

Meeting Agenda



Trust
Land Office

Meeting: Resource Management Committee
Date: April 24-25, 2024
Time: 11:10 am
Location: Trust Authority Building, 3745 Community Park Loop, Anchorage
Teleconference: (844) 740-1264 / Meeting Number: 2630 429 8233 # / Attendee Number: #
<https://alaskamentalthrust.org/>
Trustees: John Sturgeon (Chair), Rhonda Boyles, Kevin Fimon, Brent Fisher, Anita Halterman, Agnes Moran, John Morris

Wednesday, April 24, 2024

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11:10	Call to Order (John Sturgeon, Chair) Roll Call / Announcements / Approval of Agenda / Ethics Disclosure Approval of Minutes • January 4, 2024	5
11:15	Commercial Real Estate Asset Reclassification Approval	12
11:30	Consultations • Commercial Real Estate Asset Dispositions (Item A) Executive Session – (if necessary) <i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i> <ul style="list-style-type: none">• MHT 9500002 – Commercial Drive• MHT 9500004 – Israel Road• MHT 9500005 – Promontory Point• MHT 9500006 – North Park• MHT 9500007 – Amber Oaks	15 19 23 27 31
12:00	Lunch	
12:30	Consultations (continued) • Carbon Program (Item G) Executive Session – (if necessary) <i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i>	35
1:15	Recess	



Thursday, April 25, 2024

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8:30	Call to Order (John Sturgeon, Chair) Roll Call / Announcements	
8:35	Executive Director Report	hand-out
8:45	Icy Cape Update Executive Session – (if necessary) <i>In accordance with the Open Meetings Act, AS 44.62.310(c).</i>	43
9:15	Department of Natural Resources Commissioner’s Office Report	
9:30	Subdivision Development Program Update	45
10:00	Break	
10:15	Consultations (continued)	
	<ul style="list-style-type: none"> • Disposal of Trust Parcels SM-2000/2001/2002/2003 – MHT 9200787 (Item B) • Disposal of Trust Parcel SM-0005 – MHT 9200885 (Item C) • Disposal of Trust Parcel F1002 – MHT 9400896 (Item D) • Land Sale Program Parcels (Item E) • Mineral Lease Amendment – MHT 9400248 (Item F) 	 48 52 57 61 80
11:30	Adjourn	

Future Meeting Dates

Full Board of Trustees / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – March 2024)

- | | | |
|--------------------------------|---------------------------|------------------------|
| • Full Board of Trustees | May 22-23, 2024 | (Wed, Thu) – Ketchikan |
| | | |
| • Audit & Risk Committee | July 30, 2024 | (Tue) |
| • Finance Committee | July 30, 2024 | (Tue) |
| • Resource Mgt Committee | July 30, 2024 | (Tue) |
| • Program & Planning Committee | Jul 31 – Aug 1, 2024 | (Wed, Thu) |
| • Full Board of Trustees | August 28-29, 2024 | (Wed, Thu) – Anchorage |
| | | |
| • Audit & Risk Committee | October 16, 2024 | (Wed) |
| • Finance Committee | October 16, 2024 | (Wed) |
| • Resource Mgt Committee | October 16, 2024 | (Wed) |
| • Program & Planning Committee | October 17, 2024 | (Thu) |
| • Full Board of Trustees | November 13-14, 2024 | (Wed, Thu) – Anchorage |
| | | |
| • Audit & Risk Committee | January 8, 2025 | (Wed) |
| • Finance Committee | January 8, 2025 | (Wed) |
| • Resource Mgt Committee | January 8, 2025 | (Wed) |
| • Program & Planning Committee | January 9, 2025 | (Thu) |
| • Full Board of Trustees | February 5-6, 2025 | (Wed, Thu) – Juneau |
| | | |
| • Audit & Risk Committee | April 23, 2025 | (Wed) |
| • Finance Committee | April 23, 2025 | (Wed) |
| • Resource Mgt Committee | April 23, 2025 | (Wed) |
| • Program & Planning Committee | April 24, 2025 | (Thu) |
| • Full Board of Trustees | May 21-22, 2025 | (Wed, Thu) – TBD |

Future Meeting Dates Statutory Advisory Boards (Updated – March 2024)

Alaska Commission on Aging

ACOA: <http://dhss.alaska.gov/acoa/Pages/default.aspx>

Executive Director: Jon Haghayeghi, (907) 465-4879, jon.haghayeghi@alaska.gov

- Quarterly Meeting: TBD

Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse

AMHB: <http://dhss.alaska.gov/amhb/Pages/default.aspx>

ABADA: <http://dhss.alaska.gov/abada/Pages/default.aspx>

Acting Executive Director: Stephanie Hopkins, (907) 465-4667, stephanie.hopkins@alaska.gov

- Quarterly Meeting: April 16-18, 2024 / Wasilla
- Standing Advocacy Committee: Mondays from 12:00pm – 1:00pm
- Executive Committee: Second Monday at 9:00am

Governor’s Council on Disabilities and Special Education

GCDSE: <http://dhss.alaska.gov/gcdse/Pages/default.aspx>

Executive Director: Patrick Reinhart, (907)269-8990, patrick.reinhart@alaska.gov

- Triannual Meeting (summer): May 30-31, 2024 / Anchorage
- Triannual Meeting (fall): September 19-20, 2024 / Anchorage

**ALASKA MENTAL HEALTH TRUST AUTHORITY
RESOURCE MANAGEMENT COMMITTEE MEETING**

**January 4, 2024
9:45 a.m.**

**Originating at:
Alaska Mental Health Trust Authority
3745 Community Park Loop, Suite 200
Anchorage, Alaska 99508**

Trustees Present:

John Sturgeon, Chair
Anita Halterman (telephonic)
Brent Fisher
Rhonda Boyles
John Morris (telephonic)
Agnes Moran
Kevin Fimon

Trust Staff Present:

Steve Williams
Julee Farley
Miri Smith-Coolidge
Michael Baldwin
Debbie DeLong
Valette Keller
Luke Lind
Janie Ferguson
Mariana Sanchez

Trust Land Office staff present:

Jusdi Warner
Sarah Morrison
Marisol Miller
Pam Cawley
David MacDonald
Cole Henrickson
Katie Vachris
Chandler Long

Also participating:

John Springsteen; Charlene Tautfest; Patrick Reinhart; Steph Kings; Stephanie Hopkins;
Stephanie Wheeler; Laura Russell; Lisa Brown; Justin Borgen; Diane Fielden.

PROCEEDINGS

CALL TO ORDER

CHAIR STURGEON called the meeting to order and began with a roll call. Trustee Morris had not made an appearance yet. He asked for any announcements. Hearing none, he moved to the agenda.

APPROVAL OF AGENDA

MOTION: A motion to approve the agenda was made by TRUSTEE MORAN; seconded by TRUSTEE FIMON.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)

CHAIR STURGEON asked for any ethics disclosures. Hearing none, he moved to the minutes from October 20, 2023.

APPROVAL OF MINUTES

MOTION: A motion to approve the Resource Management Committee meeting minutes from October 20, 2023, was made by TRUSTEE FIMON; seconded by TRUSTEE HALTERMAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Chair Sturgeon, yes.)

TRUST LAND OFFICE EXECUTIVE DIRECTOR REPORT

CHAIR STURGEON recognized Jusdi Warner, executive director of the Trust Land Office.

MS. WARNER stated that Ms. Morrison and Ms. Farley would cover the TLO performance.

MS. MORRISON described the cyclical nature of how the Trust Land Office works; big payments come in at different parts of the year and are tracked on a monthly basis.

MS. WARNER highlighted timber and stated that it was under because there are a lot of logs sitting in the sort yard at Shelter Cove and on Naukati. It is the lowest grade timber, and not a lot; but it is still money sitting in the yard. She added that the contractors think that, right now, they could break even, which is a big risk when exporting. She stated that the other issue was anticipating budget and expenditures and returns for this whole supply-chain issue. If equipment breaks on one of the operations, it is tough to get anything here in time. She stated that she was taking a new approach to the executive director report and wanted to cover each thing that the committee or board had touched on or taken action on. She began with the Central Facility Fund, CFF; the goal of that fund is \$2 million. The current balance was at \$1.6 million. She and Ms. Farley meet every quarter and have done two transfers to date. The second transfer was around \$342,000. In May 2023, the Board approved \$820,000 from the CFF for North Park, and

just over \$10,000 for the Trust Authority building. \$273,000 was expended for North Park in that executed lease. The outstanding amount will happen towards the end of the year. The amount for the Trust Authority building will also be expended toward the end of the year. She continued through the TLO agency budget and stated the intent on spending the entire agency budget. She also commented on the TLO being fully staffed, which has not been the case in quite a number of years. She added that travel will pick up come spring, along with services and supplies. She moved to the consultations which were at the board level and went through the status. She stated that everything was on track and either received concurrence from the board or approval as far as consultations, disposals, land sales, leases, and easements. She then reported on the status of the wind project and the solar project. The lease drafts were at the Department of Law, and we just received those back. We will do the final review, and then move to get them executed. She continued to cost recovery and talked about the two projects that trustees approved in August '23. The soil sampling contract was awarded to Piton Exploration, and it is scheduled to record come the spring. The work will start up in the northern region, and is noninvasive work. She added that the subdivision development program is moving along, and we are setting up contracts, and working on the conceptual designs. She continued to Icy Cape and the Big Game Guide Permit Program. She explained that Icy Bay is unique in the fact of that land being closed to public use. The guide out there has exclusive guiding rights. This generates significant revenue for only a permit, which is typically very remote. She continued through the data of how the land sale went. There were 36 parcels, and about half of them received bids. There was some additional competitiveness because 43 bids were received. It ended up with \$2.1 million, which was right in line with the goal. She talked about the issue with the South Mitkof subdivision which was pulled because it required the mayor's signature in Petersburg. They do not want to sign that plat, and we are trying to work through those issues. She continued through with her conglomerate slide and explained it for the Board. She stated that she provided public testimony at the Alaska Historical Commission meeting regarding the Hollis Wolf Creek Boatworks that was nominated to be put on the National Historic Register. She asked that the commission pause until the issues with Wolf Creek Boatworks have been worked out. She continued that the USDA was going to cease the harvest of old-growth timber in 128 national forests. We are participating with the Department of Natural Resources to provide comments on the EIS draft, and will keep the Board apprised. She added that it is a big deal because if the timber market goes away, that will be noticed in the budget. That is a big deal with a strong resource in the asset class. The Palmer project is waiting on a scope of work for the mineral appraisal which has not yet been received. She introduced Mariana Sanchez, who started two months ago, and came from Washington State. She has a background in energy, and is in the land and resource specialist position. She has been a real asset. She continued reporting on the Trust Authority building. The Trust Land Office went out to contract with JNB Consulting Group and asked them to do an analysis of the building. They were asked to analyze the architectural, mechanical, HVAC, and electrical, and to provide contingency costs for any work that needs to be done: permits, inspection, and then conformity with Title 21 in Anchorage. She explained that the report came back and the precipice to doing this is the HVAC system. The TLO works through a property management team to work on an outdated HVAC system. The result is that the parts for system repairs are not being made at the company anymore. To bring this building up to code, to replace the HVAC system and a few other things, is \$6 million. She stated that she wanted to bring that to the Board's attention, but without a recommendation today. She continued that they will look for different options for trustees, even to the point of buying or building a new building, or moving to a new location.

CEO WILLIAMS added that currently the building holds the Trust Authority Office, plus the Anchorage School District, as well as the Long-Term Care Ombudsman's Office. He stated that they would be working closely with the TLO to do an assessment, think about some opportunities and recommendation to be brought back to the trustees.

A brief discussion ensued.

ICY CAPE UPDATE

MS. WARNER stated that, overall, they are at 100 percent of everything they were doing, and everything is right on track. Currently, we are identifying the procurement needs for the 2024 calendar year. That includes identifying independent resource geologists for that grinder resource. She continued that the field work went great, and will start back up in July in the next fiscal year. That field season will only be a couple weeks, and we are at the place of doing a lot of analysis. The plan is getting the bulk of the assay results in May of 2024, and, so far, Karsten is very pleased with what he is seeing. She added that workwise they were able to accomplish three full field seasons into two because of Karsten's ingenuity. He has really just changed things. There was not a template for this, and he made things very efficient. Once we have the chance to analyze those very encouraging assay results, we will come back in Executive Session and walk trustees through those, like we did the last time. All in all, we are on track and are working towards a big report that will help us sell this project.

CHAIR STURGEON thanked Ms. Warner and asked for any other questions or comments. Hearing none, he called a break.

(Break.)

CHAIR STURGEON called the Resource Management Committee meeting back to order. He recognized Ms. Warner to give a real estate report.

MS. WARNER stated that David MacDonald would go over the performance and the market for the portfolio.

MR. MacDONALD began with the bottom line for the portfolio: With the Circle K lease at the North Park project, we are 95 percent occupied, which was fantastic. We are thrilled with the assets and the performance as far as the occupancy. He went through the performance of the assets in terms of cash flow, which was year-to-date through November 30th. November brought in a very good cash flow, and a larger amount was distributed in December.

A discussion about the net cash flow and distributions ensued.

MR. MacDONALD stated that it is policy to try and handle things at the property level to avoid the CFF. In commercial real estate, the normal way we try and operate is to self-contain on each asset. The CFF applies when there is an extraordinarily large item that could not be funded. He explained that last year North Park had been operating at 52 percent occupancy, and is now at 81 percent occupancy. In order to take those new tenants, we have to outlay for tenant improvements, which were approved at the board level. When it goes beyond what the property can support, the money will be released to the Trust Authority through the distributions. He continued that it goes into the CFF, and then we have to draw back from the CFF with Board

approval.

TRUSTEE MORRIS stated that his disconnect was on what is net cash flow; if it is being spent on expenses related to the operations, or increasing the business of the commercial properties.

MS. WARNER replied that the excess cash flow was not necessarily being spent and was being held in the checking account at the LLC level. If that does not get used, based on the projections, that then becomes a distribution. It is cash flow, but is being held in a different account.

TRUSTEE FIMON stated that because it had not yet been paid is why it is still net cash, and that is why it is different than the distributions.

The discussion continued.

MS. WARNER added that trustees do approve this. It is approved once a year in the commercial real estate budget. She continued that if there was an expense that was going to go beyond that approval, then they would come back to the board.

TRUSTEE BOYLES asked if each of the commercial real estate is a separate LLC, or are they combined in one LLC. She asked about the managing partner.

MR. MacDONALD replied that six of the seven assets in the portfolio are in separate, discrete LLCs. He stated that it is common protocol in real estate, and they are called single-purpose entities. If a liability did happen and someone sued for twice the property value, it would not spread to other assets, and could be contained at the LLC level. He added that the assets that are not an LLC are owned by the State: The Trust Authority building, and the Cordova building.

TRUSTEE BOYLES asked if, as an LLC, it is taxable with federal income tax.

MR. MacDONALD replied that we pay property taxes at the LLC level; not income taxes. The TLO is the managing partner of all LLCs.

TRUSTEE BOYLES asked the chair to make an editorial comment.

CHAIR STURGEON replied absolutely.

TRUSTEE BOYLES stated that she wished she had known this before -- and this was personally to David MacDonald. She stated that she was pretty hard on him when they had voted on the Harvest contract. She wanted to make it a matter of public record. Harvest was hired, and we spent over \$2 million because the State legislative audit suggested that we do it. It was not an order; but it was a suggestion. She was very sad to have voted positively on that because she thought that he had done a lot of their work. She personally apologized for questioning his resume when we had to vote on what she thought was the greatest thing since pantyhose in Harvest. They were very good at what they did, and she just did not know that they were never really needed. She thanked him for being patient and working through that.

MR. MacDONALD thanked Trustee Boyles, and stated that it was very appreciated.

CHAIR STURGEON dittoed that, and stated appreciation for his professionalism. He added that the Trust and TLO are very fortunate to have someone of his caliber guiding us through all of the real estate business. He thanked him for his professionalism, expertise, and guiding them in the right direction.

MR. MacDONALD brought up his partner, Marisol Miller, and stated that she is tremendous and is involved at every step. He explained that they operate by the policy of “one plus one equals three.” Sometimes she sees things that he does not; and sometimes he sees things that she does not. We complement each other, and together we make it better. He added that working for Ms. Warner is a blessing both in terms of encouragement and support. He stated that she is the best boss he has ever had, and is very thankful for her. He continued discussing what is happening with the office marketplace. He shared a chart that showed offices using metro employment. Within the last year, there has been positive growth in office use of employment, which is a demand driver for office leasing and office occupancy. This is the root of everything, and most people would be surprised that there has been more office employment over the past year. One of the reasons we are doing well is the foresight of buying two properties in Austin, Texas, which is the largest beneficiary in terms of metro. That was a good investment. He continued that office employment is still growing, and everyone is going to a hybrid model. The question now is whether they are going to the office or not; how often; and the kind of flexibility there is. He moved on to supply and demand, and we are proactively putting plans in place for when tenants leave. He continued through the cash flow and expenditures.

CHAIR STURGEON asked for any questions.

TRUSTEE HALTERMAN stated that that was a great presentation, and thanked Mr. MacDonald.

CHAIR STURGEON thanked Mr. MacDonald and the team for the great work and support they provide to the Trust. It is very much appreciated.

MS. WARNER stated the next thing would be to have a motion for Executive Session.

MOTION: Per Alaska Statute 44.62.310(c)(1), TRUSTEE FIMON moved that the Resource Management Committee move into Executive Session to discuss confidential matters pertaining to the commercial real estate portfolio, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the public entity. No decisions will be made in the Executive Session. The motion was seconded by TRUSTEE MORAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Moran, yes; Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Halterman, yes; Trustee Morris, yes; Chair Sturgeon, yes.)

(Executive Session from 10:59 a.m. until 11:46 a.m.)

CHAIR STURGEON asked Trustee Moran to read the return from Executive Session.

For the record, TRUSTEE MORAN and her fellow trustees and members of the Trust

Authority and Trust Land Office are returning to the Resource Management Committee meeting from the Executive Session. We did not make any decisions during the Executive Session.

CHAIR STURGEON stated that a vote was not needed on that, and they were back in regular public session. He moved to a motion, and recognized Trustee Fimon.

MOTION: The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees direct the Trust Land Office to continue to prudently manage the seven commercial real estate properties and to return to the Board and recommend disposal of any of those properties when the Trust Land Office determines, pursuant to its statutory and regulatory directives, that those disposals will be in the best interest of the Trust and its beneficiaries. The motion made by TRUSTEE FIMON; seconded by TRUSTEE FISHER.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Trustee Morris, yes; Chair Sturgeon, yes.)

CHAIR STURGEON thanked the TLO once again for the great presentations and wished them good luck. There is a lot of excitement for what will be brought back to the Board. If there was nothing else, he asked for a motion to adjourn.

