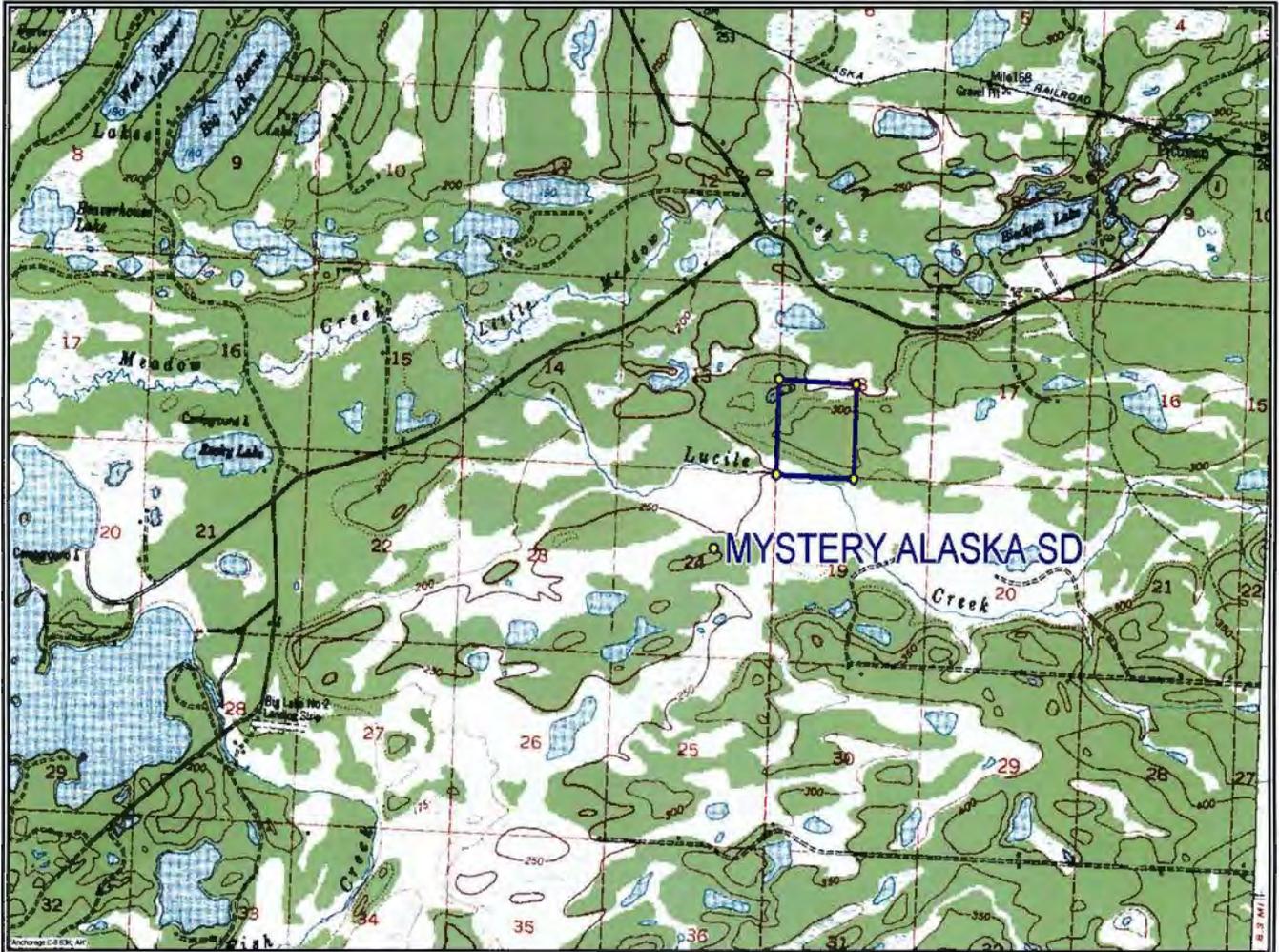


MARKET VALUE APPRAISAL

of PARCELS within The MYSTERY ALASKA SUBDIVISION

RESIDENTIAL HOME SITES



YEAR 2005

BASE APPRAISAL REPORT No. 3398

STATE of ALASKA

Department of Natural Resources
Division of Mining Land & Water
550 West Seventh Avenue Suite 650
Anchorage AK 99501-3576

ASLS
2004-32



A. SUMMARY OF APPRAISAL NO. 3398

1. ADL NO(S): Various
2. SIZE: 1.00 to 4.19 acres
3. APPLICANT: _____
4. LOCATION: S. Johnson's Road, Big Lake, Alaska
5. LEGAL DESCRIPTION(S): Mystery S/d Phases II, III & IV
6. INTEREST APPRAISED: Fee Simple less mineral rights
7. PURPOSE OF THE APPRAISAL: Estimate market value for sealed bid auction
8. APPRAISED BY: Michael R. Ward, Appraiser II
9. DATE of REPORT: November 15, 2005
10. DATE of VALUE(S): October 28, 2005
11. APPRAISED VALUE(S): See B.7

B. SUMMARY OF REVIEW

1. DATE of REVIEW: November 10, 2005
2. REVIEWER'S CLIENT: DNR Other: _____
3. INTENDED USERS of the REVIEW: DNR General Public Other: _____
4. INTENDED USE of the REVIEW: Establish minimum bid prices for a sealed bid auction
5. PURPOSE of REVIEW: Evaluate for Technical Compliance with DNR Instructions & USPAP
 Evaluate for Technical Compliance with UASFLA Develop Independent Estimate of Value
 Other: _____
6. SCOPE OF REVIEW: I Inspected the Subject on _____ I Did Not Inspect the Subject
 I Inspected the Comparable Sales on _____ I Did Not Inspect the Comparable Sales
 I Independently Verified the Comparable Sales in the Report Yes No
 Data and Information Considered in Addition to that Contained in the Report: None See Sections C thru F
 Extraordinary Assumptions, Hypothetical Conditions, & Other Limiting Conditions for this review:
 None See Section G Related appraisals reviewed: None
 Proofread DNR data entry: Yes No
7. RESULTS OF REVIEW: Not Approved Approved Approved Value: See below

ADL	BLOCK	LOT	ACRES	SUBDIVISION NAME	VALUE
229620	1	1	1.99	MYSTERY ALASKA SUBDIVISION	\$27,400
229621	1	2	1.00	MYSTERY ALASKA SUBDIVISION	\$12,500
229622	1	3	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900
229623	1	4	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900
229624	1	5	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900

DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA



APPRAISAL REVIEW
STATEMENT

229625	1	6	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900
229626	1	7	1.00	MYSTERY ALASKA SUBDIVISION	\$11,300
229627	1	8	1.00	MYSTERY ALASKA SUBDIVISION	\$11,300
229628	2	1	2.54	MYSTERY ALASKA SUBDIVISION	\$34,900
229629	2	2	1.28	MYSTERY ALASKA SUBDIVISION	\$16,000
229630	2	3	1.28	MYSTERY ALASKA SUBDIVISION	\$15,200
229631	2	4	1.28	MYSTERY ALASKA SUBDIVISION	\$15,200
229632	2	5	1.27	MYSTERY ALASKA SUBDIVISION	\$15,100
229633	2	6	1.27	MYSTERY ALASKA SUBDIVISION	\$14,300
229634	2	7	1.27	MYSTERY ALASKA SUBDIVISION	\$14,300
229635	2	8	1.27	MYSTERY ALASKA SUBDIVISION	\$14,300
229636	2	9	1.51	MYSTERY ALASKA SUBDIVISION	\$17,000
229637	2	10	1.66	MYSTERY ALASKA SUBDIVISION	\$19,400
229638	2	11	1.27	MYSTERY ALASKA SUBDIVISION	\$14,800
229639	2	12	1.22	MYSTERY ALASKA SUBDIVISION	\$13,400
229640	2	13	1.24	MYSTERY ALASKA SUBDIVISION	\$13,600
229641	2	14	1.24	MYSTERY ALASKA SUBDIVISION	\$12,800
229642	2	15	1.07	MYSTERY ALASKA SUBDIVISION	\$11,000
229643	2	16	1.19	MYSTERY ALASKA SUBDIVISION	\$11,200
229644	2	17	1.26	MYSTERY ALASKA SUBDIVISION	\$10,600
229645	2	18	1.26	MYSTERY ALASKA SUBDIVISION	\$13,400
229646	2	19	1.06	MYSTERY ALASKA SUBDIVISION	\$11,300
229647	2	20	1.06	MYSTERY ALASKA SUBDIVISION	\$11,300
229648	2	21	1.07	MYSTERY ALASKA SUBDIVISION	\$11,400
229649	2	22	1.28	MYSTERY ALASKA SUBDIVISION	\$13,600
229650	2	23	1.60	MYSTERY ALASKA SUBDIVISION	\$18,000
229651	2	24	1.24	MYSTERY ALASKA SUBDIVISION	\$14,000
229652	3	15	1.03	MYSTERY ALASKA SUBDIVISION	\$11,600
229653	3	16	1.21	MYSTERY ALASKA SUBDIVISION	\$13,600
229654	3	17	1.42	MYSTERY ALASKA SUBDIVISION	\$15,100
229655	3	18	1.04	MYSTERY ALASKA SUBDIVISION	\$12,200
229656	3	19	1.07	MYSTERY ALASKA SUBDIVISION	\$11,800
229657	3	20	1.10	MYSTERY ALASKA SUBDIVISION	\$12,900
229658	3	21	2.34	MYSTERY ALASKA SUBDIVISION	\$27,300
229659	3	22	1.89	MYSTERY ALASKA SUBDIVISION	\$21,300
229660	5	1	1.60	MYSTERY ALASKA SUBDIVISION	\$16,800
229661	5	2	2.74	MYSTERY ALASKA SUBDIVISION	\$20,800
229662	5	3	2.63	MYSTERY ALASKA SUBDIVISION	\$15,400
229663	5	4	2.97 3.47	MYSTERY ALASKA SUBDIVISION	\$28,900
229664	5	5	3.47	MYSTERY ALASKA SUBDIVISION	\$19,100
229665	5	6	4.19	MYSTERY ALASKA SUBDIVISION	\$23,100
229666	5	7	3.17	MYSTERY ALASKA SUBDIVISION	\$16,400
229667	5	8	1.18	MYSTERY ALASKA SUBDIVISION	\$12,200
229668	5	9	1.63	MYSTERY ALASKA SUBDIVISION	\$15,300
229669	5	10	2.15	MYSTERY ALASKA SUBDIVISION	\$20,200
229670	6	1	1.00	MYSTERY ALASKA SUBDIVISION	\$12,900
229671	6	2	1.42	MYSTERY ALASKA SUBDIVISION	\$12,900
229672	6	3	2.39	MYSTERY ALASKA SUBDIVISION	\$12,800
229673	6	4	1.32	MYSTERY ALASKA SUBDIVISION	\$14,000
229674	6	5	3.80	MYSTERY ALASKA SUBDIVISION	\$19,000

*17,200 MWD



229675	6	6	2.56	MYSTERY ALASKA SUBDIVISION	\$12,800
229676	6	7	1.85	MYSTERY ALASKA SUBDIVISION	\$15,700
229677	6	8	2.80	MYSTERY ALASKA SUBDIVISION	\$23,800

C. COMPLETENESS OF APPRAISAL MATERIAL WITHIN SCOPE OF WORK APPLICABLE TO THE ASSIGNMENT/CONFORMANCE with APPRAISAL INSTRUCTIONS: Adequate

D. ADEQUACY and RELEVANCE of APPRAISAL DATA and PROPRIETY OF ADJUSTMENTS: Adequate

E. APPROPRIATENESS OF APPRAISAL METHODS and TECHNIQUES: Appropriate

F. ANALYSES, OPINIONS, and CONCLUSIONS ARE APPROPRIATE and REASONABLE, except: none

G. REVIEWER'S ASSUMPTIONS AND LIMITING CONDITIONS

1. This review is based on data and information contained in the appraisal report as well as any additional data from other sources that is identified in this review.
2. The reviewer assumes that the data and information in the appraisal are factual and accurate.
3. The reviewer reserves the right to consider any additional data or information that may subsequently become available, and to revise an opinion or conclusion, if such data and information warrant a revision.
4. All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
5. A title report has not been provided to the appraiser and the reviewer. Unless specifically noted in the report or this review, it is assumed that the only easements and restrictions that affect the property are those shown on the plat.
6. The value of commercial timber, if any, is specifically excluded from the final conclusion of value.

REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 3398

I certify that, to the best of my knowledge and belief:

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I did did not personally inspect the subject property of the report under review.
- No one provided significant professional assistance to the person signing this review report.

Reviewed by Sandy Singer
Sandy Singer, Section Chief

Date 11-14-05

cc: Tammas Brown
Dorothy Melambianakis

MEMORANDUM**State of Alaska**

Department of Natural Resources
Tel (907) 269-8514
Fax (907) 269-8914
Michael Ward@dnr.state.ak.us

Division of Mining, Land and Water
550 West 7th Avenue, Suite 650
Anchorage AK 99501-3576

DATE: November 15, 2005

TO: Sandy Singer
Section Chief

FROM: Michael R. Ward, Appraiser

SUBJECT: Appraisal of 58 Parcels located in the Mystery Alaska Subdivision
South Johnson's Road
Big Lake, Alaska

As requested, I have completed an appraisal of the above referenced real estate. I understand that this appraisal will be used to determine the purchase price for 58 residential parcels within this subdivision. I am submitting this report for your review and approval.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation and in accordance with the General Appraisal Instructions, DNR. This is a complete, summary report based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses and reasoning leading to the opinions of value.

I have inspected the subject area and the comparable sales used in this report. Physical descriptions of the subject area are based on physical inspections, soil maps, aerial photography and topographic maps. Based on my observations and analyses of all available data, I have formed an opinion of the market value as of the effective date of value.

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CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

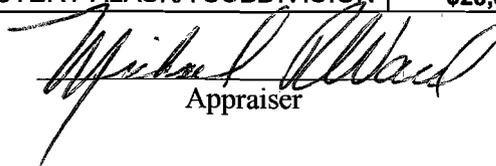
- the statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting of a predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the person signing this report.
- I have the knowledge and experience to competently complete this assignment.
- my opinion of the market value of the fee simple title less mineral rights for the land only developed to its highest potential, described in the subsequent report are :

