.00	857	\$5,142.00
401(1A)	ACP Type IIA	Mg	\$30.00	285	\$8,550.00
401(2)	Asphalt Cement PG 52-28	Mg	\$210.00	15	\$3,150.00
603(17-600)	600 mm Pipe	Meter	\$200.00	85.1	\$17,020.00
603(20-600)	600 mm Pipe End Sections	Each	\$300.00	7	\$2,100.00
604(1A)	Storm Drain Manhole, Type 1	Each	\$3,000.00	2	\$6,000.00
608(6)	Curb Ramps	Each	\$1,250.00	2	\$2,500.00
608(8)	Asphalt Pathway and Medians	Mg	\$60.00	62.5	\$3,750.00
609(2)	Curb and Gutter, Type 1	Meter	\$37.00	171.4	\$6,341.80
610(3)	Ditch Lining	Meter	\$50.00	280	\$14,000.00
618(1)	Seeding	ha	\$1,800.00	0.65	\$1,170.00
620(1)	Topsoil	m^2	\$1.00	6500	\$6,500.00
639(6)	Approach	Each	\$400.00	1	\$400.00
641(2)	Temporary Ero Pollo	CS	CS	All Req'd	\$100,000.00
641(5)	Silt Fence	Meter	\$10.00	550	\$5,500.00
641(8)	Straw Bales	Each	\$100.00	300	\$30,000.00
670(10B)	Methyl Pavement Marking	Liter	\$14.25	225	\$3,206.25

Total \$412,732.65

Total Cost to Improve East and West Ends of Sun Mountain

\$538,130.65

Parks Highway MP 39-41 Seward Meridian to Crusey Street

Project No. NH-OA4-1(12)/52474

Parcels for Exchange with Meritage Group, LLC

Parcel No.	Frontage Road	Type of Interest	Area (Hectares)	Area (Acres)	Amt. Paid for Acquisition
11	Sun Mountain Avenue	Fee	0.639	1.579	\$250,111.60
12	Sun Mountain Avenue	Fee	0.455	1.1243	\$153,800.00
	EAST END				\$403,911.60
39	Sun Mountain Avenue	Fee	0.2651	0.6551	\$480,000.00
40	Sun Mountain Avenue	Fee	0.2238	0.553	included in Parce 39
41	Sun Mountain Avenue	Fee	0.5594	1.3823	included in parcel 39
42	Sun Mountain Avenue	Fee	0.00581	0.1436	\$13,150.00
	WEST END				\$493,150.00
	TOTAL BOTH ENDS OF SUN MOUNTAIN				\$897,061.60

Prepared By Mary Jane Sutliff, ROW Agent III
 Project Coordination
 November 29, 2006

Parks Highway: MP 39-41 Seward Meridian to Crusey Street

Project No. NH-OA4-1(12)/52474

FRONTAGE ROAD PARCELS FOR RELINQUISHMENT

Parcel No.	Frontage Road	Type of Interest	Area (Hectares)	Area (Acres)
11	Sun Mountain Avenue	Fee	0.6390	1.5790
12	Sun Mountain Avenue	Fee	0.4550	1.1243
17	Sun Mountain Avenue	Fee	0.0027	0.0067
E-25	Sun Mountain Avenue	Utility Easement	0.1029	0.2543
27	Sun Mountain Avenue	Fee	0.0162	0.0400
E-27	Sun Mountain Avenue	Utility Easement	0.0249	0.0615
28	Industrial Drive	Fee	0.0447	0.1105
E-28A	Industrial Drive	Utility Easement	0.0303	0.0749
E-28B	Industrial Drive	Utility Easement	0.0266	0.0657
29	Sun Mountain Avenue	Fee	0.0278	0.0687
E-29	Sun Mountain Avenue	Utility Easement	0.0161	0.0398
30	Sun Mountain Avenue	Fee	0.0023	0.0057
E-30	Sun Mountain Avenue	Utility Easement	0.0221	0.0546
E-32	Sun Mountain Avenue	Utility Easement	0.0137	0.0339
E-33	Sun Mountain Avenue	Utility Easement	0.0242	0.0598
34	Sun Mountain Avenue	Fee	0.1196	0.2955
35	Maney Drive	Fee	0.0786	0.1942
36	Maney Drive	Fee	0.0216	0.0534
E-37	Industrial Drive	Utility Easement	0.0201	0.0497
38	Foundry Way	Fee	0.0064	0.0158
E-38	Industrial Drive	Utility Easement	0.0184	0.0455
E-38A	Industrial Drive	Utility Easement	0.0216	0.0534
E-38B	Industrial Drive	Utility Easement	0.0138	0.0341
E-38C	Foundry Way	Utility Easement	0.0020	0.0049
39	Sun Mountain Avenue	Fee	0.2651	0.6551
40	Sun Mountain Avenue	Fee	0.2238	0.5530
41	Sun Mountain Avenue	Fee	0.5594	1.3823
42	Sun Mountain Avenue	Fee	0.0581	0.1436
			3.4247	8.4627

EXHIBIT

K

MATANUSKA-SUSITNA BOROUGH
PLATTING DIVISION
350 EAST DAHLIA AVENUE
PALMER, ALASKA 99645-6488
PHONE 745-9874 FAX 746-7407



JTHOMPSON ^{b7}
000000064 labels printed
11/29/2006
14:32:29

FIRST CLASS

.....
NOTIFICATION OF PUBLIC HEARING

The Matanuska-Susitna Borough **Platting Board** will consider the following:

PETITIONER: TETON INV., LLC//LARRY & SARAH THEOBALD (owners/petitioners)

REQUEST: This request is to re-subdivide Block 1, Lots 1-5 and Block 2, Lots 6-13 of Maney Acres No. 2 (Plat #85-6) and Lot 1 of Maney Acres (Plat #83-225) into one new Tract and one new Lot to be known as Creekside Town Square Tract E & Lot 1. Also requesting to vacate E. Duane Dr. and utility easement adjacent to right-of-way and portions of the utility easements along the west, east and south boundaries, and to vacate the 15' screening easement between proposed Lot 1 and Tract E.

AREA: 24.2 Acres **LOCATION:** Located within NE ¼ SE ¼ Section 11, Township 17 North, Range 1 West, Seward Meridian, Alaska. Lying west of S. Hermon Rd & north of E. Sun Mountain Ave.

COMM. COUNCIL: N/A . Assembly Dist. 4 Mary Kvalheim

NAME: _____ **ADDRESS:** _____

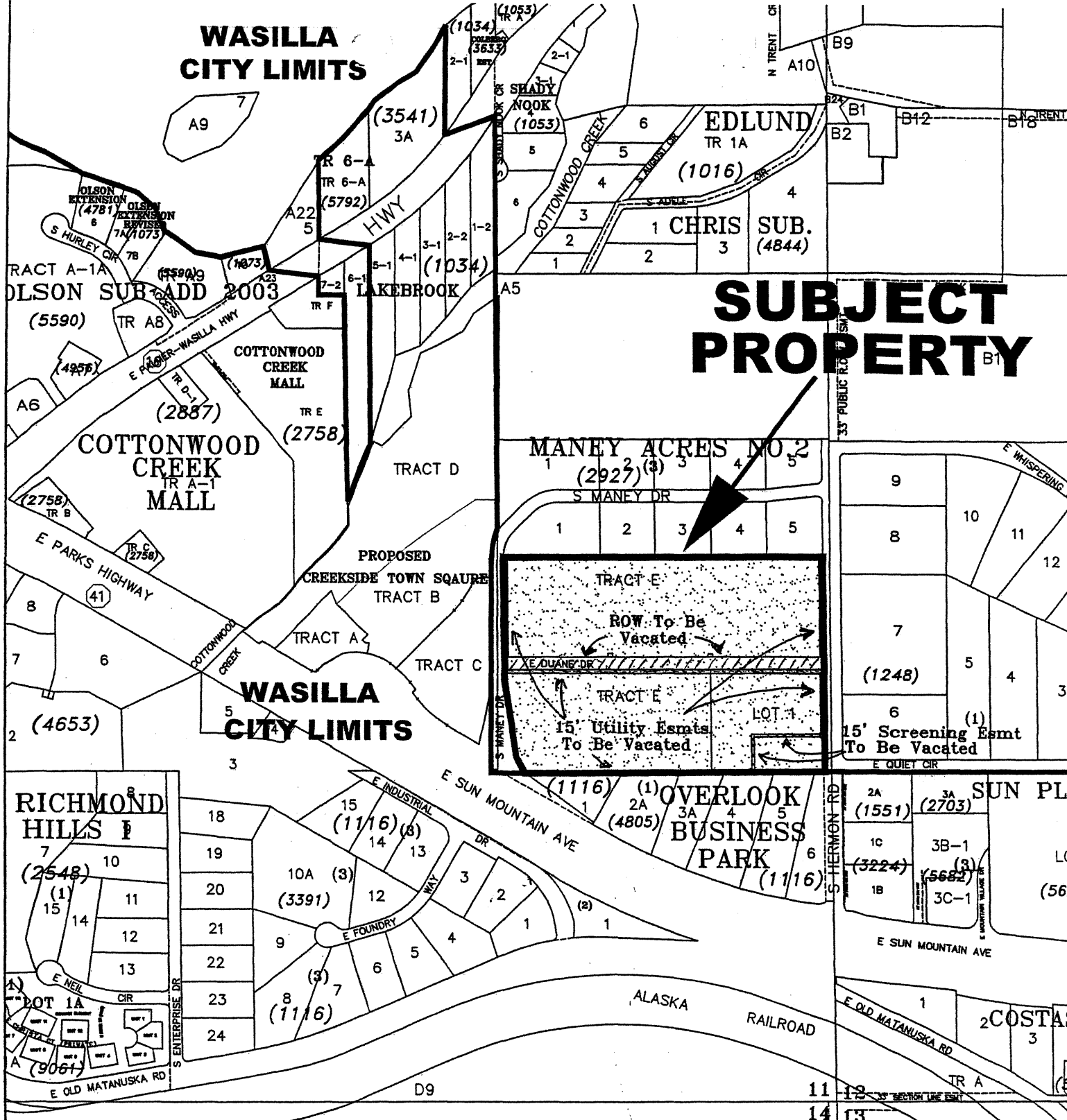
LEGAL DESCRIPTION: _____

COMMENTS: _____

The Matanuska-Susitna Borough **Platting Board** will hold a public hearing on the proposed **re-subdivision & vacations** beginning at 8:30 AM on **December 21, 2006**, in the **Assembly Chambers** of the **Dorothy Swanda Jones Building, 350 East Dahlia Avenue, Palmer, Alaska**. We are sending you this notice as required by State Law and Borough Ordinances because your property is within the subdivision or within 600' of the petition area. This will be the only public hearing before the **PLATTING BOARD** and you are invited to appear.

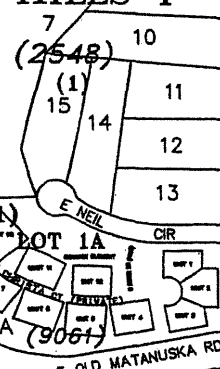
If you would like to send comments regarding the proposed action, this form may be used for your convenience by filling in the information above and mailing this notice to the Matanuska-Susitna Borough, Platting Division, 350 E. Dahlia, Palmer, Alaska 99645 or Fax (907) 746-7407. Comments received by 3:00 PM one week prior to the meeting will be included in the Platting Board packet. Comments received up to 4:00 PM one day prior to the meeting will be given to the Platting Board in a "Hand Out" packet the day of the meeting. If there is not enough room above, please attach a separate piece of paper. In order to be eligible to file an appeal from a decision of the Platting Board, a person must be designated an *interested party* pursuant to MSB 15.39.010. An *interested party* means, (a) the applicant before the Platting Board; or (b) any person affected by the decision who appeared before the Platting Board and made an oral or written presentation. The procedures governing appeals to the Board of Adjustment & Appeals are contained in MSB 15.39.010-250, which is available on the Matanuska-Susitna Borough internet home page <http://www.matsugov.us>, in the Borough Clerk's office, or at various libraries within the borough.

WASILLA CITY LIMITS



SUBJECT PROPERTY

RICHMOND HILLS I

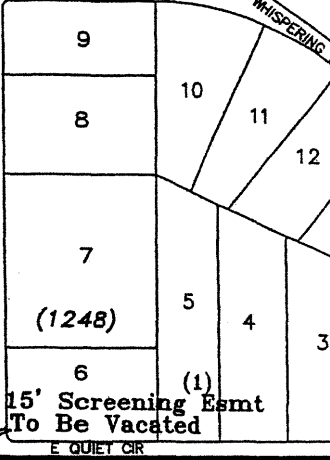
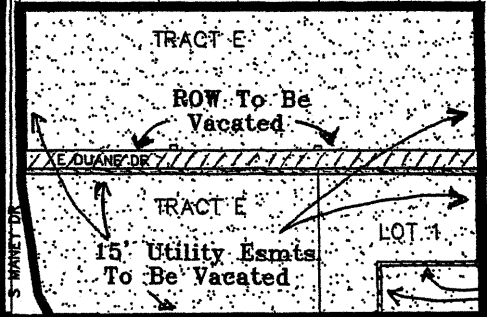


RICHMOND VIEW

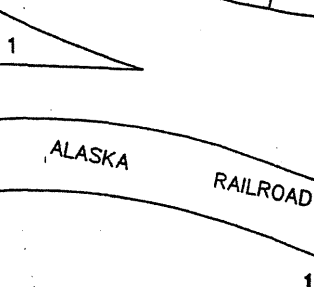
TRACT A-2 (2954)

VICINITY MAP

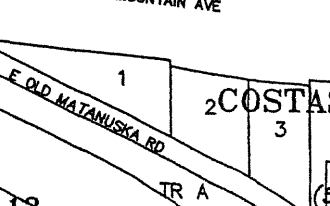
PROPOSED CREEKSIDE TOWN SQUARE
TRACT E & LOT 1, LOCATED WITHIN
SECTION 11, T17N, R1W
SEWARD MERIDIAN, ALASKA



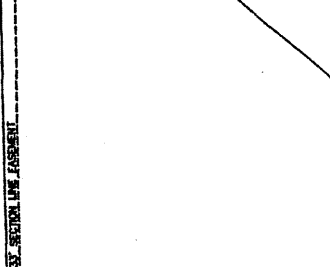
OVERLOOK BUSINESS PARK



SUN PLAZA



COSTAS



① Lakeside Townsquare

17N01W11A005
WASILLA LAND TR LLC
STE 300
9757 JUANITA DR NE
KIRKLAND WA 98034-4291

1

17N01W11D009
SHAW DANIEL K
PO BOX 871117
WASILLA AK 99687-1117

11

17N01W11D011
TETON INVESTMENTS LLC
PO BOX 876041
WASILLA AK 99687-6041

21

17N01W12B001
MANION NATASHA
380 TRENT CIR
WASILLA AK 99654-6041

2

1034000T001-2
CASTLE RESIDENCE INN'S
2623 2ND AVE
SEATTLE WA 98121-1211

12

1034000T002-1
TEAM LLC
HC 31 BOX 5125B
WASILLA AK 99654-1211

22

1034000T003-1
WASILLA LAKE CHURCH
2001 PALMER-WASILLA HWY
WASILLA AK 99654-1211

3

1034000T006-1
LUNDGREN GARY
2623 2ND AVE
SEATTLE WA 98121-1211

13

1034000T007-2
GORDON BERT L
1960 E PALMER-WASILLA HWY
WASILLA AK 99654-1211

23

1116B01L001
SLAYMAKER RAYMOND T
FASANARO GUY C TRE
6834 GIBSON CANYON RD
VACAVILLE CA 95688-1211

4

1116B01L004
SR WASILLA LLC
% THOMAS R OGREN
11010 TUKWILA INT'L BLVD
SEATTLE WA 98168-1211

14

1116B01L005
MICHELS ANITA L
5318 KEUKA CT
ANCHORAGE AK 99508-1211

24

1116B01L006
SUBS PROPERTIES LLC
PO BOX 873881
WASILLA AK 99687-3881

5

1116B02L001
KLAPPERICH JOHN N & JOAN M
2200 E PARKS HWY
WASILLA AK 99654-3881

15

1116B03L001
NYE FRONTIER FORD INC
2701 MOUNTAIN VILLAGE DR
WASILLA AK 99654-3881

25

1116B03L002
PILGRIMS BAPTIST CHURCH
PO BOX 872133
WASILLA AK 99687-2133

6

1116B03L003
CHUGIAK CHILDRENS SERV
403 S ALAKSA ST
PALMER AK 99645-2133

16

1116B03L007
HILL STEVE S
PMB 431
1830 E PARKS HWY STE 113A
WASILLA AK 99654-7377

26

1116B03L008
MOFFITT TRACY A & KATHY A
PO BOX 3337
PALMER AK 99645-3337

7

1116B03L009
MOFFITT TRACY A & KATHRYN A
PO BOX 3337
PALMER AK 99645-3337

17

1116B03L012
GREEN WM J & DONNA E
PO BOX 875470
WASILLA AK 99687-5470

27

1116B03L013
FRITZ CHRISTINE
PO BOX 1341
PALMER AK 99645-1341

8

1116B03L014
GOOD YEAR INV LLC
PO BOX 876041
WASILLA AK 99687-6041

18

1116B03L018
PEDERSEN FAM LTD PRTRNSHP
9419 STATE HIGHWAY 70
MARYSVILLE CA 95901-3068

28

1116B03L019
EVERGREEN INV LLC
PO BOX 521783
BIG LAKE AK 99652-1783

9

1116B03L020
DONNELLY CHRISTINA A
PO BOX 874141
WASILLA AK 99687-4141

19

1116B03L021
KUZMIN ILIA N & IRINA F
PO BOX 3433
HOMER AK 99603-3433

29

1116B03L022
KINCAID KEN E
PO BOX 2444
PALMER AK 99645-2444

10

1116B03L023
WILKEN KURT
22750 MCMANUS DR
CHUGIAK AK 99567-2444

20

1116B03L024
MAHONEY TIMOTHY J
14607 TERRACE LN
EAGLE RIVER AK 99577-9243

30

② Crickside Town Sq.

1248B01L001 RICE-WILLIAMS TAMMY S & LANCE C WELLS ESQ 733 W 4TH AVE STE 308 ANCHORAGE AK 99501-9243	1248B01L002 EMMI PROP PO BOX 672049 CHUGIAK AK 99567-2049	1248B01L003 CHOE SUN MIN PO BOX 873 HERMOSA BEACH CA 90254-0873
31	41	51
1248B01L004 FUCHS HELMUT G& LINDA TRE 9441 PONDEROSA DR ANCHORAGE AK 99516-0873	1248B01L005 FINE LARRY E BERESFORD MARIACRUZ 249 PAKALANA PL STE B KIHEI HI 96753-0873	1248B01L006 FUCHS HELMUT TRE 9441 PONDEROSA DR ANCHORAGE AK 99516-0873
32	42	52
1248B01L007 MCGEE JAS W 801 S HERMON RD WASILLA AK 99654-0873	1248B01L008 RUSSELL JAS C & DORIS L 701 HERMON RD WASILLA AK 99654-0873	1248B01L009 BUTTON RANDY G & PAMELA J 2400 WHISPERING WOODS DR WASILLA AK 99654-0873
33	43	53
1248B01L010 VANKIRK GREGORY D & K A PO BOX 872341 WASILLA AK 99687-2341	1248B01L011 ASCHE GEO P & P J TRE PO BOX 3230 PALMER AK 99645-3230	1248B01L012 THORNE SUE E BOYLE PO BOX 870295 WASILLA AK 99687-0295
34	44	54
1248B01L013 GEDICKS WOLFGANG& CATHY E 2630 E WHISPERING WOODS WASILLA AK 99654-0295	1248B01L014 SANCHEZ JAIME III & CAROL 2660 E WHISPERING WOODS WASILLA AK 99654-0295	1248B01L015 VASQUEZ IVAN & CHEREE L 2700 WHISPERING WOODS DR WASILLA AK 99654-0295
35	45	55
1248B01L016 WINK JOS M 2750 E WHISPERING WOODS WASILLA AK 99654-7319	1248B01L017 TORGESON PERRY P 2800 E WHISPERING WOODS WASILLA AK 99654-7319	1248B01L018 THACKER KENNETH S & N C 2850 E WHISPERING WOODS WASILLA AK 99654-7319
36	46	56
1248B01L019 ANTTILA DONALD J&CAROLE L 2900 E WHISPERING WOODS WASILLA AK 99654-7319	1248B01L020 HUGHES CLYDE D & JACKIE L 2950 WHISPERING WOODS DR WASILLA AK 99654-7319	1551B03L002A WEDEKIND WARREN W JR 901 HERMON RD WASILLA AK 99654-7312
37	47	57
2600000L001 THEOBALD LARRY G & S L HC 31 BOX 5105 WASILLA AK 99654-7312	2703B03L003A LOWE'S HIW INC %TAX DEPT 2ETA # 2512 PO BOX 1000 MOORESVILLE NC 28115-1000	2927B01L006 THEOBALD LARRY G& SARAH L HC 31 BOX 5105 WASILLA AK 99654-1000
38	48	58
2927B03L001 BARE CHAS F & JANNA L 700 S MANEY WASILLA AK 99654-1000	2927B03L002 GODDEN RONALD E&ELIZABETH 660 S MANEY DR WASILLA AK 99654-7388	2927B03L003 SMITH JAS D 640 S MANEY DR WASILLA AK 99654-7388
39	49	59
2927B03L004 KEEFE MICHAEL J & L GAIL 620 S MANEY DR WASILLA AK 99654-7388	2927B03L005 MANEY SHERYL N 749 RAPPE CT ANCHORAGE AK 99518-7388	3224B03L001B ANDERSON MIKE PO BOX 872886 WASILLA AK 99687-2886
40	50	60

(3) Lakeside Tran Sq.

3224B03L001C

TZOU RICHARD & AESOOK
PO BOX 874127
WASILLA AK 99687-4127

61

4653000L003

PEDERSEN FAM LTD PRTNESH
9419 STATE HIGHWAY 70
MARYSVILLE CA 95901-3068

64

4805B01L002A

ANDRES-WYMORE PRTNRSH
2201 E PARKS HWY
WASILLA AK 99654-3068

66

5682B03L003B-1

2521 MTN VILLAGE LLC
PO BOX 190027
ANCHORAGE AK 99519-0027

62

JTHOMPSON ⁶⁷
000000064 labels printed
11/29/2006
14:32:29

City of Wasilla
Planning Dept
290 E. Herning
Wasilla AK 99654

67

Wasilla Soil & Water
Conservation District
George Taylor
1700 E. Bogard Road, Suite #203
Wasilla AK 99654

63

WASILLA-LAKES FSA
KEN SLAUSON
PO BOX 877193
WASILLA AK 99687

65

EXHIBIT

L

1034
KEBBOCK
A5
pre
Danson
Ridge

WAIVER
HILL
TR A
(3232)

D11
D12
641
Creekside
Town Square
(3232)

(3)
1 2 3 4 5
S MANEY DR
MANEY ACRES NO 2
(2927)
11 10 9 8 7
(2) 6740
Creekside
Town Square
E DUANE DR
1 2 3 4 5 6 7
MANEY ACRES
(2600)

B19
E ZAK CIR
PUBLIC ROW. ESMT
33
4(4)
5
6
7
8
E TAMARK AVE
1 2 3 4 5 6 7 8
(3)

9 10 11 12 13 14 15 16 17 18
E WHISPERING WOODS DR
E MARIANNS PL
12
13
WHISPERING
14
15
16
17
18
E QUIET CIR
(1248)
(1)

INDUSTRIAL
DR
(16) (3)
14 13
12
3 2
1
1
6 5 4
D9

(1116)
1
2A
3A
4
5
OVERLOOK
BUSINESS
PARK
(1116)

2A
3A
1C
1B
3B-1
3C-1
(1551) (2703)
(3224)
(5626)
(LOWE'S)
SUN PLAZA
1A
LOT 1A
(5626)
SUN PLAZA
(4802)
2
E SUN MOUNTAIN AVE

D9

1 2 3
E OLD MATANUSKA RD
COSTAS
(2385)
1 2
(5639)
CARSON PLAZA
6 7 8 9 10
E BROADVIEW AVE

11
14
B1

1 2 3 4
(2377)
1 2
(2211)
1 2
(4143)
E MIKEY
ALASKA
RAILROAD
(3108)
B 7 6 5 4 3
(1)
MORTGAGE PARK
E JUDE DR

A13
A11
A10
A6

B4

portion of:
MSB TX Map WALL

EXHIBIT

NM

PLATTING BOARD AGENDA

December 21, 2006

ACCOUNTS PAYABLE
RECEIVED

JAN 09 2007

RECEIVED

JAN 10 2007

PLATTING D

I. CALL TO ORDER

II. APPROVAL OF MINUTES

A. December 7, 2006

III. OLD BUSINESS

A. PUBLIC HEARING FOR THE EXTENSION REQUEST FOR THE APPROVAL OF E. J. LEDUC SUBDIVISION LOT 3A, BLOCK 2, MICHAEL CURLEY (PETITIONERS/OWNERS)

The request is to extend the following approval date for 1 year. (combine Lots 3 & 4, Block 2, E. J. LeDuc Subdivision into one new lot to be known as Lot 3A, Block 2, E. J. LeDuc Subdivision, containing 0.32 acres more or less. Original approval was November 19, 2003 with an administrative 1 year extension.) Located within Section 4, T17N, R2 E, SM, AK. Located in the City of Palmer, Assembly District 2 Bill Allen

B. PUBLIC HEARING FOR THE REVISION OF HOBBS HAVEN PRELIMINARY PLAT DEL ROY & CAROLYN HOBBS (owners/petitioners)

The request is to revise the approved preliminary plat of Hobbs Haven, containing 698.56 acres (approved by the Platting Board on April 6, 2006) by reconfiguring Tracts 14B and 14D, located in the S 1/2 Section 24 and the N 1/2 Section 25, Township 15 North, Range 5 West, Seward Meridian, AK. The adjustment to the common property line follows an existing fence line and does not substantially change the acreage for both of these agricultural tracts. Located within S 1/2 Section 24 & the N 1/2 Section 25, Township 15 North, Range 5 West, Seward Meridian, Alaska. Located in the Point MacKenzie Community Council Area. Assembly District 5 Chady Betting

IV. PUBLIC HEARINGS

A. PUBLIC HEARING FOR THE PRELIMINARY PLAT OF COTTONWOOD ACRES JOEL READ JR. (owner/petitioner)

The request is to subdivide Parcel Waiver Serial No. 86-150W into 7 new lots to be known as Cottonwood Acres, containing 10 acres more or less (name to be changed). Each lot will have a private well and septic system. A variance to legal access for Ed Rush Road was approved by the platting board on July 8, 2006. Located within NW 1/4 NE 1/4 Section 30, Township 16 North, Range 4 East, Seward Meridian, Alaska, Butte Community Council Area Assembly District 1 Lynns Woods

B. PUBLIC HEARING FOR THE PRELIMINARY PLAT OF WASILLA CREEK COMMONS GRAVIER, LLC/GERALD NEESER (owner/petitioner)

The request is to subdivide Tract A, Aurora Hills Subdivision (Plat #87-266) and Tax Parcels C1 & D2 into 86 new lots and 5 new tracts to create a five-phase Master Plan to be known as Wasilla Creek Commons, containing 148.41 acres. Petitioner requests a variance from MSB 16.20.300(A) Lot & Block Design for block lengths exceeding 1,400 feet. All lots will be served with community water via three wells; community septic will serve 12 lots with Phase 2 and useable area is depicted on lots adjacent to unnamed creek on west side of subdivision, and a 25' riparian easement running adjacent to Tract C Community Park in which Wasilla Creek is located. Parcels adjoining proposed public rights-of-way may be subject to an increased setback of 25'. Located within S 1/2 S 1/2 Section 3 & E 1/2 Section 4, Township 17 North, Range 1 East, Seward Meridian, Alaska, South Lakes Community Council Area. Assembly Dist. 3 Michelle Church

C. PUBLIC HEARING FOR THE REMOTE RECREATIONAL CABIN SITES KNOWN AS QUARTZ CREEK WEST ASLS 2003-42 STATE OF ALASKA DEPT OF NATURAL RESOURCES, DIVISION OF MINING/LAND & WATER (owners/petitioners)

The request is to create 18 Remote Recreational Cabin Sites (RPCS) under Alaska State Land Survey No. 2003-42 to be known as Quartz Creek West ASLS 2003-42, containing 201.49 acres more or less. Access to the staging areas will be by plane, boat or snow machine via section line easements, reserved public access trails or across state land. Located within unsurveyed Sections 5 & 7, Township 20 North, Range 12 West, and Section 12, Township 20 North, Range 13 West, Seward Meridian, Alaska; Skwentna Community Council Area Assembly District 7 Tom Kluberton

D. PUBLIC HEARING FOR THE PRELIMINARY PLAT OF CREEKSIDE TOWN SQUARE AND VACATIONS TETON INV, LLC/LARRY & SARAH THEOBALD (owners/petitioners)

This request is to re-subdivide Block 1, Lots 1-5 and Block 2, Lots 6-13 of Maney Acres No. 2 (Plat #85-6) and Lot 1 of Maney Acres (Plat #88-225) into one new Tract and one new Lot to be known as Creekside Town Square Tract E & Lot 1, containing 24.2 acres. Also requesting to vacate E. Duane Dr. and utility easement adjacent to right-of-way and portions of the utility easements along the west, east and south boundaries, and to vacate the 15' screening easement between proposed Lot 1 and Tract E. Located within NE 1/4 SE 1/4 Section 11, Township 17 North, Range 1 West, Seward Meridian, Alaska. Assembly Dist. 4 Mary Kvalheim

E. PUBLIC HEARING FOR THE PRELIMINARY PLAT OF ARR-DOT SUBDIVISION, AND VARIANCES AND VACATIONS STATE OF AK/DEPT OF TRANSPORTATION & PUBLIC FACILITIES, ALASKA RAILROAD CORP. (owners/petitioners)

This request is to re-subdivide portions of Lots 1-5, A.V. Hagen Subdivision, Plat No. 60-1, a portion of Block 6, Floyd Subdivision, Plat No. 67-12, a portion of Government Lot 3, Section 10 and a portion of Government Lot 6, Section 11 to be known as ARR-DOT SUBDIVISION TRACT A AND LOTS 1-4, containing 19,580 acres. There are two variances being requested from MSB Title 16.20.280 (B)(1) to allow lot size less than the minimum 40,000 sq. ft. for Lots 1, 2, & 3 and MSB Title 16.20.300 (B)(1) to allow for Tract A to exceed the 3:1 ratio. Also, two vacations requested for a portion of E. Railroad Avenue a portion of S. Roberts Street. Located within NE 1/4 Section 10 & W 1/2 W 1/2 Section 11, Township 17 North, Range 1 West, Seward Meridian, Alaska. Located in the City of Wasilla. Assembly Dist. 4 Mary Kvalheim

F. PUBLIC HEARING FOR THE PRELIMINARY PLAT OF PROMINENCE POINTE LOTS 6A & 7A AND VARIANCE AND VACATION, RICHARD & MARY MYSTROM/LOT 7 & GARY & DIANE SENESAC/LOT 6 (owners/petitioners)

The request is to reconfigure 2 lots into 2 new lots to be called Prominence Pointe Lots 6A and 7A, containing 4.46 acres. A variance from MSB 16.20.280 Useable Area is being requested for Lot 7A. Lot 7A contains an engineer designed and ADEC approved septic system. Also requesting to vacate a portion of the 30' T & E (Telephone & Electric) Easement. Located within N 1/2 Section 33, Township 18 North, Range 1 East, Seward Meridian, Alaska. North Lakes Community Council Area. Assembly Dist. 3 Michelle Church

G. PUBLIC HEARING FOR THE PRELIMINARY PLAT OF GINJEN SUBDIVISION PH II B 3, LOTS 3A-3C CHOY SIN & MOUANG SAETERN (owners/petitioners)

The request is to subdivide Lot 3, Block 3, Ginjen Subdivision Phase II into three new lots to be known as Lots 3A, 3B, & 3C, Block 3, Ginjen Subdivision Phase II, containing 3.79 acres. Located within N 1/2 NW 1/4 Section 9, Township 17 North, Range 2 West, Seward Meridian, Alaska. Located in the Meadow Lakes Community Council Area. Assembly District 7 Tom Kluberton (remanded from abbreviated plat process on Dec 12-06-06)

RECEIVED

JAN 10 2007

JAN 09 2007

Frontiersman

Growing with the Valley since 1947.