MOTION: A motion to adjourn the meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE MORAN.

After the roll-call vote, the MOTION was APPROVED. (Trustee Boyles, yes; Trustee Fimon, yes; Trustee Fisher, yes; Trustee Halterman, yes; Trustee Moran, yes; Trustee Morris, yes; Chair Sturgeon, yes.)

CHAIR STURGEON thanked both Ms. Warner and Mr. MacDonald for the great work they did, and the information provided to the trustees. They make the trustees' job a lot easier with their professionalism and their reports. He adjourned the meeting.

(The Resource Management Committee meeting was adjourned at 11:49 a.m.)



To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 24, 2024
Re: Investment Portfolio Asset Reclassification
2600 Cordova Street, Anchorage, AK
Fiscal Year: 2024

Approval

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees approve the proposed action removing 2600 Cordova Street, Anchorage, Alaska from the Investment Portfolio and reclassifying the asset into the Program Related Real Estate Portfolio.”

Background:

Introduction: In 2011, the Trust acquired 2600 Cordova Street for the purpose of serving as the main office for staff of the TLO with additional tenants subsidizing the occupancy costs of the TLO. Occupying 24% of the building (6,829 rentable square feet out of 28,217 rentable square feet), the TLO does not pay rent or cover operating expenses. The building typically provides positive net cashflow.

Though described as an investment property, the Cordova building is a non-financially oriented asset similar to the Trust Authority Building (also partially owner-occupied and produces some income from other tenants), which resides in the Program Related Real Estate Portfolio.

Reclassifying the Cordova property into the Program Related Real Estate Portfolio clarifies that the asset is intended for long-term ownership, in contrast to the other Investment Portfolio assets which were purchased for limited holding periods with, ultimately, the intent to liquidate.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9200503 - 2600 Cordova Street, Anchorage, AK

Trust Land Office Recommendation: The TLO recommends removing the Cordova Street building from the Trust’s Investment Portfolio and reclassifying the asset into the Program Related Real Estate Portfolio.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Cordova was purchased in 2011 for utilization as the main office for staff of the TLO. As a partially owner-occupied asset, it is not a financially oriented property; the income derived from other tenants primarily serves to subsidize the TLO office’s occupancy cost.

In addition to being partially owner-occupied, three other features of Cordova are noteworthy. First, the asset is directly owned by the Trust rather than an LLC. Second, unlike all of the other Investment Portfolio assets, Cordova is owned free and clear with no mortgage (incidentally, this is similar to the Program Related Real Estate assets, none of which have debt). Lastly, Cordova was acquired by the Trust prior to creation of the Real Estate Management Plan (REMP) and would not have met REMP’s return requirements. Ownership is intended over the long term rather than a set holding period after which the asset will be disposed.

A further rationale for reclassification into the Program Related Real Estate Portfolio is that, as a partially owner-occupied property, the income is held down in a way that makes performance benchmarking an incompatible exercise (in this case an asset with ¼ of the building non-income producing versus other assets that are 100% income producing).

In light of the preceding, it is more appropriate that Cordova be a part of the Program Related Real Estate Portfolio and not within the Investment Portfolio.

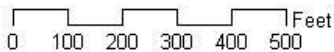
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.

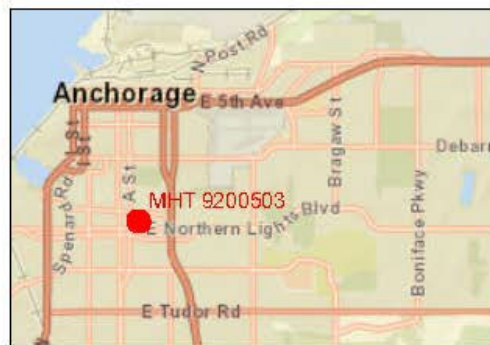


Cordova Street

Located in Anchorage, Alaska

 MHT 9200503

 Feet





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
2618 Commercial Drive, Anchorage, AK
Fiscal Year: 2025 - 2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 2618 Commercial Drive, Anchorage, Alaska at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2012, the TLO expanded the Trust’s investment portfolio with the acquisition of 2618 Commercial Drive, Anchorage, Alaska. Leased in its entirety to Cummins Inc., the asset comprises a 15,120-square foot facility on a 1.78-acre site. Having now held the asset in excess of ten years, and with all its investment objectives met, the TLO has determined that the rationale originally justifying the acquisition has been accomplished and it is therefore an appropriate time to exit the investment and sell the asset.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500002 - 2618 Commercial Drive, Anchorage, AK

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The Commercial Drive property has now been held twelve years and has provided solid returns and appreciated materially.

The Board of Trustees approved the following motion on February 1st, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in a position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

The property is leased in its entirety to Cummins Inc., a Fortune 500 company (#146 in 2023). Cummins Inc. is listed on the NYSE (CMI) and a component of the S&P 500. The lease has a rent escalation set to occur July 1, 2024, providing an opportune time to dispose of the asset and lock in the gains achieved to date.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition,

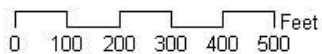
11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.

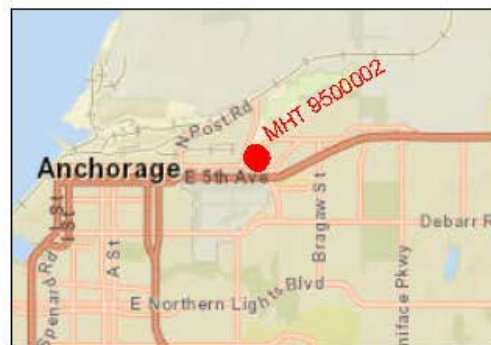


Commercial Drive

Located in Anchorage, Alaska

 MHT 9500002

 Feet
0 100 200 300 400 500





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
1111 Israel Road S.E., Tumwater, WA
Fiscal Year: 2025 – 2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 1111 Israel Road S.E., Tumwater, Washington at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2014, the TLO expanded the Trust’s investment portfolio with the acquisition of 1111 Israel Road S.E., Tumwater, Washington. The asset is a three-story office building occupied by two tenants, the state of Washington Parks and Recreation Commission and the state of Washington Environmental & Land Use Hearings Office. The Parks and Recreation Commission is the primary tenant, occupying 45,700 rentable square feet out of the building’s 53,484 rentable square feet. The property has a land area totaling approximately 2.3 acres.

The TLO is in the process of negotiating a lease extension with the Parks and Recreation Commission. However, the TLO has received interest from multiple parties potentially interested in purchasing the property. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

While the purchase interest is only prospective at this time, the process involved in securing board concurrence – including RMC concurrence, Full Board concurrence, Best Interest Decision and the Public Notice period – is too lengthy to leave until after the interest is validated and mutually acceptable terms are secured. We are therefore requesting approval of this motion in order to put ourselves in a position to accept satisfactory terms, should they materialize, without the transaction closing being jeopardized by undue administrative delay or excessive timeframes.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500004 - 1111 Israel Road S.E., Tumwater, Washington

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The Israel Road property has now been held ten years. As the Trust’s acquisition of the asset in 2014 was financed through a 15-year, fully amortizing loan, Trust returns have predominantly been in the form of equity buildup, which has been significant in the case of this asset.

The Board of Trustees approved the following motion on February 1st, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

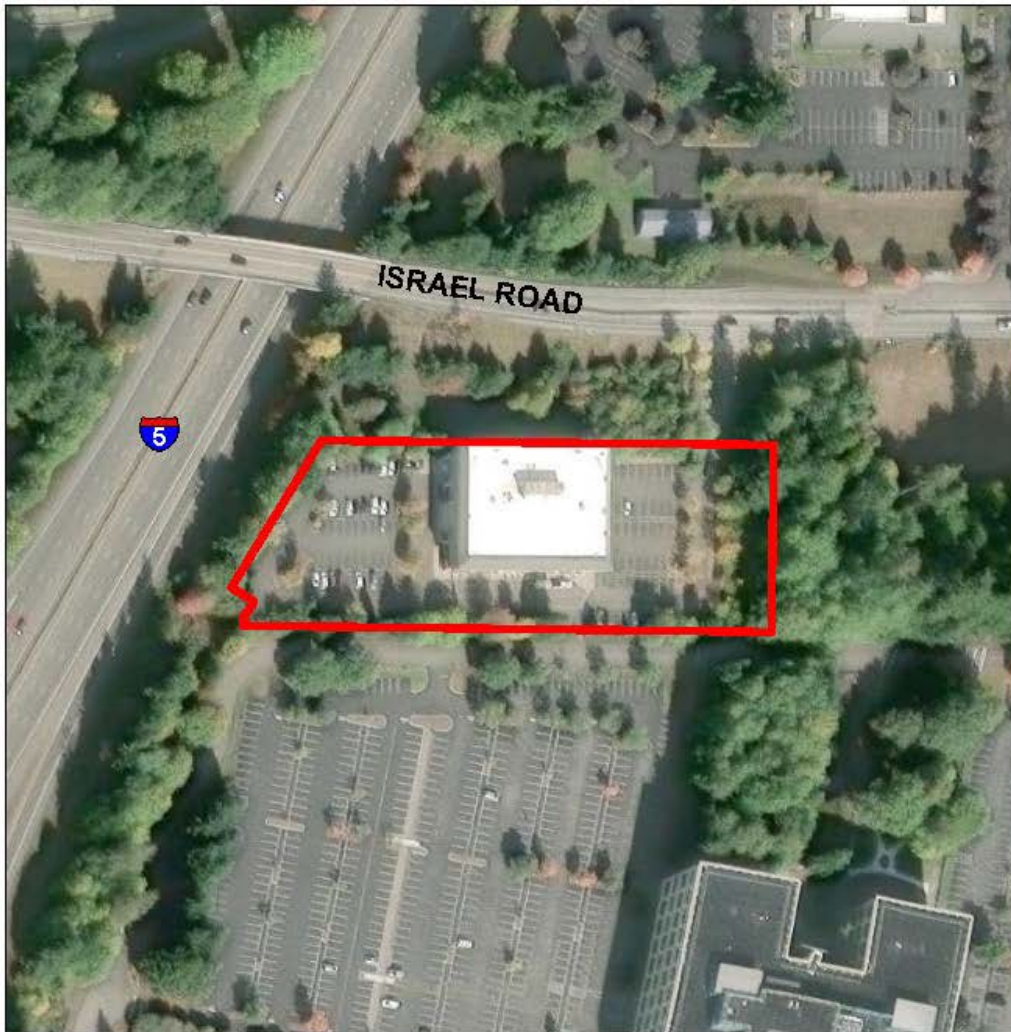
The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

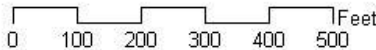
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.



Israel Road

Located in Olympia, Washington

 MHT 9500004

 Feet
0 100 200 300 400 500





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
2420 & 2500 Ridgpoint Drive, Austin, TX
Fiscal Year: 2025-2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 2420 & 2500 Ridgpoint Drive, Austin, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2014, the TLO expanded the Trust’s investment portfolio with the acquisition of 2420 & 2500 Ridgpoint Drive, Austin, Texas. The asset comprises two single-story office buildings containing a combined total of 97,102 rentable square feet. The property has a land area totaling approximately 11.36 acres.

The property in its entirety is leased to the Texas Department of Transportation. Expiring June 30, 2025, the lease has two renewal and three purchase options (corresponding with the end of the initial lease term and the two renewal options). Up to this point, the uncertainty surrounding whether the renewals or purchase options would be exercised has detrimentally affected the marketability of the property. However, we have recently been told that the Texas Department of Transportation will not be exercising the renewal option, nor the purchase option (they will instead relocate to a larger campus owned by the Texas Department of Transportation). Although we are losing a strong tenant, the impediment precluding disposition of the asset is going away.

As the Texas Department of Transportation will be vacating the property in mid-2025, it is imperative that we start marketing the property proactively to minimize the consequences and use to our benefit the remaining time we will be receiving rent and expense reimbursements. It is our intention at this point to market the property for lease with the goal of securing a replacement tenant (or tenants). At the same time, it is also our intention to market the property for sale with the goal of finding either an

owner-user or investor who finds the property attractive. It should be noted that, should we end up leasing the property, our objective would be to position the asset for sale once stabilized occupancy is achieved.

In regard to the asset sale scenario, should we find a prospective buyer with serious interest, the process involved in securing board concurrence – including RMC concurrence, Full Board concurrence, Best Interest Decision and the Public Notice period – is too lengthy to leave until after the interest is validated and mutually acceptable terms are secured. We are therefore requesting approval of this motion in order to put ourselves in a position to accept a purchase offer with satisfactory terms, should one materialize, without the transaction closing being jeopardized by undue administrative delay or excessive timeframes.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500005 - 2420 & 2500 Ridgpoint Drive, Austin, Texas

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The Ridgpoint Drive property has now been held ten years and has provided solid returns and significant equity buildup.

The Board of Trustees approved the following motion on February 1st, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

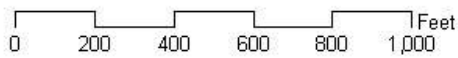
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.



Promontory Point

Located in Austin, Texas

 MHT 9500005





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Item A: Investment Portfolio Asset Disposition
17319 San Pedro Avenue, San Antonio, TX
Fiscal Year: 2025-2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 17319 San Pedro Avenue, San Antonio, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2015, the TLO expanded the Trust’s investment portfolio with the acquisition of 17319 San Pedro Avenue, San Antonio, Texas. The asset comprises three single-story office buildings containing a combined total of 86,402 rentable square feet. The property has a land area totaling approximately 7.39 acres.

Eighty-three percent of the property is leased to five tenants, leaving seventeen percent of the property unleased. The two smaller tenants have lease expirations four-plus years out while two of the primary tenants have lease expirations six-plus years out; these tenancies provide the project strong cash flow stability, a key attribute factor in a property’s marketability in today’s financial marketplace climate. However, in order to be perceived as an attractive investment worthy of premium pricing, at least one of the two vacancies (7,742 and 7,262 rentable square feet), would need to be leased. Even more so, the 18,147 rentable square feet occupied by the third primary tenant must be re-leased; with a current expiration of July 31, 2025, the space is presently available for sublease. We are presently working with the tenant and its broker to find a replacement tenant that would sign a new, long-term deal directly (rather than a sublease). Once we have successfully accomplished these leasing requirements and stabilized occupancy has been achieved, the asset will be positioned for disposition.

While the leasing efforts described above may take time to accomplish, it is not out of the question that tenants may be secured sooner. Should this happen, or should an aggressive buyer materialize prior to

reaching stabilized occupancy, our concern would be shifted to the ability to close on a sale within a normal transaction timeline. The process involves securing board concurrence – including RMC concurrence -- Full Board concurrence, a Best Interest Decision, and the Public Notice period for the Best Interest Decision. That process is too long and lacks the flexibility necessary for the TLO to negotiate the various market dynamics at issue here; dynamics where a longer process could significantly affect the fiscal return. We are requesting approval of this motion in order to put ourselves in a position to accept a purchase offer with satisfactory terms that does not jeopardize the transaction closing due to undue administrative delay or excessive timeframes.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500006 - 17319 San Pedro Avenue, San Antonio, Texas

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. The San Pedro Avenue property has now been held nine years and has provided solid returns, appreciation, and equity buildup.

The Board of Trustees approved the following motion on February 1, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence

would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

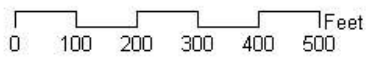
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.



North Park

Located in San Antonio, Texas

 MHT 9500006





To: John Sturgeon, Chair
From: David MacDonald, Chief Real Estate Officer
Through: Jusdi Warner, Executive Director
Date: April 25, 2024
Re: Investment Portfolio Asset Disposition
Item A: 9601 Amberglen Boulevard, Austin, TX
Fiscal Year: 2025-2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with the Trust Land Office (TLO) recommendation to proceed with disposal of 9601 Amberglen Boulevard, Austin, Texas at terms acceptable to the Executive Director with a minimum price at or above fair market value as determined via appraisal.”

Background:

Introduction: In 2016, the TLO expanded the Trust’s investment portfolio with the acquisition of 9601 Amberglen Boulevard, Austin, Texas. The asset comprises a two-story office building containing a total of 102,939 rentable square feet. The property has a land area totaling approximately 8.81 acres.

The property is presently 96% leased to twelve tenants. The lease expirations are adequately spaced with only two smaller tenants expiring in 2024 and another two smaller tenants expiring in 2025; the balance of expirations run through the rest of the decade. The operations are running smoothly at present, and the asset is providing significant positive cash flows.

The asset is currently in a marketable condition with one significant exception: the existing debt includes a loan lockout wherein the debt cannot be prepaid until September 2026. Our objective is thus to maintain the operations and cash flows at a high level until the lockout expires after which we will look toward asset disposition.

Further, considering the lengthy timeframes involved in the process of securing board concurrence – including RMC concurrence, Full Board concurrence, Best Interest Decision and the Public Notice period – we feel it is highly appropriate to complete the administrative process allowing for uninhibited negotiations when appropriate and in the Trust’s best interest.

Property Description/Acreage/MH Parcel(s): Commercial Real Estate

Commercial Real Estate Property

MHT 9500007 - 9601 Amberglen Boulevard, Austin, Texas

Trust Land Office Recommendation: The TLO recommends disposal of the asset through a negotiated sale at terms acceptable to the Executive Director.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, 20 AAC 40.710-720 and 11 AAC 99.

Trust Authority Approval: The motion presented in this briefing document fulfills the approval requirements that are applicable to the transaction.

General Background: Assets within the portfolio were acquired for investment purposes with holding periods expected to fall within a range of seven to 20 years. At the point where the loan lockout expires, the Amberglen Boulevard property will have been held ten years; it has provided solid returns, appreciation and equity buildup.

The Board of Trustees approved the following motion on February 1, 2024: *The Alaska Mental Health Trust Board of Trustees directs the TLO to continue to prudently manage the 7 Commercial Real Estate properties and to return to the Board and recommend disposal of any of those properties when the TLO determines pursuant to its statutory and regulatory directives that those disposals will be in the best interests of the trust and its beneficiaries.*

Therefore, this motion is being offered consistent with the Board of Trustee’s February 1, 2024, decision. In general, the TLO recommends approval of this motion because it will provide TLO with the flexibility it needs to complete a sale in the commercial office building market; flexibility that TLO believes it needs to ensure it obtains a return on these properties that is in the best interest of the trust beneficiaries.

The TLO also recognizes three areas where such flexibility will allow it to adjust to market dynamics to ensure an appropriate fiscal return.