SUMMARY OF VALUES
 MYSTERY AK SUBDIVISION PHASE II ASLS 2004-30

ADL	BLOCK	LOT	ACRES	SUBDIVISION NAME	VALUE
229620	1	1	1.99	MYSTERY ALASKA SUBDIVISION	\$27,400
229621	1	2	1.00	MYSTERY ALASKA SUBDIVISION	\$12,500
229622	1	3	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900
229623	1	4	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900
229624	1	5	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900
229625	1	6	1.00	MYSTERY ALASKA SUBDIVISION	\$11,900
229626	1	7	1.00	MYSTERY ALASKA SUBDIVISION	\$11,300
229627	1	8	1.00	MYSTERY ALASKA SUBDIVISION	\$11,300
229628	2	1	2.54	MYSTERY ALASKA SUBDIVISION	\$34,900
229629	2	2	1.28	MYSTERY ALASKA SUBDIVISION	\$16,000
229630	2	3	1.28	MYSTERY ALASKA SUBDIVISION	\$15,200
229631	2	4	1.28	MYSTERY ALASKA SUBDIVISION	\$15,200
229632	2	5	1.27	MYSTERY ALASKA SUBDIVISION	\$15,100
229633	2	6	1.27	MYSTERY ALASKA SUBDIVISION	\$14,300
229634	2	7	1.27	MYSTERY ALASKA SUBDIVISION	\$14,300
229635	2	8	1.27	MYSTERY ALASKA SUBDIVISION	\$14,300
229636	2	9	1.51	MYSTERY ALASKA SUBDIVISION	\$17,000
229637	2	10	1.66	MYSTERY ALASKA SUBDIVISION	\$19,400
229638	2	11	1.27	MYSTERY ALASKA SUBDIVISION	\$14,800
229639	2	12	1.22	MYSTERY ALASKA SUBDIVISION	\$13,400
229640	2	13	1.24	MYSTERY ALASKA SUBDIVISION	\$13,600
229641	2	14	1.24	MYSTERY ALASKA SUBDIVISION	\$12,800
229642	2	15	1.07	MYSTERY ALASKA SUBDIVISION	\$11,000
229643	2	16	1.19	MYSTERY ALASKA SUBDIVISION	\$11,200
229644	2	17	1.26	MYSTERY ALASKA SUBDIVISION	\$10,600
229645	2	18	1.26	MYSTERY ALASKA SUBDIVISION	\$13,400
229646	2	19	1.06	MYSTERY ALASKA SUBDIVISION	\$11,300
229647	2	20	1.06	MYSTERY ALASKA SUBDIVISION	\$11,300
229648	2	21	1.07	MYSTERY ALASKA SUBDIVISION	\$11,400
229649	2	22	1.28	MYSTERY ALASKA SUBDIVISION	\$13,600
229650	2	23	1.60	MYSTERY ALASKA SUBDIVISION	\$18,000
229651	2	24	1.24	MYSTERY ALASKA SUBDIVISION	\$14,000
229652	3	15	1.03	MYSTERY ALASKA SUBDIVISION	\$11,600
229653	3	16	1.21	MYSTERY ALASKA SUBDIVISION	\$13,600
229654	3	17	1.42	MYSTERY ALASKA SUBDIVISION	\$15,100
229655	3	18	1.04	MYSTERY ALASKA SUBDIVISION	\$12,200
229656	3	19	1.07	MYSTERY ALASKA SUBDIVISION	\$11,800
229657	3	20	1.10	MYSTERY ALASKA SUBDIVISION	\$12,900
229658	3	21	2.34	MYSTERY ALASKA SUBDIVISION	\$27,300
229659	3	22	1.89	MYSTERY ALASKA SUBDIVISION	\$21,300
229660	5	1	1.60	MYSTERY ALASKA SUBDIVISION	\$16,800
229661	5	2	2.74	MYSTERY ALASKA SUBDIVISION	\$20,800
229662	5	3	2.63	MYSTERY ALASKA SUBDIVISION	\$15,400
229663	5	4	2.93	MYSTERY ALASKA SUBDIVISION	\$28,000 \$17,200
229664	5	5	3.47	MYSTERY ALASKA SUBDIVISION	\$19,100

229665	5	6	4.19	MYSTERY ALASKA SUBDIVISION	\$23,100
229666	5	7	3.17	MYSTERY ALASKA SUBDIVISION	\$16,400
229667	5	8	1.18	MYSTERY ALASKA SUBDIVISION	\$12,200
229668	5	9	1.63	MYSTERY ALASKA SUBDIVISION	\$15,300
229669	5	10	2.15	MYSTERY ALASKA SUBDIVISION	\$20,200
229670	6	1	1.00	MYSTERY ALASKA SUBDIVISION	\$12,900
229671	6	2	1.42	MYSTERY ALASKA SUBDIVISION	\$12,900
229672	6	3	2.39	MYSTERY ALASKA SUBDIVISION	\$12,800
229673	6	4	1.32	MYSTERY ALASKA SUBDIVISION	\$14,000
229674	6	5	3.80	MYSTERY ALASKA SUBDIVISION	\$19,000
229675	6	6	2.56	MYSTERY ALASKA SUBDIVISION	\$12,800
229676	6	7	1.85	MYSTERY ALASKA SUBDIVISION	\$15,700
229677	6	8	2.80	MYSTERY ALASKA SUBDIVISION	\$23,800