PLATTING DIV.

5751 East Mayflower Court
(907) 352-2250

(907) 694-6318

Wasilla, AK 99654
(907) 352-2277 Fax

AFFIDAVIT OF PUBLICATION

UNITED STATES OF AMERICA, STATE OF ALASKA, THIRD DIVISION

BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC, THIS DAY

PERSONALLY APPEARED BEFORE KARI SLEIGHT WHO, BEING FIRST

DULY SWORN, ACCORDING TO LAW, SAYS THAT SHE IS THE

PUBLISHER OF THE FRONTIERSMAN PUBLISHED AT

WASILLA, IN SAID DIVISION THREE AND STATE OF ALASKA AND

THAT THE ADVERTISEMENT, OF WHICH THE ANNEXED IS A TRUE

COPY, WAS PUBLISHED ON THE FOLLOWING DAYS:

December 12, 2006

AND THAT THE RATE CHARGED THEREIN IS NOT IN EXCESS OF

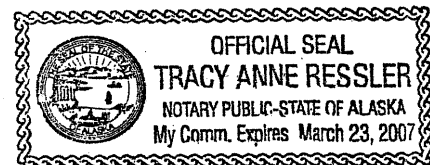
THE RATE CHARGED PRIVATE INDIVIDUALS.

Kari Sleight

SUBSCRIBED AND SWORN TO BEFORE ME
THIS 15th, DAY OF December 2006.

Tracy A. Ressler

NOTARY PUBLIC FOR STATE OF ALASKA



Mat-Su Borough Page – December 12, 2006
#12-21-06 Platting Board Agenda – December 7, 2006

EXHIBIT

N

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

CENTRAL REGION - DESIGN AND ENGINEERING SERVICES DIVISION
TRAFFIC, SAFETY AND UTILITIES

SARAH PALIN, GOVERNOR

4111 AVIATION AVENUE
P.O. BOX 196900
ANCHORAGE, AK 99519-6900
(907) 269-0647 (FAX 907-243-0654)
(TTY 269-0473)

February 28,, 2007

Ms. Marty Westbrook
Meritage Development Group, LLC
PO Box 770468
Eagle River, AK 99577

RE: Creekside Town Center (Formerly Pioneer Square)
Permit 17851: Draft Memorandum of Agreement

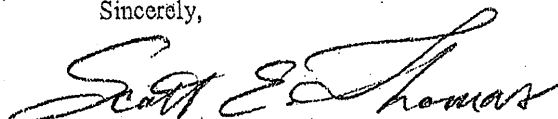
Dear Ms. Westbrook,

Our Department has accepted the Traffic Impact Analysis recommending a traffic signal access to the Creekside Town Center under the plan for full build out of 392,000 square feet of retail space. As per our November 2, 2006 letter, we now need to agree to a plan for scheduling and funding that traffic signal work.

Meritage has a pending permit application for interim unsignalized access to Sun Mountain Avenue for the initial development of Sportsman's Warehouse and Applebees. Before our Department approves that application, I am recommending we complete the attached agreement outlining the commitments to eventual signalization of the intersection.

Please review the attached Draft Memorandum of Agreement. We can then schedule a meeting to go over its contents or you may submit your written comments by email or letter. If you have any questions, feel free to call me at 269-0639,

Sincerely,



Scott E. Thomas, P.E.
Regional Traffic Engineer

Attachments:
Draft Memorandum of Agreement
ST/jw

Cc:

Gordon Keith, P.E., Regional Director, Central Region DOT/PF
Steve Horn, P.E., Director, Construction and Operations, DOT/PF
John Tolley, Chief, Planning and Administrative Services, DOT/PF
Rob Campbell, P.E., Regional Preconstruction Engineer DOT/PF

Judy Dougherty, P.E., Chief, Highway Design Section, DOT/PF
Mike Hartman, Chief, Right of Way Section, DOT/PF
Al Burton, Right of Way Agent, ROW Section, DOT/PF
Rich Sewell, Mat-Su Planner, Planning Section, DOT/PF

Murph O'Brien, Chief of Planning, Mat-Su Borough
Sandra Garley, Chief of Planning, City of Wasilla

Mr. Dave Grenier, P.E., Triad Engineering, P.O. Box 110890, Anchorage, AK 99511

T:\TRAFSAFE\ROUTE FILES\Parks Hwy\Maney & Foundry Ave\Memo of Agreement Draft Transmittal.doc

DRAFT



MEMORANDUM OF AGREEMENT
Between
STATE OF ALASKA
Department of Transportation and Public Facilities
And
MERITAGE DEVELOPMENT GROUP, LLC

Region: Central Region

State Project No.: 59883

E-Permit No.: 17850

Project: Meritage Development Group LLC's Creekside Town Square Traffic Impact Mitigation, Wasilla, Alaska

THIS AGREEMENT is made by and between MERITAGE DEVELOPMENT GROUP, LLC, an Alaska Limited Liability Company ("MERITAGE"), whose mailing address is _____, and STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, CENTRAL REGION ("DOT&PF"), whose mailing address is P.O. Box 196900, Anchorage, Alaska 99519. This Agreement is to remain in effect until final completion and approval of the IMPROVEMENTS as defined in this Agreement, or until mutually rescinded in writing through negotiations by both parties.

The parties do hereby agree, in consideration of the mutual promises contained in this Agreement as set forth below, that the design, construction, right-of-way, utility impacts, maintenance and operation of the IMPROVEMENTS will be addressed as follows:

A. SCOPE OF WORK

1. The "IMPROVEMENTS" means the design and construction of a permanent traffic signal, right turn lanes, left turn lanes, driveways, and modifications as needed along the Parks Highway, South Maney Drive, Foundry Way, and Sun Mountain Avenue to mitigate traffic impacts caused by the proposed development at Creekside Town Square (as shown on the attached Site Plan noted as Attachment 1) to those state roadway facilities identified in the accepted Traffic Impact Analysis dated June 26, 2006, and amended by the DOT&PF's acceptance letter dated November 2, 2006. All turn lanes are shown on the Concept Plan noted as Attachment 2, that is attached hereto and incorporated herein by reference.

2. It is the understanding of both parties that any modifications to the existing City of Wasilla frontage roads associated with the proposed development require a separate Agreement with the City. Due to the federal aid funding obligations associated with the recent frontage road improvements, no disposal or exchange of road right-of-way may occur without DOT&PF and Federal Highway

Administration (FHWA) approval. Any such approval will be conditioned upon the replacement road providing access to the same properties as are currently served by the existing frontage road(s), and must be constructed to provide equal or greater utility, function, and value as the portion of the frontage road being exchanged. MERITAGE hereby agrees that DOT&PF must approve the exchange agreement between the City of Wasilla and MERITAGE as a Third Party Beneficiary in that DOT&PF and the City of Wasilla are required to reimburse FHWA in the event no replacement road, or a replacement road of lesser utility, function, and value, is constructed in accordance with the provisions of 23 CFR Part 620B and AS 19.05.070.

B. FUNDING

1. MERITAGE will be responsible for payment of all costs associated with these IMPROVEMENTS, including, but not limited to, design, any right-of-way acquisition, right-of-way permits, utility modification and/or relocation, utilities permits, road/lane closure permits, and construction of the traffic mitigation IMPROVEMENTS.

2. MERITAGE has provided a retainer to DOT&PF in the amount of \$5,000 with its driveway/approach road permit application so that DOT&PF may review and process the permitting of work within the state right-of-way. The \$5,000 driveway/approach road retainer does not cover any costs associated with utility permits that may be required for the IMPROVEMENTS. DOT&PF has placed the retainer in a separate account to begin the review process and to perform the services described in this Agreement. As DOT&PF bills its fees for the review of the driveway/approach road permit application and related information, or inspection of mitigation efforts and IMPROVEMENTS, those fees will be charged against the retainer credit balance in the account, and the account will reflect the remaining credit balance. DOT&PF's total anticipated review, inspection, administration and approval costs (excluding any utility permits required) associated with this Agreement are \$25,000 (*Scott to verify amount.*) and are set forth in Attachment 3, which is incorporated herein by reference. The initial \$5,000 retainer is applied to these expenses. After the credit balance is exhausted, MERITAGE shall pay billings as they are presented. Any unbilled amount of the balance of \$20,000 (*revise balance based on Scott's estimate*) is due upon submittal of the 95% complete design plans, which shall be submitted no later than January 1, 2008. After a permit is issued under 17 AAC 10.080, DOT&PF will refund the remaining balance, if any, to MERITAGE without further demand. MERITAGE shall have a period, not to exceed 30 (thirty) days, to pay any invoice from DOT&PF in accordance with the provisions of **O.1. Notices** below. Failure of MERITAGE to pay any such invoice will be a basis to deny issuance of a permit.

3. As any required utility permitting related to the state right-of-way is a separate process, additional permit fees are required for utility permitting. For

information regarding the utility permit process, contact Michael Stewart at 269-0646.

4. To ensure performance of obligations of this Agreement, MERITAGE will submit a certified check or construction bond in the amount of \$500,000 prior to gaining final design plan approval by DOT&PF. If a certified check is submitted, DOT&PF will place the funds in a separate account under the terms of **B.2. Funding** above. If a construction bond is submitted, the Surety on the bond, and duration of the bond, must meet the requirements of Section 103-1.05 Performance and Payment Bonds, of the Standard Specifications for Highway Construction, 2004. This sum represents the estimated cost of design and construction of the signalized intersection described in **A.1. Scope of Work** above. These costs are detailed in Attachment 4, which is incorporated herein by reference. The bond or remaining funding will be released by DOT&PF upon issuance of the Letter of Final Acceptance and Driveway/Approach Road Permit described in **H.7. Maintenance and Operations Post Construction** below.

5. MERITAGE will be responsible for a single present value payment for the first ten (10) years of maintenance and operations expenses in the amount of \$75,000 (rounded), based upon an annual expense of \$8,600.00. (*Scott, please check – these amounts are based on the calculations for the Valley Hospital agreement.*) This payment is in addition to the administrative expenses detailed in Attachment 3 and the design and construction expenses detailed in Attachment 4 referenced in **B.2.** and **B.4.** above. DOT&PF will be responsible for performance of maintenance and operations duties as set forth in **H.8. Maintenance And Operations Post Construction** below.

6. MERITAGE will provide evidence of insurance per Section 103-1.06 of the Standard Specifications for Highway Construction, 2004.

7. MERITAGE's final obligation will be equal to these costs in addition to the cost of any change orders or cost overruns related to design and construction of the IMPROVEMENTS. Any change orders related to the IMPROVEMENTS beyond the budget set forth in Attachment 4 must be approved in writing by an authorized representative of MERITAGE prior to DOT&PF's authorization of same. MERITAGE understands and acknowledges that this is a preliminary estimate only, and that the actual costs may be more or less than this estimate.

8. Any additional expenses that, by agreement or after completion of the appeals process set forth below, are owed by MERITAGE for the cost of the mitigation IMPROVEMENTS shall be due within 30 (thirty) days of agreement or final decision through the appeals process. DOT&PF will refund or release any remaining funds of the above retainer or bond within 90 (ninety) days of issuance of the Letter of Final Acceptance and Driveway/Approach Road Permit to MERITAGE.

C. APPEALS PROCESS

1. If MERITAGE disagrees with a decision rendered by DOT&PF, the parties will follow the appeals process provided in 17 AAC 85 (Appeals).

D. DESIGN

1. MERITAGE will design and construct the IMPROVEMENTS listed above in accordance with the established and accepted standards of DOT&PF, including, but not limited to, the requirements and specifications prescribed in the following documents:

- Alaska Highway Preconstruction Manual
- Standard Drawings Manual
- Alaska Traffic Manual
- Alaska Sign Design Specifications
- Alaska Highway Drainage Manual
- Standard Specifications for Highway Construction

These manuals are available online for purchase or viewing at <http://www.dot.state.ak.us/stwddes/dcspubs/manuals.shtml>.

2. As the developer and adjacent landowner, MERITAGE will contract for and oversee the design and construction of the IMPROVEMENTS in the state right-of-way. MERITAGE will also be responsible for the initial design review by a qualified engineer registered in Alaska, prior to submittal to DOT&PF. The engineer must provide a resume of having assisted in or supervised the design of at least 3 (three) traffic signal projects. The IMPROVEMENTS are depicted in Attachment 2, and include, but are not limited to:

- Signal interconnect and junction boxes to tie into interconnect circuit
- Pedestrian crossings
- Signalized intersection equipment, paving, and striping designed consistent with DOT&PF practices for permanent outlying signal installations as designed in the most recent project, the Palmer-Wasilla Highway Traffic Signals, Phase I. Draft plan sets are available from DOT&PF.

3. MERITAGE will provide independent oversight and engineering inspection services as needed to ensure conformance to quality standards. MERITAGE is responsible for all contract enforcement activities with respect to inspection services.

4. DOT&PF's authority and responsibilities will be limited to review and approval of the IMPROVEMENTS to be constructed within the state right-of-way, as indicated on the Concept Plan (Attachment 2). DOT&PF will perform

design review, construction and maintenance acceptance, utilities permitting, driveway and approach road permitting, and road/lane closure permitting within the state right-of-way.

5. MERITAGE will submit a complete set of Plans and Specifications as part of the Driveway/Approach Road permit application to DOT&PF's Right-of-Way Permits Section for review and comment. Plans will be in the current AutoDesk CADD format used by DOT&PF, and will include:

- A title sheet
- Typical sections
- Drainage sheets, including engineering details regarding potential impacts to state storm drain facilities, culverts, and ditches.
- Erosion and sediment control plans
- Plan and profile sheets with slope limits
- Driveway and turn lane details including signing, striping, and illumination
- Traffic signal detail sheets
- Existing and proposed utilities
- Existing and proposed right-of-way

6. All construction plans must be in conformance with requirements of DOT&PF's 2004 Standard Specifications for Highway Construction and the latest special provisions for traffic control. Specifications will be in Microsoft Word format and will include DOT&PF's latest Special Provisions information for projects. The Special Provisions will be customized to the IMPROVEMENTS at this site.

7. A confidential Engineer's Estimate will be included with the Plans and Specifications at the time of submittal of the 95% complete Plan Assembly to demonstrate the estimated expense of the construction of the IMPROVEMENTS.

8. MERITAGE will provide the initial 95% Plan Assembly for the IMPROVEMENTS for review, together with the remaining funding for the review, no later than January 1, 2008. DOT&PF will require up to 60 (sixty) days from the time of receipt to conduct a review of the 95% complete Plans and Specifications. DOT&PF will review this 95% Plan Assembly for consistency with DOT&PF standards and practices and return written comments to MERITAGE. MERITAGE will review and return answers to DOT&PF's comments along with resubmittal of a final (100% complete) Plan Assembly. Upon receipt of MERITAGE's reply and a 100% Plan Assembly which responsively addresses DOT&PF's comments, DOT&PF will accept or reject the package for construction in writing within 30 (thirty) working days. DOT&PF must accept the final plans before construction will be permitted to occur within the state right-of-way.

9. At its discretion MERITAGE may submit a preliminary 65% Plans, Specifications, and Estimate (PS&E) assembly for review and comment with the understanding that this will be an additional review before final plans are accepted. MERITAGE must submit a 95% PS&E assembly for review. This should require minimal modifications before acceptance. A 65% pre-PS&E assembly submittal with draft traffic signal details should help to minimize review comments on the 95% plan assembly.
10. DOT&PF will have final review and approval on all plans and construction that impact state facilities.
11. MERITAGE shall provide calculations from an engineer licensed in Alaska which show impacts on DOT&PF storm drain facilities, culverts, and ditches during the design discharge resulting from the proposed construction.

E. RIGHT-OF-WAY, DRAINAGE, AND UTILITY IMPACTS

1. MERITAGE will be responsible for all costs associated with any right-of-way acquisition, drainage impacts, or utility relocations or modifications required for the traffic mitigation IMPROVEMENTS. MERITAGE will be responsible for providing any additional right-of-way that is required to accommodate the IMPROVEMENTS. Acquisition of right-of-way includes:
 - Purchase of fee title to property and recordation of conveyance documents at the appropriate State Recorder's Office and/or
 - Dedication by plat or recorded instrument of public road right-of-way
2. MERITAGE is responsible for obtaining, and compliance with the requirements of, all necessary permits to work within state right-of-way, including, but not limited to, DOT&PF's Driveway/Approach Road Permit.
3. MERITAGE will also be required to submit site drainage plans to DOT&PF for approval prior to allowing any additional storm water runoff to impact state storm drain facilities, culverts, or ditches. The site drainage plan can be incorporated into the PS&E review process. Storm drains are handled as a design feature in the PS&E plan assembly. MERITAGE is also responsible for obtaining any Alaska Department of Environmental Conservation reviews or approvals related to the quality or quantity of storm water runoff.
4. The above described IMPROVEMENTS will require the placement and/or relocation of utilities within the state's right-of-way, and MERITAGE is responsible for obtaining all permits necessary from DOT&PF's Utilities Section. As noted in **B.3. Funding** above, a separate utilities permit process is required through DOT&PF's Utilities Section. Utilities permits govern changes made in the state right-of-way to utilities permitted as other features in the highway

corridor, including electric, water, sewer, phone, cable, and fiber optic utilities. MERITAGE will ensure utilities are coordinated, including, but not limited to, the following:

- Work with DOT&PF's Utilities Section to obtain electrical power service for the signal
- Acquire permits from DOT&PF to construct utility upgrades in the state right-of-way as needed
- Fund and construct MERITAGE's own utility upgrades as needed

F. CONSTRUCTION

1. MERITAGE must request written permission from DOT&PF for Approval to Construct the approved design plans. DOT&PF will grant permission to construct the IMPROVEMENTS once the minimum traffic volumes requiring a traffic signal are scheduled to occur. Traffic signal construction will only be permitted to begin when the development schedule indicates 44% (or 46,750 square feet) of development will be in place within two years of construction completion and must be constructed and scheduled to be operational by the time 68% (or 266,560 square feet) of the proposed development is scheduled to open.

2. MERITAGE will be responsible for the construction and independent inspection of all IMPROVEMENTS in the state right-of-way. MERITAGE will contract directly with a general contractor of their choice for construction of the IMPROVEMENTS; however, the contractor must provide a resume for submittal to DOT&PF consisting of no less than 3 (three) projects of past highway work. Inspection will be performed by an approved engineering firm, supervised by an engineer registered in the State of Alaska, with demonstrated experience administering construction work on State of Alaska roadways (hereinafter referred to as the Site Inspection Engineer). All construction of the IMPROVEMENTS will be completed within one year of receiving approval from DOT&PF to construct a traffic signal in the state right-of-way.

3. MERITAGE will keep DOT&PF advised of the construction schedule and status of completion through a single point of contact, DOT&PF's Project Engineer. This person will coordinate with all other sections of DOT&PF as needed.

4. Construction of DOT&PF's Parks Highway: Seward Meridian to Crusey Street Project (No. NH-OA4-1(12)/52474) is substantially complete. However, any work by MERITAGE within the state right-of-way in this project area requires MERITAGE to obtain a Letter of Non-objection from DOT&PF's Contractor so as to minimize or avoid any conflicts.

5. MERITAGE will submit all Signal System, Illumination System, Signing and Striping Materials and Shop Drawings to DOT&PF for review at least 1 (one) month prior to scheduling installation. MERITAGE's Site Inspection Engineer will review all materials and drawings to verify compliance with specifications, then submit them to DOT&PF for acceptance. DOT&PF will return comments to MERITAGE within 7 (seven) working days of receipt. MERITAGE shall comply with, or resolve conflicts with, DOT&PF's comments prior to installation.
6. MERITAGE is responsible for traffic control during construction of the IMPROVEMENTS. MERITAGE will submit all Traffic Control Plans affecting the state's right-of-way to DOT&PF's Project Engineer for review and approval prior to implementation. MERITAGE's Site Inspection Engineer will review all Traffic Control Plans prior to submittal to DOT&PF to verify compliance with the Alaska Traffic Manual. DOT&PF will return comments related to Traffic Control Plans within 7 (seven) working days of receipt. MERITAGE shall comply with, or resolve conflicts with, DOT&PF's comments prior to implementation of Traffic Control Plans. MERITAGE agrees to retain a full-time Work Zone Traffic Control Supervisor to oversee traffic flow during the construction of the IMPROVEMENTS. DOT&PF will conduct periodic traffic control inspections to ensure compliance with Traffic Control Plans and ensure safety of work zones to the traveling public. DOT&PF may require additional traffic control devices or modifications to approved Traffic Control Plans at any time that, in the DOT&PF Project Engineer's judgment, unsafe conditions occur.
7. MERITAGE is responsible for maintaining current documentation of all Contractor activities and independent inspections.
8. MERITAGE will ensure construction of the project in accordance with the approved plans, specifications, and change orders.
9. Throughout the course of construction, DOT&PF reserves the right to perform spot inspections on items of work within the state right-of-way, including, but not limited to, curb and gutter, drainage, pavement and striping, other traffic items, utility modification or installation, illumination, and signal installation as needed.
10. DOT&PF reserves the right to perform assurance testing as requested, or as determined by DOT&PF to be necessary, to assure continuing compliance with contract materials testing requirements. DOT&PF will notify MERITAGE promptly of irregularities or deficiencies it observes in the work during construction of the IMPROVEMENTS. DOT&PF reserves the right to conduct follow-up and final inspections to ensure all deficiencies are corrected.
11. DOT&PF will notify MERITAGE and their Site Inspection Engineer in writing of any noncompliance with DOT&PF's requirements. MERITAGE will immediately take corrective action. Such written notice, when delivered to

MERITAGE or their Site Inspection Engineer, will be deemed sufficient for the purpose of notification. The notice will state the defect(s), the corrective action(s) required, and the time required to complete such action(s). If MERITAGE fails or refuses to comply within a commercially reasonable time period under the circumstances (which period shall not exceed thirty days) after receipt of such notice (however, in exigent circumstances, shall mean within 24 hours of receipt of such notice if such notice expressly asserts and describes the exigent circumstances), DOT&PF may issue a Stop Work Order, stopping all or part of the work in the state's right-of-way until satisfactory corrective action has been taken. If it becomes necessary for DOT&PF to utilize a contractor to correct conditions related to public safety and/or convenience, MERITAGE will be required to reimburse DOT&PF for any expenses incurred. The cost of this work is not included in the cost estimates shown on Attachments 3 and 4. Neither MERITAGE nor its contractors will make any part of the time lost due to any such Stop Work Orders the subject of a claim for extension of time or for excess costs or damages. Except as provided by Alaska Statute, the State of Alaska is not subject to any claims by MERITAGE or its contractors.

11. Unless DOT&PF grants a written extension, MERITAGE will diligently pursue and complete all work within state right-of-way within one year of receiving Approval to Construct.

G. MAINTENANCE AND OPERATIONS DURING CONSTRUCTION

1. From the date physical construction begins until DOT&PF issues the Letter of Substantial Completion accepting the IMPROVEMENTS, MERITAGE shall effectively and continually (on a daily basis) maintain and keep in good repair the construction area within state right-of-way limits. This maintenance shall include, but not be limited to, dust and dirt control, storm water pollution protection, and periodic sweeping as needed.

2. MERITAGE shall ensure all roads for public use have a smooth and even asphalt-paved surface at all times, including properly crowning the roadbed surface for drainage and installation of adequate safety facilities. MERITAGE shall ensure all traffic control devices, including, but not limited to, illumination, signals, vehicle detectors, and any other highway features are in good working order throughout the construction period.

3. Any seasonal work suspension by MERITAGE within DOT&PF right-of-way will comply with all requirements of DOT&PF's 2004 Standard Specifications for Highway Construction.

4. If MERITAGE is required to suspend work due to unfavorable weather, seasonal shutdowns, or due to the Contractor's failure to correct unsafe conditions, carry out contract provisions, or carry out DOT&PF's Notice to Correct Non-Conformance, MERITAGE will bear all costs for traffic

maintenance related to site work during the suspension period. Traffic maintenance is described in G.2. above. Any work or materials lost or damaged during the suspension period must be replaced or renewed by the end of the suspension period.

5. During any periods of suspended work or seasonal shutdowns MERITAGE will be responsible for work zone traffic control plans and implementation as approved by DOT&PF.

6. MERITAGE will provide final as-built plans of the drawing sheets showing all work completed in the state right-of-way. Before scheduling the final field review of the IMPROVEMENTS, MERITAGE will submit 3 (three) complete sets of as-built plans signed and sealed by a qualified engineer to DOT&PF. These as-built plans will include the following information:

- Location, width, and depth of conduit runs
- Station and offset measurements of all junction boxes
- Heights of signal faces and overhead signs
- A list of equipment, including manufacturer, brand, and model number, installed in each controller cabinet
- Signing and striping details
- Location, width, and depth and flow direction of ditches. Location and size of manholes. Location, size, material, and flow direction of culverts and storm drain pipes.
- Plan, profile, and cross-sections of the intersection

H. MAINTENANCE AND OPERATIONS POST CONSTRUCTION

1. Upon the completion of the IMPROVEMENTS, MERITAGE's Contractor shall notify the Site Inspection Engineer in writing of substantial completion of all work related to the IMPROVEMENTS. The Site Inspection Engineer will then notify DOT&PF in writing, and DOT&PF will schedule and conduct a field review.

2. At the field review, DOT&PF will prepare a punch list for MERITAGE for corrective action or remaining work items required. MERITAGE will complete or correct all punch list items within 30 (thirty) days and request a re-inspection.

3. If MERITAGE does not complete or correct all punch list items within 30 (thirty) days, DOT&PF will take appropriate action to ensure all unsatisfactory work remaining after 30 (thirty) days is completed to meet the project plans and specifications and bill MERITAGE for any actual expenses incurred.

4. When DOT&PF determines all physical work and cleanup provided for under this Agreement is complete, DOT&PF will issue a Letter of Substantial

Completion which relieves MERITAGE's Contractor of further maintenance responsibilities EXCEPT as listed under Subsection 621-3.04 of DOT&PF's 2004 Standard Specifications for Highway Construction.