First, typical escrow periods for commercial office building sales run between 30 and 60 days; this is materially shorter than the timeframe necessary for securing Board concurrence for a proposed disposition. Accordingly, negotiating terms first and subsequently requesting Board concurrence would result in a timeframe for a contemplated transaction that would run months longer, likely eliminating the possibility of disposal due to the extended administrative process.

Second, approval of this motion would allow the TLO to accept terms with a shorter, more conventional timeframe, thereby enhancing the likelihood of successfully closing the transaction.

Third, approval of this motion puts TLO in a position to proceed with disposal of the property when a purchase offer from a valid buyer is secured at acceptable terms, notably including a shorter timeline. Should such interest prove serious and legitimate, the TLO believes that disposal may prove the scenario most advantageous to the Trust and its Trust beneficiaries.

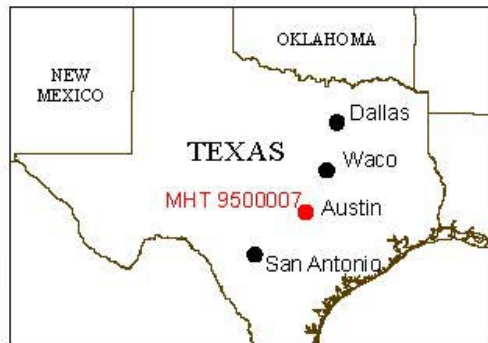
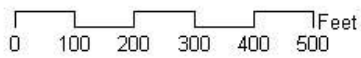
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted March 2021 in consultation with the Trust and provides for assuring that the real estate needs of mental health programs sponsored by the Alaska Mental Health Trust Authority are met as appropriate. In addition, 11 AAC 99.020(c)(3) cites protection and enhancement of the long-term productivity of Trust land.



Amber Oaks

Located in Austin, Texas

 MHT 9500007





To: John Sturgeon, Chair
Resource Management Committee
From: Jeff Hermanns, Timber Program Manager
Jeff Green, Deputy Director
Through: Jusdi Warner, Executive Director
Date: 4/24/2024
Re: Item G: Trust Carbon Offset Program
Fiscal Year: 2025 - 2065

Consultation/Approval

Proposed RMC Motion:

Motion 1: *“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the management of up to 63,000 acres of forested lands in Southeast Alaska for the development of a Carbon Offset Program with the development of carbon credits from those lands at terms acceptable to the Executive Director.”*

Motion 2: *“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees approve the proposed action to fund the Carbon Offset Program from the Trust Land Office Development Account (TLODA) with \$1MM. These funds do not lapse.”*

Background:

Revenue Projections: **Income Estimated \$32,000,000**

Transaction/Resource: The proposed action is to initiate a Carbon Offset Program on Trust land, primarily second growth (previously harvested) and old growth stands infeasible to harvest forest in Southeast Alaska, through development, generation, and registration of carbon credits (equivalent to one metric ton of carbon emissions). The Trust Land office (TLO) will provide carbon credits from up to an estimated 63,000 acres of forest lands in Southeast for carbon offset project(s) on Trust land. To fund the initial development of the Trust Carbon Offset Program, the TLO requests \$1MM from the Trust Land Office Development Account for contracted work to bring the program to the point of carbon credit registration on a nationally known carbon registry, such as the American Carbon Registry, Gold Standard, Climate Action Reserve, or Verra. Once verified by a carbon registry, the Trust’s carbon credits will be managed by the Trust Authority in consultation with the TLO when land management activities may change priority and need to be removed as they are a liquid asset and openly traded on carbon markets worldwide.

Property Description/Acreage/MH Parcel(s): See Exhibit 1.

General Background: The TLO has engaged in the sale of timber as a major contributor to its traditional revenue portfolio actively managing a timber sale program on Trust lands for the generation of revenue since the mid 1990's. This program was primarily the sale of old growth timber stands on Trust lands, almost entirely in southeast Alaska, on an estimated 63,000 acres of forest lands. This program is now in the last few years of operation. The Naukati Exchange Sale to Viking Lumber is scheduled to end this fall and the Shelter Cove Sale to Alcan will likely be completed in 2027. The only potential sale remaining is the Hollis Timber Sale, for up to 20 MMBF, in the next few years if the Trust decides to execute this timber sale. This timber sale program has been very successful with a return to the trust of nearly \$60 million dollars. There will be no more large old growth timber sales as the Trust has effectively liquidated its old growth forest assets. The Carbon Offset Program **will not** utilize commercially viable timber that has greater revenue generation potential to the Trust through a timber sale on Trust lands located Southeast Alaska.

Most of the Trust's second growth timber stands will not be ready for harvest for another 10 to 60 years. Second growth timber has very different characteristics from old growth timber. Second growth is typically a commodity product, compared to old growth timber specialty niche products, and is predominantly used for dimensional lumber and house log markets. World commodity markets for commodity timber products are very competitive and are produced very inexpensively around the world, such as Doug Fir in the Northwest, Radiata pine of New Zealand, and Loblolly Pine in the Southern US. These trees are intensively managed, scheduled for commercial harvest in less than 30 years, and their harvest and transportation to market costs are far less than in Southeast Alaska, making second growth timber harvest in Alaska very challenging to conduct in a manner that is competitive on the global market.

Thirty plus years of harvesting old growth timber and timber stands that were harvested under previous ownerships of the State and Forest Service, prior to the Trust taking ownership, has resulted in incredible stands of second growth forest. The temperate rain forest of coastal Alaska reproduces naturally after harvest with no tree planting required, so thick that nearly every stand requires Pre-commercial Thinning (PCT) of the trees to a spacing that allows for maximum growth and maximum carbon sequestration. The range in age of second growth timber stands is from 1 to nearly 80 years old. Many of the timber stands the Trust received in the land exchange from the Forest Service have already been pre-commercially thinned, resulting in tremendous annual growth of these timber stands and sequestering carbon at a rapid rate. Intensive management of the second growth stands will yield maximum growth and marketable timber in a much shorter rotation than unmanaged stands.

The Resource Management Committee heard about the possibility of a carbon offset program at the RMC in the fall of 2023 and at this point the TLO has completed initial inventory work on the Trust's forest lands in Southeast Alaska, resulting in a basic understanding and simple estimate of the metric tons of carbon on Trust lands. The Trust has a significant capacity to sell carbon credits and complete offset projects after the credits have been fully developed and registered.

Upon full development of the Trust's carbon into registered credits, the credits will be managed on the voluntary carbon market by the Trust Authority or its contracted liquid asset manager. There is no centralized voluntary carbon market, however, all voluntary carbon credits must be verified by an independent third party and must adhere to existing standards of the carbon registry where the credits

are registered. Once registered carbon credits are traded and purchased by two parties – speculative investors and end buyers. End buyers can be individuals, corporations, and governments. Heavy industrial emitters are the major buyers of carbon offsets as part of their compliance requirements; however, many large firms are also buying because of their climate commitments. Credits can be purchased directly or through brokers, traders, and exchanges. Buyers can then use those offsets to address their current emission reduction measures. Following purchase, once they're used and reported as emission reduction, they should be retired. Retirement of credits also means their end. They should not be around anymore and are not for resale. They must serve their emission reduction purpose only once to avoid double counting. That also means removing them from the marketplace and labeling them as retired in any records or registry.

There is significant monetary benefit to the Trust through the revenue generation through the sale of carbon credits, but there are many advantages to this program for the overall management of the Trust Forest resources which would need to be completed to maximize the future timber potential from the land. These include the utilization, maintenance, and development of roads on the Trust's land. Road infrastructure development has been an important asset acquired through the development of the timber sale program. Roads and access to land and property are vital to the development and realizing a return for resources. Without this they are simply just a fraction of the potential value. The TLO timber program has resulted in over 200 miles of road being constructed. At today's price this is over \$50MM of infrastructure. A great example of road infrastructure importance is at Icy Bay where the TLO has undertaken an extensive exploration project for gold and precious metals using the infrastructure from past timber harvest activities. Other developments include subdivisions and tourism. The value of roads in place for PCT are worth hundreds of thousands of dollars. Carbon programs require field verification at different intervals, mostly every 5 years. Crews must field verify these stands and the rate of growth of the timber stands. This requires crews to travel to the stand and work in the stand. If a road network is not in place this requires helicopters to access these stands at a high cost. The existence of a carbon offset program and need for maintained roads will pay for the maintenance and upkeep of the Trust's roads for use after the carbon offset agreements have ended.

There is high demand for quality carbon offset projects as more companies and individuals feel the need to reduce their carbon footprint and as companies strive to achieve carbon neutrality the voluntary carbon market is a necessary instrument and has the potential to be a profitable tool for the Trust and its beneficiaries.

Anticipated Revenues/Benefits: This proposal provides the Executive Director with an opportunity to complete management of Trust land for the generation of carbon credits resulting in an estimated \$32MM in revenue. In addition, this activity will maintain the Trust's road system to be used in future developments.

Anticipated Risks/Concerns: There may be some anticipated public concern associated with this carbon offset program from the timber industry.

Project Costs: Up to \$1,000,000 for development, generation, and registration of carbon credits on a verified carbon registry.

Other Considerations: None.

Due Diligence: The TLO staff have researched the voluntary Carbon market, spent significant time investigating and evaluating different approaches and methods for realizing carbon market revenue. The carbon market is rapidly evolving, and many carbon development companies have approached the TLO with different proposals, often with sizable commissions required. The TLO recommends a high integrity approach to the carbon offset program with verified, registered credits.

Alternatives:

- 1. Alternate Development:** Not enter Trust Forest lands in the voluntary carbon market and wait to harvest age and sale timber at such time. This alternative will fail to capitalize on the significant revenues available from the voluntary carbon market and cost the Trust operational expenditures of maintaining the Trust's lands during the interim.

Consistency with the Resource Management Strategy: The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to focus first on land or resources at the high end of the market values ("best markets"). Given the current market values of carbon the TLO believes time is of the essence to derive value from the voluntary carbon market.

Trust Land Office Recommendation: The TLO recommends that it is in the Trust's best interest to proceed with the development of the Trust's carbon credits and registration on a verified carbon registry, followed by the marketing and sale of those credits by the TLO on the voluntary carbon market.

Applicable Authority: AS 37.14.009(a), AS 38.05.801, and 11 AAC 99.

Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit(s):

Exhibit 1 – Parcel List

Exhibit 2 – Map

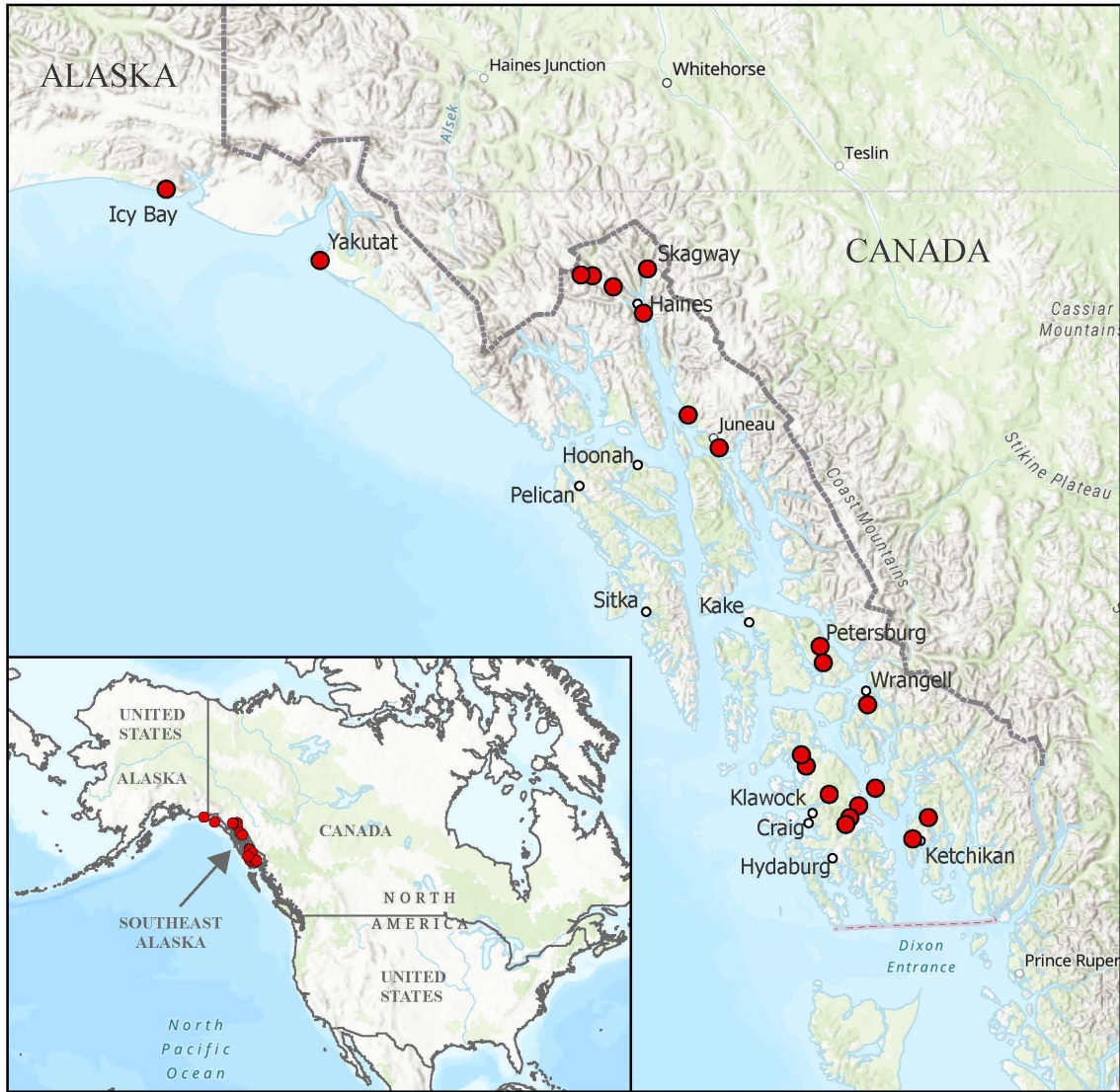
Exhibit 1 – Parcel List

Parcel Number	Estate	Acres (Approx)
C20439	Land & Mineral	225.14
C20446	Land & Mineral	310.44
C20447	Land & Mineral	191.56
C20454.001	Land & Mineral	123.60
C20456.002	Land & Mineral	351.35
C20550.001	Land & Mineral	2,026.52
C20550.002	Land & Mineral	447.60
C20920	Land & Mineral	560.53
C30005.001	Land & Mineral	184.49
C30005.002	Land & Mineral	338.55
C30006	Land & Mineral	282.63
C30021.003	Land & Mineral	76.42
C32018	Land & Mineral	265.45
C32026	Land & Mineral	10.05
C32029	Land & Mineral	479.86
C32030	Land & Mineral	101.95
C32033	Land & Mineral	415.44
C70871	Land & Mineral	4,582.46
C70932	Land & Mineral	4,850.01
CRM-0001	Land & Mineral	350.08
CRM-0002	Land & Mineral	1,150.27
CRM-0003	Land & Mineral	64.44
CRM-0004	Land & Mineral	4,887.46
CRM-0005	Land & Mineral	694.24
CRM-0006	Land & Mineral	7,105.79
CRM-0007-A	Land & Mineral	8,960.06
CRM-0042	Land & Mineral	16.44
CRM-0043	Land & Mineral	17.62
CRM-0048	Land & Mineral	39.98
CRM-0054	Land & Mineral	19.68
CRM-0055	Land & Mineral	38.74
CRM-0071	Land & Mineral	41.05
CRM-0073	Land & Mineral	51.66
CRM-0074	Land & Mineral	5.00
CRM-0075	Land & Mineral	5.00
CRM-0076	Land & Mineral	5.00
CRM-0077	Land & Mineral	5.00
CRM-0085	Land & Mineral	0.54

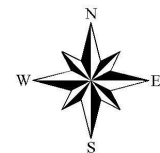
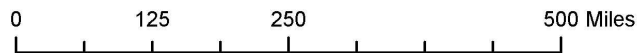
CRM-0086	Land & Mineral	13.11
CRM-0091	Land & Mineral	3.09
CRM-0166	Land & Mineral	39.99
CRM-0168	Land & Mineral	40.01
CRM-0169	Land & Mineral	40.01
CRM-0170	Land & Mineral	40.01
CRM-0171	Land & Mineral	39.99
CRM-0172	Land & Mineral	39.98
CRM-0174	Land & Mineral	109.98
CRM-0199-02	Land & Mineral	20.02
CRM-0206-02	Land & Mineral	25.12
CRM-0207	Land & Mineral	45.80
CRM-0386	Land & Mineral	39.19
CRM-0387	Land & Mineral	26.88
CRM-0392	Land & Mineral	2.14
CRM-0393-02	Land & Mineral	40.00
CRM-0412	Land & Mineral	31.48
CRM-0417	Land & Mineral	7.61
CRM-0419	Land & Mineral	38.85
CRM-0420	Land & Mineral	39.68
CRM-0422	Land & Mineral	14.83
CRM-0431	Land & Mineral	19.21
CRM-0445	Land & Mineral	1.40
CRM-0698	Land & Mineral	80.03
CRM-0699	Land & Mineral	39.66
CRM-0703	Land & Mineral	26.94
CRM-0704	Land & Mineral	11.37
CRM-0705	Land & Mineral	9.10
CRM-0706	Land & Mineral	2.44
CRM-0718	Land & Mineral	160.06
CRM-0723-01	Land & Mineral	14.55
CRM-0743	Land & Mineral	35.37
CRM-0746	Land & Mineral	39.53
CRM-0747	Land & Mineral	41.90
CRM-0748	Land & Mineral	38.36
CRM-0749	Land & Mineral	50.79
CRM-0750	Land & Mineral	27.82
CRM-0753	Land & Mineral	46.31
CRM-0799	Land & Mineral	40.43
CRM-0800	Land & Mineral	43.85
CRM-0801	Land & Mineral	37.58
CRM-0911	Land & Mineral	39.99