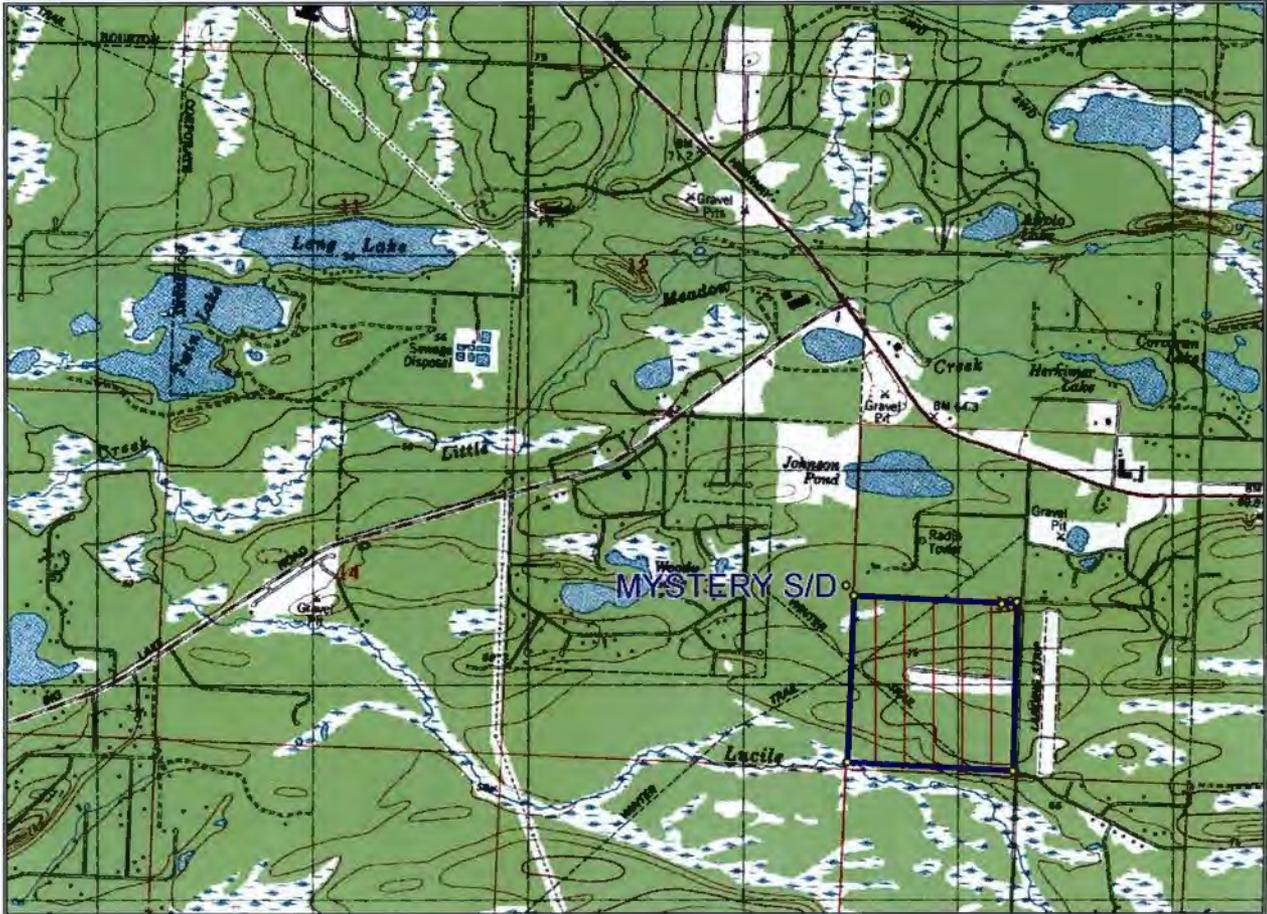
10-28-2005
Date


Appraiser

MYSTERY ALASKA SUBDIVISION ASLS 2002-28

ADL #	BLOCK	LEGAL LOT	ACRES TOTAL	SITE	USABLE AREA	UTILITIES	VIEW	TOPOGRAPHY	SHAPE	Corner
229620	1	1	1.99		1.99	E	No	level/sloping	normal	yes
229621	1	2	1.00		1.00	None, 290' to E	No	level/sloping	normal	normal
229622	1	3	1.00		1.00	None, 435' to E	No	level/sloping	normal	normal
229623	1	4	1.00		1.00	None, 580' to E	No	level/sloping	normal	normal
229624	1	5	1.00		1.00	None, 725' to E	No	level/sloping	normal	normal
229625	1	6	1.00		1.00	None, 870' to E	No	level/sloping	normal	normal
229626	1	7	1.00		1.00	None, 1,015' to E	No	level/sloping	normal	normal
229627	1	8	1.00		1.00	None, 1,160' to E	No	level/sloping	normal	yes
229628	2	1	2.54		2.54	E	No	level	normal	yes
229629	2	2	1.28		1.28	None, 290' to E	Yes	level	normal	normal
229630	2	3	1.28		1.28	None, 435' to E	Yes	level	normal	normal
229631	2	4	1.28		1.28	None, 580' to E	Yes	level	normal	normal
229632	2	5	1.27		1.27	None, 725' to E	Yes	level	normal	normal
229633	2	6	1.27		1.27	None, 870' to E	Yes	level	normal	normal
229634	2	7	1.27		1.27	None, 1,015' to E	Yes	level	normal	normal
229635	2	8	1.27		1.27	None, 1,160' to E	Yes	level	normal	normal
229636	2	9	1.51		1.51	None, 1,300' to E	Yes	level	normal	normal
229637	2	10	1.66		1.66	None, 1,500' to E	Yes	level/sloping	normal	normal
229638	2	11	1.27		1.27	None, 1,725' to E	Yes	level/sloping	normal	normal
229639	2	12	1.22		1.22	None, 1,900' to E	Yes	level/sloping	normal	normal
229640	2	13	1.24		1.24	None, 2,190' to E	Yes	sloping	normal	normal
229641	2	14	1.24		1.24	None, 2,350' to E	Yes	level	normal	normal
229642	2	15	1.07		1.07	None, 2,500' to E	Yes	level	normal	normal
229643	2	16	1.19		1.19	None, 2,500' to E	No	level	normal	normal
229644	2	17	1.26		1.26	None, 2,318' to E	No	level	normal	normal
229645	2	18	1.26		1.26	None, 1,835' to E	No	level	normal	yes
229646	2	19	1.06		1.06	None, 1,700' to E	No	level	normal	normal
229647	2	20	1.06		1.06	None, 1,565' to E	No	level	normal	normal
229648	2	21	1.07		1.07	None, 1,455' to E	No	level	normal	normal
229649	2	22	1.28		1.28	None, 1,357' to E	No	level	normal	normal
229650	2	23	1.60		1.60	None, 1,212' to E	No	level	normal	normal
229651	2	24	1.24		1.24	None, 1,061' to E	No	level	normal	normal
229652	3	15	1.03		1.03	None, 1,136' to E	No	level	normal	yes
229653	3	16	1.21		1.21	None, 1,300' to E	No	level	normal	normal
229654	3	17	1.42		1.42	None, 1,637' to E	No	level	irregular	normal
229655	3	18	1.04		1.04	None, 1,785' to E	Yes	level	normal	yes
229656	3	19	1.07		1.07	None, 1,927' to E	Yes	level	normal	normal
229657	3	20	1.10		1.10	None, 1,800' to E	Yes	sloping	normal	normal
229658	3	21	2.34		2.34	None, 1,536' to E	Yes	sloping	normal	normal
229659	3	22	1.89		1.89	None, 1,226' to E	No	sloping	normal	normal
229660	5	1	1.60	wet 15%	1.36	None, 1,273' to E	Yes	level/sloping	irregular	normal
229661	5	2	2.74	wet 35%	1.78	None, 1,425' to E	Yes	level/sloping	irregular	normal
229662	5	3	2.63	wet 50%	1.32	None, 1,611' to E	Yes	level/sloping	irregular	normal
229663	5	4	2.93	wet 50%	1.47	None, 1,785' to E	Yes	level/sloping	irregular	normal
229664	5	5	3.47	wet 50%	1.74	None, 1,955' to E	Yes	level/sloping	irregular	normal
229665	5	6	4.19	wet 50%	2.10	None, 2,200' to E	Yes	level/sloping	irregular	yes
229666	5	7	3.17	wet 50%	1.59	None, 2,500' to E	Yes	rolling/sloping	irregular	normal
229667	5	8	1.18		1.18	None, 2,500' to E	No	level	irregular	normal
229668	5	9	1.63		1.63	None, 2,378' to E	No	level	irregular	yes
229669	5	10	2.15		2.15	None, 2,378' to E	No	level	irregular	yes
229670	6	1	1.42	wet 15%	1.21	None, 1,355' to E	No	level/sloping	normal	normal
229671	6	2	1.42	wet 15%	1.21	None, 1,475' to E	No	level/sloping	normal	yes
229672	6	3	2.39	wet 50%	1.20	None, 1,635' to E	No	level/sloping	normal	normal
229673	6	4	1.32		1.32	None, 1,800' to E	No	level/sloping	normal	yes
229674	6	5	3.80	wet 50%	1.90	None, 2,300' to E	No	level/sloping	normal	normal
229675	6	6	2.56	wet 50%	1.28	None, 2,300' to E	No	level/sloping	irregular	normal
229676	6	7	1.85	wet 15%	1.57	None, 2,150' to E	No	level/sloping	irregular	normal
229677	6	8	2.80	wet 15%	2.38	None, 2,150' to E	No	level/sloping	irregular	normal

APPRAISAL SUMMARY



<p>This subject area is located on the west side of South Johnson's Road, within the Matanuska-Susitna Borough, about 20 miles north of Anchorage and 10 miles west of Wasilla, Alaska. The subject lots range in size from 1.00 to 4.19 acres.</p>	
<p>Legal Description</p>	<p>The lots in ASLS 2004-30 are within an area that encompasses Gov't Lots 3 & 4 and the E2SW4, Section 18, Township 17 North, Range 2 West, Seward Meridian. The lots in this Phase are identified as Lots 1-8, Block 1, Lots 1-24 Block 2, Lots 15-22 Block 3, Lots 1-10 Block 5 & Lots 1-8 Block 6. The subdivided lots are further identified opposite.</p>
<p>Owner</p>	<p>State of Alaska</p>
<p>Type of parcels</p>	<p>A total of 58 residential lots</p>
<p>Current Use</p>	<p>Undeveloped sites, gravel subdivision roads</p>
<p>Improvements</p>	<p>None</p>
<p>Highest and Best Use</p>	<p>Residential home sites</p>
<p>Interest Appraised</p>	<p>Fee simple title, excluding mineral rights</p>
<p>Date of Inspection</p>	<p>October 28, 2005</p>
<p>Effective Date of Value</p>	<p>October 28, 2005</p>
<p>Date of Report</p>	<p>December 1, 2005</p>
<p>Conclusion of Value for Subject Parcels</p>	<p>Please see page 4</p>

PREMISES OF THE APPRAISAL

TYPE OF APPRAISAL AND REPORT

This is a complete, summary appraisal prepared in accordance with Standard Rules 1 and 2 of the Uniform Standards of Professional Appraisal Practice, Appraisal Foundation, and in accordance with General Appraisal Instructions, DNR, a copy of which is included in the Addenda.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the current market value of the properties described in this report.

INTENDED USE OF THE APPRAISAL

This appraisal will be used to determine the minimum purchase price for parcels to be made available in a sealed bid auction.

CLIENT AND USER IDENTITY

This appraisal is prepared for the State of Alaska, Department of Natural Resources and the general public.

PROPERTY RIGHTS APPRAISED

The rights appraised are the fee simple estate **less the mineral rights** reserved to the State of Alaska under AS 38.05.125(a). Fee simple estate is defined¹ as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

AS 38.05.125(a) states²:

Reservation. (a) Each contract for the sale, lease or grant of state land... is subject to the following reservations: "[sic] the party of the first part, Alaska, hereby expressly saves, excepts and reserves...unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said land...[and the right] to occupy as much of said land as may be necessary or convenient... to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

As a result of the testing for coal-bed methane gas in the Mat-Su Valley, the level of public interest in the controversy is elevated. It is too soon to tell if a reaction (positive or negative) to the drilling will be evident in the market place. Until the situation is clarified, no consideration for the lack of mineral rights will be made.

DEFINITION OF MARKET VALUE³

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

In accordance with instructions from the State of Alaska, market value for the appraised property is estimated in terms of seller financing typical for the property type as of the date of appraisal.

