

General Conditions

Title and Restrictions/Reservations

The CBJ acquired its land at Lena Point from the State of Alaska and the Alaska Mental Health Trust Authority. In conveying their property to the CBJ, each conveyed the surface estate only, retaining their rights to the subsurface estate, which includes rights to explore and extract oil, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, as provided by state law.

In this land sale the CBJ will be conveying its interest in the surface estate. The State of Alaska and the Alaska Mental Health Trust Authority remain owners of the subsurface estate.

Some portions of the South Lena Subdivision were originally acquired by the CBJ by patent. Lots within the South Lena Subdivision that were acquired by the municipality through patent will be conveyed to successful bidders in this land sale by warranty deed.

The central portion of the CBJ's subdivision was acquired by the CBJ by quitclaim deed. Those lots that lie within the area deeded to the CBJ by quitclaim deed will be conveyed to successful bidders in the land sale by quitclaim deed.

The preliminary title report indicates some lots may be subject to water rights that benefit nearby property owners. Questions about water rights can be answered by Alaska Department of Natural Resources (DNR) staff at (907) 586-3400.

All lots offered in this land sale are restricted from further subdivision by plat note # 4 on the recorded subdivision plat, Plat No. 2006-57.

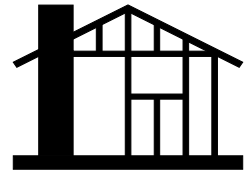
The CBJ will convey its property subject to all existing reservations of record.

Purchasers of CBJ land are responsible for obtaining title insurance.

Potential bidders are encouraged to examine the preliminary title report available online. Click on "Lena Land Sale" at "News Items," www.juneau.org. Purchasers are encouraged to seek any advice on title quality from a title professional or attorney.

Improvements

Purchasers are responsible for properly locating improvements on their property and obtaining all necessary permits. Improvements must comply with all building setback requirements and all other applicable federal, state, and local regulations and permit requirements. Contact the CBJ's Community Development Department at (907) 586-0715 for information about setbacks and zoning regulations that apply to individual parcels.



Portions of the subdivision encompass areas with steep slopes and bluffs, particularly in the northwestern part of the subdivision. Some parts of individual lots may not be suitable for development. For example, it may not be practical to construct a driveway up steep slopes, should a purchaser want to build a house atop the bluffs.

Potential bidders should physically inspect the property, prior to placing their bids, to ensure the property satisfactorily meets their needs and development goals.

Wetlands

Many lots within this subdivision include areas identified as wetlands under the jurisdiction of the U.S. Army Corps of Engineers (Corps). Dredging or filling of these wetlands requires a Corps permit.

The CBJ received a Corps fill permit, POA-1996-19-M, for the South Lena Subdivision lots. The permit allows fill to be placed in certain wetland areas in order to accommodate development. In accordance with the permit, the quantity of fill that can be placed on wetlands varies from lot to lot. The quantity of fill permitted for each lot is specified in the "Parcel Descriptions and Maps" section of this brochure, beginning on page 10. The Corps permit also specifies where fill may be placed on each lot. The permit is available online at www.juneau.org, under "News Items," "Lena Land Sale." Purchasers will be given a copy of the permit at closing and asked to sign an acknowledgement and release related to the development of wetlands.



The CBJ's Corps permit is valid until October 31, 2009, and may be extended.

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Purchasers have the choice of filling their lots in accordance with the conditions of Corps permit POA-1996-19-M, or independently seeking their own permit from the Corps. Purchasers who elect to develop their lots, based on the stipulations of POA-1996-19-M, must strictly adhere to the permit conditions. Violation of the permit conditions will be deemed to be wetland fill activity performed without a Corps permit, and may be prosecuted and/or subject to federal enforcement actions.

Property owners whose development plans call for placing more wetland fill than permitted for their lot, or placing fill in an alternate location or configuration than provided for in Corps permit POA-1996-19-M, must apply to the Corps and receive a separate permit prior to commencing any fill activities.

