

MARKET VALUE APPRAISAL

Twenty Five (25) PARCELS within The TATALINA SUBDIVISION
LOCATED AT MILE 42 ELLIOTT HIGHWAY, FAIRBANKS, ALASKA



View west from Lot 2, Block 8 Tatalina S/D

YEAR 2006

BASE APPRAISAL REPORT No. 3430

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

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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 is :

LEGAL	ADL	Access	Topo	Soils	Util.	ACRES	VALUE
B5, L1	417739	10' ATV Trail	Sloping	Avg.	None	6.15	\$10,100
B5, L2	417740	10' ATV Trail	Sloping	Avg.	None	7.12	\$11,300
B5, L3	417741	10' ATV Trail	Sloping	Avg.	None	5.27	\$8,400
B5, L4	417742	10' ATV Trail	Sloping	Avg.	None	5.25	\$8,400
B6, L1	417743	10' ATV Trail	Sloping	Avg.	None	5.13	\$9,000
B6, L2	417744	10' ATV Trail	Sloping	Avg.	None	6.61	\$10,600
B6, L3	417745	10' ATV Trail	Sloping	Avg.	None	7.06	\$10,200
B6, L4	417746	10' ATV Trail	Sloping	Avg.	None	5.62	\$9,000
B6, L5	417747	10' ATV Trail	Sloping	Avg.	None	5.14	\$8,200
B6, L6	417748	10' ATV Trail	Sloping	Avg.	None	5.07	\$7,300
B7, L1	417271	10' ATV Trail	Sloping	Avg.	None	5.03	\$8,900
B7, L2	417272	10' ATV Trail	Sloping	Avg.	None	5.02	\$8,000
B7, L3	417273	10' ATV Trail	Sloping	Avg.	None	5.14	\$8,200
B7, L4	417274	10' ATV Trail	Sloping	Avg.	None	5.06	\$8,100
B7, L5	417275	10' ATV Trail	Sloping	Avg.	None	5.09	\$8,100
B7, L6	417276	10' ATV Trail	Sloping	Avg.	None	5.01	\$8,000
B7, L7	417277	10' ATV Trail	Sloping	Avg.	None	5.11	\$8,200
B7, L8	417278	10' ATV Trail	Sloping	Avg.	None	5.08	\$8,100
B7, L9	417279	10' ATV Trail	Sloping	Avg.	None	5.11	\$7,400
B7, L10	417280	10' ATV Trail	Sloping	Avg.	None	5.06	\$7,300
B7, L11	417281	10' ATV Trail	Sloping	Avg.	None	5.41	\$7,800
B7, L12	417282	10' ATV Trail	Sloping	Avg.	None	6.70	\$8,800
B8, L4	417291	10' ATV Trail	Sloping	Avg.	None	6.40	\$10,300
B8, L5	417292	10' ATV Trail	Sloping	Avg.	None	6.76	\$9,800
B8, L6	417293	10' ATV Trail	Sloping	Avg.	None	6.58	\$9,600

6-19-2006
Date

Michael R. Ward
Appraiser

APPRAISAL SUMMARY

Property Type	Twenty Five (25) parcels ranging in size from 5.01 to 7.12 acres
Location	Fairbanks North Star Borough
Interest Appraised	Fee Simple Estate less mineral rights
Legal Description	All legal descriptions shown on the previous page.
Owner of Record	State of Alaska
Zoning	None
Effective Date of Appraisal	June 19, 2006
Date of Report	September 1, 2006
Exposure & Marketing Time	1-2 years
Estimated Market Value	See individual parcel analyses

PREMISES OF THE APPRAISAL

TYPE OF APPRAISAL AND REPORT

This is a complete 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 the 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.

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.

EFFECTIVE DATE OF VALUE ESTIMATE

The subject parcels and comparables were inspected on June 19, 2006. The effective date of the value estimate is June 19, 2006.

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, 2002, pp. 590-591

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

PROPERTY HISTORY

The subdivision is owned and is being developed by the State of Alaska DNR. There have been no sales, options, or listings in the last three years.

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 Fairbanks Northstar Borough has been moderate for the last ten years. The market has been driven by a population that has been relatively constant from 1993 through 2003. Primary sellers are private developers, the Fairbanks Northstar 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 one to two years.

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 lots on June 19, 2006. 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. The effective date of value is June 19, 2006.

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.