CRM-0912	Land & Mineral	32.17
CRM-0913	Land & Mineral	40.00
CRM-0914	Land & Mineral	80.01
CRM-0915	Land & Mineral	33.31
CRM-0916	Land & Mineral	80.01
CRM-1510	Land & Mineral	139.32
CRM-1511	Land & Mineral	82.37
CRM-1514	Land & Mineral	1.80
CRM-1515	Land & Mineral	4.95
CRM-1516	Land & Mineral	4.97
CRM-1517	Land & Mineral	5.00
CRM-1518	Land & Mineral	4.77
CRM-1519	Land & Mineral	4.97
CRM-1520	Land & Mineral	78.09
CRM-1913	Land & Mineral	160.18
CRM-1922	Land & Mineral	34.27
CRM-1924	Land & Mineral	46.28
CRM-1925	Land & Mineral	9.59
CRM-1928	Land & Mineral	15.14
CRM-2400-10	Land & Mineral	11.35
CRM-2400-11	Land & Mineral	51.84
CRM-2402	Land & Mineral	268.09
CRM-2405-05	Land & Mineral	133.71
CRM-2454	Land & Mineral	323.23
CRM-2454	Land & Mineral	72.70
CRM-2528	Land & Mineral	160.66
CRM-2556	Land & Mineral	65.06
CRM-3129-01	Land & Mineral	247.69
CRM-3129-03	Land & Mineral	616.31
CRM-3129-08	Land & Mineral	304.14
CRM-5019	Land & Mineral	0.19
CRM-7007	Land & Mineral	22.64
CRM-7008	Land & Mineral	33.89
CRM-7060	Land & Mineral	2,422.71
CRM-7061	Land & Mineral	1,428.62
CRM-7062	Land & Mineral	1,513.10
CRM-7063	Land & Mineral	6,783.92
CRM-7059	Land & Mineral	6,335.40
	Total Approximate Acres:	62,439.01

Exhibit 2 – Map

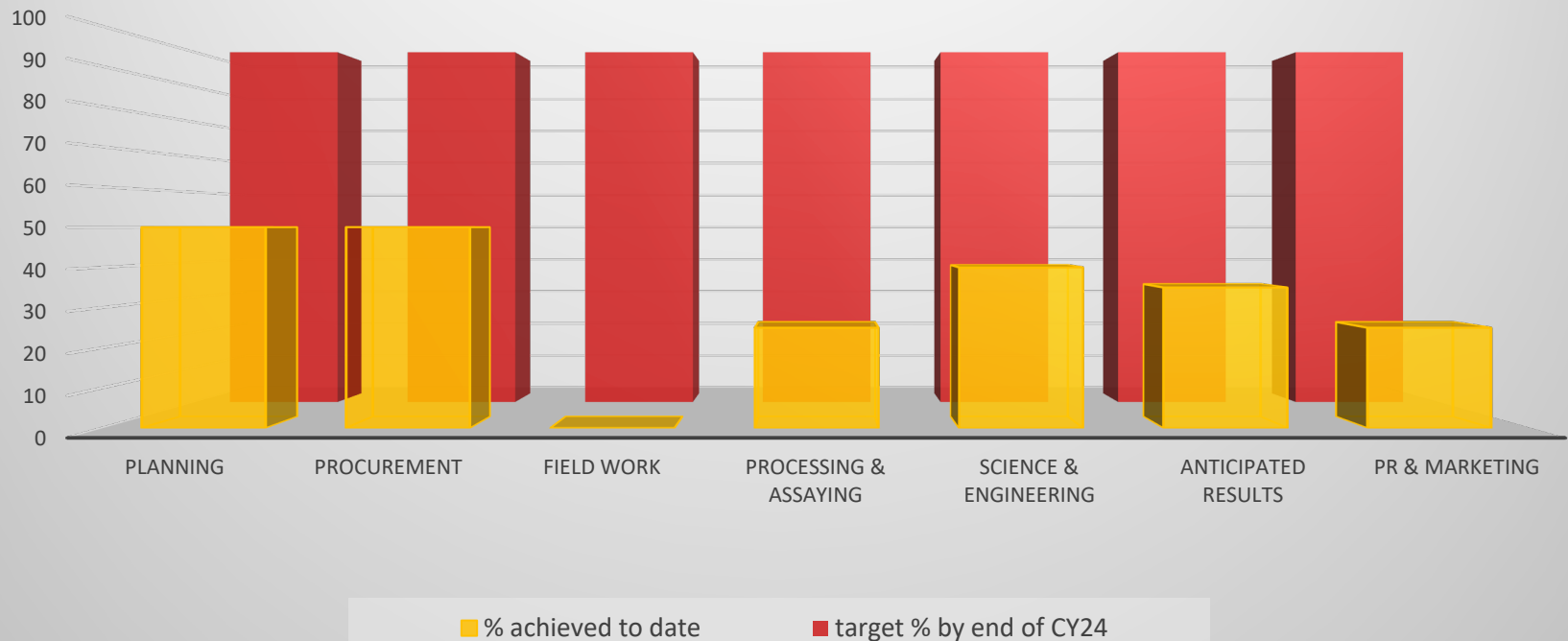


● Trust Owned Forest Locations



Icy Cape Gold and Industrial Heavy Minerals Project

Icy Cape Gold and Industrial Heavy Minerals Project Progress 1st Quarter CY 2024



Icy Cape Gold and Industrial Heavy Minerals Project

Project Timeline

Current state

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
First phase HM sampling and assaying	Aeromagnetic survey	Stratigraphic framework drilling	Stratigraphic framework drilling	Drill sample processing and assaying	Drill sample processing and assaying	Aeromagnetic gradient survey	3D inversion of aeromag data	Resource definition drilling	Drill sample processing and assaying	Conceptual/pre-feasibility study
Geologic mapping	HM concentrate testing	Drill sample processing and assaying	Drill sample processing and assaying	Geologic mapping	Interpretation of drill results	Grinder drill target generation	Resource definition drilling	Drill sample processing and assaying	Metallurgical studies	Strategy study for project development
	Sampling	Mineral product testing	Mineral product testing	Sampling	Independent project review and strategy study	Drill access trails	Drill sample processing and assaying	Bulk sampling	Grinder Au + HM resource estimate	Marketing
	Drill target generation				5-year plan for project advancement	Camp infrastructure		Metallurgical studies	NI43-101 technical report	



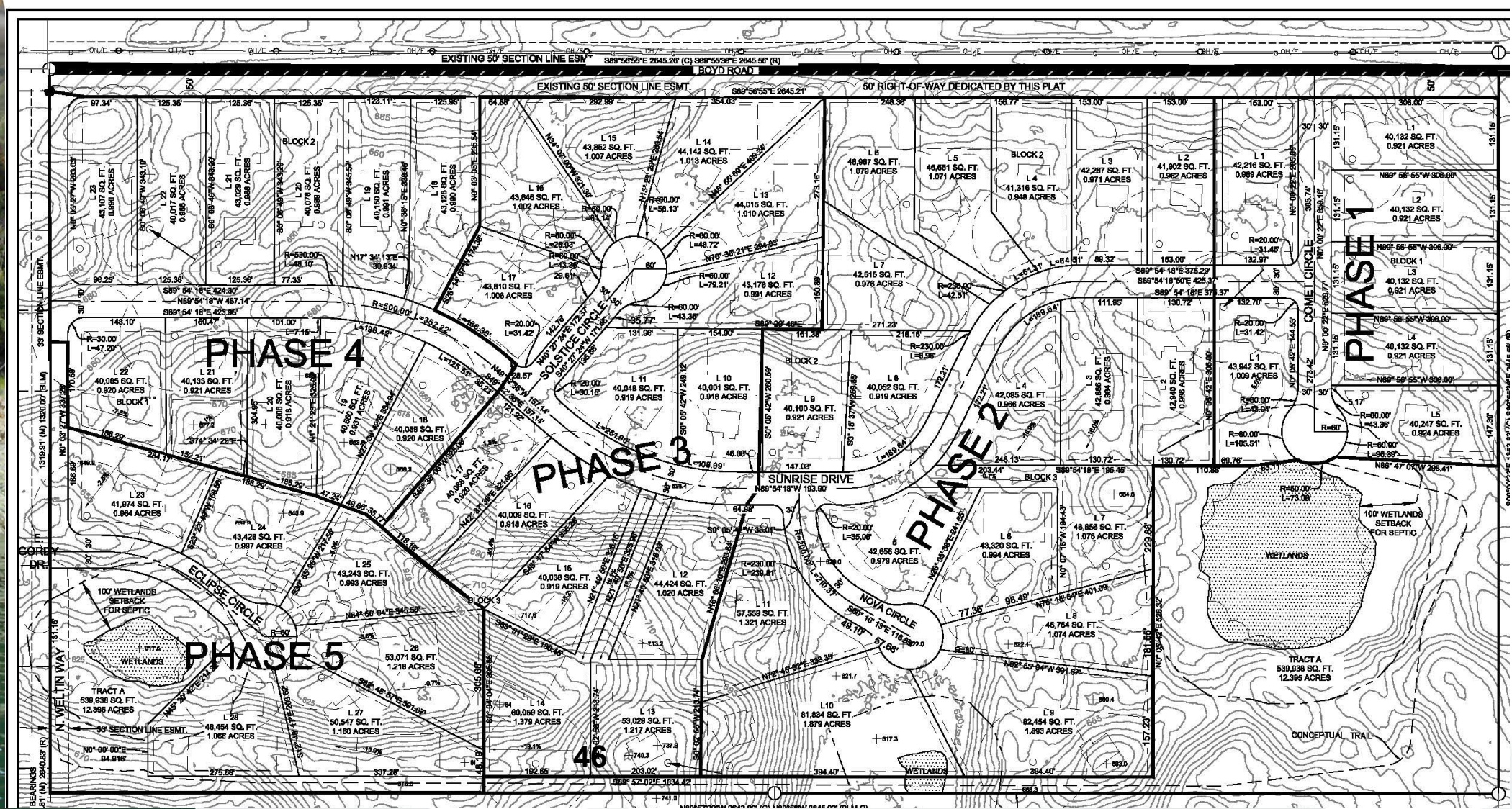
Trust
Land Office

Subdivision Development Program Update

Resource Management Committee
April 24, 2024



Boyd Road





Boyd Disposal Scenarios

Disposal Type	Benefits	Risks/challenges	Time to market	Return on Investment
Competitive Land Sale	<ul style="list-style-type: none"> • Greatest opportunity for maximized returns • Inventory for annual land sales • Customers may finance through TLO, generating additional revenue • Complete control of project design, timeline, and outcome 	<ul style="list-style-type: none"> • Most costly • Road and utility construction cost and time overruns • Procurement regulations and timeline 	36 months	40%
Raw Land Sale	<ul style="list-style-type: none"> • Lowest risk as no construction, project delays, or additional investment. • Land sale procedure is established 	<ul style="list-style-type: none"> • Bid price is set based on the value of the raw land (plus premium), Even in price competition, the final sales price may be much lower than selling individual lots. 	12 months (+3 month look)	41%
Negotiated Partnership via ITB	<ul style="list-style-type: none"> • Expert knowledge and partnerships to construct roads and utilities • Reduced time to market • Lower overall project costs 	<ul style="list-style-type: none"> • Shared control over project and timing • Profit sharing 	21 months (+3 month look)	33%



To: John Sturgeon, Chair
From: Chandler Long, Senior Project Manager
Through: Jusdi Warner, Executive Director
Date: 4/25/2024
Re: Item B: MHT 9200787
Disposal of Big Lake Area Parcels SM-2000, SM-2001, SM-2002, SM-2003
Fiscal Year: 2024

Consultation

Proposed RMC Motion:

“The Resource Management Committee concurs with the Executive Director of the Trust Land Office’s (TLO) decision to dispose of Trust parcels SM-2000, SM-2001, SM-2002, and SM-2003 through a negotiated sale or subsequent disposal.”

Background:

Revenue Projections: Principal \$260,000.00

Transaction/Resource: The proposed action is to dispose of four parcels through a negotiated sale to the applicants, Chris and Miranda Wallstrum. In the event the parcel is not sold to the applicants or a competing offeror, the parcel may be reoffered in a future land sale, through a competitive or over-the-counter sale, a negotiated sale, a subdivision development, or through a negotiated or competitive lease at or above fair market value.

Property Description/Acreage/MH Parcel(s): Trust parcels SM-2000, SM-2001, SM-2002, and SM-2003 comprise 20.14 acres and are legally described as:

- T. 017 N., R. 004 W., SEWARD MERIDIAN, ALASKA SECTION 13:
- SM-2000:** LOT 12; CONTAINING 6.13 ACRES, MORE OR LESS.
- SM-2001:** LOT 13; CONTAINING 6.51 ACRES, MORE OR LESS.
- SM-2002:** LOT 14; CONTAINING 2.50 ACRES, MORE OR LESS.
- SM-2003:** LOT 15; CONTAINING 5.00 ACRES, MORE OR LESS.

ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON JANUARY 19, 1959.

General Background: On May 5, 2021, the applicant applied to purchase four parcels, aggregating to 20.14 acres, for the purpose of developing recreational property. An appraisal was procured for the parcels and negotiations ensued to acquire the property, however, the applicant was unwilling to proceed prior to adjudication of his access easement request submitted to the Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), serialized as ADL 234064.

On May 17, 2023, DNR DMLW issued their decision denying the applicants request to develop and construct an access road within existing patented public access easements. Subsequently, negotiations resumed between the applicants and the TLO. With the dynamic real estate market post covid, a new appraisal was obtained for the property in late 2023, which resulted in an unchanged fair market value from the previous appraisal, and a 10% downpayment for the property received in March 2024.

Anticipated Revenues/Benefits: This proposal provides the Executive Director with an opportunity to dispose of the parcels for \$260,000. This is 30% above the appraised fair market value of the parcels. In addition, the applicant intends to pay outright for the parcels, enabling the full land payment to be invested to generate further return to the Trust corpus.

Anticipated Risks/Concerns: Concerns include the applicant defaulting on the purchase and sale agreement. Risks are mitigated by receipt of a \$26,000 downpayment through an executed purchase and sale agreement which includes contemporary language to limit risks to the Trust, ensure performance by the buyer, and allow for termination in case of default with retention of the parcels in Trust ownership.

Project Costs: \$0. Parcels are being sold “as-is, where-is.”

Other Considerations: None.

Due Diligence: The purchase price was determined by an appraisal completed by Black-Smith, Bethard & Carlson, LLC on November 14, 2023. The appraisal determined the fair market value of the parcels to be \$200,000. The parcel will be sold at a premium of 30% above the appraised value to compensate for not selling the parcel through a competitive process. Standard contract documents were reviewed by the Department of Law; no separate independent review was required.

Alternatives: The alternatives include holding the parcels for sale in the future or disposing of them through a competitive land sale. These alternatives could potentially miss selling at the higher end of the market, delay receipt of revenues, fail to capitalize on the net present value of money returned to the corpus, and have the potential need to be actively managed due to trespass risk.

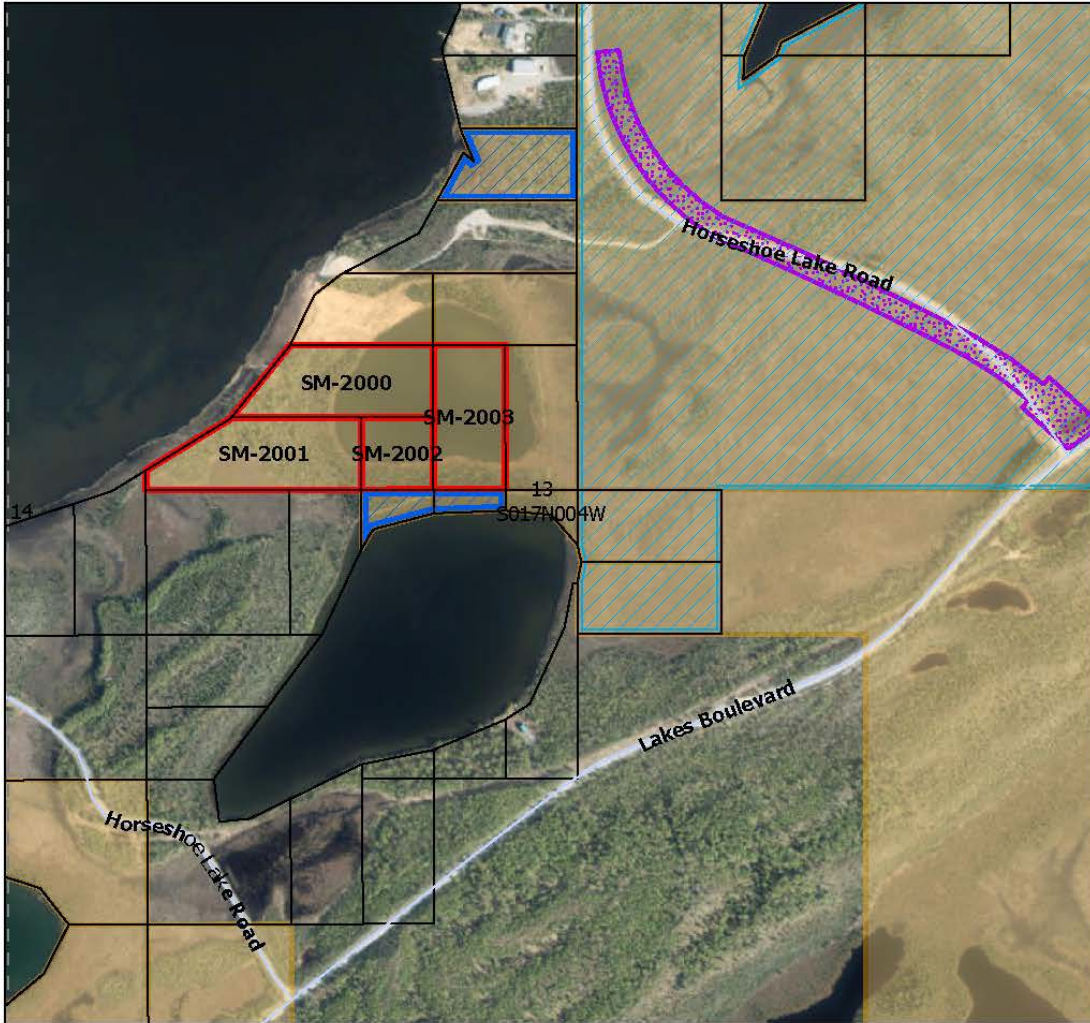
Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets.

Trust Land Office Recommendation: The Trust Land Office recommends that it is in the Trust’s best interest to offer these parcels in a negotiated sale. If not sold or determined to not be in the best interest of the Trust and its beneficiaries, the parcel may be disposed of in the future through the TLO’s land sale programs, negotiated sale, or through a negotiated or competitive lease.

Applicable Authority: Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99; Resource Management Strategy.

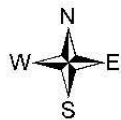
Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit A:



MHT 9200787

-  MHT 9200787
-  Mental Health Parcels (All)
-  Survey Boundary
-  MH Land Sales (Conveyed)
-  MH Land Sales (Contracts)
-  MH Easement - Polygon





To: John Sturgeon, Chair
Resource Management Committee
From: Chandler Long, Senior Project Manager
Through: Jusdi Warner
Date: 4/24/2024
Re: Item C: MHT 9200885
Disposal of Knik River Parcel SM-0005
Fiscal Year: 2024

Consultation

Proposed RMC Motion:

“The Resource Management Committee concurs with the Executive Director of the Trust Land Office’s (TLO) decision to dispose of Trust parcel SM-0005 through a negotiated sale or subsequent disposal.”