5. Before DOT&PF assumes ownership and final acceptance of the IMPROVEMENTS within the state right-of-way, MERITAGE will provide copies of the following items to DOT&PF:

- As-built plans in Autodesk CADD format as detailed in G.6. Maintenance And Operations During Construction above
- Applicable product warranties and guaranties
- Operating manuals and instruction sheets
- Parts furnished with materials used in the construction of the IMPROVEMENTS
- Copy of MERITAGE's Contractor Release, without any exceptions or conditions noted

6. MERITAGE will make available to DOT&PF the Contractor provided records of inspections, tests, and similar quality control services. This is preferred at the end of the contract work as one transmittal; however, portions of this material may be requested prior to completion of construction.

7. When DOT&PF determines that all permitting, paperwork, billings, and as-builts are received and completed, all physical work and cleanup provided for under this Agreement is completed, and the Contractor is released, it will issue a Letter of Final Acceptance and Driveway/Approach Road Permit.

8. The Letter of Final Acceptance and Driveway/Approach Road Permit formally relieves MERITAGE from all routine maintenance responsibilities and transfers the ownership and maintenance responsibility of the IMPROVEMENTS located within the state right-of-way associated with the Parks Highway to DOT&PF's Maintenance and Operations Section. DOT&PF will own, maintain, and operate all IMPROVEMENTS within the state right-of-way.

I. GUARANTEE OF WORKMANSHIP

1. MERITAGE shall guarantee the construction and materials utilized in the construction of the IMPROVEMENTS for a period of 1 (one) year from the date of the Letter of Final Acceptance issued by DOT&PF. The one year period will not commence until after correction of any deficiencies noted by DOT&PF during inspection as provided in H. Maintenance And Operations Post Construction, and submission of as-builts as provided in G.6. Maintenance And Operations During Construction.

2. MERITAGE shall be responsible for the remedy, at its own expense, of any failure or defect in MERITAGE's work that is due to construction

deficiencies or faulty material and shall include damage to any property, improvements, or facilities as a result of the failure or defect noted in writing by DOT&PF prior to the issuance of the Letter of Final Acceptance. MERITAGE shall not be responsible for any failures or defects caused by DOT&PF work in the area, or DOT&PF's ongoing maintenance or operations after issuance of the Letter of Final Acceptance.

3. MERITAGE and DOT&PF shall notify each other in writing upon discovery of any failure or defect covered by this warranty.

J. INDEMNIFICATION

1. MERITAGE shall indemnify, defend, and hold harmless the State of Alaska and its agencies, officers, agents and employees, including DOT&PF, from all liability, claims, or causes of action, including costs and attorney's fees, resulting from injuries or damages sustained by any person or property as a result of MERITAGE's, its contractors', subcontractors', or its employees' activities or performance in relation to the construction or operation of the IMPROVEMENTS; however, this provision has no effect if, but only if, the sole proximate cause of the injury or damage is DOT&PF's acts or negligence.

2. In addition, MERITAGE shall, in any contract or agreement with contractors or subcontractors performing work on the IMPROVEMENTS, require that in all indemnities and waivers of subrogation it obtains, and in any stipulation or other agreement wherein MERITAGE is to be named as an additional insured, that coverage be extended to protect the State of Alaska by waiving rights of subrogation against the State of Alaska and by adding the State of Alaska as an additional named indemnitee and as an additional insured.

K. AMENDMENT OF AGREEMENT

1. This Agreement may only be modified or amended by written agreement signed by the authorized representatives of both parties.

L. ASSIGNMENT

1. This Agreement is binding upon MERITAGE, its successors, and assigns. MERITAGE will not assign this Agreement without the written consent of DOT&PF.

M. EFFECTIVE DATE

1. This Agreement becomes effective as of the date of the final signature below.

N. CONTACT INFORMATION

1. The primary contact for DOT&PF is:

xxxxxxxxxxxxxx, Project Engineer
State Department of Transportation and Public Facilities
P.O. Box 196900
4111 Aviation Avenue
Anchorage, Alaska 99519-6900
Phone: 907-269-xxxx

DOT&PF Key staff commitments (per Attachment 3):

Regional Traffic Engineer
Contracts and Plans Review Engineer
Highway Design Chief
Traffic Design Squad Leader
Utilities Permits Officer
Maintenance & Operations Superintendent
Mat-Su Signal Electrician
Mat-Su Area Planner
Environmental Coordinator
As-Built Drafting Supervisor
Highway Construction Project Manager
Work Zone Traffic Control Coordinator
Central Region Highway Materials Engineer
Right-of-Way Permitting Supervisor
Driveway Permitting Staff
Electrical Engineer, Traffic, Safety, and Utilities Section

2. The primary contact for MERITAGE is:

(Name)

(Title)

(Mailing Address)

(Street Address)

(City, State, Zip Code)

(Telephone Number)

Meritage Development Group LLC
Project No. 59883

MERITAGE's Site Inspection Engineer is:

(Name)

(Title)

(Mailing Address)

(Street Address)

(City, State, Zip Code)

(Telephone Number)

MERITAGE Key staff commitments:

Construction Project Manager
Design Engineer of Record
Work Zone Supervisor

O. NOTICES

1. Any notice or invoice required or permitted to be given under this Agreement shall be in writing. Notice shall be deemed to have been given: (a) 5 (five) business days after deposit with the United States Mail as Certified Mail, Return Receipt Requested and postage prepaid; or (b) 2 (two) business days after deposit with a nationally recognized overnight delivery service which provides delivery tracking, with payment made by the sending party; or (c) on the date of personal delivery. Notices shall be addressed to the Party being notified at the address given below (or such other address which any Party may designate for itself from time to time hereafter by written notice to the other Party(ies)):

TO DOT&PF:

xxxxxxx. Project Manager, Highway Construction???
State of Alaska Central Region DOT&PF
P.O. Box 196900
Anchorage, Alaska 99519-6900

TO MERITAGE:

(Name)

(Title)

(Mailing Address)

(Street Address)

(City, State, Zip Code)

(Telephone Number)

P. NO WAIVER

1. The failure of either Party to this Agreement to insist on the performance of any of the terms or conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

Q. MISCELLANEOUS

1. Nothing contained in this Agreement shall be deemed or construed, either by the parties hereto or by any third party, to create the relationship of principal and agent or to create any partnership, joint venture, or other association between DOT&PF and MERITAGE.

2. Each exhibit attached to and referred to in this Agreement is hereby incorporated by reference as though set forth in full herein. The recitals are incorporated herein by reference as matters of contract and not mere recital.

3. This Agreement shall become a binding obligation of the parties only upon the complete execution and delivery thereof by both parties.

4. If any term or provision of this Agreement or the application of it to any person or circumstance shall to any extent be invalid or unenforceable, then such term or provision shall be stricken and the remainder of the Agreement shall not be affected. Each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

5. This Agreement is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not a party hereto.

Meritage Development Group LLC
Project No. 59883

6. This Agreement shall be interpreted and governed by Alaska law. This Agreement shall be enforceable by any action in law or equity, including without limitation, specific performance and injunctive relief.

R. THE WHOLE AGREEMENT

1. This Agreement constitutes the entire agreement between the parties. There are no other understandings or agreements between the parties, either oral or memorialized in writing, regarding the matters addressed in this Agreement.

MERITAGE DEVELOPMENT GROUP, LLC, an Alaska Limited Liability Company

By: _____
Its: _____

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ___ day of _____, 2007 by _____, its _____, on behalf of Meritage Development Group, LLC, an Alaska Limited Liability Company, who acknowledges that _____ have full authority to execute same.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

By: _____
 ????

Meritage Development Group LLC
Project No. 59883

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2007 by ??? of the State of Alaska Department of Transportation and Public Facilities, on behalf of the State.

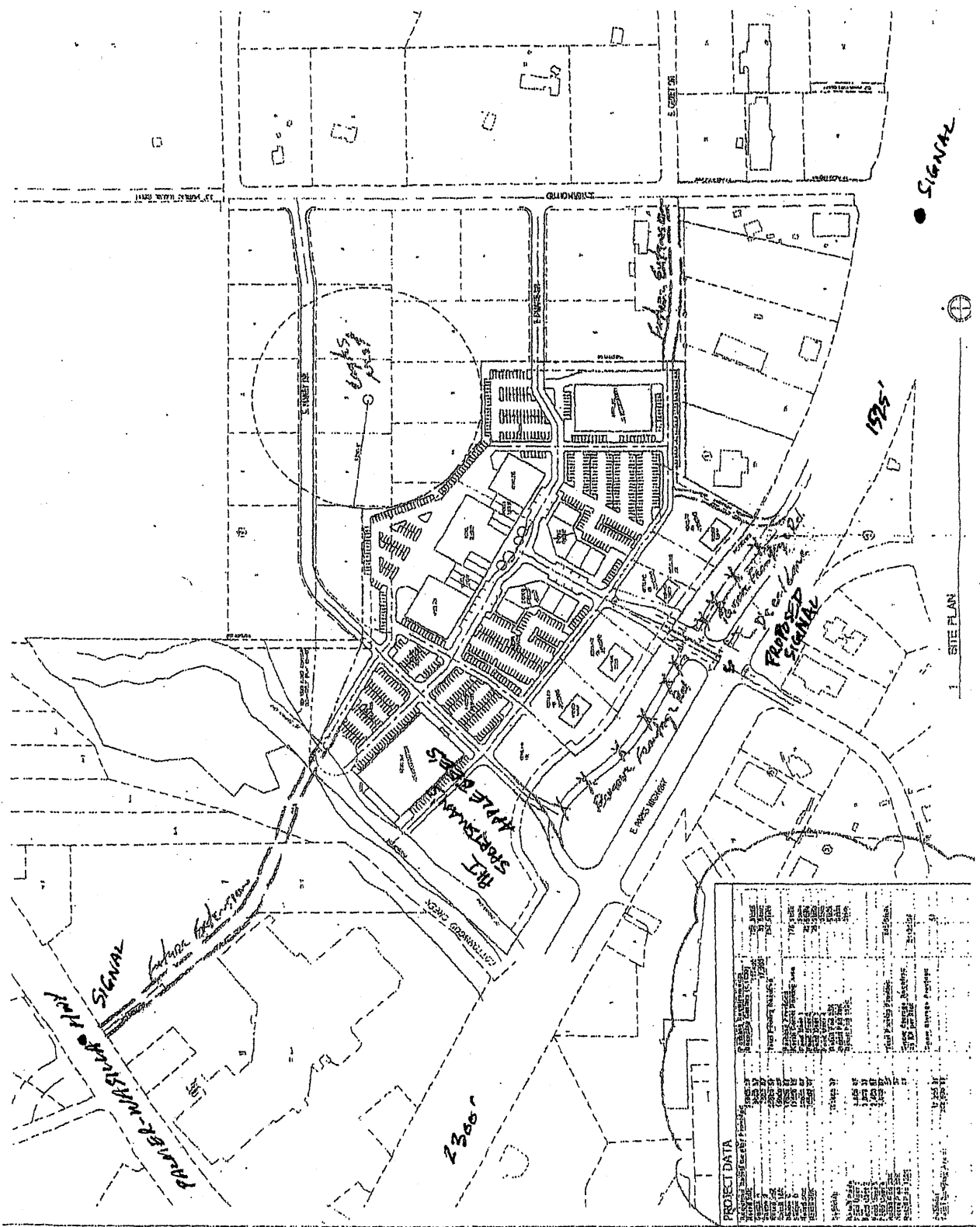
Notary Public in and for Alaska
My commission expires: _____

1

SIGNAL
meritage
wasilla
retail

meritage
wasilla
retail

DATE: _____
DRAWN BY: _____
CHECKED BY: _____
SCALE: _____
SHEET NO.: _____
PROJECT NO.: _____
SITE PLAN
A-100



PROJECT DATA

PROJECT NO.	DATE	SCALE	SHEET NO.
CLIENT	DESIGNER	CHECKER	DATE
LOCATION	PROJECT NAME	PROJECT TYPE	PROJECT STATUS
OWNER	ARCHITECT	ENGINEER	PLANNING
CONTRACT NO.	CONTRACT VALUE	CONTRACT TYPE	CONTRACT STATUS
PERMIT NO.	PERMIT DATE	PERMIT TYPE	PERMIT STATUS
ENVIRONMENTAL NO.	ENVIRONMENTAL DATE	ENVIRONMENTAL TYPE	ENVIRONMENTAL STATUS
TRAFFIC NO.	TRAFFIC DATE	TRAFFIC TYPE	TRAFFIC STATUS
UTILITIES NO.	UTILITIES DATE	UTILITIES TYPE	UTILITIES STATUS
GEOTECH NO.	GEOTECH DATE	GEOTECH TYPE	GEOTECH STATUS
SOILS NO.	SOILS DATE	SOILS TYPE	SOILS STATUS
WATER NO.	WATER DATE	WATER TYPE	WATER STATUS
SEWER NO.	SEWER DATE	SEWER TYPE	SEWER STATUS
STORMWATER NO.	STORMWATER DATE	STORMWATER TYPE	STORMWATER STATUS
LANDSCAPE NO.	LANDSCAPE DATE	LANDSCAPE TYPE	LANDSCAPE STATUS
CONSTRUCTION NO.	CONSTRUCTION DATE	CONSTRUCTION TYPE	CONSTRUCTION STATUS
OPERATION NO.	OPERATION DATE	OPERATION TYPE	OPERATION STATUS
MAINTENANCE NO.	MAINTENANCE DATE	MAINTENANCE TYPE	MAINTENANCE STATUS
REPAIR NO.	REPAIR DATE	REPAIR TYPE	REPAIR STATUS
RENOVATION NO.	RENOVATION DATE	RENOVATION TYPE	RENOVATION STATUS
DEMOLITION NO.	DEMOLITION DATE	DEMOLITION TYPE	DEMOLITION STATUS
RECONSTRUCTION NO.	RECONSTRUCTION DATE	RECONSTRUCTION TYPE	RECONSTRUCTION STATUS
REPAIR/RENOVATION NO.	REPAIR/RENOVATION DATE	REPAIR/RENOVATION TYPE	REPAIR/RENOVATION STATUS
DEMOLITION/RECONSTRUCTION NO.	DEMOLITION/RECONSTRUCTION DATE	DEMOLITION/RECONSTRUCTION TYPE	DEMOLITION/RECONSTRUCTION STATUS

D.A.

Signalization with existing frontage road shown.
 Any changes to frontage roads intersections or frontage road locations must be provided by the City and/or Developer through a separate agreement.

Separated turning lanes.
 Prevent sidestreet right turns using shoulders.
 Design patterned after Hermon and Parks.
 No Shared LT and Thru lanes on high use sidestreets -
 No Split phasing potential.

Widening and repaving, sidewalks and/or shoulders, new loop detection underground at sidestreets. People will walk on both sides.

arrows

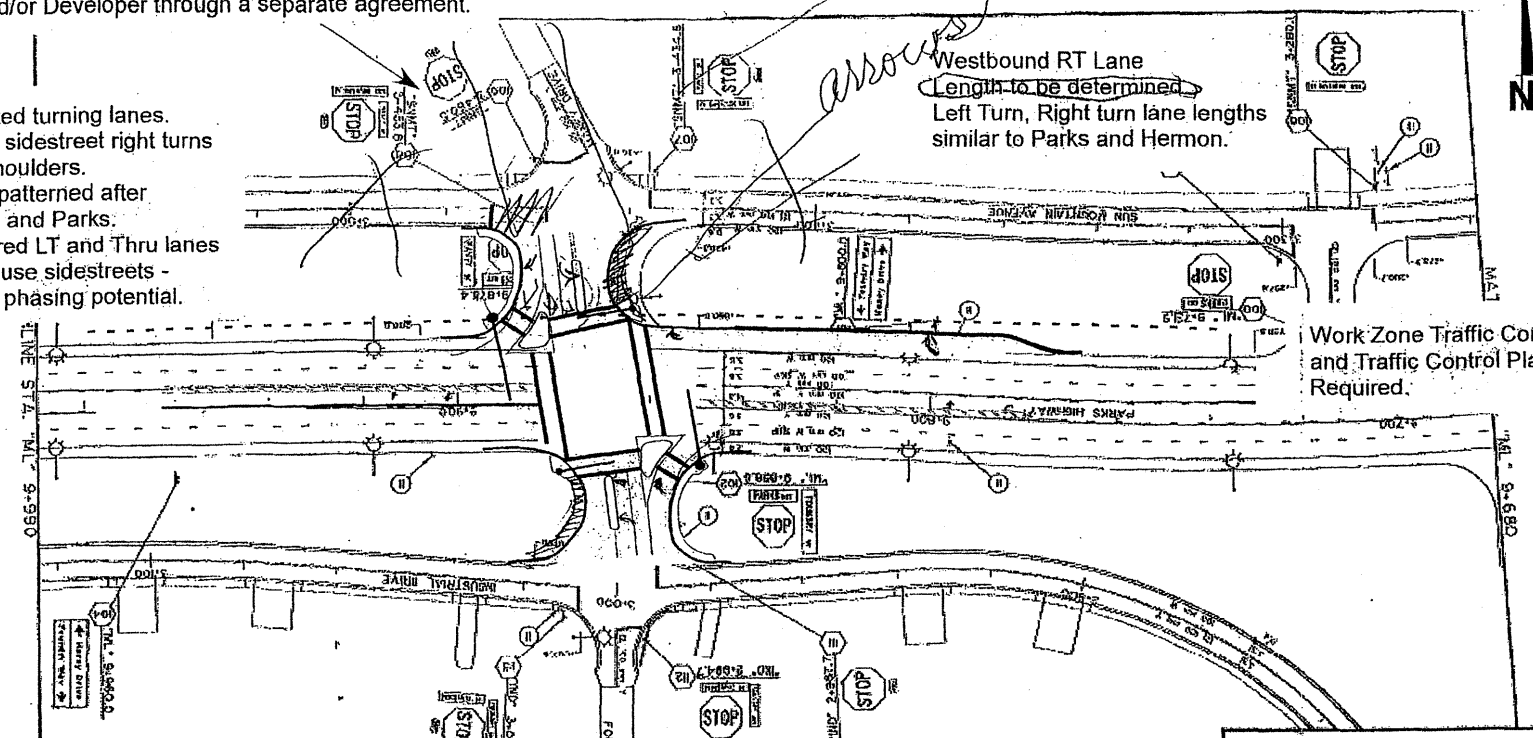
Westbound RT Lane
 Length to be determined
 Left Turn, Right turn lane lengths similar to Parks and Hermon.

Work Zone Traffic Control Permits and Traffic Control Plans Required.

Grinding, restriping, sawcut and patch loops on the Parks Hwy mainline.

Signal interconnect hookup.
 Controller cabinet location, Brand TBD.

Advance intersection signing.
 Steel Poles, permanent signal configuration.



STATE OF ALASKA Department of Transportation & Public Facilities	
Creekside Town Square Parks Highway & Maney Drive/Foundry Way Proposed Traffic Signal Traffic Impact Mitigation	
Drawn by: SET	Date: 12-12-06
Checked by:	Scale: NTS

REIMBURSABLE SERVICES per MEMORANDUM OF AGREEMENT (MOA)

CODING	PH 2 DESIGN	Regional Traffic & Safety Engr (Reviewer)	Hwy Design Chief (Highway Reviewer)	Mat-Su Area Planner (Reviewer)	Environmental Coordinator (Reviewer)	Traffic Hardware Submittals	Specifications Engr (Document Support)	Central Files (As Bldg)	PH 2 - ROW							UTILITIES		Total Task Hrs	Cost per Task					
									Design Review Coordinator	PH 2 ROW	PH 2 ROW	PH 2 ROW	PH 2 ROW	PH 2 ROW	PH 2 ROW	PH 2 ROW	PH 2 ROW			PH 2 ROW	PH 2 ROW	PH 2 ROW	PH 2 ROW	PH 2 ROW
DESIGN/ REVIEW:	THOMAS	DOUGHERTY	SUTLIFF	RUEHLE	WAGNER	Undeterm	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	JOHANNES	STOIANOFF	BEDICK	Hours	Cost		
Utilities Permitting																			16	16		\$1,040		
Driveway Permit Processing		20	1	1																	123	\$2,370		
Erosion and Sediment Control Plan					8																9	\$590		
Review 95% Design PS&E	8	3	3	3	3	3	3													1	3	46	\$2,800	
Final Driveway Permit		1	1	1																		11	\$355	
Attend Preconstruction Conference					3																	13	\$870	
Review Proj Schedule, Staging																						6	\$400	
Review Shop Drawings, Poles						16															8	2	28	\$2,336
Review Materials Submittals																						20	\$1,400	
As-Built Records								4														6	\$300	
ON-SITE MANAGEMENT																								
On-site Roadway Inspection, Coordination																						78	\$5,270	
Prepare Weekly Reports																						10	\$700	
Signal Inspection/Coord/ Testing		1				4																50	\$3,199	
Potential Assurance (QA) Testing																						0	\$0	
Traffic Control Plan Approvals																						12	\$800	
MAO Final Inspection		4																				28	\$1,780	
Construction Final Inspection & Letter of Project Completion		4																				22	\$1,510	
PH 2 - ROW TOTAL																								
PH 2 - DESIGN TOTAL	8	33	5	5	14	23	3	4																
PH 2 - ROW (Costs not included)																						95	\$5,706	
PH 2 - ROW (Separate Permit Required)																								
Total RSA Estimate	\$560	\$2,145	\$375	\$275	\$910	\$1,104	\$177	\$160	\$840	\$6,580	\$2,470	\$1,750	\$1,140	\$3,000	\$300	\$5,280	\$880	\$585	\$1,365	\$27,946	\$28,000			

**Creekside Town Square Traffic Impact Mitigation
Traffic Signal Cost Estimate for DOT/PF Administered Project**

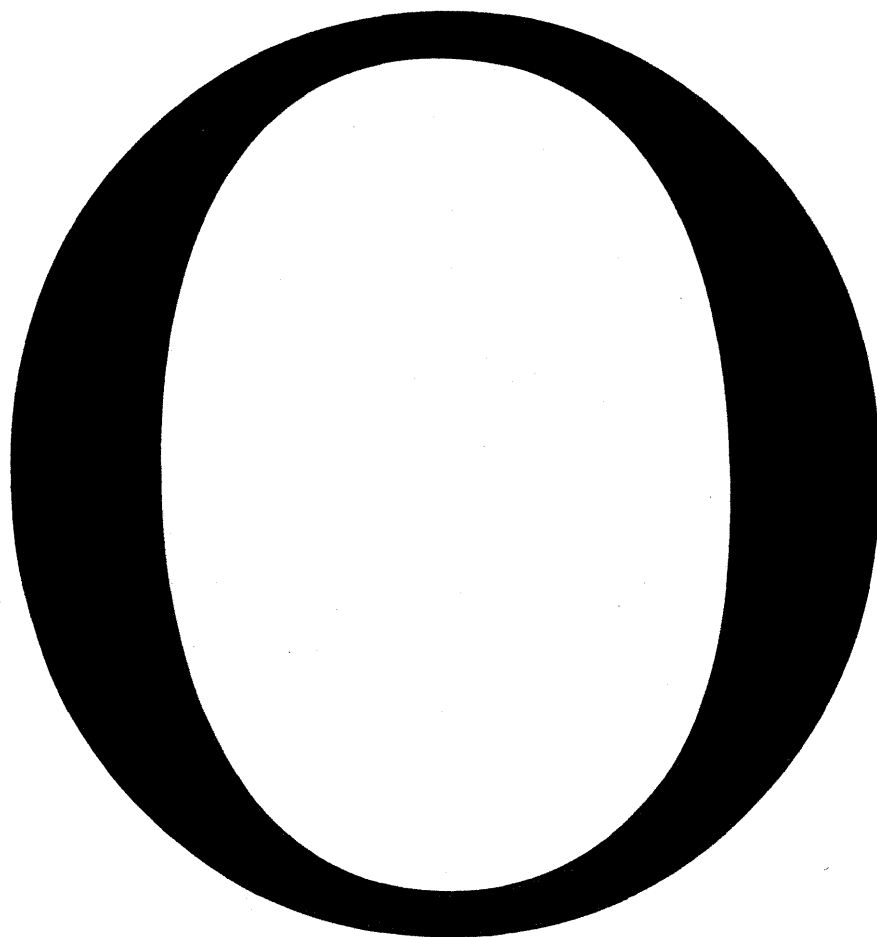
Attachment 4

Parks Hwy & Maney Drive

2/16/2007 6:40

Work	Quantity	Unif.	Unit Cost	Total Cost	Remarks
REMOVALS					
Remove Existing Curb	0	LF	\$7.00	\$0	
Unclassified Excavation	1000	CY	\$6.00	\$6,000	
Remove parking meters	0	EA	\$250.00	\$0	
Remove Existing Guardrail	0	LF	\$3.00	\$0	
Remove Existing Pavement	711	SY	\$4.00	\$2,840	
Remove Sidewalk	0	SY	\$7.00	\$0	
INSTALLATIONS					
Asphalt Concrete Pavement	0	Ton	\$12.00	\$0	
Full Roadway section per lane, per station	7.5	Ln Sta	\$6,000.00	\$45,000	WB RT, SB LT dedicated
Base Course	0	Ton	\$30.00	\$0	
Sidewalk / Pathway	300	LF	\$18.00	\$5,400	
Curb & Gutter	300	LF	\$15.00	\$4,500	
Curb Ramp	4	EA	\$700.00	\$2,800	
End Section	2	EA	\$500.00	\$1,000	
Culvert, 24"	250	LF	\$45.00	\$11,250	
Inlet	2	EA	\$3,000.00	\$6,000	
TRAFFIC CONTROL					
Temporary Signal System + Adjustments	All Req'd	LS	\$100,000.00	\$0	None
New Electroliers	0	EA	\$7,500.00	\$0	
Relocated Electroliers	0	EA	\$3,000.00	\$0	
New Load Center	1	EA	\$7,000.00	\$7,000	
New Controller/Foundation	1	EA	\$25,000.00	\$25,000	
New Junction Boxes	11	EA	\$1,200.00	\$13,200	corners, loop leadins, controller
Loop Detectors	40	EA	\$1,100.00	\$44,000	10 per approach, multilane
New Traffic Signal Wiring	1	EA	\$13,000.00	\$13,000	with Interconnect
New Signal Pole, Heads, Signs	4	EA	\$20,000.00	\$80,000	
New Conduit w/wiring	760	LF	\$20.00	\$15,200	
Regulatory Signing	20	EA	\$600.00	\$12,000	5 per approach
Striping	4800	LF	\$1.50	\$7,200	1200 LF per leg
Preformed Symbols	24	EA	\$300.00	\$7,200	6 per approach
OTHER					
Erosion/Pollution Control		LS	All Req'd	\$3,090	1% of pay items
Field Office		LS	All Req'd	\$0	
Traffic Maintenance		LS	All Req'd	\$46,290	15% of pay items
Construction Surveying		LS	All Req'd	\$18,520	6% of pay items
Mobilization/Demobilization		LS	All Req'd	\$40,120	13% of pay items
CONSTRUCTION CONTRACT COST				Subtotal	\$416,610
UTILITIES					
Utilities Design	10000	LS	All Req'd	\$10,000	Utility Company Rerechecks
Gas Line Relocate	0	LS	\$1,500.00	\$0	
Underground Telephone Relocate	0	LS	\$3,500.00	\$0	
Underground Electric Relocate	0	LF	\$5.10	\$0	
Hydrant Relocate	0	EA	\$15,000.00	\$0	
Sewerline Relocate	0	LF	\$150.00	\$0	
Overhead Electric Relocate	0	LS	\$150,000.00	\$0	
				Utilities Subtotal	\$10,000
COST ESTIMATE SUMMARY					
Reconnaissance Study		LS	All Req'd	\$0	
Design Review		LS	All Req'd	\$0	See Separate Review Budget
Right-of-Way	0	SF	\$30.00	\$0	
Utilities		LS	All Req'd	\$10,000	
Construction		LS		\$417,000	
Contract Administration		LS	@ 15%	\$0	See Separate Review Budget
Performance Bond		LS		\$0	
Traffic Signal Maintenance	10	YRLY	\$8600	\$86,000	
Intersection:				Total:	\$513,000 Est. Design/Construction Costs
Parks Hwy and Hermon Road					

EXHIBIT



DIANNE M. KELLER
MAYOR

CITY OF WASILLA
290 E. Herning Ave.
Wasilla, AK 99654-7091
Phone: (907) 373-9055
Fax: (907) 373-9096

March 19, 2007

Mr. Jack Barrett, President
Meritage Development Group LLC
P.O. Box 876041
Wasilla, Alaska 99687

Dear Mr. Barrett:

I am writing to request the assistance of Meritage Development Group LLC, to provide road access through parcels of land it owns in Wasilla, Alaska to provide improved access to an area of our City that has unique topographical features.

Borough records and our Community and Economic Development Department staff information indicate that your firm is the owner or has options on several adjacent parcels located northwest of the intersection of the Parks Highway and Seward Meridian Parkway. This property is part of an undeveloped area in our community that has significant access problems because of the way the Parks Highway is constructed below a large, mostly undeveloped hill north of the Parks Highway. The State is now finalizing its plans for the reconstruction of Seward Meridian Parkway, and as a part of this project, we are asking for the cooperation of nearby landowners to provide improved access for the benefit of the community and its residents.

