

UNIVERSITY OF ALASKA DEVELOPMENT PLAN

The University of Alaska is a land grant university that received land from the federal government under Acts of Congress in 1915 and 1929. The purpose of these grants was to provide land and resources for educational and research activities and to generate income to help support the University.

The primary role of UA Land Management is to convert the University's grant land assets to investible income to support the University's educational mission and to prudently manage land dedicated for educational purposes consistent with campus goals and objectives. In addition, UA Land Management is responsible for managing, developing and disposing of non-trust land assets. These lands include purchased and donated properties. University real estate and resource development projects create jobs, increase the tax base of local communities, make land available for private ownership and generate millions of dollars each year for the benefit of the University.

The net revenues from the sale, lease, development, and other income generated from trust lands are deposited into the University's Land-Grant Endowment Trust Fund ("LGTF"). This fund, the University's permanent endowment, is managed by the University of Alaska Foundation Trustees. The fund is managed under "total return" endowment practices. After inflation proofing, distributions from the LGTF are used to fund University programs (primarily the UA Scholars Program). The UA Scholars Program awards an \$11,000 scholarship to the top 10 percent of the graduates from every Alaska high school each year. This program is the cornerstone of the University's effort to educate and retain, in the state, Alaska's brightest graduating high school seniors. The program has been very successful and currently has over 1,800 participants, many of whom would have gone out of state or been unable to afford higher education.

The University's development projects are subject to all local, state and federal government regulations including the Alaska Forest Practices Act, ADEC water & wastewater regulations, wetlands regulations, Coastal Management Plans, and local zoning, platting ordinances and public hearing requirements. In addition, UA Land Management commonly holds local public workshops to address development issues such as local impacts, densities, lot sizes, road maintenance, covenants, building setbacks, trail systems and architectural standards.

To ensure public involvement in the University's Development Plans, UA Land Management is seeking public comment regarding the attached proposed development project. It is the sole responsibility of any interested party to ensure that they have received any amendments to this Development Plan. Copies of the Development Plan and any amendments thereto, are available on the UA Land Management website at <http://www.ualand.com>.

GOOSE BAY PARCEL

GOOSE BAY, ALASKA
T16N, R3W, SEC. 32, SEWARD MERIDIAN
T15N, R3W, SECS. 5, 6 & 7, SEWARD MERIDIAN
PALMER RECORDING DISTRICT

The University of Alaska intends to develop land in the Goose Bay/Point MacKenzie area, approximately 20 miles southwest of Wasilla, Alaska for oil and gas exploration and production purposes. The Goose Bay Parcel is well suited for oil and gas exploration and production, given its close proximity to other oil and gas leases and related exploration activities. Development of this approximately 1,464-acre parcel **excludes the exploration or extraction of coalbed methane or other gaseous substances produced or producible by in situ extraction methods from coal seams.**

Upon approval of this plan to develop the Goose Bay Parcel for oil and gas exploration and production purposes, the University will consider fair market value offers from qualified producers to lease the Goose Bay Parcel in accordance with the terms and conditions of the Goose Bay Parcel Disposal Plan. A copy of the Disposal Plan is available upon written request or on the UA Land Management website at <http://www.ualand.com>.

Parties interested in commenting on this Goose Bay Parcel Development Plan must submit written comments to the University of Alaska at the following address, by no later than **5:00 PM on Wednesday, October 12, 2011** to be considered:

University of Alaska
Land Management
1815 Bragaw Street, Suite 101
Anchorage, Alaska 99508-3438

LEGAL DESCRIPTION AND PARCEL NUMBER

<u>PARCEL#</u>	<u>AREA</u>	<u>LEGAL</u>	<u>ACRES</u>
MS.GB.XXXX	Mat/Su	<u>T15N, R3W, SEC. 5:</u> NW4, E2NE4	1,464.188
		<u>T15N, R3W, SEC. 6:</u> NE4, E2SE4, E2SW4, and Lots 3 & 4	
		<u>T15N, R3W, SEC. 7:</u> Lots 1, 2, 3 & 4; NE4, E2W2, and S2SE4	
		<u>T16N, R3W, SEC. 32:</u> S2	

GOOSE BAY PARCEL DISPOSAL PLAN

GOOSE BAY, ALASKA
T16N, R3W, SEC. 32, SEWARD MERIDIAN
T15N, R3W, SECS. 5, 6 & 7, SEWARD MERIDIAN
PALMER RECORDING DISTRICT

The University of Alaska is offering a parcel of land for lease in the Goose Bay/Point MacKenzie area, approximately 20 miles southwest of Wasilla, Alaska for oil and gas exploration and production purposes. This parcel is located on both sides of Point MacKenzie Road approximately one mile west of the South Knik-Goose Bay Road and Point MacKenzie Road intersection. Offers will only be accepted for the entire Goose Bay Parcel.

THIS OFFERING SPECIFICALLY EXCLUDES USE OF THE PARCEL FOR EXPLORATION OR EXTRACTION OF COALBED METHANE OR OTHER GASEOUS SUBSTANCES PRODUCED OR PRODUCIBLE BY IN SITU EXTRACTION METHODS FROM COAL SEAMS.

THE MINIMUM CASH BONUS, ANNUAL RENT AND ROYALTY REQUIREMENTS ARE PROVIDED BELOW.

The University does not have any drill log information to determine the suitability of this parcel for oil & gas production purposes or any other information regarding the quality or quantities of oil and gas that may be available on the parcel. This offering does not include any oil and gas exploration and production rights to and under the Point MacKenzie Road Right-of-Way.

The following are the minimum Cash Bonus, Annual Rents and Royalty that the University will consider accepting in this offering:

MINIMUM CASH BONUS

\$10.00/acre, for a total of \$14,641.88

MINIMUM ANNUAL RENTS

Year One (1): \$2.00/acre or fraction of an acre
Year Two (2): \$3.00/acre or fraction of an acre
Year Three (3): \$4.00/acre or fraction of an acre
Year Four (4): \$5.00/acre or fraction of an acre
Year Five (5): \$6.00/acre or fraction of an acre

MINIMUM ROYALTY

Twelve and one-half percent (12½)

GOOSE BAY PARCEL

Interested parties should thoroughly inspect the parcel prior to submitting an offer to ensure that the parcel is suitable for the party's intended use and to determine all permitting requirements related to that intended use. Parcel inspections that require use of any equipment, including excavation or drilling equipment, may only be conducted after receipt of a permit from the University, and after verification by the interested party that they have secured legal access to the parcel from adjacent landowners, if necessary. Additional information regarding these parcels may be available from local, state and federal offices, including but not limited to: the city or borough assessor's office, building permitting office and land planning office; local utility companies; district recorder's office; the State of Alaska Department of Natural Resources, Department of Environmental Conservation, Department of Fish and Game and Department of Transportation and Public Facilities; and the U.S. Department of the Interior Bureau of Land Management, Geological Survey and Environmental Protection Agency, and the U.S. Army Corps of Engineers.

The standard documents that will be used in this lease offering are available for review at www.ualand.com.

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