Background:

Revenue Projections: Principal \$775,000.00

Transaction/Resource: The proposed action is to dispose of Trust parcel SM-0005 through a negotiated sale to the applicant, Knik River Ranch LLC. In the event the parcel is not sold to the applicant or a competing offeror, the parcel may be reoffered in a future land sale, through a competitive or over-the-counter sale, a negotiated sale, a subdivision development, or through a negotiated or competitive lease at or above fair market value.

Property Description/Acreage/MH Parcel(s): Trust parcel SM-0005 consists of 150 acres legally described as:

T. 016 N., R. 002 E., SEWARD MERIDIAN, ALASKA
SECTION 4: LOT 1;
CONTAINING 150.00 ACRES, MORE OR LESS.

ACCORDING TO THE SURVEY PLAT ACCEPTED BY THE UNITED STATES DEPARTMENT
OF THE INTERIOR, BUREAU OF LAND MANAGEMENT IN WASHINGTON, D.C. ON
FEBRUARY 28, 1979.

General Background: On December 4, 2023, Knik River Ranch LLC applied to purchase Trust parcel SM-0005, consisting of 150-acres, for the purpose of expanding regenerative farming operations, agricultural production, horse training, and equine commercial recreation along Republic Way within

the community of Butte, and near existing operations adjacent to the Old Glenn Highway bridge over the Knik River.

The subject parcel is on the north side of the Knik River, a state-owned navigable waterway, and when it was surveyed in 1979, it was waterfront property. At this time, the property is no longer waterfront; the Knik River is located approximately 300 feet at the closet point to about 2200 feet at the farthest point from the uplands. TLO approximates the lands located from the boundary of the property here and the Knik River totals an estimated 150 acres.¹

The land sale is for the **150-acres serialized as Trust parcel SM-0005**.² The purchaser will have the option to undertake a legal process known as a Quiet Title Action (QTA) to acquire any unencumbered available accreted lands between the subject parcel and the Knik River.³ The QTA process requires the landowner to file a complaint. In the complaint, the landowner asserts that: (1) the lands adjacent to the property are in fact accreted lands; and (2) that being accreted lands that the upland landowner, and not the State of Alaska, owns these lands. The QTA process can potentially take years to process. The process has a clear cost, that comes not only from filing the legal process, but also producing the necessary surveys and recordable instruments needed to obtain title. The lands that have accrued between the uplands and the river may also be subject to the North Anchorage Land Agreement.

Given the above, the TLO does not – and cannot – guarantee, warrant, or make any representations about the purchaser’s ability to obtain any of the lands between the southern boundary of his parcel and the Knik River.⁴

However, it is important to note that the property was appraised and the purchase price negotiated with an understanding the purchaser has the option to undertake this QTA process and thus **could** obtain an additional lands that is comprised of the lands between the current property line and the Knik River.

By selling these lands, the Trust is foregoing the option to file a Quiet Title Action to obtain clear title to any of the accreted lands. The Trust foregoing that option, to be clear, is then reflected in the appraisal and sale price here.

Anticipated Revenues/Benefits: This proposal provides the Executive Director with an opportunity to dispose of the parcel for \$775,000. This is 40% above the appraised fair market value of the property under the hypothetical condition that the accrued lands have assembled to the parcel making it approximately 300 acres.

¹ See Exhibit A.

² See Exhibit A.

³ Accretion is the gradual and imperceptible addition of land to a parcel by the natural deposition of water borne sediments.

⁴ See Exhibit A.

In addition, the applicant intends to pay outright for the parcels, enabling the full land payment to be invested to generate further return to the Trust corpus.

Anticipated Risks/Concerns: Concerns include the applicant defaulting on the purchase and sale agreement. Risks are mitigated by receipt of a \$77,500 downpayment through a purchase and sale agreement which includes contemporary language to limit risks to the Trust, ensure performance by the buyer, and allow for termination in case of default with retention of the parcel in Trust ownership.

Project Costs: \$0. The parcel is being sold “as-is, where-is.”

Other Considerations: TLO is foregoing a QTA prior to the sale of this parcel because it can be a lengthy and technical legal process which would delay receipt of revenue for the Trust and its beneficiaries. The upland owner may acquire anywhere between 0 to 150 acres in that process as it is unknown at this time what lands have accreted and if there is a land selection that may already encumber the land. Further, the buyer has agreed to purchase the parcel for the negotiated price, “as-is, where-is.”

Due Diligence: The purchase price was determined by an appraisal completed by Black-Smith, Bethard & Carlson LLC on March 25, 2024. The appraisal determined the fair market value of an approximately 300-acre parcel to be \$550,000. The appraisal was completed under the hypothetical condition that the owner of the 150-acre parcel could potentially obtain up to approximately 150-acres of accreted lands; thus entitling the landowner to an approximate 300-acre parcel. The Quiet Title Action documenting legal ownership of any assembled property has not occurred. The property will be sold at a premium of 40% above the appraised value of the parcel, under the hypothetical condition that it is 300-acres, for not selling the parcel through a competitive process. Standard contract documents were reviewed by the Department of Law; no separate independent review was required.

Alternatives: The alternatives include holding the property for sale in the future or disposing of it through a competitive land sale. These alternatives could potentially miss selling at the higher end of the market, delay receipt of revenues, fail to capitalize on the net present value of money returned to the corpus, and have the potential need to be actively managed due to trespass risk.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets.

Trust Land Office Recommendation: The Trust Land Office recommends that it is in the Trust’s best interest to offer these parcels in a negotiated sale. If not sold or determined to not be in the best interest of the Trust and its beneficiaries, the parcel may be disposed of in the future through the TLO’s land sale programs, negotiated sale, or through a negotiated or competitive lease.

Applicable Authority: Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99; Resource Management Strategy.

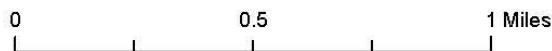
Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit A:



MHT 9200885
Parcel: SM-0005

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads
-  Potential Accreted Lands





To: John Sturgeon, Chair
Resource Management Committee
From: Chandler Long, Senior Project Manager
Through: Jusdi Warner, Executive Director
Date: 4/25/2024
Re: Item D: MHT 9400896
Disposal of Fairbanks Younker Court Lots 2, 3, 4, and 5 of
F1002
Fiscal Year: 2024

Consultation

Proposed RMC Motion:

“The Resource Management Committee concurs with the Executive Director of the Trust Land Office’s (TLO) decision to dispose of Lots 2, 3, 4, and 5 of Trust parcel F1002 through a negotiated sale or subsequent disposal.”

Background:

Revenue Projections: Principal \$656,660.00

Transaction/Resource: The proposed action is to dispose of lots 2, 3, 4, and 5 of Trust parcel F1002 through a negotiated sale to the applicant, Fairbanks Native Association. In the event the lots are not sold to the applicant or a competing offeror, the lots may be reoffered in a future land sale, through a competitive or over-the-counter sale, a negotiated sale, a subdivision development, or through a negotiated or competitive lease at or above fair market value.

Property Description/Acreage/MH Parcel(s):

Lot 2, 3, 4, and 5 of Trust Land Survey 2005-03, South Fairbanks Subdivision, containing 4.307 acres, more or less, according to the survey plat filed in the Fairbanks Recording District on December 6, 2007 as Plat 2007-198.

General Background: On March 26, 2024, Fairbanks Native Association (FNA) applied to purchase four lots, aggregating to 4.3 acres, for the purpose of expanding their campus of care for a treatment facility, supporting their mission of improving the quality of life for individuals and families by promoting justice, healing and wellness in the community.

Anticipated Revenues/Benefits: This proposal provides the Executive Director with an opportunity to dispose of the lots for \$656,600. This is 40% above the appraised fair market value of the individual

lots. In addition, the applicant intends to pay outright for the parcels, enabling the full land payment to be invested to generate further return to the Trust corpus.

Anticipated Risks/Concerns: Concerns include the applicant defaulting on the purchase and sale agreement. Risks are mitigated by receipt of a \$65,666 downpayment through an executed purchase and sale agreement which includes contemporary language to limit risks to the Trust, ensure performance by the buyer, and allow for termination in case of default with retention of the lots in Trust ownership.

Project Costs: \$0. Lots are being sold “as-is, where-is.”

Other Considerations: On February 1, 2024 the Alaska Mental Health Trust full Board of Trustees, through the process outlined in 20 AAC 40.710, approved a below market value ground lease for 30-years to Tanana Chiefs Conference for Lot 1 on Younker Court. Lot 1 of TLS 2005-03, located at 650 Younker Court, is currently used by the Tanana Chiefs Conference to support the Fairbanks Gateway to Recovery Detoxification Program, providing medically monitored withdrawal management services for adults to detox from alcohol and opiates safely while reducing the number of patients going to Fairbanks Memorial Hospital Emergency Department and/or Fairbanks Correction Center.

Trust Authority staff determined that the use of Lot 1 aligns with the Mental Health and Addiction Intervention focus area to serve Trust beneficiaries and aligns with the Comprehensive Integrated Mental Health Program Plan, Goal 4: Prevention and treatment for drug and alcohol misuse, objective 4.3, which improves treatment and recovery support services.

The sale and intended use of lots 2-5 on Younker Court appears compatible with Lot 1. Fairbanks Native Association owns the property directly north of Younker Court location at 3830 South Cushman Street. Fairbanks Native Association proposes to expand their campus of care, which includes behavioral health, education, and community services, to build a treatment center on the property. This area off South Cushman Street would expand its presence as an institution of wellness in Fairbanks.

Due Diligence: The purchase price was determined by an appraisal completed by Chris Guinn Appraisers on September 5, 2023. The appraisal determined the aggregate fair market value of lots 2-5 to be \$347,110 and individual fair market value of lots 2-5 to be \$469,000. The lots will be sold at a premium of 40% above the appraised value of the individual lots to compensate for not selling the lots through a competitive process. Standard contract documents were reviewed by the Department of Law; no separate independent review was required.

Alternatives: The alternatives include holding the parcels for sale in the future or disposing of them through a competitive land sale. These alternatives could potentially miss selling at the higher end of the market, delay receipt of revenues, fail to capitalize on the net present value of money returned to the corpus, and have the potential need to be actively managed due to trespass risk.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted October 2021 in consultation with

the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets.

Trust Land Office Recommendation: The Trust Land Office recommends that it is in the Trust’s best interest to offer these parcels in a negotiated sale. If not sold or determined to not be in the best interest of the Trust and its beneficiaries, the parcel may be disposed of in the future through the TLO’s land sale programs, negotiated sale, or through a negotiated or competitive lease.

Applicable Authority: Alaska Statutes AS 37.14.009(a), AS 38.05.801, 11 AAC 99; Resource Management Strategy.

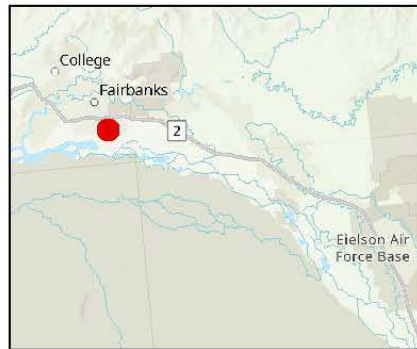
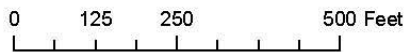
Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit A:



MHT 9400896
Portion of MH Parcel F1002
Lots 2-5 of TLS 2005-03

-  MHT 9400896
-  MH Land Lease (All)
-  Mental Health Parcels (Land & Fee)
-  Roads





To: John Sturgeon, Chair
From: Brittany Williams, Leasing and Land Sales Manager
Through: Jusdi Warner, Executive Director
Date: 4/25/2024
Re: Item E: FY2025 – 2030 Parcel Inventory for Statewide Land Sale Programs
Fiscal Year: 2025 – 2030

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority Board of Trustees concur with creating a pool of approximately 19 subdivision lots and small to large tract parcels to be subdivided that may be disposed of through the TLO’s Statewide Land Sale Programs.”

Background:

Revenue Projections: Principal Income (up to) \$6 Million (up to) \$3 Million

Transaction/Resource: The proposed action is to select and offer, through the TLO’s Statewide Land Sale Programs, Trust parcels annually from a pool of 19 parcels between, fiscal years 2025 and 2030. If a parcel is not sold within this timeframe, it may be reoffered in future TLO Statewide Land Sale Programs. These parcels were identified based on already being suitable for disposal or a candidate for subdivision in an area where market conditions will allow for profitable sales after a subdivision has been completed.

Parcels identified for inclusion in the Statewide Land Sale Programs will be offered in the following order of Land Sale Programs:

1. Annual Competitive Land Sale Program (Sealed Bid Auction Format).
2. Year-round Over-the-Counter Land Sale Program.
3. Negotiated Sale at, or above, the appraised value.

The Executive Director, in consultation with the Trust Authority, may elect to sell a parcel from this pool through a negotiated sale, so long as a written decision is completed providing the opportunity for interested parties to submit qualified competing offers and describing that a non-competitive disposal is in the best interest of the Trust and its beneficiaries.

Purchasers may elect to pay for the parcel in full or finance through a TLO land sale contract.

Property Description/Acreage/MH Parcel(s): Trust parcels in the pool are mostly from subdivisions currently being developed by the TLO, pre-existing subdivisions designed and platted by the Department of Natural Resources (DNR) (primarily in the 1970's and 1980's), or individual parcels 30 acres or smaller in size that are already suitable for disposal. These parcels have characteristics that are typical of residential and recreational properties that do not lend themselves to other types of resource development.

The parcels to be offered are listed on Exhibit 1 of this consultation document. Descriptions include Trust parcel number, general locations, meridian, township, range, section, survey number, lot, block, and acreage.

It is important to note that certain parcels may be deleted from the list because of the public notice process, title reviews, parcel inspections, or the identification of a higher and better use that would generate larger returns.

General Background: The TLO has been selling parcels through the Statewide Land Sale Programs since 1998 on behalf of the Trust. In previous years, the TLO would select a limited number of already subdivided parcels on an annual basis to offer during the next fiscal year. The TLO concluded that an inventory of parcels from which the TLO could select from over the next five years and beyond would better maximize revenues from the Statewide Land Sale Programs. Throughout the last three years, partly due to formerly low interest rates, the TLO has seen an increase in land sales and has amplified its subdivision development efforts to capitalize on the absorption rate in the market. This consultation specifically includes larger parcels/tracts of land which first require subdivision, several of which are currently underway through the TLO Subdivision Development Program, in order to maximize revenue from the sales. After the subdivisions are completed, the number of total lots that are sold will be much greater than the 19 parcels, which make up the parent parcels of the subdivisions. This consultation action is required to be completed before the parcels can be disposed of in the TLO land sale programs.

Anticipated Revenues/Benefits: By having an inventory of parcels to select from that has been through the TLO's administrative process, the TLO can consolidate costs such as appraisals and parcel inspections over multiple land sale years, have more flexibility to respond timely to public interest, market trends, and more effectively sell the parcels, thereby increasing overall land sales revenue generated through the TLO land sale programs.

The TLO's goal is to generate up to \$6 million during the five-year sale period. Land sales have performed very well over the last two years, and it is possible for this trend to continue with the TLO's ability to provide inventory in areas where demand is high. However, with the rise of interest rates the option to finance a parcel becomes less attractive and sales may slow as a result. Exact revenues received will be dependent on the number of land sale contracts issued, payoffs, and interest rates. These anticipated revenues will be realized over a twenty-year period for each land

sale year. Remaining parcels not sold within this five-year period may continue to generate revenue in future years as they are sold.

Anticipated Risks/Concerns: There are no significant risks or concerns associated with the project. This assessment is based on the TLO’s experience from previous sales. Minor risks include defaults on parcel sales from buyers. These risks will be mitigated through a land sale contract, which includes contemporary language to limit risk to the Trust, ensure performance by the buyer, and allow for termination in the event of default.

Project Costs: Project costs for the TLO land sale programs over the five-year period are estimated at approximately \$100,000/year (from TLO operating budget) with the primary costs being minor surveys, appraisals, title reports, parcel inspections, and marketing needed to prepare lots for inclusion in the land sale programs. The parcels included in this consultation that are being subdivided through the Subdivision Development Program will be paid for from that approved budget. The parcels that are not within that program and a part of this consultation will be paid for through this project cost funding which is paid for through the TLO Operating budget.

Due Diligence: Prior to the sale of the parcels a TLO staff member, contract appraiser, or surveyor will inspect each parcel. Minimum parcel bids will be established via standard appraisals or other appropriate valuation methods. All parcels will have a title report completed prior to issuing a sale contract or quitclaim deed. Contract documents have been reviewed by the Department of Law; no separate independent review is required.

Alternatives: The primary alternative is to hold the parcels for future development or sales. This alternative would delay receipt of revenues and could result in additional costs and risks for the Trust without significant increases in value. Currently, the TLO has assessed the highest and best use of these parcels as residential or recreational properties. If an alternative resource development proposal is identified or a negotiated sale application is received prior to the competitive sale and over-the-counter sale offering, for a specific parcel in the future, the TLO may re-evaluate the highest and best use and may elect an alternative use, which would require separate decision and consultation.

Consistency with the Resource Management Strategy: The proposal is consistent with the “Resource Management Strategy for Trust Land” (RMS), which was adopted October 2021 in consultation with the Trust and provides for the TLO to maximize return at prudent levels of risk, prevent liabilities, and convert nonperforming assets into performing assets. Experience has demonstrated that it is unlikely that these parcels will appreciate at a rate that would justify holding them for a later sale. It is also not cost effective for the TLO to hold these parcels for a long period of time and incur the associated management costs and liabilities.

Also, by designating a pool of parcels to select from and offer over the next five-year period, the TLO Lands Section will more efficiently meet the Land Resource Management Strategy objectives to maintain a five-year inventory of lots through subdivision developments in support of the land sale programs during fiscal years 2025 – 2030.

Trust Land Office Recommendation: The TLO recommends that it is in the Trust’s best interest to select and offer Trust parcels from a pool of 19 existing parcels between fiscal years 2025 and 2030 through the TLO’s Statewide Land Sale Programs. Parcel sales will take place over a multi-year period in an effort to gain maximum revenue by avoiding oversaturation of a single market area and sell parcels selectively based on market conditions and local area demand. If not sold in the initial timeframe the parcels may be re-offered in future land sale programs.