Therefore, I am writing to ask if Meritage Development Group LLC would provide a right of way across its properties so that public right of way can be secured for direct vehicular access from the reconstructed Seward Meridian Parkway north of the Parks Highway to the intersection of the Parks Highway and East Mountain Village Road. If you provide this right of way, the land contributed can be exchanged for contiguous land of equal value now being surplus by the State along the Parks Highway frontage road. Please see the attached depiction.

I welcome the opportunity to meet with you and your representatives to develop this concept further. I believe this will be a "win-win" for each of the affected parties. We consider this a critical opportunity for your firm's cooperation in our City's growth—one that will enhance its transportation and road safety in this important area of our community.

Very truly yours,



Mayor Dianne M. Keller
City of Wasilla

EXHIBIT

P



0440

CITY OF WASILLA

• Economic Development Office •

Mayor Curt Menard
Matanuska Susitna Borough
350 East Dahlia Avenue
Palmer, Alaska 99654

Subject: Memorandum of Understanding
AM No. 07-066 & No. 07-067
Creekside Town Square
Meritage Development Group, LLC

Mayor Menard and Borough Assembly,

The city of Wasilla has reviewed the comments/email of Mr. Lorusso regarding his concerns over vacating Duane Dr. and the easements on Herman Rd. We feel his concerns, while earnest, do not represent good public policy.

The developers, Meritage Development LLC, are providing more in the way of infrastructure and improvements than they are receiving in benefit from this vacation.

Mr. Lorusso seems concerned that the developer will get the vacation on this platting action, but then not fulfill their responsibility on the upcoming platting actions needed for this development. This is precisely the reason for the trilateral written agreement reached and signed by the Matanuska-Susitna Borough, City of Wasilla, and Meritage Development LLC. With this agreement in place, all parties concerned have had their expectations and responsibilities spelled out so that when future plats come forward there is no doubt what issues need to be resolved for this project to move forward. The Borough assembly can be absolutely assured of the necessary for these issues to be resolved on the next plat because, as can be seen on the developer's site plan, the major "anchor" tenant of XXXXXX square feet crosses a lot line, therefore a platting action will be needed. This means in order for the developer to land their biggest store this platting action will need to be done soon.

Meritage Development LLC has worked with both borough and city staff to dutifully to resolve any issues concerning this project. We believe the developers have met their responsibilities in this action and support borough assembly approval.

Casey Reynolds
Economic Development Planner

290 East Herring Avenue • Wasilla • Alaska • 99654-7091 • Phone 907-373-9030
• Fax 907-373-9096 • Creynolds@ci.wasilla.ak.us

MEMORANDUM OF UNDERSTANDING

between

Matanuska-Susitna Borough, City of Wasilla,
and Meritage Development Group, LLC

for

Hermon Road Corridor Preservation

Where it is in the best interest of the Matanuska-Susitna Borough, City of Wasilla, and Meritage Development Group, LLC to support and preserve a future 80 feet wide right-of-way for Hermon Road and the parties listed hereby understand the following:

The Matanuska-Susitna Borough and City of Wasilla understand the initial Meritage Development plat along Hermon Road will dedicate an additional 14 feet of right-of-way west of the existing right-of-way line and dedicate 15 feet of new utility easement adjacent the new right-of-way line north of the proposed Anchor Store as shown on Exhibit A, and

Meritage Development Group, LLC understands that it will not be responsible for the cost to relocate utilities or improve Hermon Road as a result of the new dedications, and

The Matanuska-Susitna Borough and City of Wasilla understand that Meritage Development Group, LLC will need to apply for a second plat through the Borough to adjust lot lines for the planned Anchor Store development, and Meritage Development Group, LLC will address the needed right-of-way west of the section line not dedicated on the initial plat during the second platting action within 18 months of this memorandum of understanding, and

The parties understand that an urban road design section will be used with curb and gutter to maximize the use of the right-of-way width when designing future improvements to Hermon Road, and

The Matanuska-Susitna Borough and City of Wasilla understand that Meritage Development Group, LLC will locate the planned Anchor Store with an elevation that supports the design of future Hermon Road improvements to minimize the use of slope easements and retaining walls, and

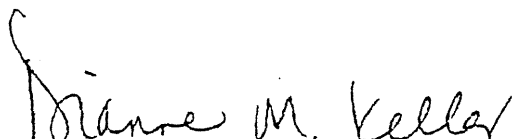
The Matanuska-Susitna Borough and City of Wasilla understand that Meritage Development will allow collected storm water from future Hermon Road improvements to be incorporated into the Meritage Development storm drain system to support the use of curb and gutter for future Hermon Road improvements, and

Meritage Development Group, LLC understands the Matanuska-Susitna Borough
City of Wasilla intend to seek funding from state and federal sources for future improvement
Hermon Road that will provide a needed transportation corridor between the Parks Highway
Palmer-Wasilla Highway.




Mat-Su Borough

Date: 4-5-07



Diane M. Keller
City of Wasilla

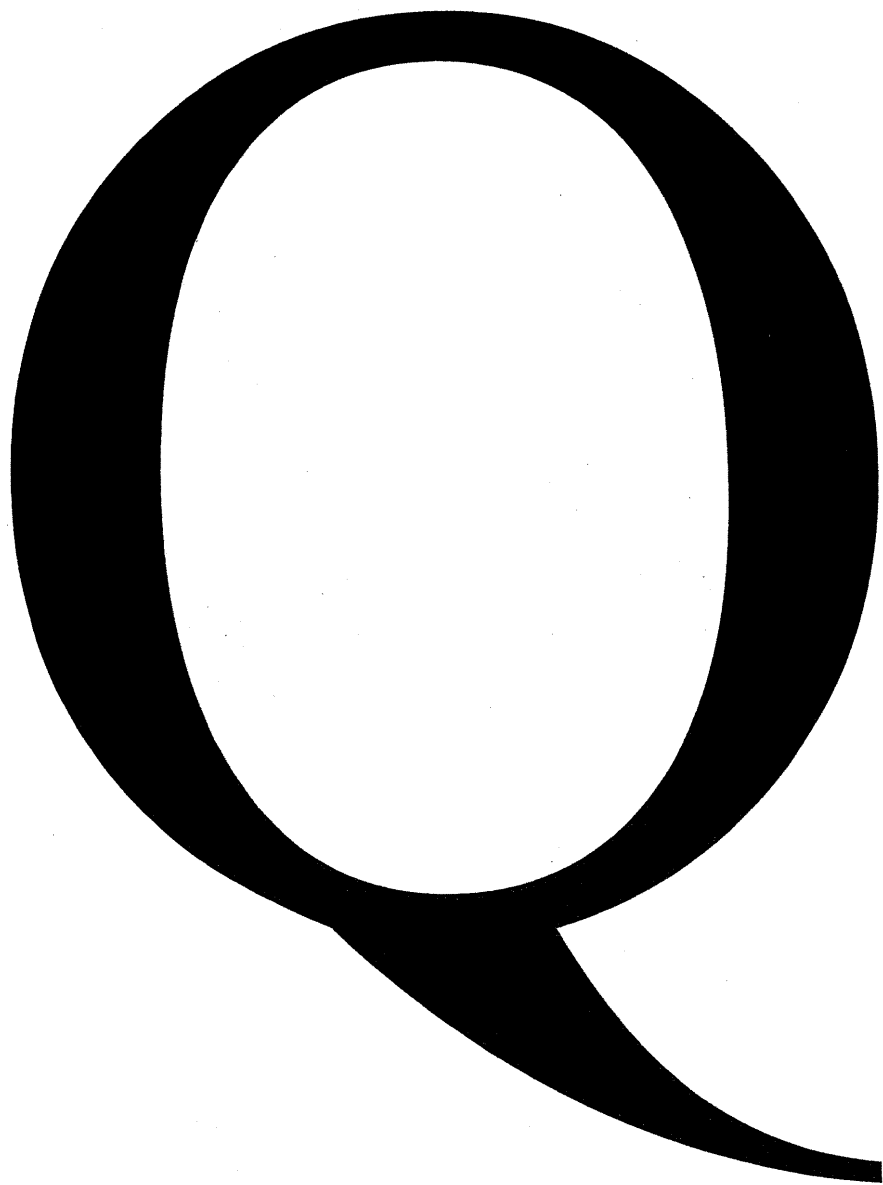
Date: 4/4/07



Meritage Development Group, LLC

Date: 4-9-2007

EXHIBIT



Casey Reynolds

From: Glen Price [glenp@lbbblawyers.com]
Sent: Wednesday, April 11, 2007 6:34 PM
Wood, Jim
Cc: Barrett, Jack (Meritage Development); Casey Reynolds; Archie Giddings; Barnett, Jim
Subject: Assembly Meeting
Attachments: 20070409113433208.pdf; 20070409113456681.pdf

Jim--attached are the 2 action memos before the MSB Assembly meeting Tuesday night. We need a letter from Sterling Larson saying MEA supports the AM's and will work with the developer with respect to future plats and project completion. Since there is a provision saying we won't pay for utility relocation I'm assuming Archie's interest was that the City or State would pay for it. Is this correct Archie? You might ask Sterling to send it in draft to Archie and myself first so we don't see any glitches. I don't have Sterling's e-mail but his phone is 907-761-9281, fax is 907-761-9460 and cell is 907-775-2081. Thanks. Glen.

Glen Price

Attorney

Landye Bennett Blumstein LLP
1981 E. Palmer-Wasilla Highway
Suite 220

Wasilla, Alaska 99654

Phone: (907) 376-5955

Fax: (907) 376-5979

Cell: (907) 242-2808

E-mail: glenp@lbbblawyers.com

CONFIDENTIALITY: This communication, including attachments, is for exclusive use of the addressee(s) and may contain proprietary confidential or privileged information. If you are not the intended recipient, any use, copying, disclosure, or distribution or the taking of action in reliance upon this information is strictly prohibited. If you are not the intended recipient, please notify the sender immediately: 907-376-5955 and delete this communication and destroy all copies.

To comply with IRS regulations, we advise you that any discussion of Federal tax issues in this e-mail was not intended or written to be and cannot be used by you, (i) to avoid any penalties imposed under the Internal Revenue Code or (ii) to promote, market or recommend another party any transaction or matter addressed herein.

EXHIBIT

R

Nancy Cameron

From: Murph O'Brien
Sent: Wednesday, April 18, 2007 8:18 AM
To: Nancy Cameron
Subject: FW: recap

Nancy,

For the file.

Murph

-----Original Message-----

From: LoRusso [mailto:lorusso@mtaonline.net]
Sent: Tuesday, April 17, 2007 11:06 PM
To: Bill Allen; Cindy Bettine; Curt Menard; gary; John Duffy; Lynne Woods; Mary Kvalheim; michelle church; Murph O'Brien; Rob Wells; Tom Kluberton
Subject: recap

Let's recap,

Hermon road:

1) "The requirement to dedicate the needed right of way will be attached to the plat" - Assembly members, there is no plat to attach it to unless the developer decides to ask for a new platting action. The current platting action is done, complete, finished now that the AM's have been approved. The Borough can not force the developer to plat again as there was no performance condition placed in the AM or into the agreement. So what incentive is there to perform? All that will happen to the developer if they replat is that they will be faced with a list of conditions, not much incentive in the business world.

2) If the property changes hands (which happens all the time) the new owner **is not bound by any agreement** as neither the agreement or the AM has any binding language or any attachment to the real property to secure the agreements survival through a change in title.

3) " IF the develop triggers a TIA (traffic impact analysis) then the developer will be required to perform any upgrades". If this develop does not trigger a TIA then no development ever will. **HOWEVER**, the Assembly just **signed an agreement with the developer that states "the developer will not be responsible for any upgrades to Hermon Road"**. Check with the Borough attorney, or any attorney, and see how it will play out if the TIA recommends upgrades (which it will) and they do not fit in the right of way (which they won't) and the Borough can not require the developer to institute a new platting action (which they can't) and here is this agreement signed by the Assembly that states " **the developer is not responsible for any upgrades to Hermon Road**" even though the assembly knew the scale of the proposed development when the Assembly agreed to not require any upgrades all as witnessed by the Assembly signature.

ALL IT NEEDS IS A PERFORMANCE BOND.

WE all want this project to go forward, we need this project to go forward, we don't need to support private development with public funds.

Side note:

The Parks Highway / Palmer Wasilla highway intersection has run out of space for any more upgrades. The Hermon Road connector from the Parks Highway through to the Palmer Wasilla Highway is needed BEFORE any subdivisions occur so as to limit the number of accesses to what will become a major through road to the new commercial developments. The property in this area is priced to high to be viable for residential development

unless it is high density residential such as condominiums or apartments, I have been a Real Estate broker for a number of years so I tend to keep track of stats and trends.

You all know I am very pro-development, responsible ecologically sound development, so please take my comments as looking out for the citizens of the Borough.

Thanks for doing a good job as always,

see you all next time

Gary

EXHIBIT

S

Casey Reynolds

From: Jim Barnett [JBarnett@alaska.com]
Sent: Friday, April 20, 2007 4:49 PM
To: Archie Giddings
Cc: Dave Grenier; Casey Reynolds; Kevin Vandermolen; Tony Hoffman
Subject: Creekside Town Square

Archie

I am sure you heard by now that Casey did an excellent job with the Borough Assembly last Tuesday night defending the MOU, and it was approved. So the project is now underway while Tony finishes the details of the plat in light of the MOU.

Dave Grenier and I would like to see you early in the week to review several elements of our work:

1. The Frontage Road Trade. We believe we now have a proper map of the trade concept. We want to show you the map and compare it to your thinking. We also want to review the results of the meeting with the state two weeks ago on this point, as they spent some time with us reviewing federal and state law on such trades. If you want assistance drafting the document, we can discuss that as well.
2. The Creekside Signal. We also met with the state folks to review the draft contract they offered us for the signal. It is a far-ranging concept with implications for the City. We would like to review the results of that meeting and plan a joint strategy for the meeting now planned this upcoming Thursday, April 26, at 930 at DOT in Anchorage.
We hope you can attend the meeting on Thursday as well.
3. The Creek dedication. Casey is working on this but we would like a status update and understand what we need to be doing.
4. The Annexation. This is important to the next plat that brings in the other outlying lots and adjusts the Maney Drive piece.
5. The Lithia Parcel. Casey wrote Glen and I that this was going slowly, but we would like a status update.

Could you check with Casey and see when you two might be available? I suggest Tuesday or Wednesday morning.

Jim

EXHIBIT

T

Archie Giddings

From: Archie Giddings
Sent: Wednesday, April 25, 2007 2:30 PM
To: 'Jim Barnett'
Cc: Dave Grenier; Kevin Vandermolen
Subject: RE: Met with DOT on Utilities

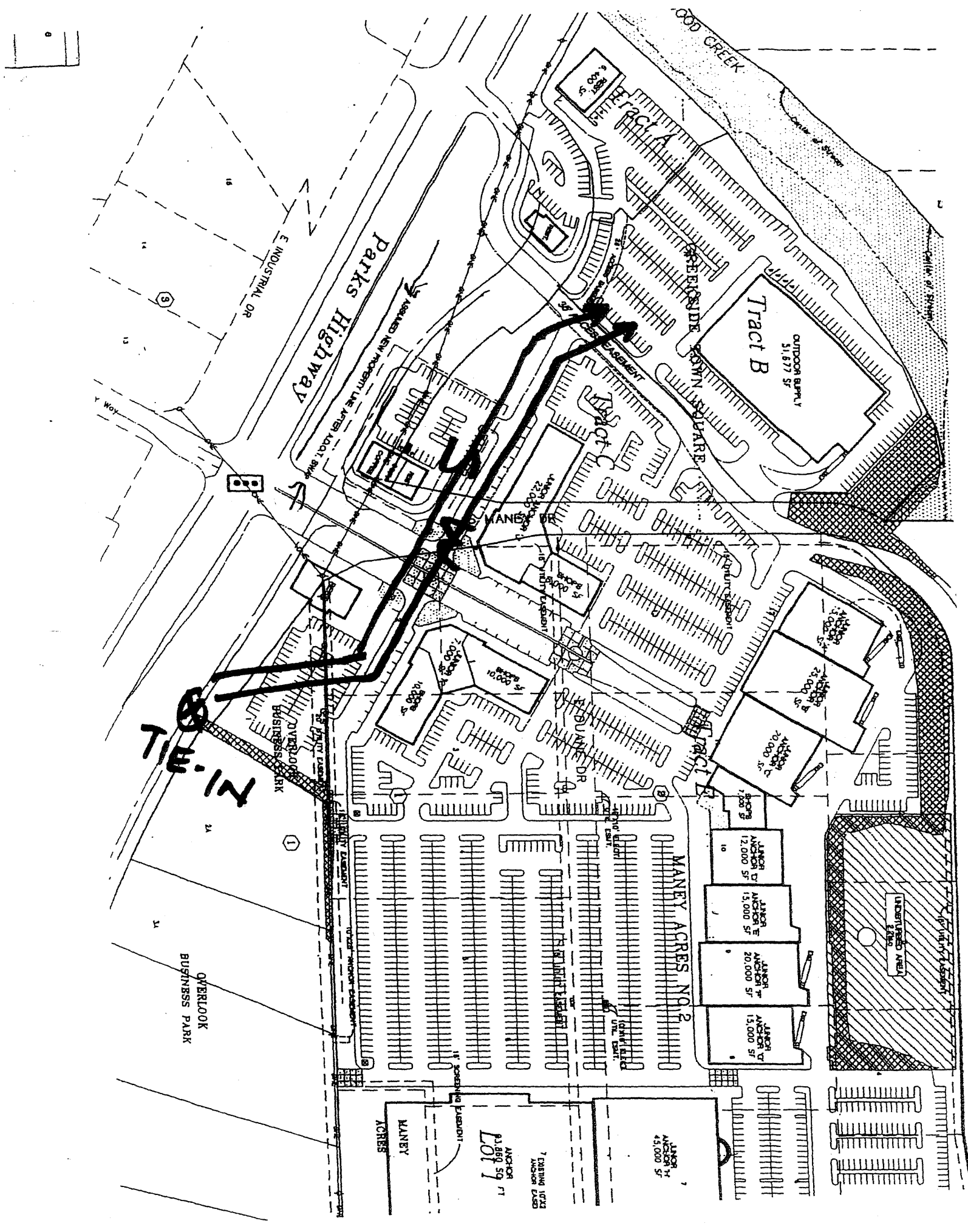
Attachments: SCAN0431_000.pdf



SCAN0431_000.
pdf (223 KB)

DOT's concern is with having room in Parks Highway ROW (after property transfer) for gas, water and sewer. I suggest moving water and sewer onto your site immediately after tie-in as shown on attached drawing. This may also save you installation cost (less main line needed for total project). DOT utility section (Mike Stewart) will be prepared to discuss with you tomorrow.

Thanks



Parks Highway

MANEY ACRES NO. 2

MANEY ACRES

OVERLOOK BUSINESS PARK

COD CREEK

1.2

1

1

E INDUSTRIAL DR

ASSAULT NEW NORTH LINE AREA ADOT SW

OVERLOOK BUSINESS PARK

OVERLOOK BUSINESS PARK

MANEY ACRES

ANCHOR 1 43,000 SF

ANCHOR 2 83,800 SQ FT

ANCHOR 3 43,000 SF

ANCHOR 4 83,800 SQ FT

ANCHOR 5 15,000 SF

ANCHOR 6 15,000 SF

ANCHOR 7 20,000 SF

ANCHOR 8 15,000 SF

ANCHOR 9 15,000 SF

ANCHOR 10 12,000 SF

ANCHOR 11 20,000 SF

ANCHOR 12 25,000 SF

ANCHOR 13 20,000 SF

ANCHOR 14 15,000 SF

ANCHOR 15 15,000 SF

ANCHOR 16 15,000 SF

ANCHOR 17 15,000 SF

ANCHOR 18 15,000 SF

ANCHOR 19 15,000 SF

ANCHOR 20 15,000 SF

ANCHOR 21 15,000 SF

ANCHOR 22 15,000 SF

ANCHOR 23 15,000 SF

ANCHOR 24 15,000 SF

ANCHOR 25 15,000 SF

ANCHOR 26 15,000 SF

ANCHOR 27 15,000 SF

ANCHOR 28 15,000 SF

ANCHOR 29 15,000 SF

ANCHOR 30 15,000 SF

ANCHOR 31 15,000 SF

ANCHOR 32 15,000 SF

ANCHOR 33 15,000 SF

ANCHOR 34 15,000 SF

ANCHOR 35 15,000 SF

ANCHOR 36 15,000 SF

ANCHOR 37 15,000 SF

ANCHOR 38 15,000 SF

ANCHOR 39 15,000 SF

ANCHOR 40 15,000 SF

ANCHOR 41 15,000 SF

ANCHOR 42 15,000 SF

ANCHOR 43 15,000 SF

ANCHOR 44 15,000 SF

ANCHOR 45 15,000 SF

ANCHOR 46 15,000 SF

ANCHOR 47 15,000 SF

ANCHOR 48 15,000 SF

ANCHOR 49 15,000 SF

ANCHOR 50 15,000 SF

ANCHOR 51 15,000 SF

ANCHOR 52 15,000 SF

ANCHOR 53 15,000 SF

ANCHOR 54 15,000 SF

ANCHOR 55 15,000 SF

ANCHOR 56 15,000 SF

ANCHOR 57 15,000 SF

ANCHOR 58 15,000 SF

ANCHOR 59 15,000 SF

ANCHOR 60 15,000 SF

ANCHOR 61 15,000 SF

ANCHOR 62 15,000 SF

ANCHOR 63 15,000 SF

ANCHOR 64 15,000 SF

ANCHOR 65 15,000 SF

ANCHOR 66 15,000 SF

ANCHOR 67 15,000 SF

ANCHOR 68 15,000 SF

ANCHOR 69 15,000 SF

ANCHOR 70 15,000 SF

ANCHOR 71 15,000 SF

ANCHOR 72 15,000 SF

ANCHOR 73 15,000 SF

ANCHOR 74 15,000 SF

ANCHOR 75 15,000 SF

ANCHOR 76 15,000 SF

ANCHOR 77 15,000 SF

ANCHOR 78 15,000 SF

ANCHOR 79 15,000 SF

ANCHOR 80 15,000 SF

ANCHOR 81 15,000 SF

ANCHOR 82 15,000 SF

ANCHOR 83 15,000 SF

ANCHOR 84 15,000 SF

ANCHOR 85 15,000 SF

ANCHOR 86 15,000 SF

ANCHOR 87 15,000 SF

ANCHOR 88 15,000 SF

ANCHOR 89 15,000 SF

ANCHOR 90 15,000 SF

ANCHOR 91 15,000 SF

ANCHOR 92 15,000 SF

ANCHOR 93 15,000 SF

ANCHOR 94 15,000 SF

ANCHOR 95 15,000 SF

ANCHOR 96 15,000 SF

ANCHOR 97 15,000 SF

ANCHOR 98 15,000 SF

ANCHOR 99 15,000 SF

ANCHOR 100 15,000 SF

ANCHOR 101 15,000 SF

ANCHOR 102 15,000 SF

ANCHOR 103 15,000 SF

ANCHOR 104 15,000 SF

ANCHOR 105 15,000 SF

ANCHOR 106 15,000 SF

ANCHOR 107 15,000 SF

ANCHOR 108 15,000 SF

ANCHOR 109 15,000 SF

ANCHOR 110 15,000 SF

ANCHOR 111 15,000 SF

ANCHOR 112 15,000 SF

ANCHOR 113 15,000 SF

ANCHOR 114 15,000 SF

ANCHOR 115 15,000 SF

ANCHOR 116 15,000 SF

ANCHOR 117 15,000 SF

ANCHOR 118 15,000 SF

ANCHOR 119 15,000 SF

ANCHOR 120 15,000 SF

ANCHOR 121 15,000 SF

ANCHOR 122 15,000 SF

ANCHOR 123 15,000 SF

ANCHOR 124 15,000 SF

ANCHOR 125 15,000 SF

ANCHOR 126 15,000 SF

ANCHOR 127 15,000 SF

ANCHOR 128 15,000 SF

ANCHOR 129 15,000 SF

ANCHOR 130 15,000 SF

ANCHOR 131 15,000 SF

ANCHOR 132 15,000 SF

ANCHOR 133 15,000 SF

ANCHOR 134 15,000 SF

ANCHOR 135 15,000 SF

ANCHOR 136 15,000 SF

ANCHOR 137 15,000 SF

ANCHOR 138 15,000 SF

ANCHOR 139 15,000 SF

ANCHOR 140 15,000 SF

ANCHOR 141 15,000 SF

ANCHOR 142 15,000 SF

ANCHOR 143 15,000 SF

ANCHOR 144 15,000 SF

ANCHOR 145 15,000 SF

ANCHOR 146 15,000 SF

ANCHOR 147 15,000 SF

ANCHOR 148 15,000 SF

ANCHOR 149 15,000 SF

ANCHOR 150 15,000 SF

ANCHOR 151 15,000 SF

ANCHOR 152 15,000 SF

ANCHOR 153 15,000 SF

ANCHOR 154 15,000 SF

ANCHOR 155 15,000 SF

ANCHOR 156 15,000 SF

ANCHOR 157 15,000 SF

ANCHOR 158 15,000 SF

ANCHOR 159 15,000 SF

ANCHOR 160 15,000 SF

ANCHOR 161 15,000 SF

ANCHOR 162 15,000 SF

ANCHOR 163 15,000 SF

ANCHOR 164 15,000 SF

ANCHOR 165 15,000 SF

ANCHOR 166 15,000 SF

ANCHOR 167 15,000 SF

ANCHOR 168 15,000 SF

ANCHOR 169 15,000 SF

ANCHOR 170 15,000 SF

ANCHOR 171 15,000 SF

ANCHOR 172 15,000 SF

ANCHOR 173 15,000 SF

ANCHOR 174 15,000 SF

ANCHOR 175 15,000 SF

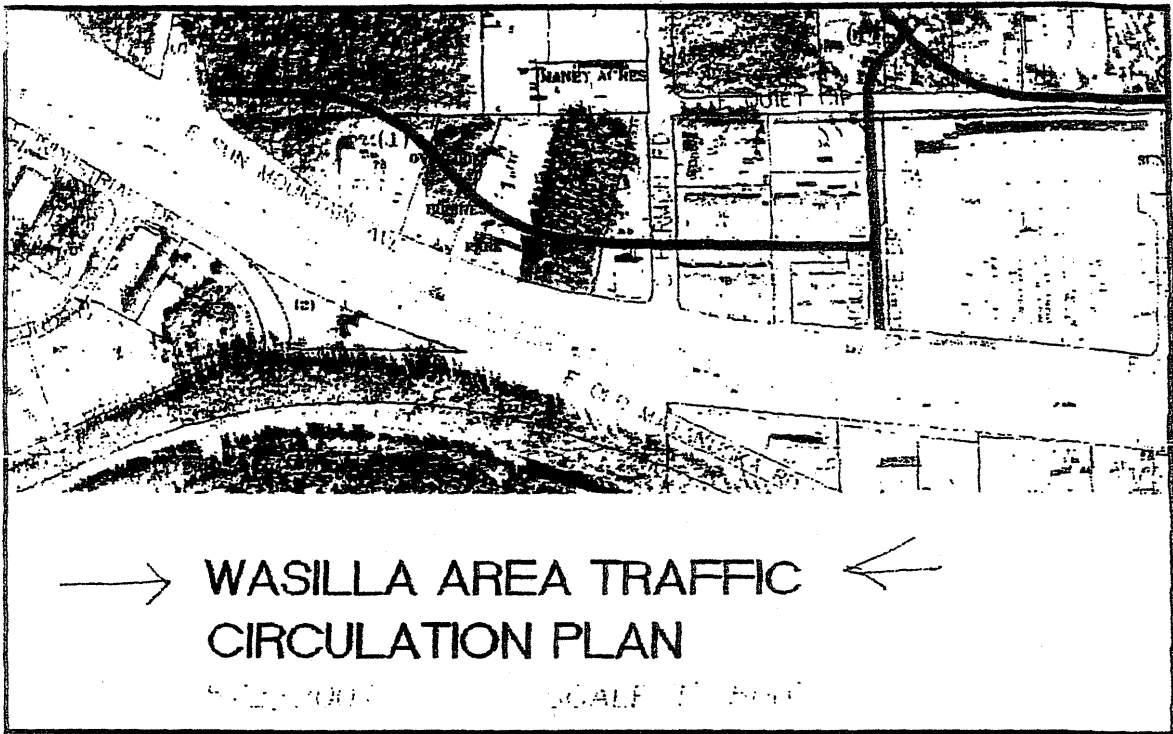
ANCHOR 176 15,000 SF

ANCHOR 177 15,000 SF

ANCHOR 178 15,000 SF

ANCHOR 179 15,000 SF

ANCHOR 180 15,000 SF



MAY 2 2009

TRAFFIC CONTROL

4.1 The Permittee shall apply for a Lane Closure Permit (LCP) from the Department a minimum of ten (10) days before beginning construction. The application for LCP shall include a Traffic Control Plan, detailing the traffic control devices required and their placement.