¹ The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2001, p.69

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 1998, pp. 561-62

³ The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2001, p.22

EFFECTIVE DATE OF VALUE ESTIMATE

The subject tract was inspected numerous times between May 26, 2005 and October 28, 2005. The effective date of the value estimate is October 28, 2005. All comparable sales were inspected on October 28, 2005.

PROPERTY HISTORY

The State of Alaska has owned the undivided subject parcel since March 1985, when it was conveyed to the State of Alaska by the Bureau of Land Management. It was part of a larger entitlement that totaled 3,394 acres.

EXPOSURE TIME

Exposure time is "...the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal..."⁴

Exposure time varies with the type of property and changes with market conditions. The market for residential properties in the Matanuska Susitna Valley has been strong for the last ten years. The market has been driven by a population growing at an annual rate of approximately 5%. Primary sellers are private developers, the Matanuska-Susitna Valley Borough, the Mental Health Lands Trust, Native allottees, and the State of Alaska. Road accessible, residential parcels such as the subject typically require up to 12 months of marketing time.

Compared with competing parcels in the overall market for residential parcels, the market appeal for the subject parcels is average. Considering exposure times for similar properties, appraised values for the subject parcels are based on an exposure time of under one year.

MARKETING TIME

"Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal."⁵

Considering current market conditions and foreseeable supply and demand as of the date of appraisal, appraised values for the subject parcels are based on an estimated marketing time of one year.

SCOPE OF THE APPRAISAL

I inspected the subject subdivision on numerous times between May 26, 2005 and October 28, 2005. Physical features, access and utilities were identified by the use of physical inspections, topographic maps, status plats, aerial photographs, DNR appraisal records and interviews with people who are familiar with the area. All comparable sales were inspected on October 28, 2005.

Interviews were conducted with real estate agents, appraisers, and other individuals who provided data about trends in values, supply and demand. Sellers and buyers were contacted to verify sale prices and other transaction details. Also, DNR appraisal records were searched for recent sales of similar parcels.

After analysis of all available data, appropriate sales were selected for comparison with a key parcel of the subject properties being appraised. The market value estimate is based on the following assumptions and conditions.

⁴ op. cit. p. 83.

⁵ *Uniform Standards of Professional Appraisal Practice 2001, Appraisal Foundation, p. 128.*

ASSUMPTIONS AND LIMITING CONDITIONS

1. The property is appraised as vacant land without structural or site improvements.
2. Some parcels may contain saw timber but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.
3. The data and conclusions embodied in this report are a part of the whole valuation. Each part of this appraisal is only part of the evidence upon which final judgement is based. Therefore, no part should be used out of context and by itself alone.
4. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless prior arrangement has been made and adequate time is provided to review the appraisal.
5. The estimate of value in this report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
6. In this valuation various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.
7. The information furnished by others is believed to be reliable but it is not warranted for its accuracy. Plats of lease areas in this report are included for illustration only and may not be to scale.
8. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions, or for arranging engineering studies to discover them.
9. Unless otherwise stated in this report, the appraiser does not know about the existence of hazardous materials or toxic substances, which may or may not be present on the property. The appraiser is not qualified to detect such substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them.

PRESENTATION OF DATA

Matanuska-Susitna Borough Overview

Population:	70,148 (2004 State Demographer est.)
Incorporation Type:	2nd Class Borough
Borough Located In:	Matanuska-Susitna Borough
School District:	Matanuska-Susitna Schools
Regional Native Corporation:	Not Applicable

Location:

The Borough is comprised of the lush farmlands of the Matanuska and Susitna Valleys, approximately 42 miles northeast of Anchorage. It lies at approximately 61.6° North Latitude and -149.1° West Longitude. Matanuska-Susitna Borough is located in the Palmer, Anchorage, Talkeetna Recording District. The area encompasses 24,681.5 sq. miles of land and 578.3 sq. miles of water. The average temperatures in January range from 6 to 14; in July, 47 to 67. Annual precipitation is 16.5 inches.

History:

By 1920, gold, coal mining, and construction of the Alaska railroad sustained the local population. The Matanuska Valley was settled by homesteaders who led an agricultural lifestyle in the 1930s. Construction of the statewide road system and the rich farmlands fueled population growth. Today, Borough residents enjoy a more rural lifestyle close to metropolitan Anchorage.

Culture:

Low housing costs, the rural lifestyle, and a reasonable commute to Anchorage for employment and services has made the Mat-Su Borough one of the fastest growing areas of Alaska in recent years.

General Description of the Local Economy:

The economy is diverse, and residents are employed in a variety of retail, professional services, city, borough, state and federal occupations. Top employers are Mat-Su Schools, Valley Hospital, Wal-Mart, Carrs/Safeway and Fred Meyer. About one-third of the Borough's labor force commutes to Anchorage for employment. 244 borough residents hold commercial fishing permits.

The following Income and Employment data is from the 2000 U.S. Census. Additional detail is available from the Alaska Department of Labor and Workforce Development, Census and Geographic Information Network and the U.S. Census Bureau's American Fact Finder.

Income and Poverty Levels:

Per Capita Income:	\$21,105
Median Household Income:	\$51,221
Median Family Income:	\$56,939
Persons in Poverty:	6,419
Percent Below Poverty:	11.0%

Employment:

Total Potential Work Force (Age 16+):	42,705
Total Employment:	25,356
Civilian Employment:	24,981
Military Employment:	375
Civilian Unemployed (And Seeking Work):	2,867
Percent Unemployed:	10.3%
Adults Not in Labor Force (Not Seeking Work):	14,482
Percent of All 16+ Not Working (Unemployed + Not Seeking):	40.6%
Private Wage & Salary Workers:	16,925
Self-Employed Workers (in own not incorporated business):	2,734
Government Workers (City, Borough, State, Federal):	5,186
Unpaid Family Workers:	136

Facilities:

This information is available on a community basis. Communities located within the Borough include: Big Lake, Buffalo Soapstone, Butte, Chase, Chickaloon, Farm Loop, Fishhook, Gateway, Glacier View, Houston, Knik River, Knik-Fairview, Lake Louise, Lakes, Lazy Mountain, Meadow Lakes, Palmer, Petersville, Point MacKenzie, Skwentna, Susitna, Sutton-Alpine, Talkeetna, Tanaina, Trapper Creek, Wasilla, Willow and Y.

Transportation:

The area accesses both the Glenn and George Parks Highways. Commercial airlines serve the nearby Anchorage International Airport, but a local municipal airport supports private and chartered services. The Alaska Railroad provides for delivery of ocean freight.

Climate:

The average temperatures in January range from 6 to 14; in July, 47 to 67. Annual precipitation is 16.5 inches.

PROPERTY DESCRIPTION**Big Lake Neighborhood**

Current Population: 2,912 (2004 State Demographer est.)
Incorporation Type: Unincorporated
Borough Located In: Matanuska-Susitna Borough
School District: Matanuska-Susitna Schools
Regional Native Corporation: Not Applicable

Location:

Big Lake is a community on the shore of Big Lake, 13 miles southwest of Wasilla, in the Chugach Mountains. It lies adjacent to Houston and Knik-Fairview. It lies at approximately 61.52559° North Latitude and -149.9415° West Longitude. (Sec. 28, T017N, R003W, Seward Meridian.) Big Lake is located in the Palmer Recording District. The area encompasses 131.9 sq. miles of land and 12.9 sq. miles of water. January temperatures range from -33 to 33; July can vary from 42 to 83. Precipitation includes 14 inches of rain and 48 inches of snow.

History:

Early inhabitants were the Athabascan Dena'ina Indians. Around 1899, the Boston and Klondike Company made the first sled trail north into the Talkeetna Mountains from Knik via Big Lake. Homesteaders in 1929 and after World War II settled Big Lake. Materials were transported from Pittman railroad station over eleven miles of rough trail. By 1959, a number of lodges and several children's camps were operating on the lake, and at least 300 cottages and camps were owned by individuals. Lake-front lots became accessible in the 1960s and 1970s, with the expansion of roads and power. In June 1996, the "Miller's Reach" wildfire destroyed more than 37,500 acres in the Big Lake and Houston area, including 433 buildings and homes valued at \$8.9 million. Low housing costs, the semi-rural lifestyle, and a 45-minute commute to Anchorage has supported growth in the Mat-Su Valley.