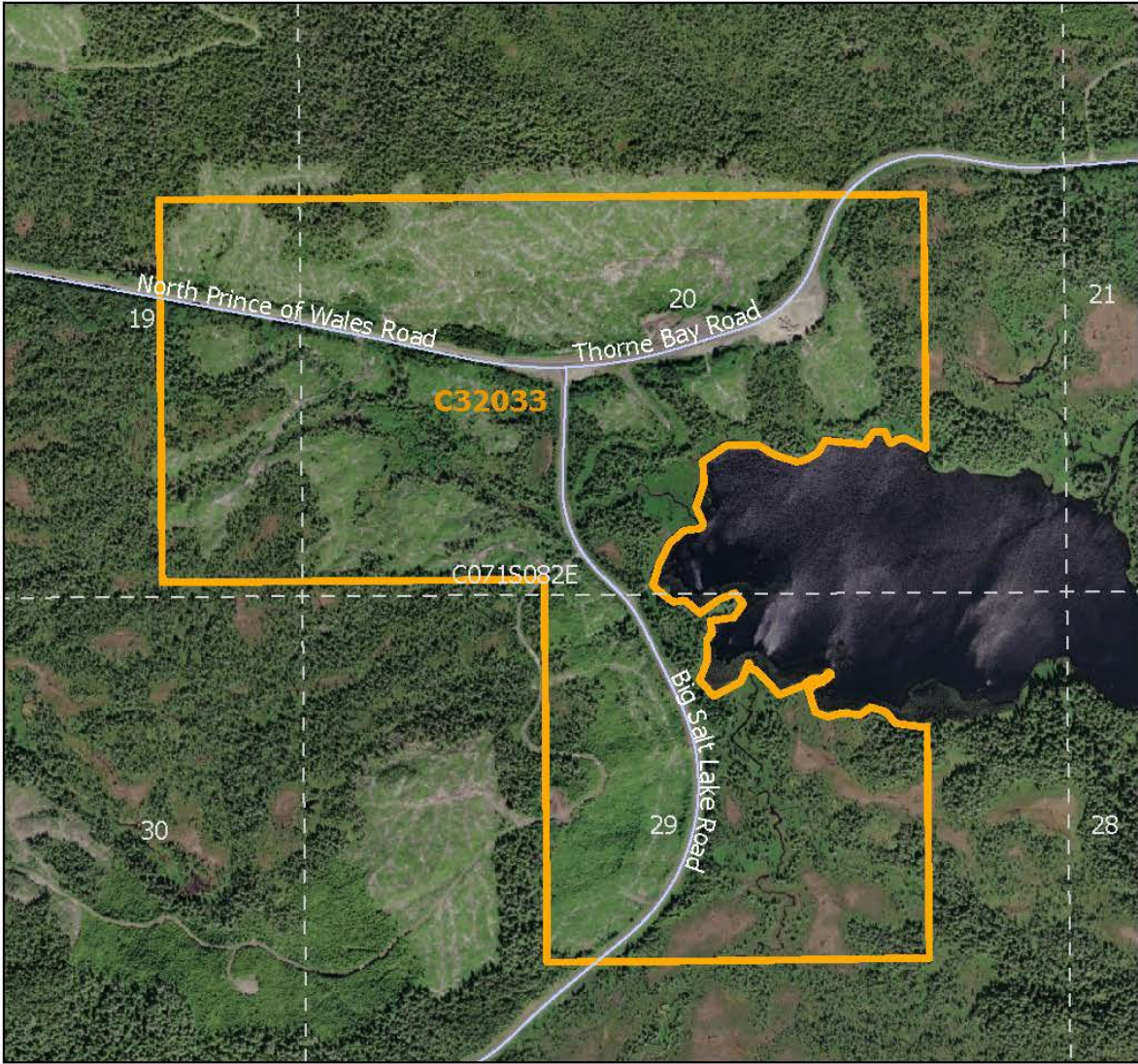
Applicable Authority: Alaska Statutes 37.14.009(a), and 38.05.801, and 11 AAC 99 (key statutes and regulations applicable to Trust land management and disposal).

Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. If significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit(s): Exhibit 1 – Parcel List

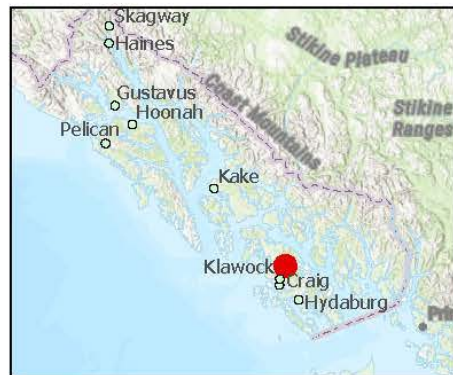
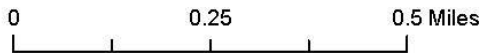
General Location	MH Parcel Number	MTRS	Survey	Lot	Block	Acres
Control Lake	C32033	C071S082E19, 20, 29	USRS	Section 19: E1/2SE1/4; Section 20: SW1/4, W1/2SE1/4; Section 29: W1/2NE1/4, E1/2NW1/4		415.750
Cordova	C20246.001	C015S003W32	ASLS 81-28	Tract A		3.420
Delta Junction	F20655.001	F010S010E23	EPF 23- 21	18, 19, 20	5	1.100
Delta Junction	F20655.002	F010S010E23	USS 3292	15	Tract B	0.460
Delta Junction	F20661	F010S010E25	USRS	4		15.140
Delta Junction	F20662	F010S010E25	USRS	5		15.080
Delta Junction	F20665	F010S010E26	USRS	6		12.810
Delta Junction	F20621	F010S010E02	USRS	15, 16		27.270
Delta Junction	F20624	F010S010E11	USRS	1, 3		30.540
Harding Lake	FM-0706-01	F005S004E35	USRS	Section 35: E1/2NE1/4, SW1/4NE1/4, E1/2NE1/4NE1/4SW1/4, N1/2SE1/4, NW1/4NW1/4SW1/4SE1/4, E1/2W1/2SW1/4SE1/4, E1/2SW1/4SE1/4, W1/2NW1/4SE1/4SE1/4, Excluding Material Sale, ADL 409017 (M.S. 624- 027-2);		238.000

General Location	MH Parcel Number	MTRS	Survey	Lot	Block	Acres
Knik	SM-0041-B	S016N002E17	USRS	Section 17: That portion of the NE1/4 lying North of the South Boundary of the Old Glenn Highway R/W, Excluding U.S. Survey 3234 and BLM No. A-016300		66.080
Kupreanof	CRM-2133	C059S079E09	ASLS 79-182	Tract A		76.750
Petersburg	CRM-2265	C059S079E35	USRS	30		2.130
Talkeetna, Chase Trails	SM-2605	S026N005W12	USRS	Section 12: NW1/4SW1/4		40.000
Talkeetna, Chase Trails	SM-2599	S026N005W11	USRS	3		34.190
Tok	C20293	C018N013E20	USRS	75, 76, 77, 78		85.540
Tok	C20282	C018N013E19	USS 2722			78.000
Willow	SM-2463	S020N004W31	USRS	SECTION 31: SE1/4SW1/4, S1/2SE1/4;		120.000
Willow	SM-2461	S020N004W31	USRS	4		31.230



Parcel: C32033

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads



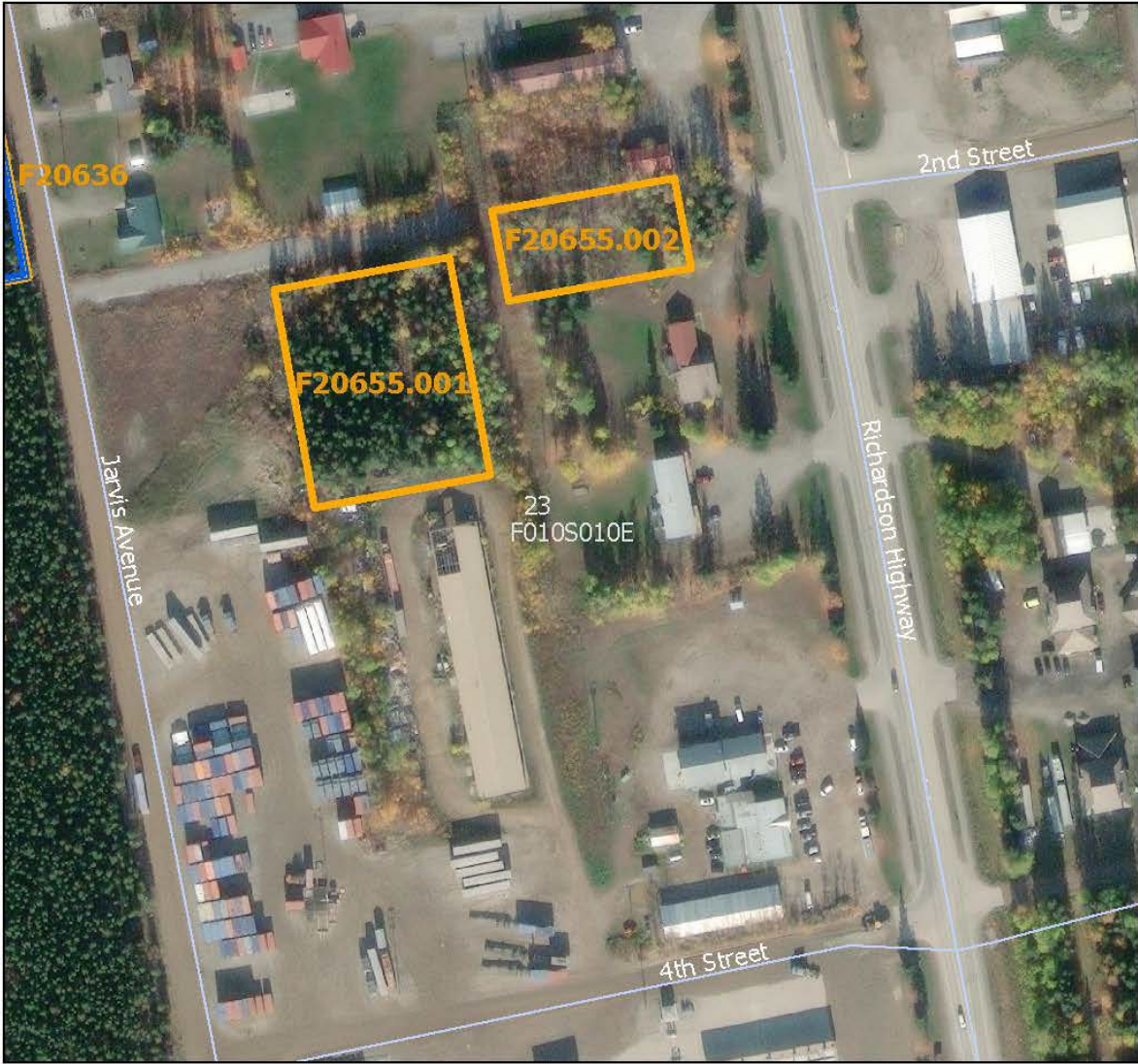


Parcel: C20246.001

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

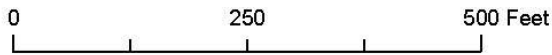
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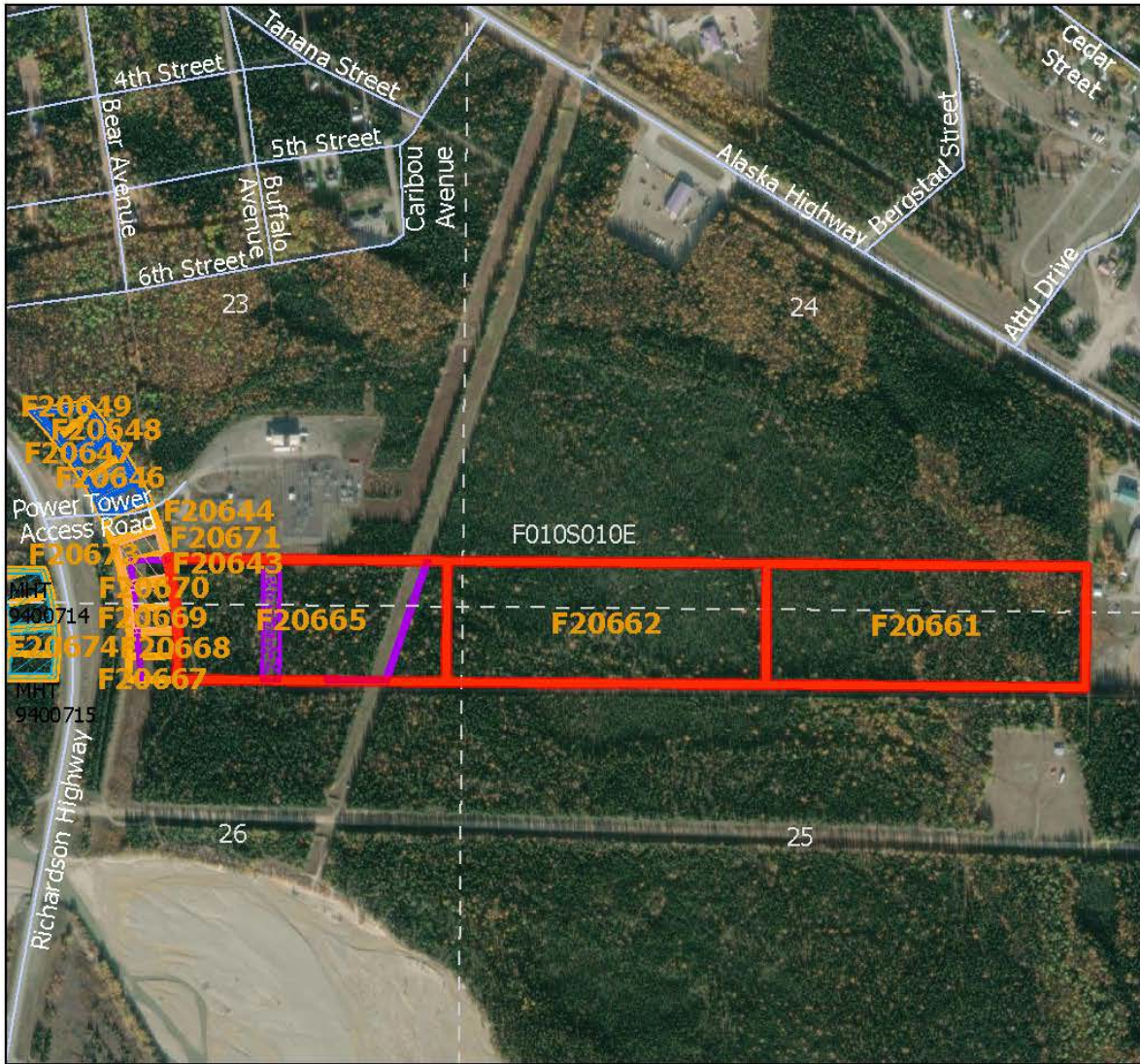








Parcel: F20655.001 & F20655.002

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

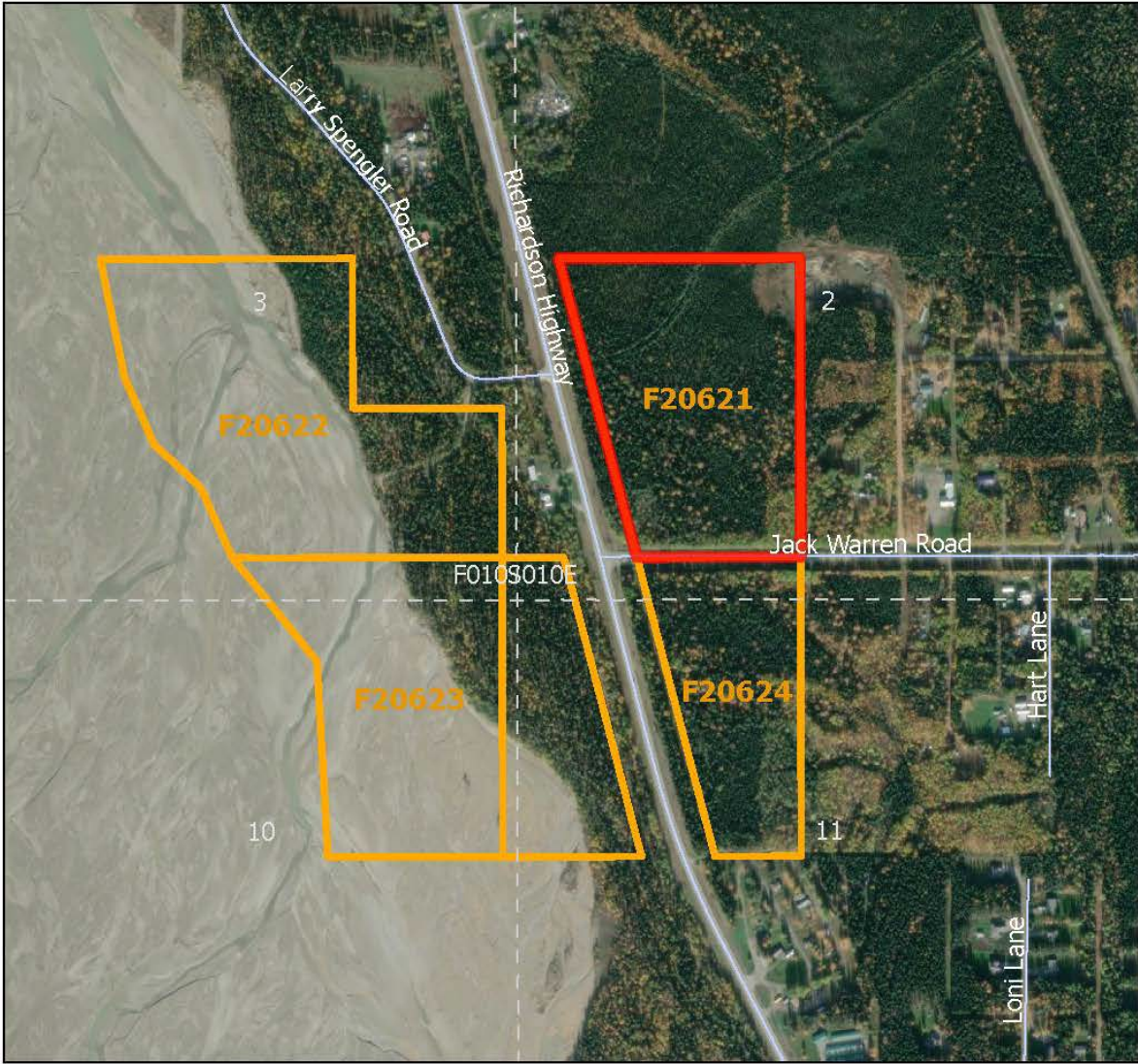




Parcel: F20661, F20662 & F 20665

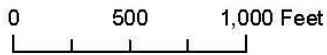
-  Mental Health Parcels (Land & Fee)
-  MH Land Sales (Conveyed)
-  PLSS Township
-  PLSS Section
-  MH Land Sales (Contracts)
-  MH Easement - Polygon
-  Roads