To submit an on-line application:

www.dot.state.ak.us

To submit an application in person contact:

Central Region
(Anchorage Area)
(907) 269- 0700
1-800-770-5263
(907) 248-9456 (fax)

4.2 The Permittee shall obtain a Lane Closure Permit (LCP) from the Department for work within **thirty-three** feet (33') of the traveled way. The application for LCP shall include a Traffic Control Plan, detailing the traffic control devices required and their placement.

To submit an on-line application:

www.dot.state.ak.us

To submit an application in person contact:

Central Region
(Anchorage Area)
(907) 269-0700
1-800-770-5263
(907) 248-9456 (fax)

4.3 The Permittee is fully responsible for the costs of all traffic control, including, but not limited to, permit fees, traffic control plan designs, traffic control devices, flagging operations, detours, and/or pilot car operation.

4.4 The Permittee shall provide traffic control devices, conforming to the latest addition of the Manual on Uniform Traffic Control Devices published by the U.S. Department of Transportation and Alaska Traffic Manual Supplement while constructing the Facility, or thereafter performing routine maintenance.

4.5 All traffic control devices required by Lane Closure Permit, including signs, barricade, and flagmen, shall be in place prior to beginning work within the right of way.

4.6 The Permittee shall remove or cover all temporary traffic control devices as soon as practical when they are no longer needed or when work on the Facility is suspended for short periods of time.

4.7 The Permittee's construction and maintenance activities on the Facility shall not affect the normal vehicular or pedestrian traffic, or other normal use patterns, without an approved Lane Closure Permit.

4.8 The Permittee shall not park vehicles, equipment, or store materials on road
D_c pathway surfaces at any time, unless specifically allowed by Lane Closure
Permit.

4.9 The Permittee shall not store equipment or materials within **thirty-three**
feet (33') of the edge of travel way when not in use, or when work on the
Facility is not in progress.

4.10 At the close of each work day the construction site on non-detoured
roadways shall be restored to a condition that allows two-way traffic to flow in
conformance with the normal traffic patterns in that area, unless otherwise
approved by the Regional Utilities Engineer.

4.11 The Permittee agrees to maintain a proper detour for the pathways, and be
responsible for all liability caused by the Detour.

4.12 The Permittee shall provide and maintain safe routes for pedestrians and
bicyclists through or around traffic control zones at all times.

5.0 EXCAVATION AND BACKFILL

5.1 The Permittee shall backfill and compact all trenches within road prisms and
pathways in 6-inch lifts or as accepted by the Department of Transportation
inspector. 6-inch lifts are required if no inspector is present. The backfill shall
be of suitable non-frost susceptible, non-organic material (0-6% passing No. 200
sieve). All excavated non-acceptable material shall be removed from the State right-
of-way or property by the Permittee.

5.2 The road prism is defined to include the finished roadway surface and
underlying structural layers out to, and including, any unpaved shoulders, curbs, and
attached pathways.

The Permittee shall backfill the vertical extent of the roadway prism with structural
backfill to a limit defined by extending a one and one-half horizontal to one
vertical (1 1/2:1) slope from the roadway prism limit (shoulder of the road or back
of path as applicable) down to where the slope intercepts the bottom of the
excavation. Backfill the remaining trench outside the prism with materials meeting
the requirements of selected material, Type C, as defined by the latest edition of
the Standard Specifications for Highway Construction.

5.3 The Permittee shall compact all trenches within or crossing road prisms and
pathways at a minimum of 95% of the optimum density. All compaction tests shall be
at the Permittee's expense. The Department's inspector shall determine the testing
frequency. A copy of each test will be submitted to the Department.

The Permittee shall backfill all trenches, bore pits, and other excavations located outside road and pathway prisms with clean, non-organic, and compactable material meeting the requirements of Select Material, Type C, as defined in the Department's Standard Specifications for Highway Construction. Existing material is acceptable as backfill provided it meets the requirements of Select Material, Type C.

The Permittee shall remove material not suitable for use as backfill from the site, as determined by the Department. The Permittee shall replace unsuitable backfill material with imported material meeting the requirements of Select Material, Type C.

All backfill shall be compacted to existing undisturbed soil densities or better, and graded to blend with the existing ground surface. All costs associated with removal of unusable material and placement of import material is the responsibility of the Permittee.

5.5 The Permittee shall place the underground facility a minimum of 48-inches below the surface when in the State's road prism.

5.6 The Permittee shall place the underground facility a minimum of 48-inches below the bottom of the ditch, when in the ditch prism.

5.7 The Permittee shall place the facility a minimum of 36-inches below original ground when 10 feet outside the slope limits.

5.8 The Permittee shall provide lateral trench and bore pit support as necessary.

6.0 PAVEMENT REPLACEMENT AND TRAFFIC MARKINGS

6.1 The Permittee shall replace all paving and base and subbase removed in kind and to the densities existing or replace road surface using 3-inches of recycled asphalt surface course.

6.2 The Permittee shall tack the edges of the pavement cut with tack coating before placing the asphalt patch.

6.3 The Permittee shall conduct a final grade inspection of that portion of the facility under the road crossing before re-paving.

6.4 The Permittee shall thoroughly and uniformly compact the asphalt concrete mixture to a density of 94% of the maximum specific gravity (MSG).

6.5 Asphalt concrete mixture that becomes contaminated with foreign material, is segregated, or is in any way determined to be defective will be removed and replaced at the Permittee's expense.

7.0 DRAINAGE

7.1 The Permittee shall maintain existing drainage patterns during construction of the Facility and restoration of the right of way unless otherwise agreed to by the Department.

7.2 The Permittee shall be responsible for all erosion control prior to slopes becoming stabilized.

EXHIBIT

U

Casey Reynolds

From: Archie Giddings
: Wednesday, August 01, 2007 10:48 AM
To: Casey Reynolds
Subject: FW: Area Access Plan
Attachments: Area Access Plan Rev 5-2-2007.pdf

From: Tony Hoffman [mailto:tonyhoffman@lantechi.com]
Sent: Wednesday, May 02, 2007 4:39 PM
To: Archie Giddings
Cc: Jackabarrett@aol.com; Dave Grenier
Subject: Area Access Plan

Archie,

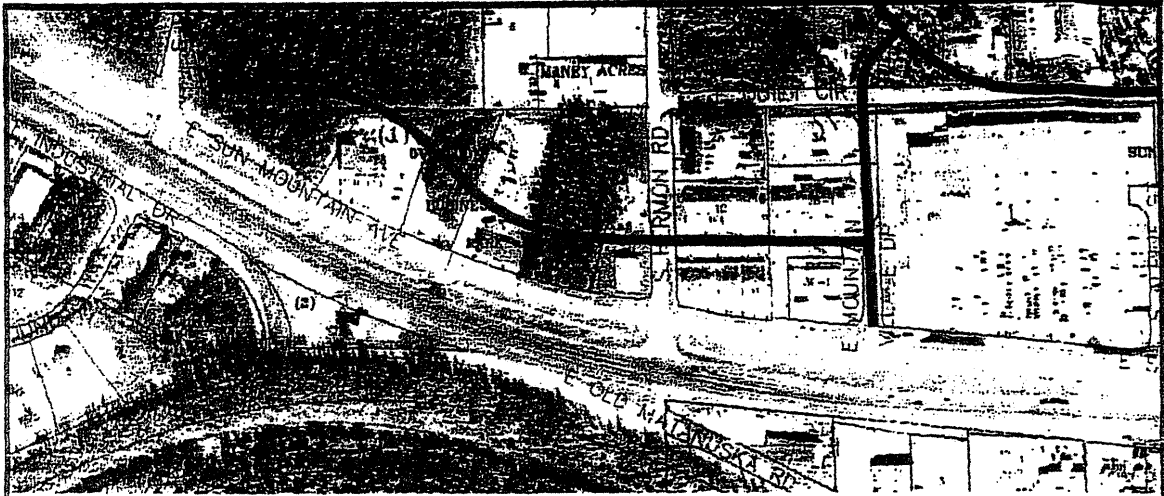


Attached is an exhibit that Jack Barrett had me create for your road planning efforts in Wasilla. Let me know if you have any problems with it.

Tony Hoffman PLS
Lantech Inc
907-770-9206 Office
907-317-7724 Cell
907-561-6626 Fax

What is this?

What was it?



WASILLA AREA TRAFFIC CIRCULATION PLAN

5/2/2007

SCALE 1" = 500'

EXHIBIT

V



Meritage Realty USA LLC

Commercial Brokerage

May 4, 2007

Andrew Ingram
Prudential Jack White
3801 Center Point Dr., Suite 400
Anchorage, AK 99503

Phone: (907) 694-4944
Fax: (888) 796-4011
Email: jim.meritageusa@gcl.net
PO Box 770468
Eagle River, AK 99577-0468

RE: Letter of Intent to Purchase Windbreak Hotel, Restaurant and Bar in Wasilla Alaska

The following proposal presents the terms under which Meritage Development Group LLC is willing to commence negotiating with Andres-Wymore Partnership for the potential purchase of the land, buildings, and operating assets of the Windbreak Hotel, Restaurant and Bar in Wasilla Alaska, including the governing Beverage Dispensary License(s). When executed by the parties, this Letter of Intent ("LOI") shall form the basis for entering into a Purchase and Sale Agreement acquire the above-referenced land, buildings, and operating assets ("Property") on the terms and conditions outlined below:

Seller: Andres-Wymore Partnership

Buyer: Meritage Development Group LLC and/or his assigns

Property: The property is described as Windbreak Hotel, Restaurant and Bar, beverage dispensary license and all associated equipment (aka. 2251 E Parks Hwy. Legal: Overlook Business park RSB/1 L/2&# Block 1, Lots 2A and 3A), Wasilla Alaska. Lot 3A is approximately 1.4 acres and Lot 2A is approximately 1.63 acres.

Purchase Price: *Three* Million *Two* Hundred Thousand and 00/100 Dollars.
~~(\$2,900,000.00)~~ *\$3,200,000*

Contract: *\$50,000* Within fifteen (15) business days of this LOI being signed by the Buyer and Seller, a Purchase and Sale Agreement ("Agreement") consistent with the terms and conditions of this LOI will be prepared by Seller. Three (3) business days after execution of such Agreement the Buyer will deposit \$10,000 earnest money with ~~Meritage~~ *Meritage* of Alaska, Inc., attn: ~~Fred~~ *Fred* ~~Barnett~~. Said earnest money deposit ~~will~~ *will* become non-refundable but applicable to the Purchase Price after the Feasibility Period expires.

Documentation: Within ten (10) days of execution of the Purchase Agreement, Seller will provide Buyer with a title commitment issued by ~~Matsa~~ Title of Alaska, Inc. Seller will provide (1) an updated Phase One Environmental Report, ~~(2) a Survey prepared by a surveyor duly licensed in the State of Alaska~~ and ~~(3) any inspections, appraisals, engineering and design plans or studies in Seller's possession.~~ *PLC*

Title and Survey: Seller will furnish a title insurance policy to be through and insured by the title company, insuring that the Buyer's interest in the land is marketable, free and clear of all encumbrances, except conditions, easements, restrictions, reservations, and right-of-way of record acceptable to the Buyer.

Utilities: Buyer will verify utilities to the property.

Access: Buyer will approve of all driveway locations and access to the land as part of the Feasibility Period due-diligence.

Closing: Closing shall occur on or before thirty (30) days following the expiration of the Feasibility Period and any extensions.

Contingencies: This transaction shall be contingent upon final approval by Buyer during the Feasibility Period.

Closing Costs: Seller shall pay the legal fees of the attorney(s) representing the Seller in the transaction and Buyer shall pay the legal fees of the attorney(s) representing the Buyer in the transaction. All closing costs related to this transaction shall, unless specified otherwise in this LOI, be applied in the same manner as is customary for such commercial real estate transactions in Anchorage, Alaska.

Feasibility Period: Buyer shall have ~~one hundred twenty (120)~~ *ninety (90)* days (the "Feasibility Period") to conduct a due diligence examination of the property including such physical inspections and other tests, examinations, studies, and appraisals of the Property as Buyer deems necessary. Buyer shall have one (1) Thirty day extensions of the feasibility period with the non-refundable deposit of \$10,000 each extension. Seller makes no representation or warranty whether the Property can be used for Buyer's intended purpose. Buyer shall investigate and satisfy itself with respect to the permissible uses of the Property during the Feasibility Period. Buyer hereby agrees to return the Property to substantially its prior condition upon completion of same and indemnify Seller accordingly. Seller shall provide any additional information to Buyer that is reasonably requested, provided that obtaining such information is at no additional cost to the Seller. If Buyer

objects for any reason not to proceed with this transaction, then Buyer shall terminate the Agreement by giving written notice to the Seller before the end of the Feasibility Period. In the event of such written notification of termination, all earnest money shall be returned to the Buyer within three (3) business days of such written notification, and all parties shall have no further obligation with respect to the Agreement.

Licensee Relationships and Commission:

Andrew A. Ingram of ~~Residential~~ Jack White ~~Real Estate~~ and George Krumm ~~Commercial~~ represents the seller exclusively in this transaction and will be paid a commission accordingly. Jim Wood of Meritage Realty USA, LLC, represents the Buyer exclusively in this transaction and will be paid a commission accordingly. Buyer and Seller have received a copy of the Alaska Real Estate Commission consumer pamphlet.

Seller agrees to pay Total Commission - 5% only

Handwritten: Financial disclosure Time is of the Essence:

All parties hereto recognize and agree that time is of the essence. Therefore, unless this Letter is accepted by, May 11, 2007, at 5:00 p.m., this offer shall become null and void.

This letter is intended only to express the terms and conditions to purchase the Property. Except as hereinafter set forth, neither Buyer nor Seller shall be legally obligated by this LOI unless and until the Agreement is executed by both parties. The parties acknowledge that this non-binding LOI does not address all essential terms of the Agreement and that such essential terms will be the subject of further negotiation.

If the above general terms and conditions are acceptable, please return a fully executed copy of this letter.

Sincerely,

Meritage Realty USA LLC

Handwritten: Jim Wood

Jim Wood, Broker

Accepted and Agreed:

Buyer: Meritage Development Group LLC

Handwritten: Any financial statements provided by the seller will be for informational purposes only and will not be considered part of or a contingency of this transaction.

Seller: Andre-Wymore Partnership

By: [Signature] Title: President

By: _____ Title: _____

Date: 5/15/07

Date: _____

EXHIBIT

WWW

May 7, 2007

Re: Letter of intent

Dear George,

My attorney would like to clear up some of the languages in the letter of intent and she has also indicated she has worked with the buyers attorney. She feels that an earnest money agreement with a little more detail would help.

I'm faxing your letter of intent with the changes we made with one additional change in regards to the commission. I'm lost as to what or how the brokerage commission would be paid out to his broker? Clear this up for me. I assume I'm paying a 5% fee total is this correct?

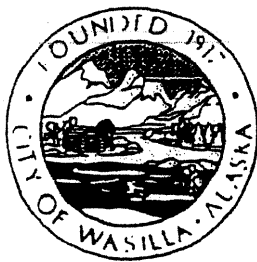
In closing, let me know if the buyer agrees with those changes and has a complete understanding that my financial information is confidential and his decision to buy should not be based on my prior financial operation of said business.

Best Regards,

Bob Andres

EXHIBIT

X



CITY OF WASILLA

Public Works Department

290 East Herning Avenue, Wasilla, Alaska 99654-7091

Telephone (907) 373-9010 Fax (907) 373-9011

May 11, 2007

4805B01L003A
ANDRES-WYMORE PRTRNSHP
2201 E. PARKS HWY
ANCHORAGE, AK 99654

RECEIVED

SEP 18 2007

OFFICE OF THE CITY CLERK
CITY OF WASILLA

REF: Hermon Road Traffic Circulation Plan

Dear Sir or Madam,

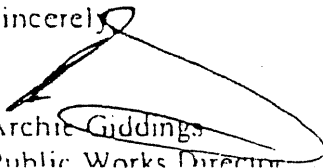
As you may be aware, the property along the west side of Hermon Road is currently under development as a retail center. A new traffic signal is proposed at S. Maney Drive and the Parks Highway to handle increased traffic volumes expected from the retail center. The large traffic volumes will also need improved circulation to other businesses along E. Sun Mountain Avenue.

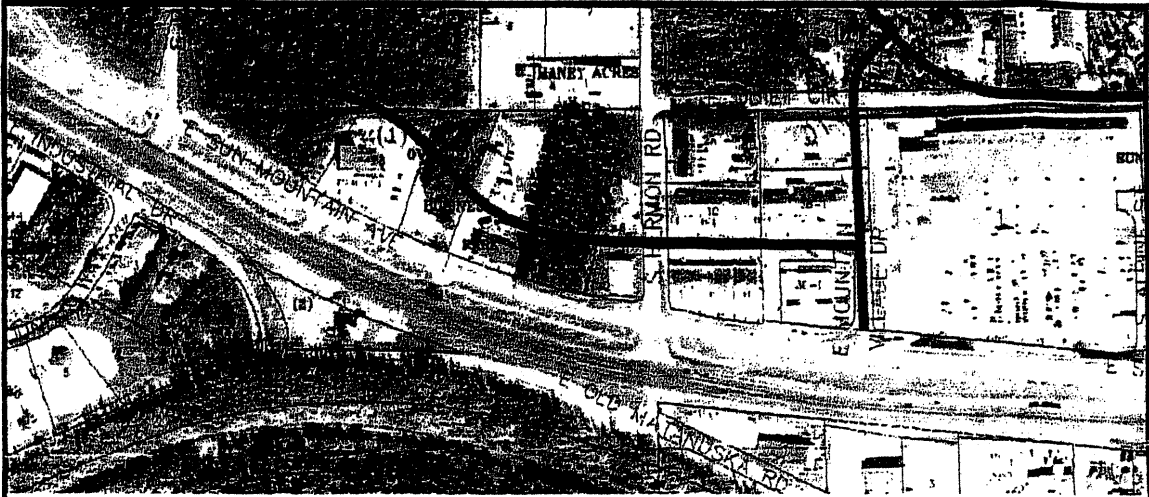
The attached circulation plan shows how the frontage road can be re-routed behind businesses and the plan shows a secondary road farther north down Hermon Road that may eventually cross Cottonwood Creek and connect to the Palmer-Wasilla Highway near Fred Meyer. This plan shows the frontage road moving away from the Parks Highway which will allow the traffic signal at Hermon Road to function in a safer manner by allowing a greater distance to queue vehicles during a red light.

The new frontage road would make a right-of-way exchange possible with each lot along the Parks Highway. Direct access would be provided to the rear of each business from the new frontage road and each property would then extend to the Parks Highway using the land that currently exists for E. Sun Mountain Ave.

The City of Wasilla is seeking your input to determine if these routes are feasible and if you are willing to sell portions of your property to facilitate the new roads. This project is planned for construction over the next 5 years if it proves to be feasible, and would likely be a joint project between the State, Borough, City, and private developers. The City will only support this plan if 100 percent of the property owners on any one segment are in agreement with the plan. Please contact me at your earliest convenience to discuss your interest in the new traffic circulation plan at 373-9018.

Sincerely,


Archie Giddings
Public Works Director



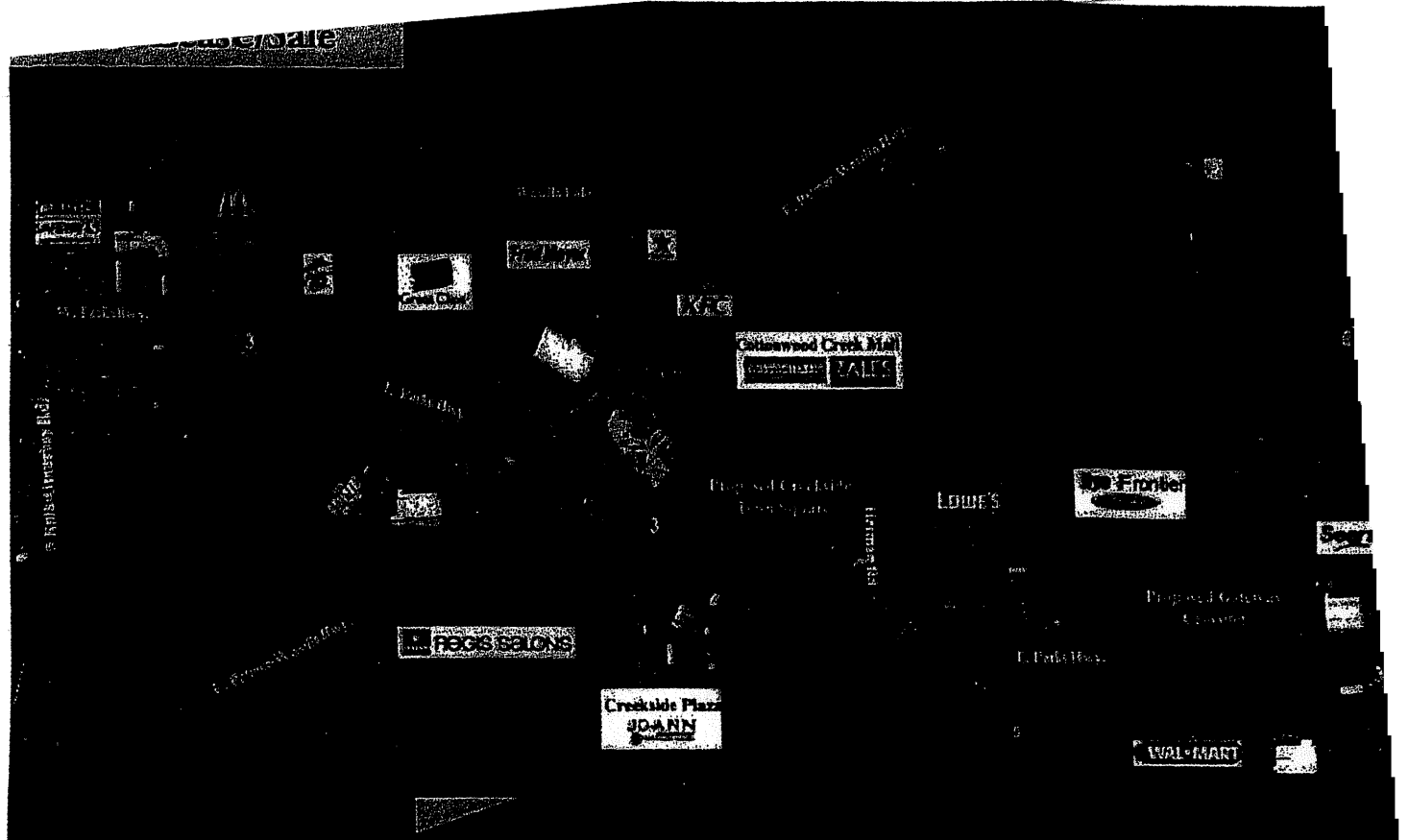
WASILLA AREA TRAFFIC CIRCULATION PLAN

5/2/2007

SCALE 1" = 500'

EXHIBIT

Y



Creekside Town Square

Wasilla, Alaska

To learn more about this property contact:

Jane Lanford
Senior Vice President
(425) 456.653.3000
jane.lanford@grubb-ellis.com

Jim Wood
Senior Vice President/Broker
Meritage Realty USA LLC
(907) 694.4944
jim.meritageusa@gci.net

Danny Chang
Associate
(425) 456.3303
danny.chang@grubb-ellis.com

GROUP
MACKENZIE

- 406,000+/- Square Foot Lifestyle Center
- Rate - To be negotiated, full service

FEATURES

- 40+/- acre new retail development on the Parks Highway in high growth MatSu Burrough
- Access to the Parks Highway at two fully signalized intersections
- Outstanding architectural features
- Strong national retail co-tenancy



Meritage Realty USA LLC
Commercial Brokerage



Grubb & Ellis.
Property Solutions Worldwide

www.grubb-ellis.com



CREEKSIDE TOWNSQUARE

Wasilla, Alaska



Meritage Development



EXHIBIT

Z

Casey Reynolds

From: Jackabarrett@aol.com
Sent: Friday, May 18, 2007 11:33 AM
To: Sandra Garley; Mayor Keller; Casey Reynolds; Archie Giddings
Subject: (no subject)
Attachments: Perspective(5-15-07).pdf

We are pleased to pass to you our renderings of the project @Creekside Town Square.

The Dream is becoming a reality!

Thank you for all your support. Your team has been absolutely top notch to work with and we couldn't have done this without you all.

Very Sincerely,

Jack

what's free at AOL.com.

EXHIBIT

AA

431254611889
WASILLA CHAMBER OF COM
415 E RAILROAD AVE
WASILLA, AK 99654
907-376-1299

C O P Y

05/08/2007 11:42:23

Sale:

Terminal Reference #1005
Card Type: MasterCard
Acc: *****8726
Entry: Swiped
Total: 3.00

Response: OFFLINE

CUSTOMER COPY

Mayor Casey
lunch ICSC

(702) 414-6200

Please visit Bouchon Bakery
in front of the Phantom Theater!

Date: May 19 '07 04:11 PM
Card Type: Visa
Acct #: XXXXXXXXXXXXX0033
Exp Date: 11/08
Auth Code: 019401
Check: 4643
Table: 305/1
Server: 11011 Michael
DIANNE M KELLER

Subtotal: 37.39
Tip: 7.60
Total: 44.99

I agree to pay above total
according to my card issuer
agreement.

Customer

split
Mayor 001-4130-413-50-81 \$ 22.50
Casey 001-4610-461-50-81 \$ 22.49

\$ 44.99

THE ORCHARD
 THE NEW FRONTIER
 1120 SOUTH LAS VEGAS BLVD
 LAS VEGAS, NV 89109
 702 734 8800

EMP: LYDIA J VISA
 Date 05/21/07 Time 08:59
 Table 249 ORCHARD
 2305396

Card Holder REYNOLDS/CASEY W
 Card Number *****91063 **/**
 Auth-Code.. 080359 Ctrl: 205160

Amount... 5.06
 Tip.....
 Total..

Serving West Las Vegas Exclusively
For Dispatch Call
369-5686
 24 Hour Service Including Handicap Accessible Vans

Date 5/20/07 Fare \$ 18.50
 From Frontier
 Destination Ballywin
 Drivers Name Ken
 Cab Number 21 Employee Number 1024391

Thank You For Riding With A-Cab Taxi Service

X
 Cardmember agrees to pay total in accordance with agreement governing use of such card.

PANDA EXPRESS
 SURVEY #0483
 COMMENTS (800) 877-8988

1 2-ENTREEPLATE 5.50
 CHOW MEIN
 PK S&S
 GARLICBFSUGARPEA

TAX .43
 TOTL 5.93
 VISA 5.93

GO TO PANDAEXPRESS.COM/SURVEY
 FREE ENTREE ITEM!
 FOR GUEST SURVEY DETAILS ON BACK

KARLA
 #227
 0139 1R... G0002

KDR, INC.
 3288 LAS VEGAS BLVD S S
 LAS VEGAS, NV. 89189-07

TERMINAL I.D.: 0017348000950471217602

MERCHANT #: 9504712176

VISA
 *****1063

SALE
 BATCH: 000079
 DATE: MAY 28, 07

INV: 000015
 TIME: 11:41
 AUTH: 014248

1 PRC
 \$39.95 1

TOTAL \$43.05
 \$39.95
 \$3.10
 \$43.05

W REYNOLDS

AGREE TO PAY ABOVE TOTAL AMOUNT
 ACCORDING TO CARD ISSUER AGREEMENT
 MERCHANT AGREEMENT IF CREDIT VOUCHER)

CUSTOMER COPY

Thank You! Have a Nice Day! No
 Cash/Credit Refunds. Exchanges Only
 Within 14 Days of Purchase w/Receipt
 No Adjustments. Kind w/out

Cafe Ba Ba Reeba
 3200 South Las Vegas Blvd
 Las Vegas, NV 89109
 (702) 258-1211
 May 20 '07 01:58PM

Date: May 20 '07 01:58PM
 Card Type: Visa
 Acct #: XXXXXXXXXXXX1063
 Exp Date: XX/XX
 Auth Code: 025454
 Check: 4852
 Table: 232/1
 Server: 395 Jim C

Subtotal: 16.16

TIP 2.50
 TOTAL 18.66

2610-761-60-10

RECEIPT
REPUBLIC PARKING ANCHORAGE, AK
TIME: 01:18 DATE: 05/25/07 LANE: 0035

ENTRY: 21:42 05/18/07
EXIT: 01:18 05/25/07

PARKING 60.00
TAX 0.00

TOTAL 60.00

CREDIT CARD INFORMATION:
XXXXXXXXXXXX1063 1108
VISA APPROVAL
TRAN: REF:

THANK YOU FOR PARKING AT TED STEVENS
ANCHORAGE INTERNATIONAL AIRPORT.
FOR INFORMATION PLEASE CALL
REPUBLIC 977-1074

DUPLICATE
PHIL'S DELI
THE NEW FRONTIER
3120 SOUTH LAS VEGAS BLVD
LAS VEGAS, NV 89109
702-794-8200

5600232
BRUCE S Table 489
Sun 05/20/07 3:02 AM Guests 1
Guest Num: 1 SNACK BAR

1 BACON CHZBURGER 7.25
1 SODA 2.00

SubTotal 9.25
Sales Tax 0.72

Total 9.97

VISA Amount Applied 9.97

VISA Tendered 9.97

TIP _____

TOTAL _____

ROOM _____

NAME _____

SIGNATURE _____

+++++

Thank you for eating
at the DELI!