Culture:

Big Lake has numerous vacation and weekend homes owned by Anchorage residents. Boating and fishing are extremely popular on the lake during the summer months. High school students attend Houston Jr./Sr. High School.

Economy:

Most residents are employed in Anchorage, Palmer/Wasilla, or at businesses serving the community. There are several lodges on the lake to support summer recreational boating and fishing activities. Unemployment is relatively low. Six residents hold commercial fishing permits.

Facilities:

85% of homes have individual water wells and septic systems, with complete plumbing. The schools and Big Lake shopping mall also have individual well systems. The remainder of residents haul water and use outhouses. A Borough refuse Transfer Station is located at Big Lake.

Transportation:

Big Lake Road is accessible from mile 52 of the George Parks Highway. A State-owned 2,435' lighted gravel airstrip and float plane dock are available. Several boat launches and a marina support recreational water craft.

Climate:

January temperatures range from -33 to 33; July can vary from 42 to 83. Precipitation includes 14 inches of rain and 48 inches of snow.

MYSTERY ALASKA SUBDIVISION ASLS 2002-28

ADL #	BLOCK	LEGAL LOT	ACRES TOTAL	SITE	USABLE AREA	UTILITIES	VIEW	TOPOGRAPHY	SHAPE	Corner
229620	1	1	1.99		1.99	E	No	level/sloping	normal	yes
229621	1	2	1.00		1.00	None, 290' to E	No	level/sloping	normal	normal
229622	1	3	1.00		1.00	None, 435' to E	No	level/sloping	normal	normal
229623	1	4	1.00		1.00	None, 580' to E	No	level/sloping	normal	normal
229624	1	5	1.00		1.00	None, 725' to E	No	level/sloping	normal	normal
229625	1	6	1.00		1.00	None, 870' to E	No	level/sloping	normal	normal
229626	1	7	1.00		1.00	None, 1,015' to E	No	level/sloping	normal	normal
229627	1	8	1.00		1.00	None, 1,160' to E	No	level/sloping	normal	yes
229628	2	1	2.54		2.54	E	No	level	normal	yes
229629	2	2	1.28		1.28	None, 290' to E	Yes	level	normal	normal
229630	2	3	1.28		1.28	None, 435' to E	Yes	level	normal	normal
229631	2	4	1.28		1.28	None, 580' to E	Yes	level	normal	normal
229632	2	5	1.27		1.27	None, 725' to E	Yes	level	normal	normal
229633	2	6	1.27		1.27	None, 870' to E	Yes	level	normal	normal
229634	2	7	1.27		1.27	None, 1,015' to E	Yes	level	normal	normal
229635	2	8	1.27		1.27	None, 1,160' to E	Yes	level	normal	normal
229636	2	9	1.51		1.51	None, 1,300' to E	Yes	level	normal	normal
229637	2	10	1.66		1.66	None, 1,500' to E	Yes	level/sloping	normal	normal
229638	2	11	1.27		1.27	None, 1,725' to E	Yes	level/sloping	normal	normal
229639	2	12	1.22		1.22	None, 1,900' to E	Yes	level/sloping	normal	normal
229640	2	13	1.24		1.24	None, 2,190' to E	Yes	sloping	normal	normal
229641	2	14	1.24		1.24	None, 2,350' to E	Yes	level	normal	normal
229642	2	15	1.07		1.07	None, 2,500' to E	Yes	level	normal	normal
229643	2	16	1.19		1.19	None, 2,500' to E	No	level	normal	normal
229644	2	17	1.26		1.26	None, 2,318' to E	No	level	normal	normal
229645	2	18	1.26		1.26	None, 1,835' to E	No	level	normal	yes
229646	2	19	1.06		1.06	None, 1,700' to E	No	level	normal	normal
229647	2	20	1.06		1.06	None, 1,565' to E	No	level	normal	normal
229648	2	21	1.07		1.07	None, 1,455' to E	No	level	normal	normal
229649	2	22	1.28		1.28	None, 1,357' to E	No	level	normal	normal
229650	2	23	1.60		1.60	None, 1,212' to E	No	level	normal	normal
229651	2	24	1.24		1.24	None, 1,061' to E	No	level	normal	normal
229652	3	15	1.03		1.03	None, 1,136' to E	No	level	normal	yes
229653	3	16	1.21		1.21	None, 1,300' to E	No	level	normal	normal
229654	3	17	1.42		1.42	None, 1,637' to E	No	level	irregular	normal
229655	3	18	1.04		1.04	None, 1,785' to E	Yes	level	normal	yes
229656	3	19	1.07		1.07	None, 1,927' to E	Yes	level	normal	normal
229657	3	20	1.10		1.10	None, 1,800' to E	Yes	sloping	normal	normal
229658	3	21	2.34		2.34	None, 1,536' to E	Yes	sloping	normal	normal
229659	3	22	1.89		1.89	None, 1,228' to E	No	sloping	normal	normal
229660	5	1	1.60	wet 15%	1.36	None, 1,273' to E	Yes	level/sloping	irregular	normal
229661	5	2	2.74	wet 35%	1.78	None, 1,425' to E	Yes	level/sloping	irregular	normal
229662	5	3	2.63	wet 50%	1.32	None, 1,611' to E	Yes	level/sloping	irregular	normal
229663	5	4	2.93	wet 50%	2.47	None, 1,785' to E	Yes	level/sloping	irregular	normal
229664	5	5	3.47	wet 50%	1.74	None, 1,955' to E	Yes	level/sloping	irregular	normal
229665	5	6	4.19	wet 50%	2.10	None, 2,200' to E	Yes	level/sloping	irregular	yes
229666	5	7	3.17	wet 50%	1.59	None, 2,500' to E	Yes	rolling/sloping	irregular	normal
229667	5	8	1.18		1.18	None, 2,500' to E	No	level	irregular	normal
229668	5	9	1.63		1.63	None, 2,378' to E	No	level	irregular	yes
229669	5	10	2.15		2.15	None, 2,378' to E	No	level	irregular	yes
229670	6	1	1.42	wet 15%	1.21	None, 1,355' to E	No	level/sloping	normal	normal
229671	6	2	1.42	wet 15%	1.21	None, 1,475' to E	No	level/sloping	normal	yes
229672	6	3	2.39	wet 50%	1.20	None, 1,635' to E	No	level/sloping	normal	normal
229673	6	4	1.32		1.32	None, 1,800' to E	No	level/sloping	normal	yes
229674	6	5	3.80	wet 50%	1.90	None, 2,300' to E	No	level/sloping	normal	normal
229675	6	6	2.56	wet 50%	1.28	None, 2,300' to E	No	level/sloping	irregular	normal
229676	6	7	1.85	wet 15%	1.57	None, 2,150' to E	No	level/sloping	irregular	normal
229677	6	8	2.80	wet 15%	2.38	None, 2,150' to E	No	level/sloping	irregular	normal

GENERAL SITE DESCRIPTION

Location

The Mystery Alaska Subdivision is located approximately one mile south of the George Parks Highway, along the west side of South Johnson's Road, in Big Lake, Alaska.

Identification

The project will be subdivided into 58 lots identified and described opposite.

Access

The subdivision is accessible from South Johnson's Road, which is a two lane, paved road that runs south from the Parks Highway. Individual lots will be accessible from interior, gravel subdivision streets, which have dedicated R-O-W's of 60 feet, and cul-de-sacs having 50' R-O-W's. There are three roads leading into the subdivision that have been constructed to MSB standards.

Size and Shape

The subject lots will range from 1.00 to 4.19 acres in size, with most lots being regular in shape. Some lots in Block 3 are narrow and elongated and contain some unusable areas of wetlands.

Topography

The area is characterized as having rolling topography, with individual lots ranging from being relatively level to sloping. All lots appear to have at least one buildable site.

