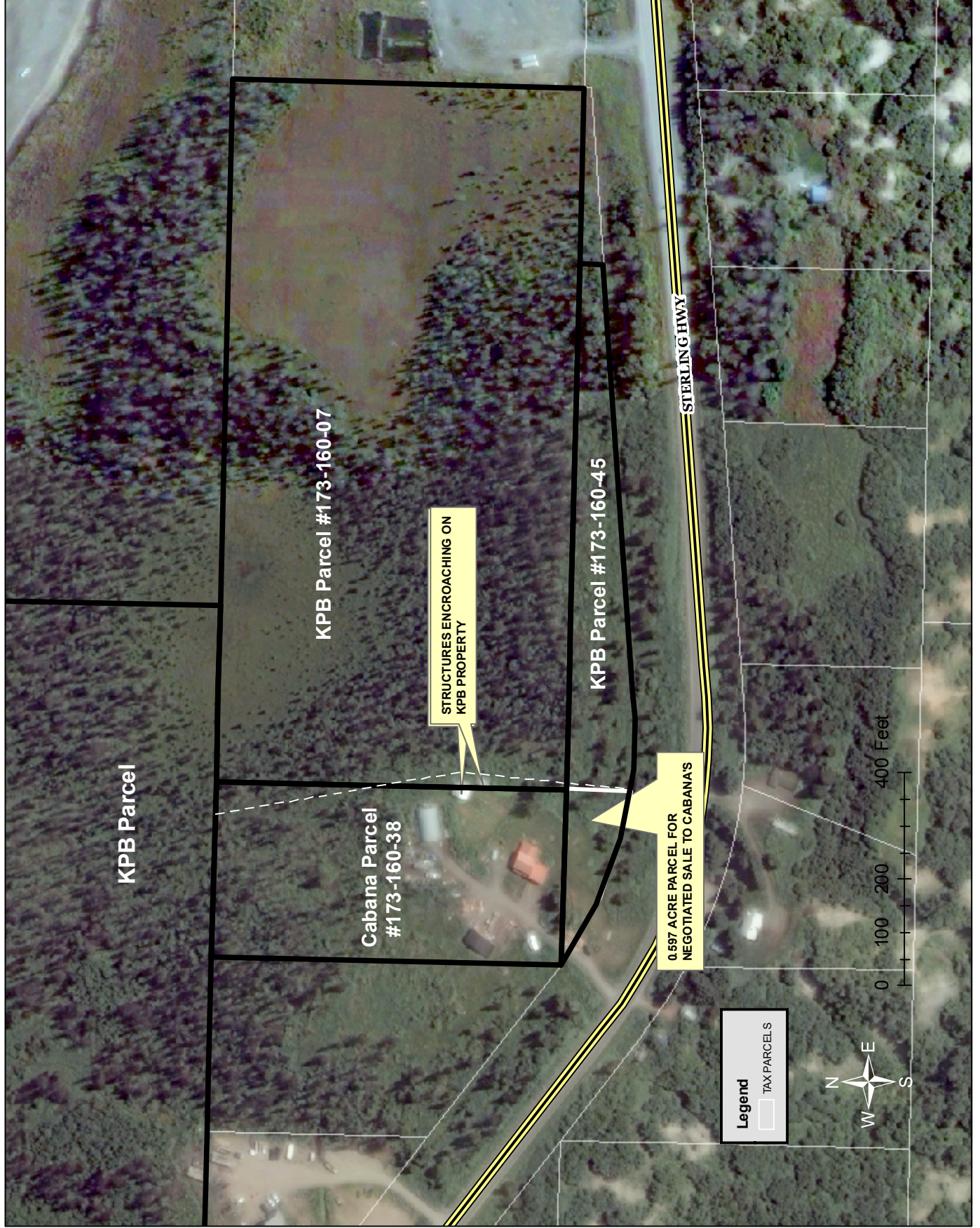
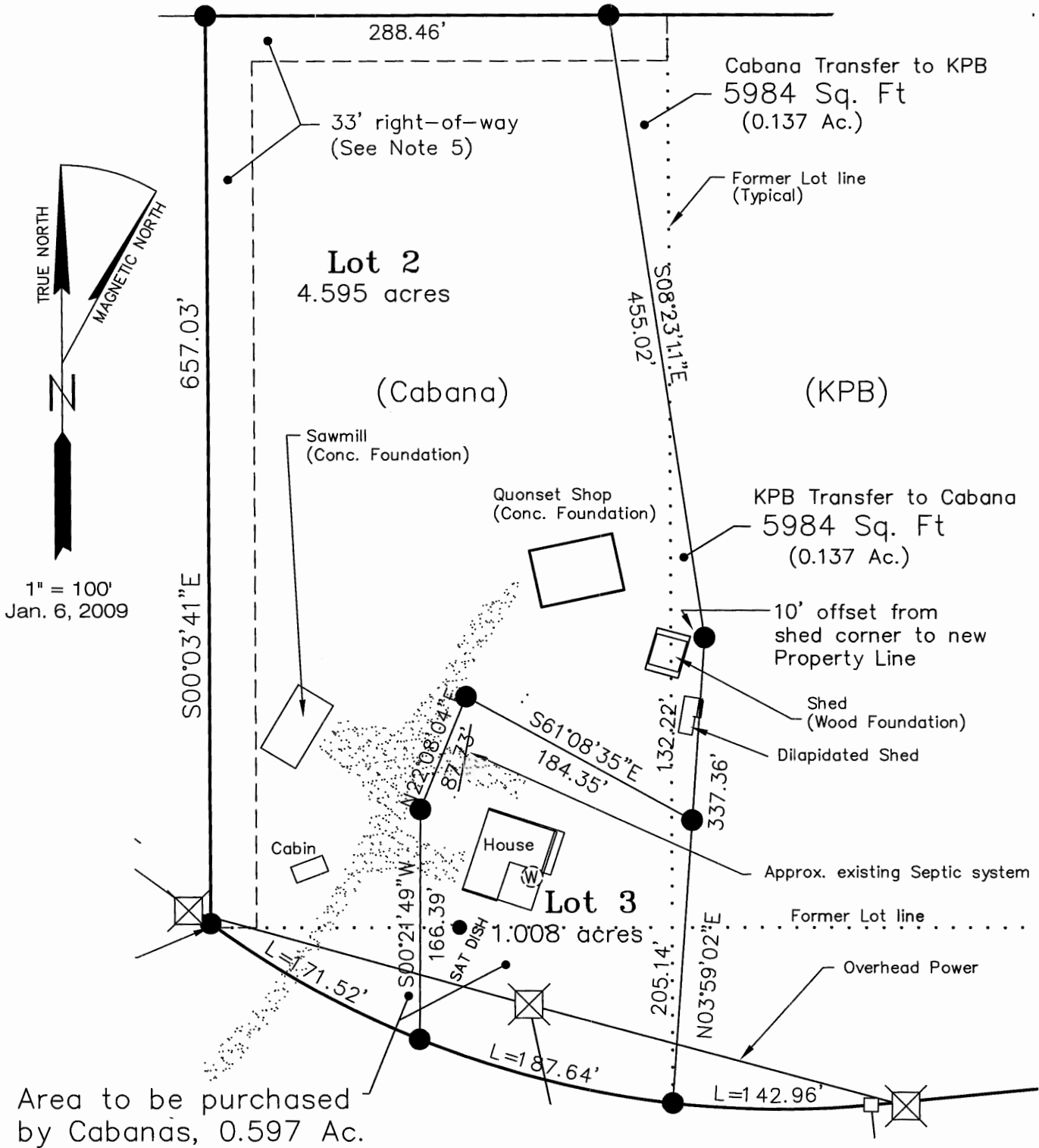