CA ONE SERVICES INC.
* Phoenix International *
** Sportsbar **
CHECK: 1436
SERVER: 1014 FLOR
DATE: MAY24'07 12:50PM
CARD TYPE: Visa
ACCT #: XXXXXXXXXXXX1063
EXP DATE: XX/XX
AUTH CODE: 15153

TOTAL: 10.27

TIP \$ _____

TOTAL \$ _____

SIGNATURE
SIGN ONE COPY AND RETURN
*** THANK YOU ***

Term: JD04526256001
Appr: 529641
Seq#: 053356

PUMP# 07 CREDIT/SELF
UNL-REG @ \$ 3.079/G
VOLUME 11.220 GAL

GAS TOTAL \$ 34.55
TOTAL \$ 34.55

Debit
Exp. Date: 11/08
XXXXXXXXXXXXX1063

05/24/2007 11:22:31

* American Express *
* Gift Cards On Sale *

SPARRO
UMBERTO'S OF LAS VEGAS
BELZ FACTORY II FC-30
LAS VEGAS, NV 89123
702-269-6591

Host: Jonas
2013

05/24/07
11:25 PM
20014

Combo 1 Promo 6.49
Subtotal 6.49
Tax 0.50
Eat In Total 6.99
Cash 10.00
Change 3.01

Celebrating 75 Years
1956

DUPLICATE
PHIL'S DELI
THE NEW FRONTIER
3120 SOUTH LAS VEGAS BLVD
LAS VEGAS, NV 89109
702-794-8200

BRUCE S
Mon 05/21/07 11:56 PM
Guest Num: 1

5608702
Table 477
Guests 1
SNACK BAR

1 BACON CHEESEBURGER 7.00
1 SODA 2.97

SubTotal 9.25
Sales Tax 0.72

Total 9.97

CASH Amount Applied 9.97

CASH TENDERED 10.00

TIP

TOTAL

TAX

GRAND TOTAL

Thank you for eating
at the Phil!

THE ORCHARD
THE NEW FRONTIER
3120 SOUTH LAS VEGAS BLVD
LAS VEGAS, NV 89109
702-794-8200

EMP: LYDIA J
Date 05/21/07
Table 321
2205413

VISA
Time 09:00
ORCHARD

Card Holder KELLER/DIANNE M
Card Number *****00033 **/**
Auth-Code.. 021073 Ctrl: 205161

Amount.. 10.45
Tip.... 2.55
Total.. 13.00

x Mayor breakfast

Cardmember agrees to pay total in
accordance with agreement governing
use of such card.

*** Customer Copy ***

001-4130-413-50-81

001-4130-413-50-81 7.64
 001-4610-461-50-81 7.64
 ↑

THE ORCHARD
 THE NEW FRONTIER
 3120 SOUTH LAS VEGAS BLVD
 LAS VEGAS, NV 89109
 702-794-8200

EMP: LYDIA J VISA
 Date 05/22/07 Time 07:55
 Table 304 ORCHARD
 2209412

 Card Holder KELLER/DIANNE M
 Card Number *****00033 **/**
 Auth-Code.. 022902 Ctrl: 208748

Amount.. 10.18
 Tip.... 2.50
 Total.. 12.68

x Mayor, Casey breakfast
 Cardmember agrees to pay total in
 accordance with agreement governing
 use of such card.

*** Customer Copy ***

THE ORCHARD
 THE NEW FRONTIER
 3120 SOUTH LAS VEGAS BLVD
 LAS VEGAS, NV 89109
 702-794-8200

EMP: ELIZABETH B VISA
 Date 05/23/07 Time 08:45
 Table 333 ORCHARD
 2313638

 Card Holder KELLER/DIANNE M
 Card Number *****00033 **/**
 Auth-Code.. 023819 Ctrl: 212650

Amount.. 12.28
 Tip.... 3.00
 Total.. 15.28

x Mayor + Casey breakfast
 Cardmember agrees to pay total in
 accordance with agreement governing
 use of such card.

*** Custom

↓
~~001-4130-413-50-81~~ \$ 6.34
 (case) 001-4610-461-50-81 \$ 6.34

Mayor, Casey Dinner

HYATT REGENCY PHOENIX NETWORKS

OPEN AT 11AM DAILY

438 JEFF

201/1 5959 GST/2
MAY23'07 9:54PM

1 PEPSI	2.75
1 DIET PEPSI	2.75
1 BURGER BLEU	11.75
1 CHIX QUESA	9.25
SUBTOTAL	26.50
TAX	2.15
PAYMENT DUE	28.65

GRATUITY: _____

TOTAL: _____

PRINT NAME: _____

ROOM #: _____

SIGNATURE: _____

SEGN ABOVE FOR ROOM CHARGE ONLY
GRATUITY INCLUDED FOR 6 OR MORE
COMMENT:EBALLANT@HYATT.COM

Mayor, Casey dinner

HYATT REGENCY PHOENIX NETWORKS

ASK US ABOUT OUR DAILY BREAKFAST AND FOOD SPECIALS.

OPEN AT 11AM DAILY

CHECK: 5959
TABLE: 201/1
SERVER: 438 JEFF
DATE: MAY23'07 10:42PM
CARD TYPE: VISA
ACCT #: XXXXXXXXXX0003
EXP DATE: XX/XX
AUTH CODE: 24332
DIANNE M KELLER

SUBTOTAL: 28.65

TIP: 6.00

TOTAL: 34.65

Dianne M. Keller
CUSTOMER SIGNATURE

I agree to pay the total above per credit issuer agreement
COMMENT:EBALLANT@HYATT.COM
CHECK OUT OUR NEW CIGAR MENU !!

split

Mayor 001-4130 - 413-50-81

17.33

Casey 001-4610 - 461-50-81

17.32

34.65

CONCOURSE A
DENVER, CO 80249

THANK YOU

MCDONALDS TEL# (303)342-9048

90 KS#01 S#1 May 24 '07 (Thu) 16:12
STORE# 13570 MER# KB08687494001

Order #190 TO GO

1 BIG MAC MEAL	3.74
1 w/o PICKLE	
1 MED COKE	1.75
SUB TOTAL	5.49
TAKE OUT TAX	0.44
	5.93

CARD ISSUER ACCOUNT #
VISA SALE *****0033
TRANSACTION AMOUNT 5.93
AUTH CODE 024798 SEQ# 9815

CASH TENDERED	0.00
CHANGE	0.00

CHANCE TO WIN!! SEE O

CHANCE TO WIN!! SEE OVER

001-4130-413-50-81

CITY OF WASILLA

Check Request

Payee Name: Casey Reynolds

VENDOR# Economic Developm

Address: 290 E. Herby Ave

~~001/070~~

City: Wasilla State: AK

ZIP: 99654

Check Amount: 225.95

Date Required:

Purpose (Attach detail if appropriate):

Accounting Coding: 001.4610.461.50.81 182.90

PARKING AT AIRPORT, ICSC TRIP	60.00
Dinner at Hotel "	9.97
Dinner at Airport "	10.27
GAS for Rental car	27 34.55
Dinner at Hotel "	9.97
Lunch "	6.99
Dinner at Hotel "	3.06
Cab Ride "	18.50
Hotel meal "	5.93
<u>4610-461.60-10</u> PDA Power Adapter	<u>43.75</u>
Lunch at Conference "	18.66
ChomPUR lunch Admitance	3.00

PAID

Special Instructions:

- Mail directly to Payee
- Mail with attachment to Payee
- Give check directly to Requester _____
- Hold for pick-up by: _____
- Other (specify) _____

PAID

Request and Approval	
Requested By: <u>[Signature]</u>	Date: <u>5/25/07</u>
Approved By: <u>[Signature]</u>	Date: <u>5-25-07</u>

Welcome to Olives
at
Bellagio

18:13

Olives
Check: 575375 Table: B117
Server: JESSE C
Terminal: 575

BG- Bar Check

2 Soda 8.00
1.50

Subtotal 9.00
Total 9.00

Payments

Visa 9.00
XXXXXXXXXXXX0033
KELLER/DIANNE M

Total Payments 9.00

Remaining Balance 0.00

Check Fully Authorized

GRATUITY \$ 2.00

TOTAL \$ 11.00

ROOM NUMBER _____

R BEL TI NY MGM SIG

NAME (PRINT) _____

SIGNATURE _____

Non-Alcoh. Bev 8.36

Thank You
sales tax included
where applicable

Mayer + Casey

split

Mayer 001-4130-413-50-81 3.50
Casey 001-4610-461-50-81 3.50



Transactions

Trans	Post	Reference Number	Description	Credits	Charges
05/22	05/22	24492804F3DWMNR2G	THE NEW FRONTIER RESTAURA LAS VEGAS NV		12.68
05/23	05/23	24492804G3DWMNV2P	THE NEW FRONTIER RESTAURA LAS VEGAS NV		15.28
05/23	05/23	24492804G3DWMN5FR	NEW FRONTIER HOTEL 00001 NV		347.93
05/23	05/23	24492804G3DWMN5F8	NEW FRONTIER HOTEL 00001 NV		- 332.85
05/23	05/23	74492804G3DWMR8X9	UAA ACCOUNTING 2 ANCHORAGE AK	110.00	
05/23	05/23	24610434G231Z89A2	HYATT HOTELS PHOENIX F&B PHOENIX AZ		34.65
05/24	05/24	24275304GMX8MD695	HERTZ RENT-A-CAR LAS VEGAS NV		129.82
05/24	05/24	24427334GLYHRKF8Y	MCDONALD'S E13570 DENVER CO		6.93
05/24	05/24	24610434H03TXLVT0	HYATT HOTELS PHOENIX PHOENIX AZ		- 297.15
05/24	05/24	24610434H03TXLYT8	HYATT HOTELS PHOENIX PHOENIX AZ		- 286.85
05/25	05/25	24717054H821YJEDD	DIAMOND ARPT PARKING 5000 ANCHORAGE AK		46.50
05/28	05/28	24445004MRKTZTOR3	FRED-MEYER #0653 8FJ WABILLA AK		13.00

6-13

VWD

EXHIBIT

B B



CITY OF WASILLA

290 East Herning Avenue • Wasilla • Alaska • 99654-7091
Telephone 907-373-9030 • Fax 907-373-9096

June 4, 2007

Dear property owner,

The city of Wasilla would like to keep land owners along E. Sun Mountain Ave, such as yourself, apprised of our intentions to create a new traffic corridor in this area. These issues were covered in a letter sent to you by Public Works Director Archie Giddings dated May 8th, 2007, however the city of Wasilla would like to reiterate that we are not and have not been satisfied with the traffic flow and safety at and around the intersection of E. Sun Mountain Ave. and Herman Rd. We feel this intersection is a substandard traffic solution and creates a significant and expanding safety issue for our citizens.

In response to this issue we are planning on moving forward with a realignment of E. Sun Mountain Ave. and its intersection with Herman Rd. This realignment will require E. Sun Mountain Ave. to be rerouted north of its current East-West path to an area that will likely bisect a portion of your property along this corridor (view attached map). This rerouting will likely require a new city easement through your property.

At the city of Wasilla we strive to first find a win-win solution with business and local property owners to these sorts of easement issues. We have taken opportunities to explain our plans, and now invite you to ask any questions about the road realignment and to explore any options that you feel may make this issue easier for you as a property owner. Please contact our staff at your leisure with any questions or comments you may have.

We are confident that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to exhaust every opportunity with local business and property owners and to work cooperatively with other jurisdictions before pursuing other means.

If there are options to make this easement more beneficial or palatable for you, such as a right-of-way exchange, please call Casey Reynolds, Economic Development Planner at 373-9030 to schedule an appointment at your convenience.

Sincerely,

Mayor Dianne M. Keller
City of Wasilla

EXHIBIT

CC

DIANNE M. KELLER
MAYOR

CITY OF WASILLA
290 E. Herning Ave.
Wasilla, AK 99654-7091
Phone: (907) 373-9055
Fax: (907) 373-9096

June 4, 2007

Bill Greenstein
Director of Real Estate
Lithia Motors, Inc.
360 E. Jackson Street
Medford, Oregon 97501

Dear Mr. Greenstein,

Thank you for your response regarding a right-of-way easement through Lithia's parcels along Sun Mountain Ave. We are very disappointed that Lithia has decided not to agree to the easement for the realignment of Sun Mountain Ave. Further, we thought that you had agreed to visit us while in Alaska and to walk the property to better understand our proposal.

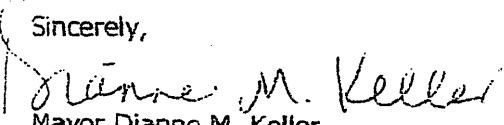
As we stated, this realignment is needed to provide an off-highway traffic corridor for eastbound/westbound vehicles in our rapidly growing area. The alignment proposed in your letter dated May 15th, 2007 will not allow for the proper stacking of vehicles at the intersection of Sun Mountain Ave and S. Mountain Village Circle, and in fact would duplicate a safety and traffic problem already experienced by our citizens at the intersection of the Parks Hwy. and Herman Rd. We have also met with Alaska Department of Transportation staff on this issue and they too are opposed to the road alignment you are proposing.

We understand that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to give local business and property owners every opportunity to work cooperatively with local jurisdictions before pursuing other means.

If there are options to make this easement more beneficial or palatable for Lithia, we would welcome the opportunity to develop them before we explore our other options.

We look forward to meeting with you in Wasilla to find a solution that is in the interest of Lithia and resolves the traffic issues we all face in this part of our community.

Sincerely,


Mayor Dianne M. Keller
City of Wasilla

DIANNE M. KELLER
MAYOR

CITY OF WASILLA

290 E. Herning Ave.
Wasilla, AK 99654-7091
Phone: (907) 373-9055
Fax: (907) 373-9096

August 24, 2007

Andres Whymore Partnership
2201 E. Parks Highway
Wasilla, AK 99654

Dear Property Owner,

The city of Wasilla would like to keep land owners along E. Sun Mountain Ave, such as you, apprised of our intentions to create a new traffic corridor in this area. These issues were covered in a letter sent to you by Public Works Director Archie Giddings dated May 8th, 2007. The City of Wasilla, however, would like to reiterate that we are not and have not been satisfied with the traffic flow and safety at and around the intersection of E. Sun Mountain Avenue and Herman Road. We feel this intersection is a substandard traffic solution and creates a significant and expanding safety issue for our citizens.

In response to this issue we are planning on moving forward with a realignment of E. Sun Mountain Avenue and its intersection with Herman Road. This realignment will require E. Sun Mountain Avenue to be rerouted north of its current East-West path to an area that will likely bisect a portion of your property along this corridor (view attached map). This rerouting will likely require a new city easement through your property.

At the city of Wasilla we strive to first find a win-win solution with business and local property owners for these sorts of easement issues. We have taken opportunities to explain our plans, and now invite you to ask any questions about the road realignment and to explore any options that you feel may make this issue easier for you as a property owner. Please contact our staff at your leisure with any questions or comments you may have.

We are confident that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to exhaust every opportunity with local business and property owners and to work cooperatively with other jurisdictions before pursuing other means.

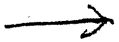
If there are options to make this easement more beneficial or palatable for you, such as a right-of-way exchange, please call Casey Reynolds, Economic Development Planner at 373-9030 to schedule an appointment at your convenience.

Sincerely,



Mayor Dianne M. Keller
City of Wasilla

NEV
SP
TD



EXHIBIT

DD



Meritage Realty USA LLC

Commercial Brokerage

Phone: (907) 694-4944

Fax: (888) 796-4011

Email: jim.meritageusa@gci.net

PO Box 770468

Eagle River, AK 99577-0468

July 13, 2007

The Honorable Diane M. Keller, Mayor
CITY OF WASILLA
290 E. Herning Ave
Wasilla, AK, 99654

Dear Mayor Keller:

Meritage Development Group LLC and Lithia Motors, Inc. have been working together to resolve the matters identified in your earlier letters to us in order to provide road access through the Meritage and Lithia parcels connecting the signals at the Seward Meridian Parkway and the intersection of Parks Highway and East Mountain Village Road.

We understand this matter has arisen because the State of Alaska is now finalizing its plans for the reconstruction of Seward Meridian Parkway and, as a part of this project, the City has asked for the cooperation of nearby landowners to provide improved access in the area. In that regard, we appreciate that you have brought our two organizations together to achieve solutions to your request, and we believe a solution has been achieved. Please see the attached map of the proposal.

Lithia Real Estate, Inc. is the owner of two adjacent parcels located northwest of the intersection of the Parks Highway and East Mountain Village Road (located at 2891 and 2901 East Sun Mountain Avenue (Mat-Su Borough Parcel Nos. 1408B03L013-014)). Lithia agrees to provide a right of way to the City across its properties so that public right of way can be secured for direct vehicular access from the reconstructed Seward Meridian Parkway north of the Parks Highway to the intersection of the Parks Highway and East Mountain Village Road (We understand the land contributed will be exchanged for contiguous land of equal value now being surplus by the State along the Parks Highway frontage road).

Meritage Development Group LLC is the owner of a larger tract of land to the east of the Lithia parcels encompassing nearly 40 acres. Meritage agrees that it will provide right of way to the City or internal access committed to public use (using CCRs) across its properties that connects the Lithia right of way to the signal now planned at the reconstructed Seward Meridian Parkway. As with the Lithia property dedication, we

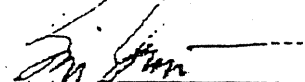
Mayor Keller
Page 2
July 13, 2007

understand the land contributed by Meritage will thereafter be exchanged for contiguous land of equal value now being surplusd by the State along the Parks Highway frontage road.

We welcome the opportunity to meet with you and your representatives to develop this concept further. This discussion has been a "win-win" for each of the affected parties. We continue to pledge our support of your efforts to meet the demands of City growth and road construction in this area.

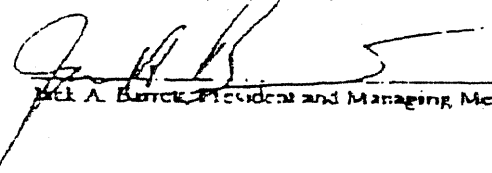
Very truly yours,

Lithia Real Estate, Inc.



Bill Greenstein, Director of Real Estate

Meritage Development Group LLC



Mark A. Burck, President and Managing Member

EXHIBIT

EE

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

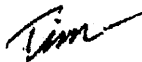
CENTRAL REGION - DIVISION OF DESIGN AND CONSTRUCTION
RIGHT OF WAY BRANCH

4111 AVIATION AVENUE
P.O. BOX 196900
ANCHORAGE, ALASKA 99519-6900
(TDD 269-0473)
(907) 269-0700 (FAX 248-9456)
(1-800-770-5263)

July 16, 2007

Re: Parks Highway: Seward Meridian
to Crusey Street
Project No. NH-OA4-1(12)/52474
Relinquishment of Frontage Road
Parcels to City of Wasilla

Mr. Tim Haugh
Environmental & Right of Way Programs Manager
Federal Highway Administration, Alaska Division
P.O. Box 21648
Juneau, Alaska 99802-1648

Dear Mr. Haugh: 

As you are aware, the Department of Transportation and Public Facilities, Central Region, acquired certain parcels of property necessary to make improvements to the following City of Wasilla frontage roads as a part of the above referenced project:

1. Sun Mountain Avenue – Improvements east and west of the existing roadway
2. Foundry Way – Improvements for connecting roadway to the Parks Highway
3. Maney Drive – Improvements for connecting roadway to the Parks Highway
4. Industrial Drive – Roadway improvements between Old Matanuska Road and Creekside Plaza

Pursuant to the May 12, 2003 Maintenance Agreement with the City of Wasilla, all of these city roads are to be operated and maintained by the City. The Department is in the process of conveying these frontage road parcels by Commissioner's Deed of Relinquishment to the City. A copy of the draft deed is attached for your reference. A list of the parcels involved, the frontage road they are associated with, and the interest acquired by the Department is attached to the deed as Exhibit 1. Copies of all of the parcel plats are also attached to the Deed.

Also enclosed for your reference are copies of Right of Way Plan Sheets 10 through 15. These sheets have been color coded to reflect the right-of-way associated with the Parks Highway and the four frontage roads referenced above. Existing Parks Highway right-of-way is colored yellow, existing Sun Mountain right-of-way is light blue, existing Foundry Way right-of-way is light red, existing Maney Drive right-of-way is light purple, and existing Industrial Drive right-of-way is light green. The frontage road parcels that the Department acquired are color coded to match their respective existing rights-of-way. The parcels associated with Sun Mountain are dark blue, the parcels associated with Foundry Way are dark red, the parcels associated with Maney Drive are dark purple, and the parcels associated with Industrial Drive are dark green.

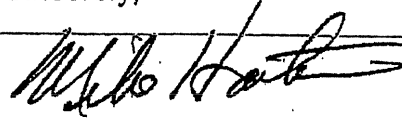
The City of Wasilla intends to exchange a portion of the east and west ends of Sun Mountain Avenue and a portion of Maney Drive with Meritage Development Group, LLC., a developer who proposes to construct two large commercial shopping centers. The first, Creekside Town Square, is to be located near the west end of Sun Mountain and is anticipated to encompass approximately 46 acres. The second, Gateway Crossing, is to be located near the east end of Sun Mountain and is anticipated to encompass approximately 42 acres. As detailed in the Department's June 30, 2006 letter to the Mayor of the City of Wasilla (copy enclosed), Meritage will be required to provide replacement road access serving the same properties as those portions of the recently improved Sun Mountain Avenue and Maney Drive currently do. These replacement roads must provide equal or greater utility, function, and value as the portions of Sun Mountain and Maney Drive to be exchanged.

Parcels 11, 12, 34, 35, 36, 39, 40, 41, and 42 are proposed to be included in the exchange. These properties are shown on the enclosed Right of Way Plan Sheets No. 11, 14, and 15. Acquisition and construction costs associated with the property to be exchanged are enclosed and total approximately \$2,187,900. We are currently working on an Exchange Agreement that will detail the responsibilities of all three parties. The Department's Deed contains a reverter clause that provides that if any of the properties cease to be dedicated to public highway purposes without the Department's prior written approval, the subject property will revert to the Department.

It is our intent to proceed with the relinquishment of the frontage road parcels to the City. It is appropriate for these discontinuous pieces to be united under the same ownership and management as the city roads they are associated with. We will provide you with additional information at such time as the details of the proposed exchange are determined.

Please feel free to contact myself or Fran Zimmerman of my staff if you have any questions or need additional information.

Sincerely,



Mike Hartman
Chief of Right of Way, Central Region

Enclosures: Draft Commissioner's Deed of Relinquishment
Right of Way Plan Sheets 10 through 15
DOT June 30, 2006 Letter to Mayor Keller
Estimated costs for east and west ends of Sun Mountain and
portion of Maney Drive

cc: Mr. Gordon C. Keith, P.E., Regional Director, DOT&PF
Ms. Paula Brault, Property Management Supervisor, DOT&PF
Mr. Scott Thomas, Regional Traffic Engineer, DOT&PF
Mayor Dianne M. Keller, City of Wasilla
Mr. Archie Giddings, Public Works Director, City of Wasilla
Mr. James K. Barnett, Attorney at Law for Meritage Development Group
Mr. Dave Grenier, Triad Engineering

EXHIBIT

FF

Casey Reynolds

From: Sandra Garley
nt: Wednesday, August 01, 2007 11:08 AM
to: Casey Reynolds; Archie Giddings
Subject: RE: sun mountain rd realignment letter

isn't this a follow-up to the notice that Archie sent to these same property owners? Was there a meeting or letter explaining what we were looking at?

Sandra Garley
Deputy Administrator

Home: 907 373-9032
Fax: 907 373-9031

From: Casey Reynolds
nt: Wednesday, August 01, 2007 11:02 AM
to: Sandra Garley; Archie Giddings
Subject: sun mountain rd realignment letter

Sandra and Archie,

Attached is the letter on the realignment of sun mountain avenue to go to property owners in the area. I changed the mayors name at the bottom to sandy since the mayor is in Russia for a week. Letter me know if this meets our needs.

Sincerely,

Casey Reynolds
Economic Development Planner
City of Wasilla
(907) 373-9030

EXHIBIT

GG

Jim

MERITAGE REALTY USA LLC

PO Box 770468

Eagle River, AK 99577

Phone: (907) 694-4944

Fax: 1-(888)-796-4011

From: Kristan Cole [mailto:kccole@mtaonline.net]

Sent: Tuesday, August 14, 2007 7:50 PM

To: 'Jim Wood'

Subject: RE: Anita Michels

Hi Jim, yes, if they contact me, I would be glad to explain it to her. I know you are still interested. Perhaps when I have the information, I can meet with Anita and her daughters and talk about all of it at the same time. Kristan

From: Jim Wood [mailto:jim.meritageusa@gci.net]

Sent: Tuesday, August 14, 2007 3:47 PM

To: kccole@mtaonline.net

Subject: Anita Michels

Hi Kristan:

Hope all is going better at Mat Maid. I just got off the phone with Casey Reynolds from the Mayors Office. They were going to send the letters out on the frontage road changes that affect Anita Michel's, Dollar Store and 6 Robblee's. The Mayor was concerned about sending the letter to Ms. Michels and confusing things. I told them to contact you directly to go over what is happening. Expect a call from Casey or the Mayor about it.

We are still interested in buying or trading with them. Let me know what they would like to do once you get to talk to them

Take Care

Jim

MERITAGE REALTY USA LLC

PO Box 770468

Eagle River, AK 99577

Phone: (907) 694-4944

EXHIBIT

III

Casey Reynolds

From: Mayor Keller
Sent: Tuesday, August 14, 2007 4:20 PM
To: Casey Reynolds
Cc: Archie Giddings; Sandra Garley
Subject: RE: Sun Mountain Ave Properties

Casey,
I have not been able to get a phone number to contact Ms. Michaels. Does someone at Meritage have a contact number for her? As far as 6 Robbles goes, the WMC has the amount we will pay for the property. He will get a much better price if Meritage purchases the property. You may want to provide that info to Jim Wood.

Thanks,
Janine M. Keller
Mayor, City of Wasilla
(907) 373-9055 Phone
(907) 373-9096 Fax
jkeller@ci.wasilla.ak.us

In matters of style, swim with the current; In matters of principle, stand like a rock." - Thomas Jefferson

From: Casey Reynolds
Sent: Tuesday, August 14, 2007 3:56 PM
To: Mayor Keller
Cc: Archie Giddings; Sandra Garley
Subject: Sun Mountain Ave Properties

Mayor,

I spoke with Jim Wood this afternoon regarding the 6 Rob Lees property and Anita Michaels property along Sun Mountain Ave. We were going to send "Lithia-esc" letters to.

Jim said Ms. Michaels is working with Kristan Cole to sell her property and Kristan had come up with any number of land swap/ buyout options for Ms. Michaels, but neither Meritage or Ms. Cole has been very successful at motivating Ms. Michaels do anything. I am efforting to get those proposals from Ms. Cole for you so you'll have them for your conversation with Ms. Michaels.

As for 6 Rob Lees, Jim said they just want to be bought out by the city and are using that as a negotiating position to get a price better than what the city would theoretically pay. Jim said Meritage is fine with that, which is why he'd like us to send 6 Rob Lee letter so their negotiating process can get going with 6 Rob Lees feeling they've run a clever gambit to get the best price possible.

Casey Reynolds
Economic Development Planner
City of Wasilla
(907) 373-9030

EXHIBIT

II



CITY OF WASILLA

Public Works Department
290 East Herning Avenue, Wasilla, Alaska 99654-7091
Telephone (907) 373-9010 Fax (907) 373-9011

August 22, 2007

Mr. Craig Thorn
First National Bank Alaska
Wasilla Branch
775 E. Parks Hwy.
Wasilla, Alaska 99654-8191

RE: Creekside Town Square Development
E. Sun Mountain Avenue Right-of-way Exchange

Dear Mr. Thorn:

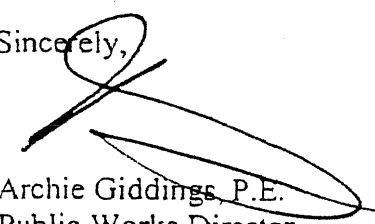
This is to confirm the City is in the process of obtaining ownership of E. Sun Mountain Avenue from the State of Alaska Department of Transportation and Public Facilities where it is located adjacent to the referenced development. This is a recently constructed frontage road along the Parks Highway. The frontage road was constructed by the State of Alaska as part of the Parks Highway Improvements using funding from the Federal Highway Administration.

The State of Alaska has agreed in principal to allow the City to exchange the existing frontage road with an alternate access road or roads to be constructed by Meritage Development, once the frontage road has been conveyed to the City. In accordance with conditions of exchange by the State of Alaska; Meritage Development has verified that the new access road(s) and right-of-way will have equal or greater value than the portions of E. Sun Mountain Avenue to be exchanged; and Meritage Development has verified the new access road(s) will provide equal or improved access to all properties in the area.

At this point, all parties have agreed the exchange can be completed to allow Creekside Town Square to incorporate property along the Parks Highway where E. Sun Mountain Avenue exists while providing access road(s) of equal value. The City is currently working with Meritage Development and the State of Alaska Department of Transportation and Public Facilities to finalize agreements to that effect.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



Archie Giddings, P.E.
Public Works Director

c: Jackabarrett@aol.com
subject: RE: Jack Barret Letter

es its still Creekside Town Square. The letter needs to be addressed to Craig Thorn at First National Bank of Alaska.