Like the Corps, the CBJ Planning Commission is also interested in protecting wetlands in the Lena area and has limited the maximum amount of fill that can be placed in wetlands on any one lot. That limit, established on the subdivision plat, restricts the fill area for drainfields and housepads (this limit does not apply to driveways) to 12,000 square feet on any lot with wetlands. Development that will exceed the 12,000 square foot wetland fill limit is required to receive CBJ Planning Commission approval prior to commencing any fill activity. This approval is in addition to any permit requirements of the Corps.

Eagle Nests

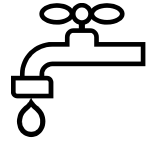
There are currently two known eagle nest trees situated within the South Lena Subdivision, one on Lot 1, Block B, and the other on Lot 4, Block B. Development restrictions vary and are applied based on distance from nest, type of construction activity, season, and whether the nest is active or inactive. Prospective buyers are encouraged to discuss any questions they might have regarding eagle nests and building restrictions with staff at the CBJ's Community Development Department, (907) 586-0715.

Water, Electric, Cable, and Telephone

As part of this subdivision, the CBJ will install water, electric, cable, and telephone utilities to each lot. This work is ongoing and will likely take several months to one year to complete. As of the time of printing this

brochure, all lots along Ocean View Drive have water. Electric, cable and telephone utilities should be in place to these lots by mid-summer, 2007.

Lots along Point Lena Loop Road need water services in addition to electric, cable, and telephone. The CBJ will install water service to these lots sometime between now and the end of summer, 2007. Electric, cable and telephone utilities to lots along Point Lena Loop Road should be in place by mid-summer, 2007.



Electric, cable, and telephone utilities will be underground along Ocean View Drive, but will be overhead lines along the Point Lena Loop Road, consistent with the existing utilities along that road.

Sewer

Sewer lines from the municipal treatment plants do not reach Lena Point, and there are no current plans to extend sewer lines to Lena Point in the future. Therefore, purchasers of lots in this subdivision will need to install individual onsite wastewater treatment and disposal systems (OWTDSs).

All purchasers of lots within the CBJ's subdivision will be required to comply with municipal ordinances and regulations pertaining to the installation and maintenance of OWTDSs. Among other things, the CBJ ordinances and regulations require all owners of property within the subdivision to enter into a Customer Service Agreement with the CBJ Public Works Department, and pay a monthly service fee.

The initial fee, \$54.91 per month, will be subject to biennial review and rate adjustment in coming years, in the same manner as other CBJ utilities. The fee provides for the CBJ's oversight of the OWTDS and is in addition to all other costs to maintain the OWTDS, costs that are the responsibility of the homeowner.

In addition to adhering to the CBJ's pertinent laws and regulations, property owners must also comply with the State of Alaska's statutes and regulations relevant to OWTDSs. Contact the Alaska Department of Environmental Conservation (ADEC) at (907) 465-5167 for

Purchasers will need to install individual onsite wastewater treatment and disposal systems (OWTDSs) and enter into a Customer Service Agreement with the CBJ.

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information on the State of Alaska's requirements for OWTDSs or visit its website at:

http://www.dec.state.ak.us/water/wwdp/onsite/ww_planreview-cklist.htm

ADEC and the CBJ endeavor to make the OWTDS plan review process both thorough and efficient. Toward that end both organizations are committed to working together to ensure a smooth review process. See Appendices A and B for the complete CBJ regulations pertaining to OWTDSs. Refer to Appendix C for a description of the permit process for installing an OWTDS. See Appendix D for a sample CBJ Customer Service Agreement.

Due to a high water table in this area, property owners may need to use options that will enhance performance of their OWTDSs such as importing soils to create a mound drainfield. It may also be necessary to protect the drainfield from surface water runoff by constructing ditches to divert runoff around the drainfield. Topographic constraints on some lots might curtail the number of options for siting an OWTDS on those lots. Property owners must work with their selected engineer to evaluate options most suitable for their specific lots.