Soils

A soils tests was prepared by Alaska Rim Engineering, with field work completed in late October 2002. Their findings, in part state that, "the majority of the soils consist of gray, silty, sandy gravels. The high ridges and its slopes, which cover most of the parcel, define this area. The gray silty, sandy gravels are consistent with the experience of excavators and on-site wastewater system installers who have worked in the area...No bedrock was encountered in any of the test holes...It is our opinion that the subject parcel's soils, except where slopes are a limitation, are generally suitable for conventional on-site wastewater disposal". The soils appear to be suitable for on-site waste water systems, as well as having adequate building sites. Some lots in Blocks 5 and 6 contain areas of wetlands. Those lots have been identified, with unusable areas excluded from the analysis.

Vegetation

Partly open stands of spruce, birch and alder are the dominant vegetation in the area. Portions of the area were burned during the Miller's Reach Fire of 1996, but new growth is emerging.

Utilities

Electric service will be available along South Johnson's Road, and will not be extended into the subdivision. Telephone service is in the area. There are no other public services in the neighborhood.

Easements

The southern and western borders of the subdivision are impacted by a 50' section line easement. A typical, 15' utility easement will impact the front of all lots. These peripheral easements do not adversely impact value. No other adverse easements or encroachments were noted.

Environmental Hazards

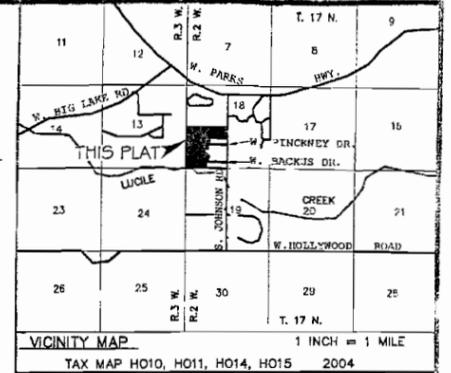
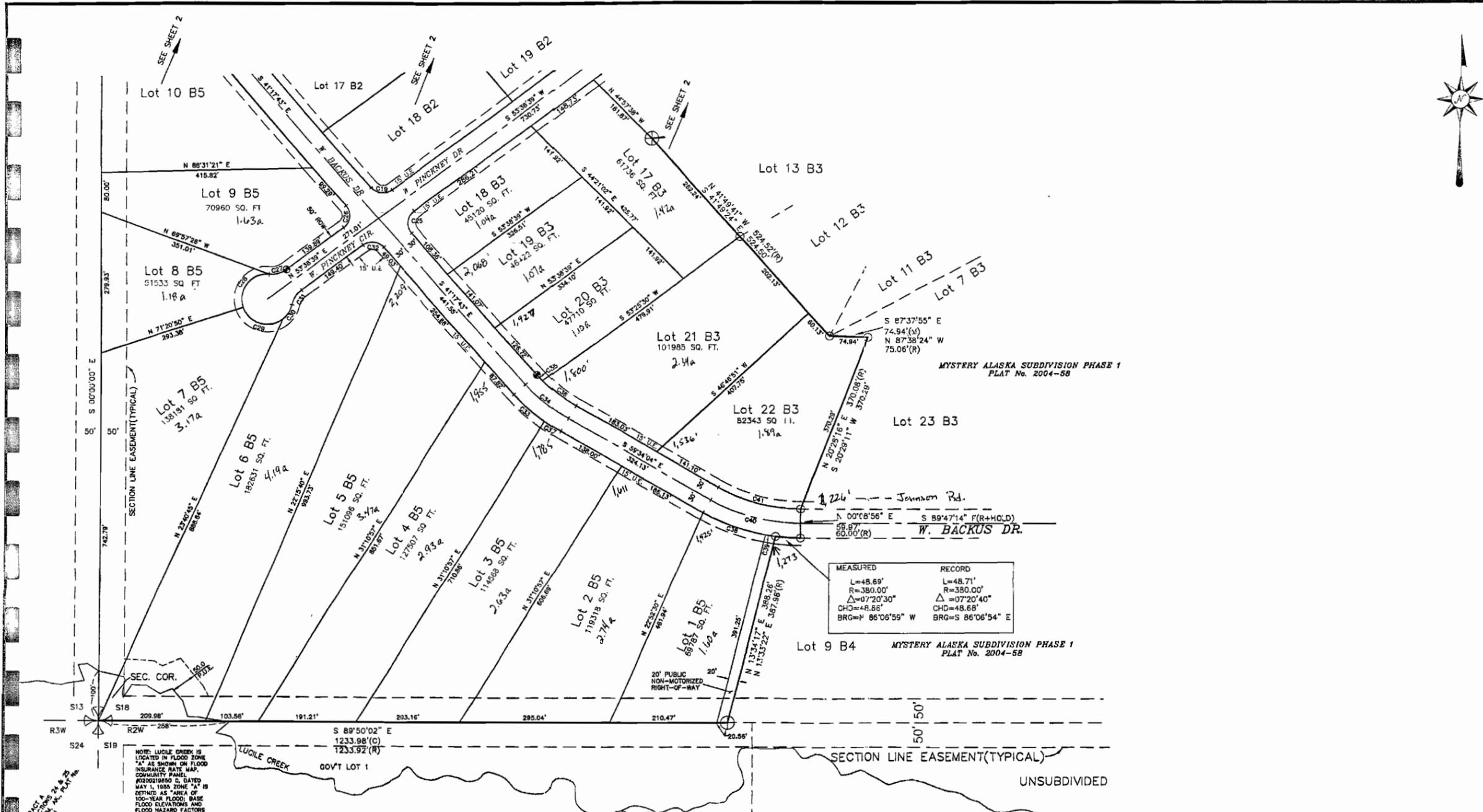
None were observed.

Hazardous Waste and Toxic Materials

None were observed.

Zoning Regulations

The subject is located within the Matanuska-Susitna Borough.

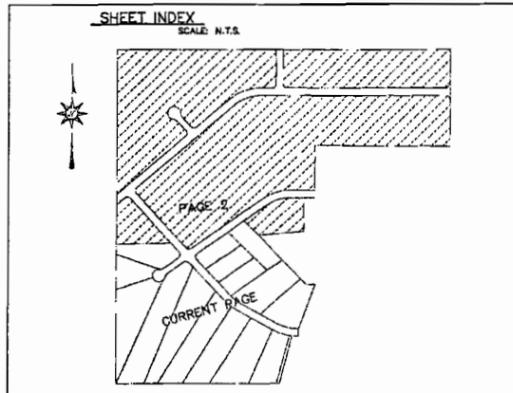


- LEGEND**
- FOUND 5/8" REBAR W/ SELF IDENTIFYING ALUMINUM CAP
 - ├ SET 2" SELF IDENTIFYING ALUMINUM CAP ON 5/8" x 30" REBAR AT ALL LOT CORNERS UNLESS NOTED OTHERWISE.
 - ⊗ FOUND BLM OR GLO B.C. MONUMENT
 - ⊙ SET 3" B.C. MONUMENT AS SHOWN
 - ⊕ FOUND 3 1/4" ALUMINUM CAP MONUMENT
 - (M) MEASURED DATA
 - (R) RECORD DATA, FROM MYSTERY ALASKA SUBDIVISION, PHASE ONE, PLAT No. 2004-58
 - (R1) RECORD DATA FROM RECTANGULAR PLAT FOR T17N, R2W, SM., AK., APPROVED 1/15/15
 - (C) CALCULATED DATA
 - CIR CIRCLE
 - A.G. ABOVE GROUND
 - (NR) NON-RADIAL BEARING
 - U.E. UTILITY EASEMENT
 - ROW RIGHT OF WAY
 - POS. POSITION
 - PDS. PUBLIC USE EASEMENT

MEASURED	RECORD
L=48.69'	L=48.71'
R=380.00'	R=380.00'
Δ=07°20'30"	Δ=07°20'40"
CHD=48.68'	CHD=48.68'
BRG=N 86°06'59" W	BRG=S 86°06'54" E