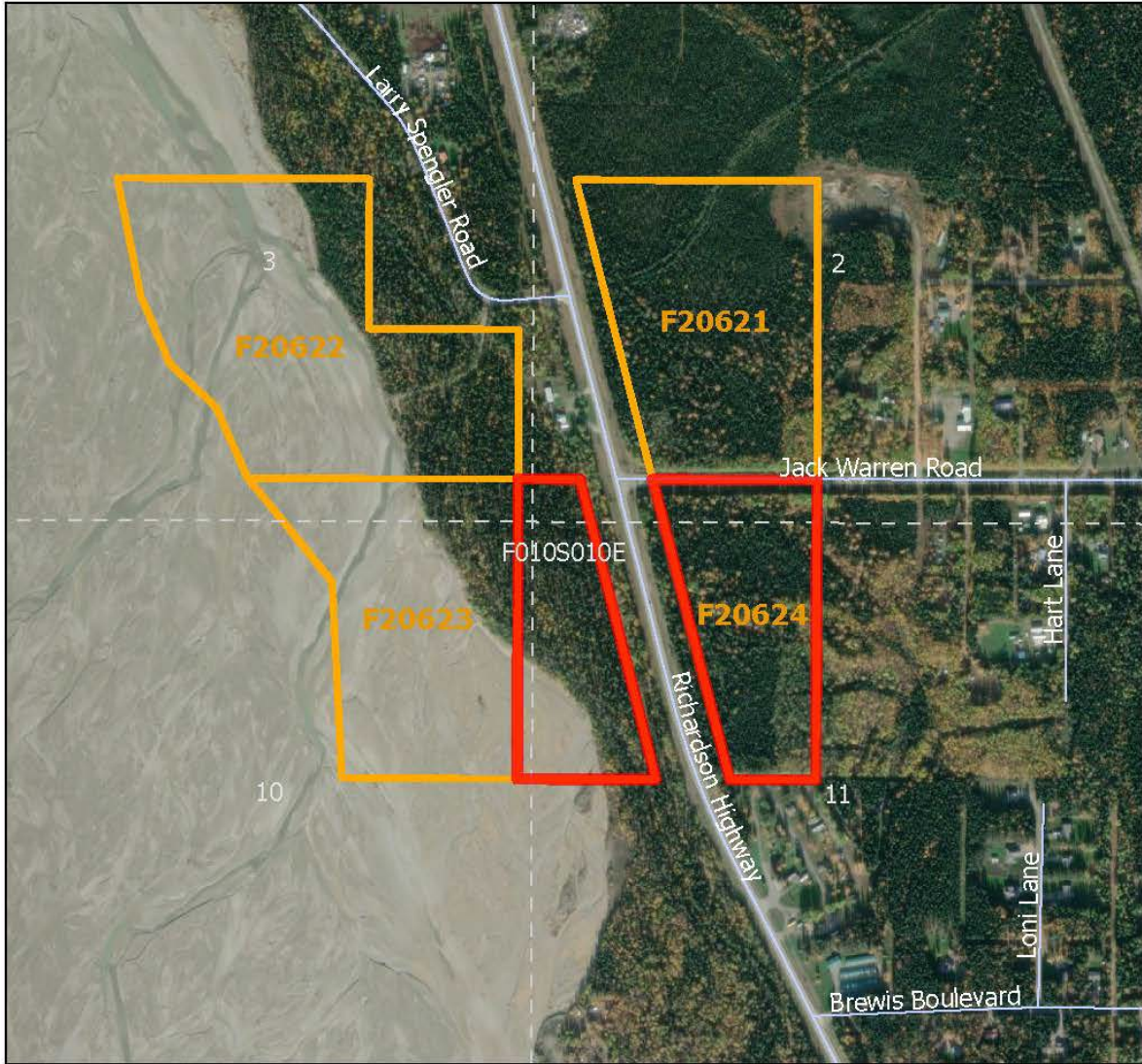




Parcel: F20621

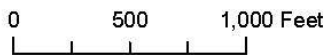
-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

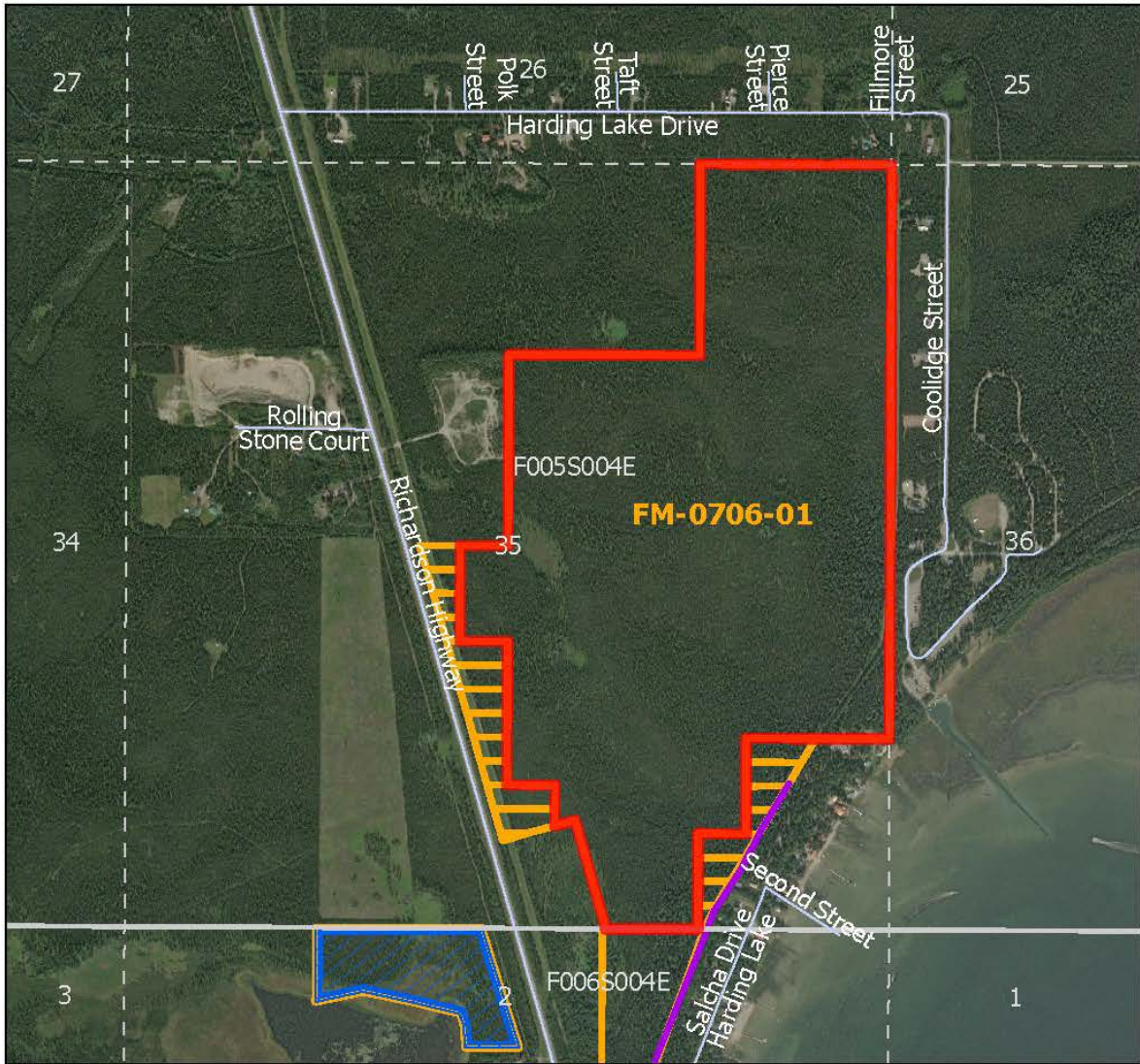




Parcel: F20624

-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads





Parcel: FM-0706-01

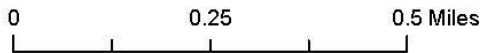
-  Mental Health Parcels (Land & Fee)
-  MH Land Sales (Conveyed)
-  PLS Township
-  PLS Section
-  Roads

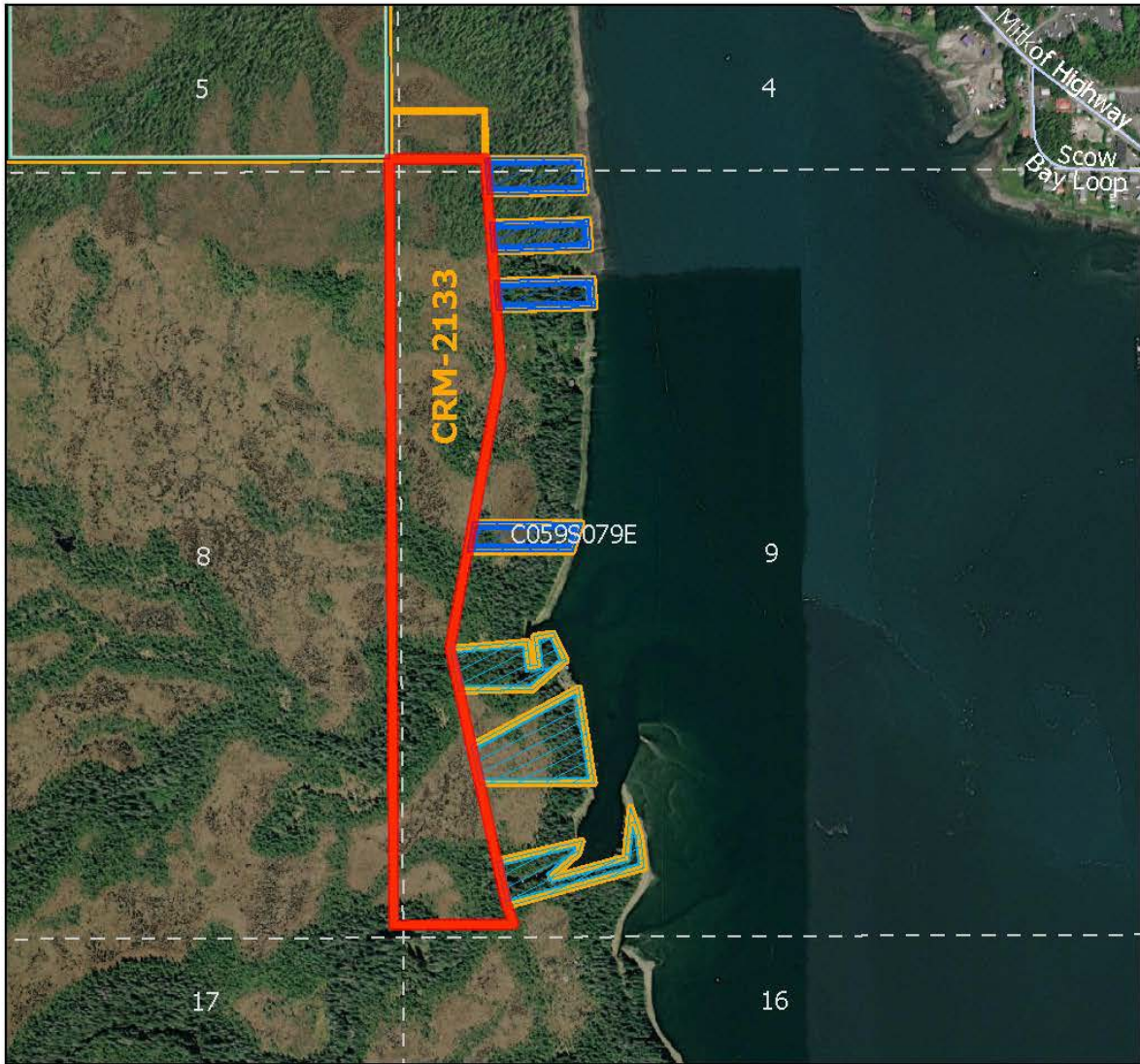











Parcel: SM-0041-B

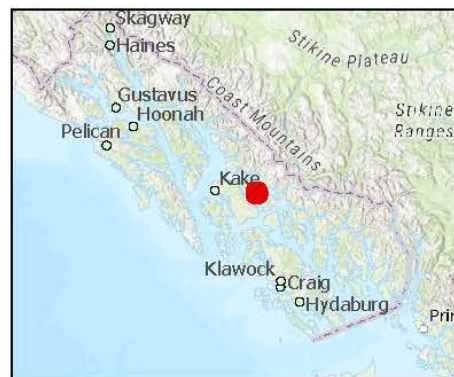
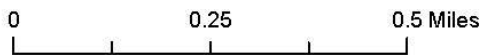
-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

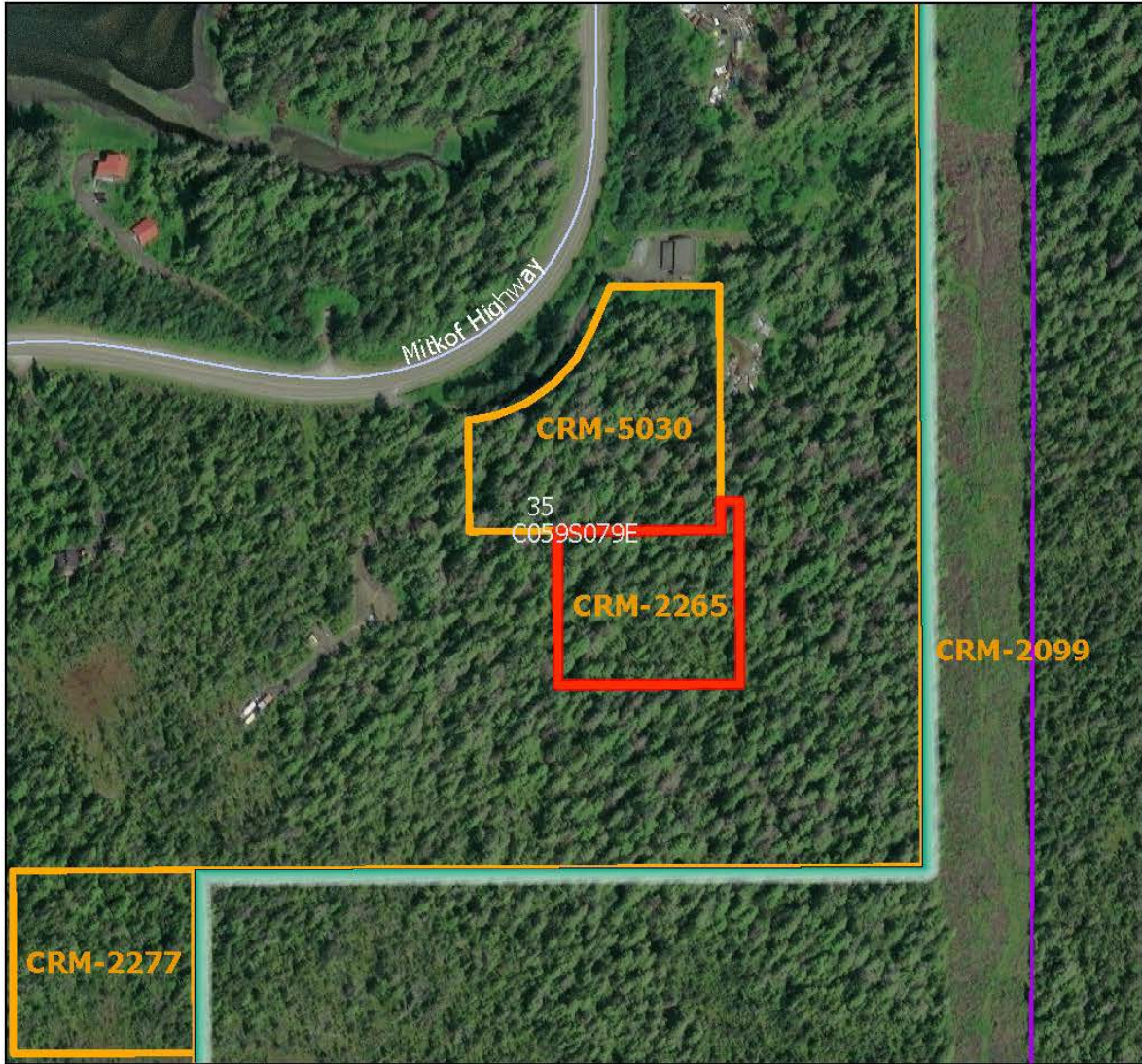




Parcel: CRM-2133

-  Mental Health Parcels (Land & Fee)
-  PLS Township
-  PLS Section
-  MH Land Sales (Conveyed)
-  MH Land Sales (Contracts)
-  MH Land Exchange
-  Roads



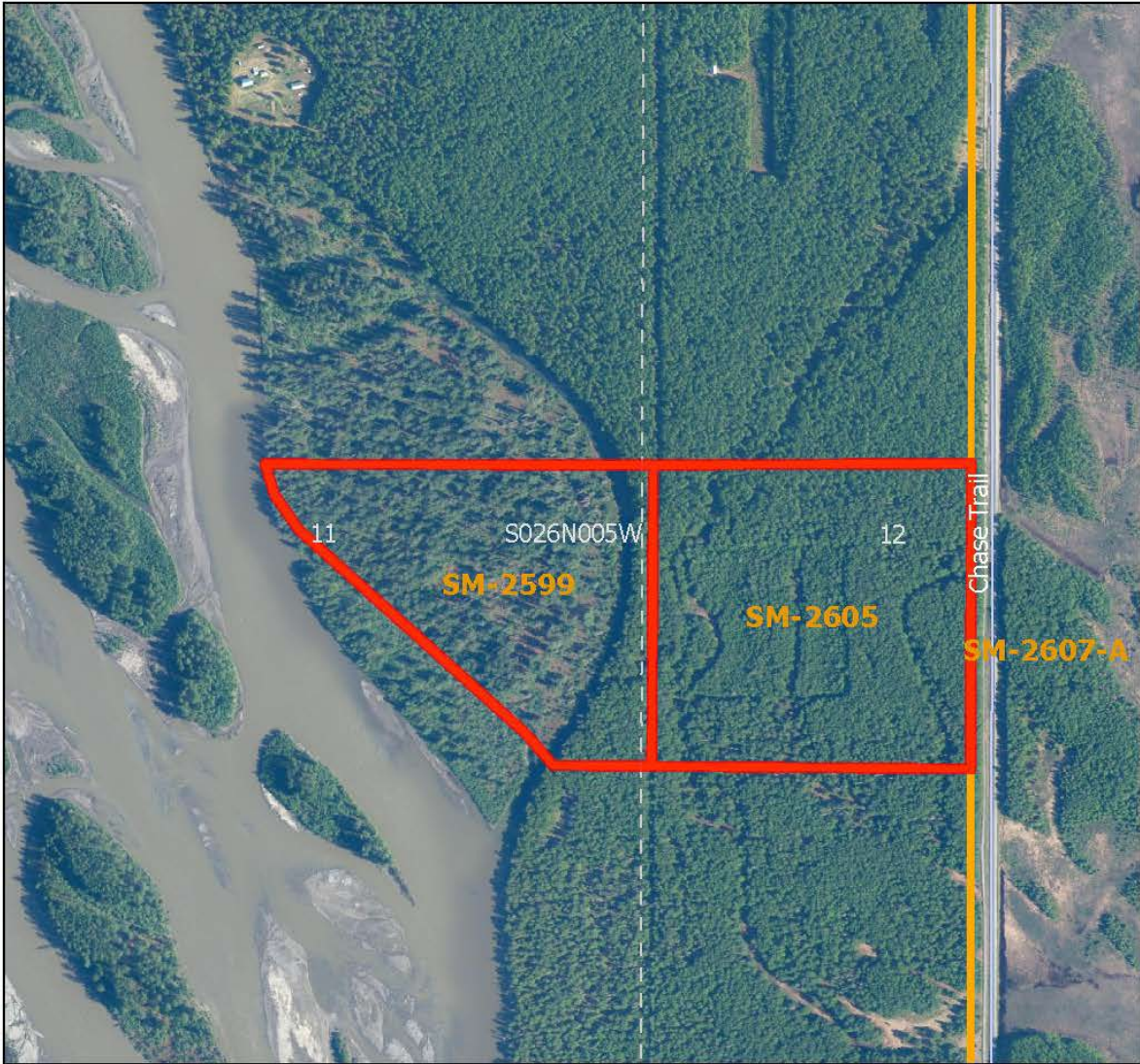


Parcel: CRM-2265

-  Mental Health Parcels (Land & Fee)
-  MH Land Exchange
-  PLSS Township
-  PLSS Section
-  Roads