5

asey Reynolds
conomic Development Planner
ity of Wasilla
(07) 373-9030

rom: Archie Giddings
ent: Thursday, August 23, 2007 1:18 PM
o: Casey Reynolds
c: Sandra Garley
subject: RE: Jack Barret Letter

can provide a letter, it is still Creekside "Town Square" Development?

rom: Casey Reynolds
ent: Thursday, August 23, 2007 10:26 AM
o: Archie Giddings
c: Sandra Garley
subject: Jack Barret Letter

READ

A
rchie ↙

Jack Barrett called and said he needs a letter for his bank from us detailing what we and DOT have agreed to in terms of land surrounding the Parks highway for the Creekside Township Development. Could you either write such a letter or, if you don't have time, please give me with the information and I'll do the letter?

Sincerely,

asey Reynolds
conomic Development Planner
ity of Wasilla
(07) 373-9030

From: Archie Giddings
Sent: Friday, August 24, 2007 8:34 AM
To: Casey Reynolds
Subject: RE: Jack Barret Letter

did not distribute it

From: Casey Reynolds
Sent: Friday, August 24, 2007 8:22 AM
To: Archie Giddings
Subject: RE: Jack Barret Letter

Archie,

I got the letter for Craig Thorn. Did you distribute it to Jack and Craig, or should I do that?

Sincerely,

Casey Reynolds
Economic Development Planner
City of Wasilla
(907) 373-9030

From: Archie Giddings
Sent: Thursday, August 23, 2007 3:16 PM
To: Casey Reynolds
Cc: Sandra Garley
Subject: RE: Jack Barret Letter

For your review

From: Casey Reynolds
Sent: Thursday, August 23, 2007 1:37 PM
To: Archie Giddings
Subject: RE: Jack Barret Letter

First National Bank Alaska
Wasilla Branch
75 E. Parks Hwy.
Wasilla, Ak 99654-8191

Casey Reynolds
Economic Development Planner
City of Wasilla
(907) 373-9030

From: Archie Giddings
Sent: Thursday, August 23, 2007 1:30 PM
To: Casey Reynolds
Subject: RE: Jack Barret Letter

Do you have an address?

--n: Casey Reynolds

EXHIBIT

J J

DIANNE M. KELLER
MAYOR

CITY OF WASILLA

290 E. Herning Ave.
Wasilla, AK 99654-7091
Phone: (907) 373-9055
Fax: (907) 373-9096

August 24, 2007

Andres Whymore Partnership
2201 E. Parks Highway
Wasilla, AK 99654

Dear Property Owner,

The city of Wasilla would like to keep land owners along E. Sun Mountain Ave, such as you, apprised of our intentions to create a new traffic corridor in this area. These issues were covered in a letter sent to you by Public Works Director Archie Giddings dated May 8th, 2007. The City of Wasilla, however, would like to reiterate that we are not and have not been satisfied with the traffic flow and safety at and around the intersection of E. Sun Mountain Avenue and Herman Road. We feel this intersection is a substandard traffic solution and creates a significant and expanding safety issue for our citizens.

In response to this issue we are planning on moving forward with a realignment of E. Sun Mountain Avenue and its intersection with Herman Road. This realignment will require E. Sun Mountain Avenue to be rerouted north of its current East-West path to an area that will likely bisect a portion of your property along this corridor (view attached map). This rerouting will likely require a new city easement through your property.

At the city of Wasilla we strive to first find a win-win solution with business and local property owners for these sorts of easement issues. We have taken opportunities to explain our plans, and now invite you to ask any questions about the road realignment and to explore any options that you feel may make this issue easier for you as a property owner. Please contact our staff at your leisure with any questions or comments you may have.

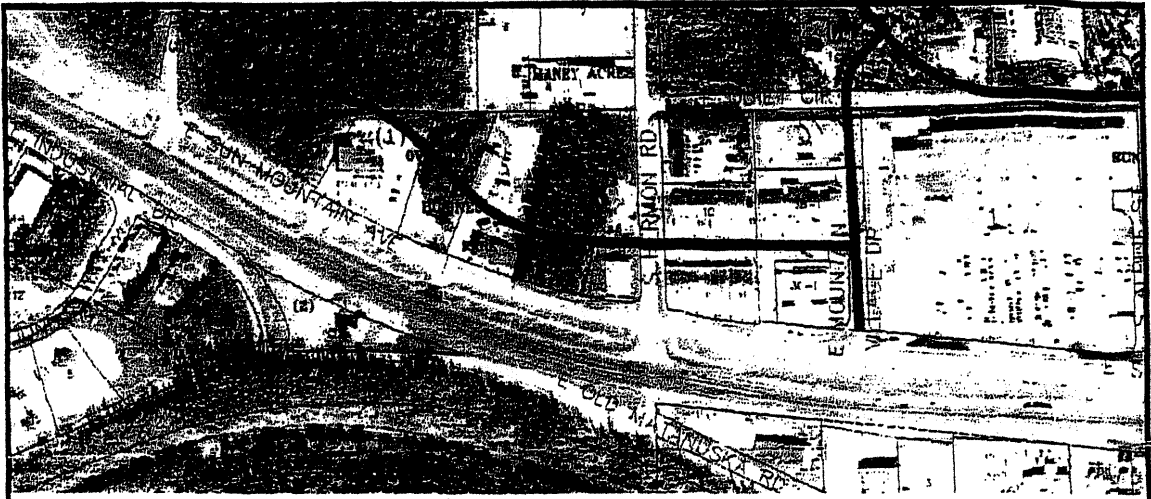
We are confident that you are aware we are well within our purview to pursue more aggressive means for this public purpose; however it is our preference to exhaust every opportunity with local business and property owners and to work cooperatively with other jurisdictions before pursuing other means.

If there are options to make this easement more beneficial or palatable for you, such as a right-of-way exchange, please call Casey Reynolds, Economic Development Planner at 373-9030 to schedule an appointment at your convenience.

Sincerely,



Mayor Dianne M. Keller
City of Wasilla



WASILLA AREA TRAFFIC CIRCULATION PLAN

5/2/2007

SCALE 1" = 500'

EXHIBIT

KKK

Sept. 5, 2007

Dianne M. Keller, Mayor
City of Wasilla
290 E. Herning Ave.
Wasilla, AK 99654-7091

Dear Mayor Keller,

I was deeply shocked and dismayed to receive your letter of Aug. 24, 2007 stating the City of Wasilla was going ahead with plans to redirect traffic flow on E. Sun Mountain Ave. That after the letter from Archie Giddings on May 11, 2007 stating approval of all effected land owners would be required to proceed. I was against it then and said so and am even more against it now.

If the proposed rerouting occurs according to your Wasilla Area Traffic Circulation Plan of May 2, 2007 the road would run through at least one, may be both of our buildings. Even if the road could be changed to miss them both, set back requirements would make them and whatever land is left useless with which to operate our business.

A much more common sense plan would be to extend E. Quiet Circle to the west. There does not appear to be any buildings to contend with along that street.

On June 7, 2007 I received a voice message from Jim Wood, the real estate broker representing Jack Barrett the developer of the property behind us, that said in effect, 'the City of Wasilla is going ahead with the rerouting plans. Why not sell out to us now?' This was the second time Mr. Wood contacted us about selling. Unable to reach Mr. Wood I called the Publics Works Dept. and was told there was no change. All landowners had to approve. What happened from May 11 to June 7 that the land owners were not apart of? Something obviously did. Why were we not included? Why does a real estate agent know more about what's being discussed concerning my property than I do?

Simply put, the traffic plan you've proposed will make it impossible to continue to run our business on what will be left over for both land and buildings, even if the City agrees to move an 8,000 square foot warehouse. The owners are vehemently opposed to the revision and will fight it however we feel necessary.

Sincerely,

Thomas R. Ogren
President, Six Robblees Inc.

Cc; City Council members
Encl: Revision plan
Letter, May 11, 2007

EXHIBIT

LL



CITY OF WASILLA

• Economic Development Office •

September 11, 2007

Jack Barrett
Managing Partner
Meritage Development LLC.
34806 N. 80th Way
Scottsdale, AZ 85262

Dear Mr. Barrett:

The City of Wasilla would like to extend an invitation to Meritage Development LLC. to partner with the city of Wasilla to apply for a Community Development Block Grant (CDBG) from the State of Alaska in the Amount of \$450,000. CDBG is a federally funded grant program administered by State governments for the purpose of supporting local community and economic development. Only government units are eligible to apply for these grants and the city of Wasilla feels the Creekside Town Square project your firm is engaged in would be an appropriate project to receive this grant, therefore the city of Wasilla would be willing to apply on Meritage Development LLC's behalf for the grant.

Meritage Development LLC. would be responsible for writing, administering, and funding the cash match of 25%, and completing the work funded by the grant. The city of Wasilla, as an eligible government unit, would apply on Meritage Development LLC's behalf, conduct the necessary community outreach and documentation, and oversee administration of the grant in accordance with CDBG rules and regulations.

We expect CDBG applications to be issued by the State of Alaska Department of Community and Economic Development sometime in August of this year, with a submission deadline in December, and an award to be made in March of 2008. If you are interested in applying for this grant please let us know as soon as possible.

Sincerely,

Casey Reynolds
Economic Development Planner
City of Wasilla
290 E. Herring Ave
Wasilla AK, 99654

EXHIBIT

MMM

DIANNE M. KELLER
MAYOR

CITY OF WASILLA
290 E. Herning Ave.
Wasilla, AK 99654-7091
Phone: (907) 373-9055
Fax: (907) 373-9096

September 14, 2007

Robert J. Andres
2201 E. Parks Highway
Wasilla, AK 99654

Mr. Andres,

Thank you for your letter of September 1, 2007 in regards to the proposed realignment of East Sun Mountain Avenue. The kind of feedback you provided in your letter and the verbal testimony Ms. Andres provided at the Council meeting on September 4, 2007 will be beneficial for planning a future road system parallel to the Parks Highway between Seward Meridian Highway and the Palmer-Wasilla Highway.

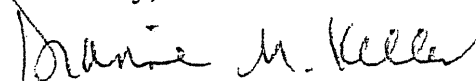
The specific concern that was raised by yourself and other property owners in the area was that the city would move forward with a condemnation that would split the property. I want to assure you that this will not happen.

The City and the State of Alaska, Department of Transportation do wish to address the traffic issues in the area of Hermon Road and East Sun Mountain Avenue before additional area development exacerbates the current problem.

I would ask that the affected land owners continue meeting with the city staff until a resolution can be found for this issue. As always, we value your input and want your business to continue the successful trend you have experienced over the last twenty five years.

I will ask Archie Giddings our Public Works Director to set up a meeting that will accommodate you other effected property owners along East Sun Mountain Avenue. Again, thank you for your input and testimony regarding this issue and as stated in my letter dated August 24, 2007 it is our goal to find a win-win solution with everyone in our city.

Sincerely,



Dianne M. Keller
Mayor, City of Wasilla

cc: Archie Giddings
Shawn Banahan
2521 Mtn Village LLC
Subs Properties LLC
Teton Investments LLC
Anita Michels

EXHIBIT

NNN

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

CENTRAL REGION - DESIGN AND ENGINEERING SERVICES DIVISION
TRAFFIC, SAFETY & UTILITIES

4111 AVIATION AVENUE
P.O. BOX 196900
ANCHORAGE, AK 99519-6900
(907) 269-0650 (FAX 907-269-0654)
(TTY 269-0473)

September 25, 2007

RE: City of Wasilla
Parks Highway
Water Permit 1-170000-07-156
Sewer Permit 1-170000-07-157

Archie Giddings, P.E.
Public Works Director
290 East Herning Avenue
Wasilla, AK 99654-9011

Dear Mr. Giddings:

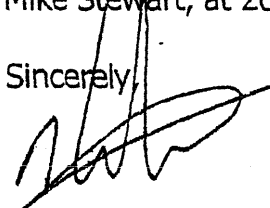
The Department received the City of Wasilla's request for modification of the permit special provisions pertaining to restoration of Sun Mountain Avenue. The City's request for a one year extension is denied, although the Department will extend the completion date of the permit to October 15, 2007, to allow adequate time to complete the restoration.

Based on recent field inspections of the permit area and the adjacent drainage area's the Department has concerns related to erosion and sediment control. We request that the efforts be increased in this area to assure proper control of runoff. The Department also requests that the existing rock lined ditch be restored and maintained to its pre-construction condition.

Accordingly, this letter provides the Department's formal authorization to extend the completion dates under *special provision 2.2* to October 15, 2007 for the above-listed utility permits.

Should you have any questions, please contact Mike Stewart, at 269-0646.

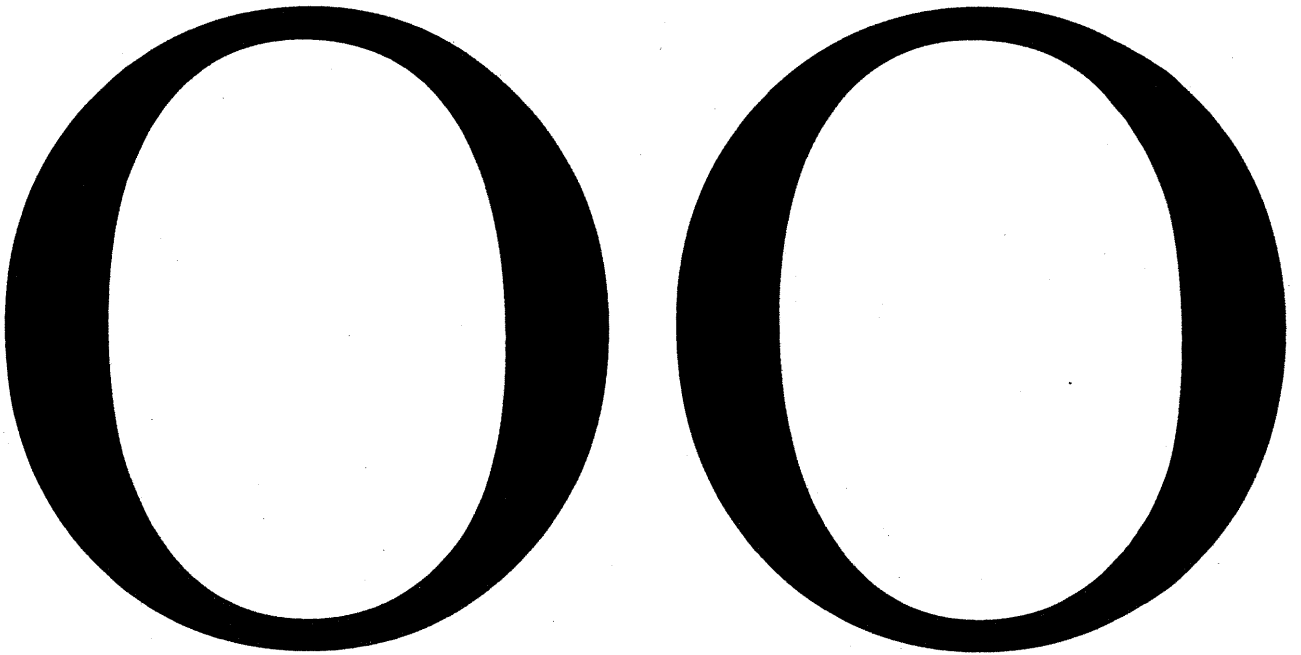
Sincerely,



Kenneth, M. Morton, P.E.
Utility Section Chief

JAB/sls

EXHIBIT



STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

CENTRAL REGION - DESIGN AND ENGINEERING SERVICES DIVISION
TRAFFIC, SAFETY & UTILITIES

SARAH PALIN, GOVERNOR

4111 AVIATION AVENUE
P.O. BOX 198900
ANCHORAGE, AK 99519-8900
(907) 269-0650 (FAX 907-269-0654)
(TTY 269-0473)

October 5, 2007

Re: DOT E-Permit No. 17850
Project No. 59883
Creekside Traffic Mitigation
Agreement

Mr. Jack Barrett
Meritage Development Group, LLC
P.O. Box 876041
Wasilla, Alaska 99687

Dear Mr. Barrett:

I wanted to take this opportunity to review with you the current status of the traffic mitigation related to your Creekside Town Square development project. This is in response to a recent email from the Mr. Dave Grenier of Lantech asking if there is any more information needed by the Department.

I would like to clarify the Department's position regarding the potential right-of-way exchange involving portions of Sun Mountain Avenue. We remain open to considering a proposal consistent with the June 30, 2006 letter from Gordon Keith, DOT/PF Regional Director, to Mayor Keller, City of Wasilla. However, it is only prudent that the Department will not be reviewing any further material or requests related to the proposed exchange of portions of Sun Mountain Avenue until such time as a proposal is brought to us by the City of Wasilla. This proposal should be endorsed by all the local government entities, including the Wasilla City Council and the Matanuska-Susitna Borough. Our Department will work with these agencies to accomplish their goals consistent with our letter of direction.

As you know, the Department has conditionally accepted the Traffic Impact Analysis prepared by Triad Engineering (see letter dated November 2, 2006 attached). The Department has agreed that a traffic signal will be necessary at the intersection of Parks Highway and Foundry Avenue/Maney Drive when there is sufficient development to warrant one. We have prepared and transmitted a separate document, the Traffic Mitigation Agreement, which sets forth the details of the design, funding, construction, and maintenance of the signal and related

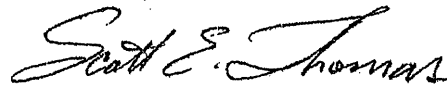
improvements. The current draft of the TMA provides the following under **Section 9. Construction of the Improvements:**

(a) Meritage will submit a separate Approval to Construct application along with the 100% PSE that requests written permission from DOT to construct the Improvements. DOT will issue such permission once the minimum traffic volumes requiring a traffic signal are scheduled to occur. Traffic signal construction will only be permitted to begin when the development schedule indicates 44% (or 172,480 square feet, more or less) of development will be in place within two years of the completion of the construction of the Improvements and must be constructed and scheduled to be operational by the time 68% (or 266,560 square feet, more or less) of the proposed development is scheduled to open. (Emphasis added.)

This provision still needs to be refined until we can agree on a more certain schedule for completion of enough development to warrant further signalization and interruption of traffic on the Parks Highway. A two year window for development to potentially occur is still not definite enough. The ongoing construction of Sportsman's Warehouse and Applebee's does not meet the required level of development to initiate signal construction. We also have not received definitive information indicating that enough significant development will be in place to warrant a signal within the next two years.

The draft Traffic Mitigation Agreement was originally provided to Meritage on March 1, 2007. A subsequent revised draft was sent on July 17, 2007 and again on September 6, 2007. A copy of this draft, dated July 17, 2007, is attached for your reference. Until such time as a Traffic Mitigation Agreement is reached for the Creekside Town Square, and executed by all involved parties, the Department will not be in a position to review or approve any plans for construction of the signal or related traffic improvements.

Sincerely,



Scott E. Thomas, P.E.
Regional Traffic Engineer

Enclosures as stated

cc: Mr. Gordon Keith, Regional Director
Sandra Garley, Director, Planning, City of Wasilla
Brad Sworts, Transportation & Planning Director, Mat-Su Borough
Ms. Joan Wilson, Attorney General's Office

EXHIBIT

PP

From: Tom Ogren <togren@6robblees.net>
Subject: **Have you sold???**
Date: October 8, 2007 9:08:38 AM AKDT
To: Bob Andres <rjtrout1@mac.com>

Bob, I got a call last week from Jim Wood telling me you signed a letter of intent in May for ~~St. James~~^{RJA} to sell to Barrett. What's the deal? Tom

EXHIBIT



starters

Tuna Tartare

cucumber julienne, ginger glazed rock shrimp.....17

Foie Gras Two Ways

silky flan, truffled cream,
seared medallion, roasted apples, walnuts & shallots.....19

Oysters On The Half Shell

seasonal selection of accouterments17

Grilled Squid and Octopus

chickpea vinaigrette, tomatoes, toasted garlic, parsley.....15

"Greek" Style Romaine

tomato, cucumber, cracked olives, red onion,
phyllo triangle, feta vinaigrette.....15

Pan Braised PEI Mussels

smoked paprika, chorizo, potato bravas, salsa verde.....16

Five Onion Soup

pancetta crouton, sherry, fontina val d' aosta.....12

Boston Bibb Salad

shaved white onions, toasted walnut dressing,
maytag blue cheese.....12

Caesar Salad

traditional caesar dressing, olive oil croutons.....14

Beef Carpaccio

polenta, roquefort crema, shaved parmesan, cipollini onions.....17

Flatbreads

Bianco

talleggio, fontina val d' aosta, buffalo mozzarella,
parmesan, roasted garlic.....16

Portobello

wild mushroom puree, herb-roasted portobello,
red onions, fontina cheese, white truffle oil.....17

Pasta

Ricotta Ravioli

roasted tomato basil sauce, sweet Italian sausage, garlic bread crumbs.....24

Butternut Squash Tortelli

brown butter, sage, parmesan cheese.....23

Lamb Shank Pappardelle

mint pesto, whole grain mustard crème fraîche, cipollini onions.....32

Chestnut Ravioli

creamy broccoli rabe, nutmeg burro fuso.....24

Entrées

Monkfish Scallopini

cauliflower spill, saffron braised mussels, golden raisin jam.....28

Jumbo Sea Scallops

pancetta risotto, toasted almond creama, arugula insalata.....36

Pan Seared Harissa Rubbed Salmon

roasted beet salad, orange aioli, toasted pine nuts, polenta croutons35

Grilled Double Cut Pork Chop

sweet potato anna, apple sausage agro dolce, creamy kale.....35

Skillet Roasted East Coast Halibut

six hour fennel polenta, rock shrimp scampi, shaved fennel insalata.....34

Brick Oven Roasted Free Range Chicken

potato cake, roasted onion, watercress salad.....27

Grilled Ribeye

crispy truffled haricot vert frites, madeira jus.....46

Grilled Lamb Chops

roasted carrot hummus, fatoosh salad, harissa lamb jus.....49

fiery Chicken sausage
herbed ricotta cheese, balsamic onions, roasted tomato sauce.....17

Alla Napoletana
tomatoes, roasted onions, buffalo mozzarella,
shaved parmigiano-reggiano, basil17

WE ASK THAT YOU REFRAIN FROM CIGAR AND PIPE SMOKING ~ THANK YOU
18% GRATUITY WILL BE ADDED TO PARTIES OF 8 OR MORE
HEALTH NOTICE-CONSUMING RAW OR UNCOOKED MEAT, FISH, OR DAIRY FOODS INCREASES THE RISK OF ILLNESS

EXHIBIT

RR



Distributors of Wheels and Truck/Trailer Parts

May 5, 2008

Mr. Richard K. Payne
Denali Law Group
344 North Main St.
Wasilla, AK 99654

Dear Mr. Payne,

In response to your request of April 21, 2008 to prepare a written statement describing my interactions with the various entities associated with the "Meritage Project" I offer the following.

I received my first phone call from Jim Woods, the real estate agent representing Meritage, on Feb. 22, 2007. He was calling to see if we would be open to selling our property at 2281 E. Sun Mountain Av. in Wasilla. Since we had owned it for less than a year and purchased it to operate our business out of it, and not for speculation, we were not considering selling. He said his prospective buyer had taken out options on several pieces nearby and maybe he could make it worth my while. I had been planning a trip to the Anchorage area anyway so I agreed to meet with him. On Friday March 23 I met with Mr. Woods at our Wasilla location. He showed me the various prperties, but in the end none of them would work for our needs. Sometime later, perhaps a month or two, he did make an offer that was unrealistic and we declined.

On March 16,2007 Six Robblees Inc. bought a Seattle based competitor out of Chapter 7 Bankruptcy which occupied my attention for the next several months. I had no reason to speculate about the Wasilla property.

I received a letter from Archie Giddings dated May 11, 2007 that laid out the city's desire to reroute E. Sun Mt. Av. but that it would proceed only if 100% of the owners effected agreed. I called his office immediately and told an assistant I was opposed because the plan would cut my property in half making it useless for our business. At no time prior did Mr. Giddings contact me for input.

On June 7, 2007 I received a voice message from Mr. Woods that said, in effect, 'the city is going ahead with the rerouting plan so you might as well sell out to us now'. I tried to reach Mr. Woods by return phone to get a clarification but there was no answer so I left and message. I never heard back from Mr. Woods in regards to the June 7 phone call. I called Mr. Gidding's office the same day and was told by one of his assistants that, no, nothing had changed. The project would proceed only if all the owners agreed.

SEATTLE, WA 98168 11010 TUKWILA INT'L BLVD. 206-767-7970 FAX 763-7416
TACOMA, WA 98421 2020 MILWAUKEE WAY E. 253-272-8413 FAX 272-4129
YAKIMA, WA 98903 1206 E. MEAD 509-457-4123 FAX 457-8141
SPOKANE, WA 99202 E. 3710 TRENT AVE. 509-535-8862 FAX 535-4061
EVERETT, WA 98201 2110 37TH ST. 425-252-8666 FAX 303-0332
PORTLAND, OR 97222 3677 S. E. EDISON ST. 503-652-9971 FAX 652-5186
EUGENE, OR 97402 490 SENECA ROAD 541-485-8606 FAX 687-7224
MEDFORD, OR 97502 6133 CRATER LAKE HWY. 541-830-4752 FAX 830-4852



BILLINGS, MT 59101 201 N. 15TH 406-248-1658 FAX 248-1658
GREAT FALLS, MT 59405 300 5TH AVE. SO. 406-761-6361 FAX 761-6361
MISSOULA, MT 59808 7300 HWY. 10 WEST 406-721-0567 FAX 721-0567
ANCHORAGE, AK 99501 3000 COMMERCIAL DR. 907-276-5171 FAX 258-7171
FAIRBANKS, AK 99701 3060 SOUTH CUSHMAN 907-452-6160 FAX 451-1060
ANCHORAGE, AK 99515 201 E. DIMOND BLVD. 907-344-7497 FAX 344-7497
WASILLA, AK 99654 2281 E. SUN MNT. ROAD 907-376-8000 FAX 376-8000

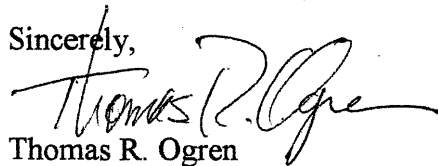
For the next several months my only source of information was through Bob Andres. He perceived the threat early on and took the initiative to begin digging into what was going on that we, as land owners, were not aware of. Sometime during the summer in a conversation with Mr. Woods he mentioned that Mr. Andres had signed a letter of intent with Meritage and even quoted a figure of \$3.1 million. That was to indicate that Mr. Andres was a willing seller and I better be too.

In early September I became aware of a letter dated August 24, 2007 that Mayor Kellor had sent out. Again, I learned of this letter through Mr. Andres. I had to call the mayor's office and have it sent to me. I responded with a letter dated Sept. 5, 2007 to the Mayor voicing concern and frustration at never once being asked about my concerns and being told one thing, then seeing another happen.

From then on the focus became the city council meetings that were attended by my branch manager, Sean Banahan who spoke on my behalf against the rerouting proposal.

In summary, at no time did anyone connected with this project from the mayor's office contact me asking for input. Every shred of information was fought for. When the City Attorney is kept in the dark about this, that alone speaks volumes about the Mayor's true intent.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas R. Ogren". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas R. Ogren
President, Six Robbles Inc
Partner, SR Wasilla, LLC

EXHIBIT

SS



Heritage Realty USA LLC
Commercial Brokerage

May 14, 2008

MEMO

To: Richard Payne

From: Jim Wood

Re: Affidavit

Hi Richard:

Jim Barnett asked me to mail this Affidavit to you since he is in Seattle.

Hope this helps

Jim

Teton and Meritage have attempted without success to enter LOIs and purchase other properties between the Dollar Store and Wind Break Café.

3. After these properties were acquired Meritage began to develop the shopping center and made certain sales that have been announced to the public:

Sportsmen's Warehouse - 4.67 acres closed 3/1/07;
store opened November 2007
Applebee's Restaurant - 60,000 SF pad closed 4/10/07;
restaurant not yet under construction

4. In addition to the announced sales, Meritage has been in regular contact with a number of well-known shopping center "targets" known to occupy shopping centers in Southcentral Alaska. Confidentiality requirements prevent disclosure of their names, but the following transactions are now pending:

LOI signed 22,000 SF bldg. 4/24/07
LOI signed 83,000 SF bldg. 8/17/07
LOI signed 50,000 SF bldg. 8/13/07
LOI signed 2,000 SF shop 12/19/07
LOI signed 1,500 SF shop 1/23/08
P&SA signed 29,318 SF pad 8/3/07
P&SA signed 4 acres 6/30/06

5. During August 2002 or 2003, before any properties had been purchased, Mr. Barrett and I had our first meeting with ADOT officials, principally Scott Thomas, about roads and stop lights along the Parks Highway in Wasilla. This is when Mr. Barrett was considering purchasing properties and

developing Creekside Town Square. At this first meeting Mr. Thomas explained that if we construct a stop light on the Parks Highway at Foundry Road, then the frontage road west of the stop light would be useless to ADOT and that they could sell or trade the road right of way for use in the project at fair market value under federal rules established for such sales. They also told us about the unsafe situation at Herman Road and the Parks Highway, i.e. that the stop signs on the frontage road in front of the properties extending from the Wind Break Café to Herman Road are too close to the light and very dangerous. ADOT also suggested eliminating the frontage road to alleviate that problem, providing for alternate access through the shopping center under consideration.