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD	CHORD BEARING	DELTA ANGLE	TANGENT
C25	30.00'	49.71'	44.22'	S 06°10'28" W	94°56'22"	32.70'
C26	30.00'	49.71'	44.22'	S 06°10'28" W	94°56'22"	32.70'
C27	50.00'	36.14'	35.36'	S 74°20'56" W	41°24'35"	16.90'
C28	50.00'	36.14'	35.36'	N 38°12'02" E	113°42'24"	76.66'
C29	50.00'	36.14'	35.36'	N 73°53'00" W	110°27'39"	72.02'
C30	50.00'	33.73'	33.09'	S 31°33'37" E	36°39'08"	17.24'
C31	50.00'	36.14'	35.36'	N 32°56'22" E	41°24'35"	16.90'
C32	30.00'	44.54'	40.56'	S 83°46'32" E	80°03'38"	27.62'
C33	370.00'	81.84'	81.87'	N 47°37'55" W	12°40'24"	41.09'
C34	340.00'	108.43'	107.97'	N 50°29'53" W	18°16'21"	54.68'
C35	310.00'	15.70'	15.70'	N 42°44'47" W	02°24'07"	7.85'
C36	310.00'	83.16'	82.81'	N 51°52'57" W	18°22'14"	41.83'
C37	370.00'	36.16'	36.14'	N 56°48'05" W	06°35'57"	18.09'
C38	380.00'	131.67'	131.01'	N 69°29'39" W	16°51'08"	69.50'
C39	380.00'	20.06'	20.06'	N 80°55'58" W	03°01'31"	10.03'
C40	350.00'	184.60'	182.47'	N 74°40'39" W	30°13'10"	94.30'
C41	320.00'	166.78'	166.83'	N 74°40'39" W	30°13'10"	85.40'



SCALE
1 INCH = 100 FEET

1 METER = 3.2808333 U.S. FEET 1 U.S. ACRE = 0.4047 HECTARES

DATE OF SURVEY: 12/21/04
BEGINNING: 12/21/04
ENDING: 3/21/05

PERPARED BY: KEN DECAMP - LAND SURVEYING
P.O. BOX 875614
WASILLA, ALASKA 99587

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER
ANCHORAGE ALASKA

ALASKA STATE LAND SURVEY No. 2004-32

MYSTERY ALASKA SUBDIVISION, PHASE II
CREATING LOTS 1-8, BLOCK 1; LOTS 1-24, BLOCK 2; LOTS 15-22, BLOCK 3; LOTS 1-10, BLOCK 5; LOTS 1-8, BLOCK 6
CONTAINING 163.77 ACRES MORE OR LESS

LOCATED WITHIN
TRACT "A", MYSTERY ALASKA SUBDIVISION PHASE ONE, PLAT No. 2004-58, SECTION 18, T. 17 N., R. 2 W., S.M., ALASKA, PALMER RECORDING DISTRICT

SURVEYED/DRAWN BY: [Signature] DNR APPROVAL: [Signature] DATE: [Date]

SCALE: 1"=100'

PARCEL #2
MSB WAIVER RESOLUTION SERIAL No. 94-30-PWm
RECORDED 11/15/94, BK. 788, PGS. 258 & 259.

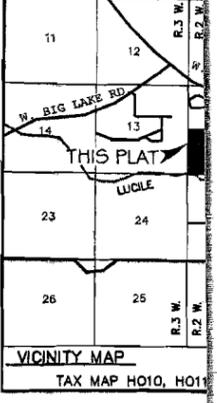
50' R TEMPORARY
TURNAROUND,
SEE NOTE 9

30'(R)
30.06'(C)

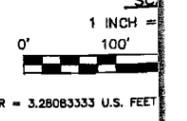
CTR. 1/4 POS.

Lot 11

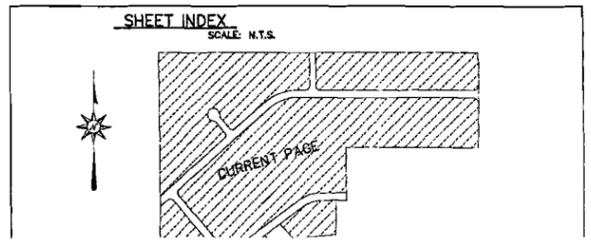
LINCOLN VILLAGE 1
AIRPARK PHASE 1
PLAT No. 85-123



- LEGEND**
- FOUND 5/8" ALUMINUM CORNER
 - ⊕ SET 2" SELF ON 5/8" x 3/8" CORNERS UNLESS NOTED
 - ✱ FOUND BLM CORNER
 - ⊙ SET 3" B.C. MARKER
 - ⊕ FOUND 3 1/4" MARKER
 - (M) MEASURED DATA
 - (R) RECORD DATA SUBDIVISION, 2004-58
 - (R1) RECORD DATA FOR T17N, R2E, 1/15/15
 - (C) CALCULATED
 - CIR CIRCLE
 - A.G. ABOVE GROUND
 - (NR) NON-RADIAL
 - U.E. UTILITY EASEMENT
 - ROW RIGHT OF WAY
 - POS. POSITION



DATE OF SURVEY	
BEGINNING	12/21/04
ENDING	3/31/05
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINERAL AND LAND ANCHORAGE	
ALASKA STATE LAND	
MYSTERY ALASKA CREATING LOTS 1-8, BLOCK 1, 2-29, BLOCK 3, LOTS 1-30	



CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD	CHORD BEARING	DELTA ANGLE	TANGENT
C1	40.00'	62.85'	56.58'	N 45°01'55" E	90°01'20"	40.02'
C2	40.00'	62.82'	56.58'	S 44°58'05" E	89°58'40"	39.98'
C3	30.00'	47.11'	42.42'	S 44°58'05" E	89°58'40"	29.99'
C4	30.00'	47.14'	42.43'	N 45°01'55" E	90°01'20"	30.01'
C5	310.00'	224.67'	219.79'	N 69°16'51" E	41°31'29"	117.52'
C6	340.00'	246.41'	241.08'	N 69°16'51" E	41°31'29"	128.90'
C7	370.00'	270.98'	265.94'	N 78°21'10" E	23°22'50"	76.56'
C8	370.00'	117.17'	116.88'	N 57°35'26" E	18°08'39"	59.08'
C9	30.00'	47.22'	42.49'	N 86°23'34" W	98°10'40"	30.08'
C10	50.00'	75.14'	75.36'	N 20°35'57" W	41°24'35"	38.93'
C11	50.00'	75.14'	75.36'	S 20°35'57" E	41°24'35"	38.93'



Tax Assessments

The parcels are currently State owned, but when transferred to private ownership, the buyers would be responsible for real estate taxes to the Mat-Su Borough.

Ownership History

The undivided subject parcel has been owned by the State of Alaska since March 1985, when it was conveyed to the State by the Bureau of Land Management. It was part of a larger entitlement that totaled 3,394 acres. Once title is transferred from the State, property taxes will be the responsibility of individual lot owners

DATA ANALYSIS and CONCLUSION

Highest and best use analysis identifies the most profitable and competitive use of the property. Therefore, highest and best use is a market driven concept that is fundamental to the valuation of a property.

HIGHEST AND BEST USE

Highest and best use is defined as:

*the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.*⁶

The highest and best use of a site must meet four criteria. The highest and best use of a property must be:

- legally permissible,
- physically possible,
- financially feasible, and
- maximally productive.

The value of land is generally estimated as though vacant and available for development to its highest and best use. The appraisal of improvements (when present on the site) is based on their actual contribution to the total value of the property. The appraised property is vacant and unimproved.

HIGHEST and BEST USE of SITE as VACANT

Legally Permissible

There are no local zoning laws limiting the development of this parcel. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. The subject parcel could be developed for almost any legal use.

Physically Possible

The size and physical characteristics of the individual lots are adequate to support all reasonable and probable uses. While some topography and soil issues reduce the buildable area on some lots, each will have one site suitable for development with a residential/recreational structure.

Financially Feasible

Surrounding land use is a mix between recreational and residential. The Big Lake area attracts many summer time residents, while also offering a semi-rural lifestyle to year round residents. Given the improvements in the Glenn and Parks Highways, the drive time to Anchorage has been reduced with many commuters choosing to work in Anchorage and live in the Valley.

Maximally Productive

Surrounding land use is a mix between residential and recreational. Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease.

Highest And Best Use Of Land As Vacant

Based on the foregoing analysis, the highest and best use of the subject parcel as vacant would be for residential or recreational development.

⁶ The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p305