0 250 500 Feet





Parcel: SM-2599 & SM-2605






-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  Roads

0 1,000 2,000 Feet





Parcel: C20282 & C20293

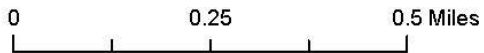
-  Mental Health Parcels (Land & Fee)
-  PLSS Township
-  PLSS Section
-  MH Land Sales (Conveyed)
-  MH Land Sales (Contracts)
-  MH Land Use License (All) - Polygon
-  Roads





Parcel: SM-2461 & SM-2463

-  Mental Health Parcels (Land & Fee)
-  MH Land Sales (Contracts)
-  PLSS Township
-  Roads
-  PLSS Section





To: John Sturgeon, Chair
From: Cole Hendrickson, Minerals & Energy Resource Manager
Through: Jusdi Warner, Executive Director
Date: 4/25/2024
Re: Item F: Livengood Gold Project – MHT 9400248
Fiscal Year: 2024-2032

Consultation

Proposed RMC Motion:

“The Resource Management Committee recommends that the Alaska Mental Health Trust Authority board of trustees concur with the decision to amend MHT 9400248, a negotiated mineral lease, to include approximately 3,016 additional acres of Trust lands described and attached hereto in Exhibit B surrounding Livengood, expanding to an aggregate 12,986 acres, more or less, of Trust property.”

Background:

Revenue Projections: **Income** **(up to) \$170,000.00 annually**

Transaction/Resource: The proposed action is to negotiate the addition of approximately 3,016 acres, more or less, of former State of Alaska mining claims that were issued prior to the reconstitution of the Alaska Mental Health Trust and have since been deemed abandoned and/or closed. These claims were overriding exclusions on Trust title to the property in question that are now available to be managed by the Trust Land Office as unencumbered Trust land in a program more consistent with trust land management principals. The proposed 3,016 acres would be added to the existing mineral lease held between the Alaska Mental Health Trust Authority and Tower Hill Mines, Inc., serialized as MHT 9400248, through an amendment and would be subject to all current stipulations set forth in the existing lease document and governed by the existing lease.

Property Description/Acreage/MH Parcel(s): Livengood/MH Parcel F70536/3,016 acres

General Background: The subject Trust land is located approximately 70 miles northwest of Fairbanks, in the Livengood region and is situated along the northern portion of the Tintina Gold Belt. The applicant has been working for a number of years to assemble a relatively large land package in this area, and has been diligently exploring this acreage, having conducted geophysical surveys, drilling, and bulk sampling programs in the area. These efforts have led to a recent (December 2021) completion of a NI 43-101 report that has indicated a Pre-feasibility Study mine plan that could produce an approximate 6.4 million oz of gold throughout the life of the mine across the entire land package held by the applicant.

Since the issuance of the 2021 NI 43-101, Tower Hill Mines went into 2022 with the submittal of their S-K 1300 Technical Report Summary with the United States Security and Exchange Commission (SEC) to fulfilling their requirements to be able to state reserves and resources associated with the project as a whole as the current iteration of a mine plan spans several landowners including the Alaska Mental Health Trust.

Within 2023, Tower Hill Mines continued to gather necessary environmental baseline data required for federal/state permitting in addition to evaluating their land tenure across the board for their optimization and clarity.

The addition of the 3,016 acres of Trust land would provide additional clarity to the applicant's total land holdings as they continue in their efforts in exploration, permitting, and development as more Trust land becomes unencumbered from former exclusions of title. This additional acreage would turn a currently non-performing asset into one that generates revenue.

Anticipated Revenues/Benefits: Revenues from this proposal will be received as an annual rent (income) for the life of the lease, until development of the mine has begun. If and when the project reaches commercial production, an established net royalty (principal) would be the primary revenue source for the project, ranging from 2.5% - 5.0% (depending on the price of gold at the point of sale) of the net smelter returns.

Anticipated Risks/Concerns: The addition of this acreage to the existing lease poses no additional risk to the already established lease agreement. All anticipated risks are mitigated by the standard lease terms and conditions already in place, including but not limited to insurance, bonding, reporting requirements, and reclamation plan requirements, which have all been followed adequately by Tower Hill Mines, Inc. throughout their lease of Trust land and are continuously reevaluated throughout the life of the lease as the project develops.

Project Costs: No significant costs are anticipated other than periodic site visits and reclamation approval inspections.

Other Considerations: None.

Due Diligence: TLO staff have conducted a review of pertinent land records and compliance history of the company with the TLO. A site inspection will be conducted in Fiscal Year 2025 to document the condition of the subject acreage prior to further development, setting a baseline for Tower Hill Mines' tenancy.

Alternatives: The primary alternative is to deny Tower Hill Mines, Inc.'s requested addition of lands. This alternative action would not generate revenue from a currently non-performing asset that is adjacent to a substantial TLO mineral lease and may affect the Trust's future position to receive royalty should the exploration efforts lead to development of the project.

Other alternatives, such as competitive leasing, are not anticipated to be successful due Tower Hill Mines' substantial existing TLO mineral lease and federal holdings in multiple federal mining claims. A third party is highly unlikely to interject Tower Hill Mines' existing efforts on the same ore body and an offer with a competitive lease rate is not probable.

Consistency with the Resource Management Strategy: The proposal is consistent with the "Resource Management Strategy for Trust Land" (RMS), which was adopted October 2021 in consultation with the Trust and provides the TLO to maximize return at prudent levels of risk, prevent liabilities, and cover non-performing assets into performing assets.

Trust Land Office Recommendation: Offer the subject lands to be incorporated into the existing mineral lease held by Tower Hill Mines, Inc. for the continued exploration and permitting efforts needed to move towards commercial production of the defined resource on a negotiated basis.

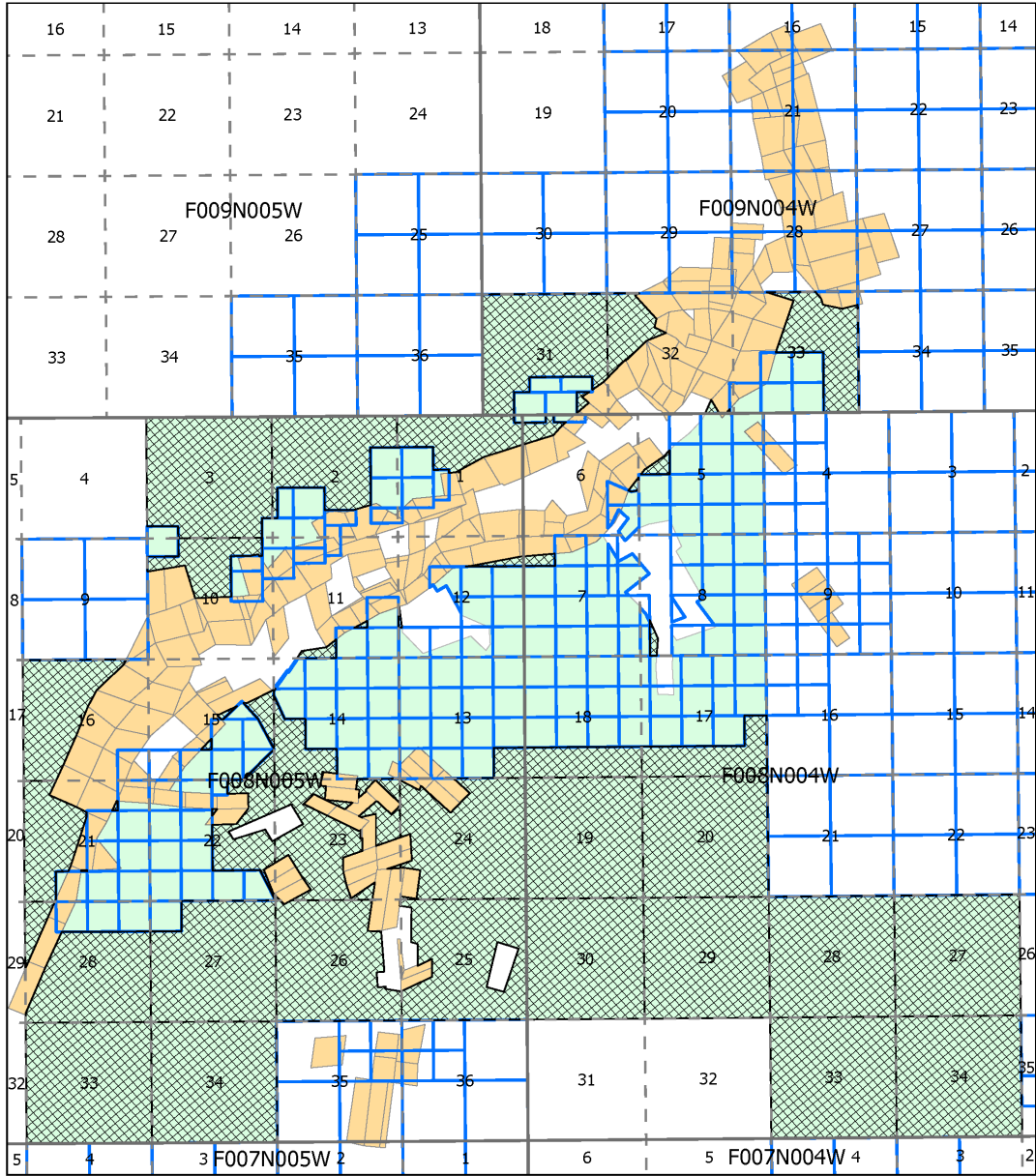
Applicable Authority: Alaska Statute 37.14.009(a), 38.05.801 and 11 AAC 99 (key statutes and regulations applicable to Trust land management and disposal).

Trust Authority Consultation: This briefing document fulfills the consultation requirements that are applicable to the transaction. In the event that significant changes to the transaction are made necessary by the public notice process, the Trust Authority will be consulted regarding the changes.

Exhibit(s):

Exhibit A - Area Map

Exhibit B - Updated Legal Description



MHT 9400248

- MHT 9400248
- State Active Mining Claims
- BLM Mining Claim Exclusions
- Mental Health Owned
- PLS Township
- PLS Section

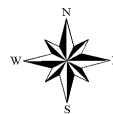


EXHIBIT D

Attachment A

MHT 9400248 Description of Leased Area

Township 8 North, Range 4 West, Fairbanks Meridian, Alaska

Section 5: Lots 1 through 7, inclusive, NE1/4NE1/4, S1/2NE1/4, N1/2SW1/4, SE1/4;
Section 6: Lots 1 through 12, inclusive, NE1/4SE1/4;
Section 7: Lots 1 through 9, inclusive, SW1/4NE1/4, E1/2NW1/4, E1/2SW1/4, W1/2SE1/4, SE1/4SE1/4;
Section 8: Lots 1 through 7, inclusive, NE1/4, E1/2SE1/4;
Section 17: Lots 1 through 4, inclusive, NE1/4, S1/2;
Section 18: Lots 1 through 4, inclusive, E1/2, E1/2W1/2;
Section 19: Lots 1 through 4, inclusive, E1/2, E1/2W1/2;
Section 20: All;
Section 27: All;
Section 28: All;
Section 29: All;
Section 30: Lots 1 through 4, inclusive, E1/2, E1/2W1/2;
Section 33: All;
Section 34: All.

Excluding mining claim recordations F-60602 through F-60606, F-61269 through F-61272, F-61380 through F-61383, F-61385 through F-61389, F-61392, F-61499 through F-61501, F-64359 and F-64360, which appear to fall within Sections 4 through 9.

Township 8 North, Range 5 West, Fairbanks Meridian, Alaska

Section 1: Lots 1 through 5, inclusive, N1/2, N1/2SW1/4;
Section 2: Lot 1, N1/2, SW1/4, N1/2SE1/4, SW1/4SE1/4;
Section 3: All;
Section 10: Lots 1 through 4, inclusive, N1/2, W1/2SW1/4;
Section 11: Lots 1 through 10, inclusive, NE1/4SE1/4, S1/2SE1/4;
Section 12: Lots 1 through 8, inclusive, NE1/4, E1/2SE1/4;
Section 13: All;
Section 14: Lot 1, NE1/4, E1/2NW1/4, SW1/4NW1/4, S1/2;
Section 15: Lots 1 through 8, inclusive, NW1/4NW1/4, SE1/4SW1/4, SE1/4;

Section 16: Lots 1 and 2, N1/2, SW1/4, W1/2SE1/4;
Section 21: All;
Section 22: Lots 1 through 4, inclusive, N1/2NE1/4, E1/2NW1/4, SW1/4NW1/4, SW1/4, W1/2SE1/4, SE1/4SE1/4;
Section 23: Lots 1 and 2, E1/2, E1/2NW1/4, SW1/4;
Section 24: All;
Section 25: Lots 1 through 9, inclusive, N1/2NE1/4, E1/2NW1/4, E1/4SW1/4, S1/2SW1/4;
Section 26: Lots 1 through 5, inclusive, W1/2E1/2, W1/2;
Section 27: All;
Section 28: All;
Section 33: All;
Section 34: All.

Excluding mining claim recordations F-37580 through F-37585, F-55452 through F-55471, F-61249, F-61250, F-61256 through F-61270, F-61273 through F-61278, F-61322 through F-61379, F-61381, F-61382, F-61477, F-61498, F-61693 through F-61699, F61704, F-61706, F-61708 through F-61713, and F-63466, which appear to fall within Sections 1, 2, 3, 10, 11, 12, 13 through 16, and 21 through 28.

Township 9 North, Range 4 West, Fairbanks Meridian, Alaska

Section 31: All;
Section 32: All;
Section 33: All.

Excluding U.S. Mineral Survey Nos. 1609 and 1641, also excluding mining claim recordations F-61279 through F-61315, F-61389 through F-61396, F-61399, F-61400, F-61402 through F-61420, F-61478 through F-61494, F-61502 through F-61508, F-63461, F-63462, F-74190, and F-74191, which appear to fall within Sections 14, 16, 20, 21, 27 through 29, and 31 through 33.

Also Excluding from all of the above, the following State Mining Claims:

ADL 330936, ADL 330937, ADL 330938, ADL 330939, ADL 330940, ADL 330941, ADL 330942, ADL 330943, ADL 330946, ADL 330947, ADL 330948, ADL 330951, ADL 330952, ADL 330953, ADL 330954, ADL 330957, ADL 330958, ADL 330959, ADL 330960, ADL 330963, ADL 330964, ADL 330965, ADL 330970, ADL 330971, ADL 330972, ADL 330977, ADL 338477, ADL 338478, ADL 338479, ADL 338480, ADL 338481, ADL 338482, ADL 338483, ADL 338484, ADL 338485, ADL 338486, ADL 338487, ADL 338488, ADL 338489, ADL 338490, ADL 338491, ADL 338492, ADL 338493, ADL 338494, ADL 338495, ADL 338496, ADL 338497, ADL 338498, ADL 338499, ADL 338500, ADL 338501, ADL 338503, ADL 338503, ADL 338504, ADL 338505, ADL 338506, ADL 338507, ADL 338508, ADL 338509, ADL 338510, ADL 338511, ADL 338512, ADL 338513, ADL 338514, ADL 338515, ADL 338516, ADL 338517, ADL 338518, ADL 338519, ADL 338520, ADL 338521, ADL 338522, ADL 347945, ADL 347946, ADL 347949, ADL 347950, ADL 347951, ADL 347952, ADL 347953, ADL 347955, ADL 347956, ADL 347957, ADL 347958, ADL 347959, ADL 347960, ADL 347961, ADL 347962, ADL 347963, ADL 347964, ADL 347965,

ADL 347966, ADL 347967, ADL 347968, ADL 347969, ADL 347970, ADL 347971, ADL 347972, ADL 347973, ADL 347974, ADL 347975, ADL 347976, ADL 347977, ADL 347978, ADL 347979, ADL 347980, ADL 348802, ADL 348803, ADL 348804, ADL 348805, ADL 348806, ADL 348807, ADL 348808, ADL 348809, ADL 348810, ADL 348811, ADL 348812, ADL 348813, ADL 348814, ADL 348815, ADL 348816, ADL 348817, ADL 348818, ADL 348819, ADL 348820, ADL 348821, ADL 348822, ADL 348823, ADL 348824, ADL 348825, ADL 348826, ADL 348827, ADL 348828, ADL 348829, ADL 348830, ADL 348831, ADL 348832, ADL 361326, ADL 361327, ADL 361328, ADL 361329, ADL 361330, ADL 361331, ADL 361332, ADL 361333, ADL 361334, ADL 361335, ADL 361349, ADL 361350, ADL 361351, ADL 361352, ADL 361353, ADL 361354, ADL 361355, ADL 361356, ADL 361357, ADL 361358, ADL 361359, ADL 361360, ADL 361361, ADL 361362, ADL 361363, ADL 361364, ADL 361365, ADL 361366, ADL 361367, ADL 361368.

Containing 12,986 acres, more or less.

According to the survey plats accepted by the United States Department of the Interior, Bureau of Land Management in Anchorage, Alaska on November 5, 1987 and January 7, 1991.