LAND EXCHANGE AND PARCEL FOR NEGOTIATED SELL TO LEROY AND DORIS CABANA



LAND EXCHANGE EXHIBIT A



PREPARED IN CONJUNCTION WITH PROPOSED KPB-CABANA REPLAT

MULLIKIN SURVEYS
 P.O. BOX 790
 HOMER, ALASKA 99603
 (907) 235-8975

NOTE: This equal area exchange assumes the Cabanas purchase the small parcel of land between their current aliquot part lot and the Sterling Highway. It also includes the area along the North boundary that is subject to a right of way per the patent.

SUMMARY APPRAISAL REPORT

Two Irregular Shaped Parcels Fronting
the Sterling Highway on Baycrest Hill
Homer, AK



Prepared for

KENAI PENINSULA BOROUGH
LAND MANAGEMENT DIVISION
144 N. BINKLEY ST.
SOLDOTNA, AK 99669

November 2, 2007



DERRY & ASSOCIATES, Inc.

Real Estate Appraisers & Counselors

(907) 260-8434 • derry@alaska.com

Box 2882 • Kenai, AK 99611

Conclusion of Value

Prior to adjustment the comparables develop a diverse range from \$8,500 – 32,840/acre. The shape and topography of Comparable 4 results in the low unadjusted sale price per acre and the filled condition of Comparable 2 the high price/acre. Applying the market conditions adjustment develops an even wider range as a result of the significant adjustments required to Comparables 1-5. That market conditions adjustment is considered reliable based on the extensive market conditions study performed as part of this assignment. Comparable 2 requires a large downward adjustment for its filled and leveled condition at the time of sale.

After adjustment the indicated value narrows significantly to \$18,400 – 25,800/acre (rounded). Comparables 1 and 2 that are located west and east of the subject respectively develop value indications at \$18,400 – 22,000/acre (rounded). Comparable 2 which is the oldest sale however indicates at the low value range. Considering the value indications developed by each of the comparables, placing emphasis at about mid-range, **the estimated Market Value is concluded at \$22,000/acre.**

The value for each of the parcels then calculates at:

Parcel 1 (University of Alaska Lands) 2.65 acres x \$22,000/acre = \$58,300;

Rounded to: \$58,500

Parcel 2 0.10 acres x \$22,000/acre = **\$2,200**

Parcel 1 (west portion; resale to Cabana) .562 acres @ \$22,000/acre = \$12,364;

Rounded to: \$12,500