At this meeting I suggested crossing upper Maney Drive across Cottonwood Creek behind Cottonwood Creek Mall to connect to the Fred Meyer light on the Palmer Wasilla Highway, routing traffic off the Parks Highway at the back of the proposed shopping center. ADOT said this was a good idea as the Fred Meyer light was one of the most under utilized lights in the State. The goal was to bring traffic to the Creekside Town Square project (then Pioneer Square) and get traffic off the Parks Highway with new road infrastructure. At the same time, ADOT wanted to push Herman Road though to connect to the Palmer Wasilla Highway.

Archie Giddings and Sandy Garley from the City attended this meeting

and, at ADOT's request, agreed the City would work with ADOT, the federal highway officials, and the developer to facilitate the contemplated land exchange to improve safety and get the traffic flowing away from Parks Highway.

6. Here are some other critical dates in the progress of discussions with the State and, after a time, discussions that included officials from the Mat-Su Borough and City of Wasilla:

9/04 - Meetings with ADOT and progress on frontage roads for Sportsmen's Warehouse, Applebee's, and other planned users on the property Teton purchased from Edith Erickson. ADOT asks City to participate. Also, sewer and water line locations and construction was discussed with the City. Begin discussions with the owners of the 39,000 SF triangle property in front of the PVA property to the east of Maney Drive and west of Wind Break Café to purchase their property.

4/14/06 - Letter from Mayor Keller to ADOT - Gordon Keith Regional Director ADOT re: E. Sun Mountain Right of Way exchange.

3/25/06 - City of Wasilla Streets & Highways Plan approved, including concepts for Sportsmen's Plat including easement across Cottonwood Creek to connect to Fred Meyer light. Recorded 2/1/07. [ignored by Target, City of Wasilla and the Borough when Target's plat was approved]

6/30/06 Letter from ADOT- Gordon Keith Regional Director to Mayor Keller regarding E. Sun Mountain Ave. for access to adjacent development and Parks Highway to Seward Meridian (attached) essentially confirming ADOT proposals from 2002-03.

11/2/2006 Traffic Impact Analysis accepted by ADOT for Creekside Town Square, confirming traffic light at Parks Highway and Foundry.

11/6/06 Letter to Edith Erickson regarding plat approval and suggesting that remaining wetlands could be gifted to the City of Wasilla for a park along Cottonwood Creek.

1/16/07 - MatSu Borough Assembly rejects second Creekside Plat with vacation of Duane Drive. Staff had recommended approval.

2/1/07 - First Creekside Plat recorded for Tracts A,B,C & D that includes Sportsmen's Warehouse and Applebee's parcels.

2/26/07 - City of Wasilla resolution No 07-10 in support of Creekside Town Square asking the MatSu Borough Assembly to reconsider the Second Creekside Plat, adopted by Wasilla City Council.

4/4/07 - Letter from the Mayor to Edith Erickson confirming Ms. Erickson's request that something in the park lands (if not the park) be named after Ms. Erickson's father, Mr. Olson, who owned the land.

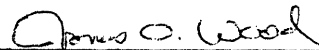
4/17/07 - MatSu Borough Assembly reconsiders and approves Second Creekside Plat with vacation of Duane Drive.

6/29/07 - State Annexation Application, with Hearing in September.

11/1/07 - Second Creekside Plat with vacation of Duane Drive recorded.

12/07 - Annexation approved by State of Alaska

FURTHER YOUR AFFIANT SAYETH NAUGHT.



James O. Wood

SUBSCRIBED AND SWORN TO before me this 13 day of May, 2008.

Kimberly A. Shaw

Notary Public in and for the State of Alaska

My commission expires 10-26-09



STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

STATEWIDE DESIGN & ENGINEERING SERVICES DIVISION
CENTRAL REGION - RIGHT OF WAY SECTION

RECEIVED

JUL 13 2006

June 30, 2006

CITY OF WASILLA, ALASKA

Re: East Sun Mountain Avenue
Parks Hwy.: Seward Meridian
Parkway to Crusey Street
Project No. NH-OA4-1(12)52474

Mayor Dianne M. Keller
City of Wasilla
290 East Herning Avenue
Wasilla, Alaska 99654-7091

Dear Mayor Keller,

Thank you for the opportunity to meet and discuss the potential exchange of right-of-way associated with a portion of Sun Mountain Avenue for alternate access to facilitate commercial development adjacent to this frontage road. Our Department supports planning for a future connection of Sun Mountain Avenue to Seward Meridian Parkway. This will enable many store-to-store trips to be made locally with less short-trip traffic and conflicts on and off the Parks Highway. The Department has no preferred route for this future connection.

In order for the City to exchange right-of-way with the developer, the Department needs to convey the additional right-of-way that was acquired for the frontage roads to the City. The exchange of road right-of-way between the City and the developer will require construction of the replacement road to allow access to the same properties currently served by that portion of Sun Mountain Avenue.

The City will have to adopt an extension of Sun Mountain Avenue to Seward Meridian Parkway in the city's Official Streets and Highway Plan (OS&HP). We understand that this is in process and anticipated to be approved by the City Council by the end of June 2006.

Per our existing Maintenance Agreement for the above referenced project dated May 12, 2003, it is our understanding that the upgrades and extensions to the following City roads are to be maintained and operated as City facilities:

1. Sun Mountain Avenue – Improvements east and west of the existing roadway
2. Foundry Way – Improvements for connecting roadway to the Parks Highway

7-13
Jed -
copy to Andre
Seward
Seward
Seward

GOVERNOR

6900

3. Maney Drive – Improvements for connecting roadway to the Parks Highway
4. Industrial Drive – Roadway improvements between Old Matanuska Road and Creekside Plaza.

In order for the Department to make improvements to these City roads, it was necessary to acquire additional right-of-way parcels as part of the federal-aid project. The Department of Transportation and Public Facilities (the Department) acquired 27 parcels for the improvements to these roads. In order to unify ownership of these facilities, these parcels of property should be conveyed to the City of Wasilla (the City). Portions of the improvements to these roads extend into the Parks Highway right-of-way. As provided in the Maintenance Agreement, the Department will continue to own and control the Parks Highway right-of-way (see paragraph 10 of the agreement), while the City continues to be responsible for maintenance and operations of these roads (see paragraph 6 of the agreement).

Federal code provides two options related to the conveyance of title to right-of-way involved in a federally funded project; **relinquishment** and **disposal**.

A **relinquishment** is defined as the conveyance of a portion of a highway right-of-way or facility by a State highway agency to another Government agency for highway use. Federal regulations governing relinquishments are found in 23 CFR part 620B. It states, in part:

§ 620.202 Applicability

The provisions of this subpart apply to highway facilities where Federal-aid funds have participated in either right-of-way or physical construction costs of a project. The provisions of this subpart apply only to relinquishment of facilities for continued highway purposes. Other real property disposals and modifications or disposal of access rights are governed by the requirements of 23 CFR part 710.

A conveyance to the City of Wasilla for use other than continued highway purposes is considered a **disposal** and must be in compliance with the provisions of 23 CFR part 710D. Section 710.403 (a) states:

The STD must assure that all real property within the boundaries of a federally-aided facility is devoted exclusively to the purposes of that facility and is preserved free of all other public or private alternative uses, unless such alternative uses are permitted by Federal regulation or the FHWA. An alternative use must be consistent with the continued operation, maintenance, and safety of the facility, and such use shall not result in the exposure of the facility's users or others to hazards.*

* State Transportation Department

For the Department to convey property under the provisions for **relinquishment**, the right-of-way (either Sun Mountain Avenue or an alternative replacement route) must continue to be used for highway purposes. Assuming that Sun Mountain Avenue or its replacement would continue to be used for highway purposes, the steps would be as follows:

1. The City needs to submit a written request for relinquishment of the right-of-way.
2. Federal regulations provide that there does not need to be a charge for a relinquishment to a Federal, State, or local government agency for continued highway purposes.
3. Following final acceptance of the physical construction of the project by the Federal Highway Administration (FHWA), the Department must notify the FHWA of the proposed conveyance to the City. The Letter of Final Acceptance for construction of this project is not anticipated to be available prior to July 2007; however, we are willing to request a waiver of this requirement from FHWA to initiate the relinquishment prior to that date.
4. The Department must provide the Division Administrator of the FHWA a map to scale with dimensions identifying the facilities to be relinquished, the FHWA project number, and the date of the proposed relinquishment.
5. The proposed relinquishment must have written justification to the satisfaction of the FHWA that:
 - (a) The subject land will not be needed for Federal-aid highway purposes in the foreseeable future;
 - (b) The right-of-way being retained is adequate under present day standards for the facility involved;
 - (c) The release will not adversely affect the Federal-aid highway or traffic thereon; and
 - (d) The lands to be relinquished are not suitable for retention in order to restore, preserve, or improve the scenic beauty adjacent to the highway as described in the Highway Beautification Act of 1965 (23 U.S.C. 319 and Public Law 89-285, Title III, sections 302-305).
6. Upon receipt of the written request and justification, the division engineer of the FHWA shall have a review conducted to determine that the proposed relinquishment meets the requirements set forth in its regulations.
7. If the FHWA approves the proposed relinquishment, the Department must provide public notice for a period of 30 days prior to the date of the intended conveyance.
8. If no objection is received to the proposed relinquishment, the Department will prepare a Commissioner's Quitclaim Deed for conveyance of the additional properties acquired for the frontage roads. The deed needs to be executed by the Department and the City, and recorded in the State District Recorder's Office. The Commissioner's Quitclaim Deed will

include a reverter clause stating that if the relinquished right-of-way is used for any purpose other than highway right-of-way without written approval by the Department and the FHWA, title will revert to the Department and the pro-rata share of any federal-aid funds that have been expended in connection with the original project for acquisition and/or construction of the right-of-way will be repaid by the City to the Department.

Additional requirements related to the relinquishment of highway right-of-way to another government agency are set forth in the Alaska Right-of-Way Manual under Section 9.9.8 Road Transfers, which states:

Road transfers occur when DOT&PF formally transfers ownership and control for a road or section of road to another government agency (federal, state, or local). Despite the transfer, DOT&PF remains responsible for all 23 C.F.R. requirements on roads classified as arterials, urban collectors, and rural major collectors for all time. For roads that are classified local, rural minor collector, or TRAAK (Trails and Recreational Access for Alaska) projects, DOT&PF's responsibilities end at the conclusion of the design life of the construction project as indicated in the project Memorandum of Understanding (MOU).

Sun Mountain Avenue is considered a local urban street. The design life for this project is 20 years.

As Sun Mountain Avenue was improved using federal funds, any proposed modification to or exchange of its right-of-way must be submitted through the Department for review and approval by the FHWA. Mike Hartman, Chief of our Right of Way Section, and Fran Zimmerman of his staff discussed the proposed right-of-way exchange with Tim Haugh, Environmental and Right of Way Programs Manager for the Alaska Division of FHWA, and Dale Lewis, FHWA Area Engineer, on June 19, 2006. FHWA does not object to the concept of the exchange with the understanding that the replacement road will provide access to the same properties that are currently served by Sun Mountain Avenue, and be constructed to provide equal or greater utility, function, and value as the portion of Sun Mountain Avenue being exchanged. FHWA will require an analysis of the cost of the road improvements and right-of-way involved in the proposed exchange, and federal-aid reimbursement may be required.

Our Department does not have any scheduled funding to improve or extend Sun Mountain Avenue to Seward Meridian Parkway. While we support dedicating public right-of-way to improve the local road infrastructure and making the necessary road improvements, state, local, or private funding may be necessary to enable these improvements.

If the OS&HP officially adopts a frontage road extension to Seward Meridian Parkway, our Department can support a realignment of Blue Lupine Drive (the north Parks Highway frontage road between Trunk Road and Seward Meridian Parkway) to match up with Sun Mountain Avenue. Without a plan we cannot promote this connection. We can endorse the realignment ahead of any completion of streets west of Seward Meridian as long as it is included in the official OS&HP for the City. This connection improves the potential use of a future traffic signal and provides for future internal traffic collection from Cottonwood Creek to Trunk Road. Funding may be available from the State Legislature to assist in the cost of making this connection once the OS&HP is in place.

We also support reserving setbacks or a right-of-way for an internal collector from Hermon Road, across Cottonwood Creek, to the signal at Cottonwood Creek/Fred Meyer Mall. There are likely many trips that could use that route for shop-to-shop commutes. In the long term, this connection could be one of the tools we will need to apply to minimize congestion at the Parks Highway and Palmer-Wasilla Highway traffic signal. This intersection is modeled to be the busiest hub for traffic in the Mat-Su Valley, the equivalent of the "Tudor and Lake Otis" intersection in Anchorage. Our choices are to either build an interchange there or build alternate routes. With 50,000 plus trips forecasted on the Parks Highway, it will take the Hermon Road extension, Sun Mountain Avenue extension, and an alternative Parks Highway corridor to handle the anticipated traffic in lieu of an interchange.

Copies of the relevant statutory and other requirements for relinquishment are attached for your reference. They include:

- 23 CFR Part 620B – Relinquishment of Highway Facilities
- AS 19.05.070. – Vacating and Disposing of Land and Rights in Land.
- DEPARTMENT Right of Way Manual – Section 9.9.8 Road Transfers

If you have any questions or need additional information, please feel free to contact me.

Sincerely,



Gordon C. Keith, P.E.
Regional Director
Central Region

cc: Tim Haugh, Environmental and Right of Way Programs Manager, Alaska,
Division, Federal Highway Administration

Statutory Requirements

Relinquishment

CFR: 23 CFR Part 620B – Relinquishment of Highway Facilities

§ 620.201 Purpose.

To prescribe Federal Highway Administration (FHWA) procedures relating to relinquishment of highway facilities.

§ 620.202 Applicability.

The provisions of this subpart apply to highway facilities where Federal-aid funds have participated in either right-of-way or physical construction costs of a project. The provisions of this subpart apply only to relinquishment of facilities for continued highway purposes. Other real property disposals and modifications or disposal of access rights are governed by the requirement of 23 CFR part 710.

§ 620.203 Procedures.

- (a) After final acceptance of a project on the Federal-aid primary, urban, or secondary system or after the date that the plans, specifications and estimates (PS&E) for the physical construction on the right-of-way for a Federal-aid Interstate project have been approved by the FHWA, relinquishment of the right-of-way or any change made in control of access shall be in accordance with the provisions of this section. For the purposes of this section, final acceptance for a project involving physical construction is the date of the acceptance of the physical construction by the FHWA and for right-of-way projects, the date the division engineer determines to be the date of the completion of the acquisition of the right-of-way shown on the final plans.
- (b) For the purposes of this section, *relinquishment* is defined as the conveyance of a portion of a highway right-of-way or facility by a State highway agency (SHA) to another Government agency for highway use.
- (c) The following facilities may be relinquished in accordance with paragraph 203(f):
 - (1) Sections of a State highway which have been superseded by construction on new location and removed from the Federal-aid system and the replaced section thereof is approved by the FHWA as the new location of the Federal-aid route. Federal-aid funds may not participate in rehabilitation work performed for the purpose of placing the superseded section of the highway in a condition acceptable to the local authority. The

relinquishment of any Interstate mileage shall be submitted to the Federal Highway Administrator as a special case for prior approval.

- (2) Sections of reconstructed local facilities that are located outside the control of access lines, such as turn-arounds of severed local roads or streets adjacent to the Federal-aid project's right-of-way, and local roads and streets crossing over or under said project that have been adjusted in grade and/or alignment, including new right-of-way required for adjustments. Eligibility for Federal-aid participation in the costs of the foregoing adjustments is as determined at the time of PS&E approval under policies of the FHWA.
 - (3) Frontage roads or portions thereof that are constructed generally parallel to and outside the control of access lines of a Federal-aid project for the purpose of permitting access to private properties rather than to serve as extensions of ramps to connect said Federal-aid project with the nearest crossroad or street.
- (d) The following facilities may be relinquished only with the approval of the Federal Highway Administrator in accordance with paragraph 203(g).
- (1) Frontage roads or portions thereof located outside the access control lines of a Federal-aid project that are constructed to service (in lieu of or in addition to the purposes outlined under paragraph (c)(3) of this section) as connections between ramps to or from the Federal-aid project and existing public roads or streets.
 - (2) Ramps constructed to serve as connections for interchange of traffic between the Federal-aid project and local roads or streets.
- (e) Where a frontage road is not on an approved Federal-aid system title to the right-of-way may be acquired initially in the name of the political subdivision which is to assume control thus eliminating the necessity of a formal transfer later. Such procedure would be subject to prior FHWA approval and would be limited to those facilities which meet the criteria set forth in paragraphs (c)(2) and (3) of this section.
- (f) Upon presentation by a State that it intends to relinquish facilities such as described in paragraph (c) (1), (2) or (3) of this section to local authorities, the division engineer of the FHWA shall have appropriate field and office examination made thereof to assure that such relinquishments are in accordance with the provisions of the cited paragraphs. Relinquishments of the types described in paragraph (c)(1), (2) or (3) of this section may be made on an individual basis or on a project or route basis subject to the following conditions and understandings:

- (1) Immediately following action by the State in approving a relinquishment, it shall furnish to the Division Administrator for record purposes a copy of a suitable map or maps identified by the Federal-aid project number, with the facilities to be relinquished and the date of such relinquishment action clearly delineated thereon.
 - (2) If it is found at any time after relinquishment that a relinquished facility is in fact required for the safe and proper operation of the Federal-aid highway, the State shall take immediate action to restore such facility to its jurisdiction without cost to Federal-aid highway funds.
 - (3) If it is found at any time that a relinquished frontage road or portion thereof or any part of the right-of-way therefore has been abandoned by local government authority and a showing cannot be made that such abandoned facility is no longer required as a public road, it is to be understood that the Federal Highway Administrator may cause to be withheld from Federal-aid highway funds due to the State an amount equal to the Federal-aid participation in the abandoned facility.
 - (4) In no case shall any relinquishment include any portion of the right-of-way within the access control lines as shown on the plans for a Federal-aid project approved by the FHWA, without the prior approval of the Federal Highway Administrator.
 - (5) There cannot be additional Federal-aid participation in future construction or reconstruction on any relinquished "off the Federal-aid system" facility unless the underlying reason for such future work is caused by future improvement of the associated Federal-aid highway.
- (g) In the event that a State desires to apply for approval by the Federal Highway Administrator for the relinquishment of a facility such as described in paragraph (d)(1) and (2) of this section, the facts pertinent to such proposal are to be presented to the division engineer of the FHWA. The division engineer shall have appropriate review made of such presentation and forward the material presented by the State together with his findings thereon through the Regional Federal Highway Administrator for consideration by the Federal Highway Administrator and determination of action to be taken.
- (h) No change may be made in control of access, without the joint determination and approval of the SHA and FHWA. This would not prevent the relinquishment of title, without prior approval of the FHWA, of a segment of the right-of-way provided there is an abandonment of a section of highway inclusive of such segment.
- (i) Relinquishments must be justified by the State's finding concurred in by the FHWA, that:
- (1) The subject land will not be needed for Federal-aid highway purposes in the foreseeable future;

- (2) That the right-of-way being retained is adequate under present day standards for the facility involved;
 - (3) That the release will not adversely affect the Federal-aid highway facility or the traffic thereon;
 - (4) That the lands to be relinquished are not suitable for retention in order to restore, preserve, or improve the scenic beauty adjacent to the highway consonant with the intent of 23 U.S.C. 319 and Pub. L. 89-285, Title III, sections 302-305 (Highway Beautification Act of 1965).
- (j) If a relinquishment is to a Federal, State, or local government agency for highway purposes, there need not be a charge to the said agency, nor in such event any credit to Federal funds. If for any reason there is a charge, the STD may retain the Federal share of the proceeds if used for projects eligible under title 23 of the United States Code.

AS: § 19.05.070. Vacating and disposing of land and rights in land.

- (a) The department may vacate land, or part of it, or rights in land acquired for highway purposes, by executing and filing a deed in the appropriate recording district. Upon filing, title to the vacated land or interest in land inures to the owners of the adjacent real property in the manner and proportion considered equitable by the commissioner and set out in the deed.
- (b) If the department determines that land or rights in land acquired by the department are no longer necessary for highway purposes the department may
 - (1) transfer the land or rights in land to the Department of Natural Resources for disposal; or
 - (2) sell, contract to sell, lease, or exchange land or rights in land according to the terms, standards, and conditions established by the commissioner.
- (c) Proceeds received from disposal of land or rights in land as authorized by this section shall be credited to the funds from which the purchase of the land was made originally.

I could not find any corresponding Alaska Administrative Code related to relinquishment or transfer of highway right-of-way to another government entity.

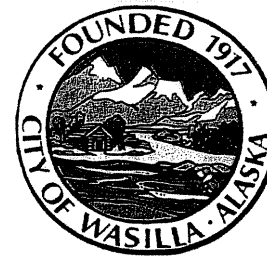
DOT ROW Manual: Chapter 9 Property Management

§ 9.9.8 Road Transfers

Road transfers occur when DOT&PF formally transfers ownership and control for a road or section of road to another governmental agency (federal, state, or local). Despite the transfer, DOT&PF remains responsible for all 23 C.F.R. requirements on roads classified as arterials, urban collectors, and rural major collectors for all time. For roads that are classified local, rural minor collector, or TRAAK (Trails and Recreational Access for Alaska) projects, DOT&PF's responsibilities end at the conclusion of the design life of the construction project as indicated in the project Memorandum of Understanding (MOU).

EXHIBIT

TT



Personnel Policy and Procedure No. 06-28

CONFLICT OF INTEREST

The City expects every employee to protect the integrity of the City and to devote best efforts to the interests of the City and the conduct of its affairs. An employee must not allow interests outside of work to interfere with the employee's responsibilities to the City, or to affect the proper discharge of duties as a City employee. An employee who violates this Policy and Procedure may be subject to disciplinary action, up to and including termination.

This Policy and Procedure addresses situations where conflicts between an employee's personal interests and obligations to the City frequently occur. It does not address all possible situations that may involve a prohibited conflict of interest. The City expects each employee to exercise good judgment in evaluating whether a situation may involve a conflict of interest, and to consult the employee's supervisor or Department Head when in doubt about the existence of a conflict of interest.

i. Outside Employment

Prohibited During Work Hours -- During an employee's work hours for the City, the employee may not engage in work for any other employer, including self-employment or volunteer service.

Outside Work Hours – *Outside an employee's work hours for the City, the employee may engage in work for another employer, including self employment and volunteer service, only if the work is not incompatible or in conflict with the proper discharge of the employee's duties as a City employee. An employee's outside work for another employer, including self employment and volunteer service, is incompatible or in conflict with the proper discharge of duties as a City employee if the employee's Department Head reasonably determines that the outside employment or service would have any of the following effects:*

1. Take time away from the employee's performance of duties as a City employee, taking into account the occasional need for overtime and on-call duties for the City, which must be scheduled to take precedence over any outside employment commitments.
2. Limit the scope of the employee's duties as a City employee, including without limitation precluding the employee from performing duties as a City employee due to conflict of interest.
3. Is otherwise incompatible or in conflict with the proper discharge of the employee's duties as a City employee. Outside employment is more likely to be found incompatible or in conflict with an employee's duties as a City employee where the outside employment involves the same or similar tasks, issues, or members of the public served, as the employee's work for the City.

No employee may engage in any outside employment, whether full-time, part-time, temporary or permanent, or self-employment, without the prior written approval of the Department Head

Approved 12/29/06

CITY OF WASILLA

following consultation with the Human Resources Division. A request for approval of outside employment must be made in writing and must include all of the following:

- The nature of the work.
- The name of the prospective employer, agency or group for which substantial volunteer work is performed which may involve the same or similar tasks, issues, or members of the public served as the employee's work for the City, or self-employment line of business.
- The anticipated work hours.
- A statement that the outside employment will not detract from, or be incompatible or in conflict with, the proper discharge of employee's duties as a City employee.

An employee may not use City facilities, equipment, labor or supplies to perform work for another employer, including self-employment or volunteer service.

Acceptance of Gratuities and Gifts

In performing duties for the City, an employee is expected to give the citizens of Wasilla efficient and courteous service without any reward beyond the compensation provided by the City. No employee may solicit, accept or receive, directly or indirectly, a gift, whether in the form of money, service, loan, travel, entertainment, hospitality, employment, or in any other form, that is a benefit to the employee's personal or financial interests, under circumstances in which it could reasonably be inferred that the gift is intended to influence the performance of duties for the City. A gift for this purpose includes any transfer or loan of property, or provision of services, to an employee for less than full value.

The following are examples of appropriate gifts:

- Gifts under \$25.00 in value given at the holidays or other special occasions when gift giving is customary as an expression of friendship.
- Meals or refreshments of reasonable value provided in connection with a proper business purpose, the expense of which if paid by the employee would be reimbursable as a business expense.
- Advertising or promotional material of small value, such as a pen or calendar.
- Discounts on goods or services that are not greater than those available to other clients or customers of the supplier.
- Gifts clearly based on family or personal relationships.

The following are examples of inappropriate gifts:

- Any gift offered under circumstances from which it reasonably could be inferred that the gift is intended to influence the performance of duties for the City.
- Cash.
- Scarce or expensive tickets to athletic, musical or cultural events.
- Recreational trips, lodging, or the use of a vacation home for free or at reduced cost.

An employee who is offered a gift that is inappropriate under this Policy and Procedure or that otherwise appears intended to influence the employee in the performance of duties for the City,

Approved 12/29/06

CITY OF WASILLA

must politely, but firmly, refuse and return it. If refusing or returning the gift might cause embarrassment or harm relations with the giver, the employee should report the gift and its estimated value to the Department Head, who will provide advice regarding appropriate action.

An employee who knows or reasonably ought to know that a family member has received a gift because of the office held by the employee shall report the receipt of the gift by the family member to the Department Head if receipt of the gift by the employee would be prohibited by this Policy and Procedure.

The restrictions relating to gifts imposed by this Policy and Procedure do not apply to a campaign contribution to a candidate for elective office if the contribution complies with laws and regulations governing elections and campaign disclosure.

An employee may give a gift to an individual or entity that transacts business with the City provided that the gift is appropriate under the criteria stated above. An employee who is concerned whether giving a gift is appropriate should request advice from the Department Head about the proper course of action.

Conflict of Interest

An employee may not participate in an official action in which the employee has a substantial financial interest. An employee has a "financial interest" in an official action if the financial situation of the employee or any of the following persons or entities will be affected by the official action:

1. A member of the employee's immediate family. "Immediate family" of a person means any of the following: a spouse, parent, uncle, aunt, sibling, spouse's parent or sibling, child (including a stepchild or adopted child), and anyone who lives in the person's household.
2. Another employer of the employee.
3. An organization, whether for profit or nonprofit, of which the employee is an owner, shareholder, partner, director, officer or member.

"Substantial financial interest" means any financial interest except:

1. A financial interest of such limited magnitude that it would not influence an average, reasonable person.
2. A financial interest on which the outcome of an official action would have only an insignificant or conjectural effect.
3. A financial interest that is common to a large class of persons that included the person whose financial interest is at issue.

An employee is responsible for remaining free from indebtedness or other obligations that might reasonably be interpreted as affecting the ability of the employee to perform duties for the City impartially.

An employee who becomes aware of a potential substantial financial interest in an official action in which the employee may participate shall immediately disclose the financial interest in writing

Approved 12/29/06

CITY OF WASILLA

to the Department Head, and follow the advice of the Department Head regarding participation in the official action.

It is impossible to identify in the abstract all of the circumstances and relationships that might create a conflict of interest. The list below provides some examples of activities that frequently constitute conflicts of interest:

- Holding a substantial interest in, or participating in the management of, an entity with which the City transacts business.
- Borrowing money from individuals or entities that transact business with the City (other than recognized "arms-length" lending institutions).
- Speculating or dealing in real property, materials, equipment, supplies or services that the City has a known interest in acquiring.
- Using confidential City information to serve private interests.
- Accepting payment or value in exchange for appointment or promotion to a City position.
- Accepting payment or value under circumstances in which it could reasonably be inferred that the payment or value is intended to influence the performance of duties for the City.
- Participating in or influencing an official City action in which the employee has a substantial financial interest.

Doing Business with the City

An employee may not do business with the City without the advance written approval of the Mayor. The Mayor will not approve an employee doing any business with the City that would constitute a conflict of interest.

In addition to first obtaining the advance written approval of the Mayor, an employee who has a direct or indirect financial interest in any bid or proposal for a City contract shall disclose that interest by filing a written notice of the interest with the purchasing officer not less than ten (10) days before submission of the bid or proposal. No employee who has a direct or indirect financial interest in any bid or proposal for a City contract may participate in the City's decision to award the contract. An employee may not solicit or receive any form of compensation from any party other than the City in connection with the awarding of a City contract.

An employee who has a direct or indirect financial interest in the sale of any land, materials, supplies or services to the City, or to a contractor supplying the City, shall disclose that interest in writing to the Mayor before the time that the City enters into a contract for the sale.

Approved 12/29/06