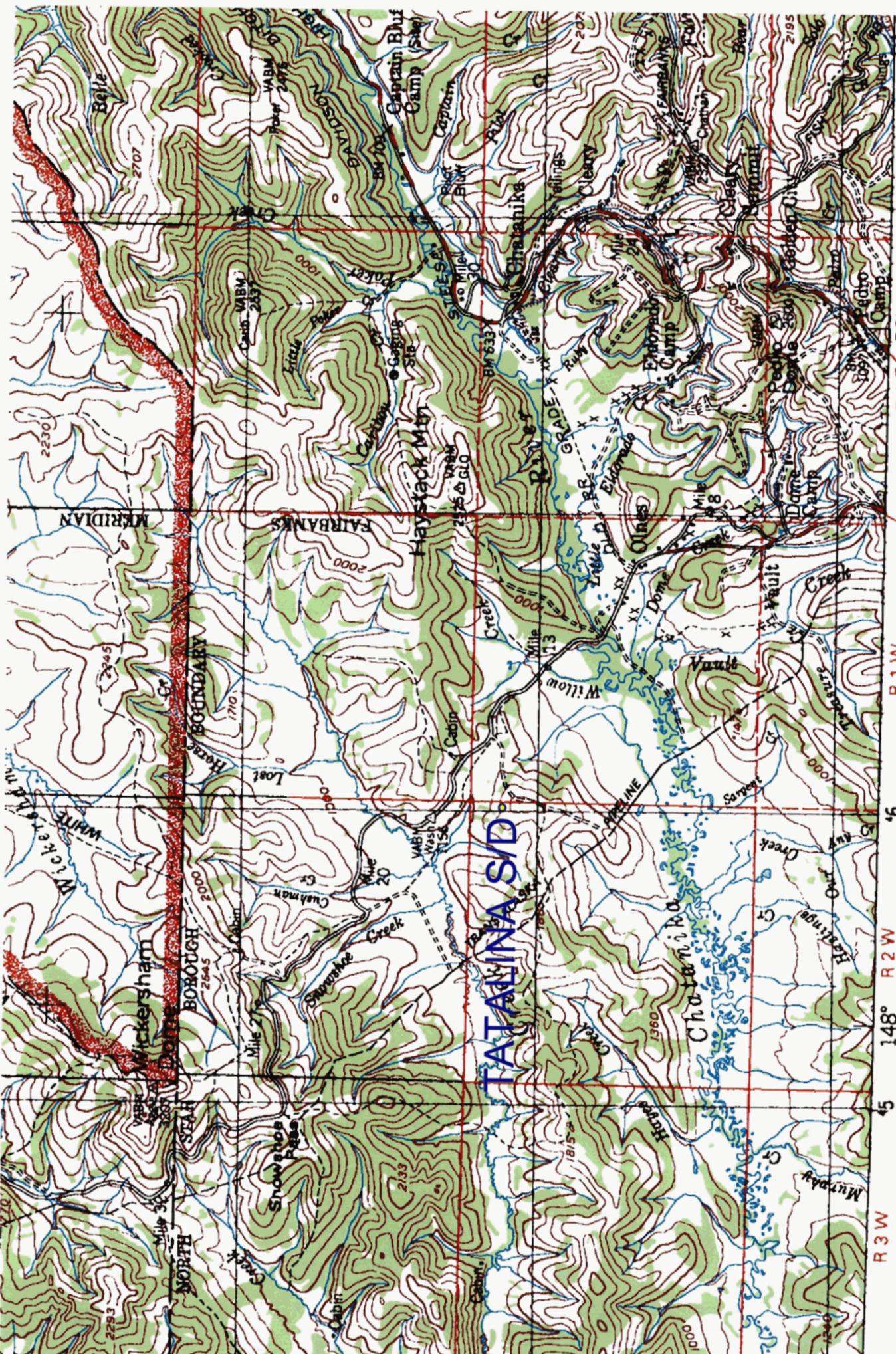
After analysis of all available data, appropriate sales were selected for comparison with a key parcel of the subject properties being appraised. The market value estimate is based on the following assumptions and conditions.

⁴ op. cit. p. 83.

⁵ *Uniform Standards of Professional Appraisal Practice 2004, Appraisal Foundation, p. 141.*

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.
10. The right of way fronting all subdivision lots will be brushed to a distance of ten feet, wide enough for an ATV trail. At the current time the brushed trails have been completed through Blocks 7 and 8, but not through Blocks 5 and 6. It is a special assumption that the right of way between Block 5 and Block 6 will be brushed prior to sale.



R3W R2W R1W R1E R2E R3E
 45 46 30 30 13
 148° 148° 148°
 FOX 3 MI. (2) FOX 4 MI. (5) FAIRBANKS 15 MI.
 FAIRBANKS 14 MI.

PRESENTATION OF DATA
Fairbanks Northstar Borough Overview

Current Population: 82,214 (2003 State Demographer est.)
Pronunciation/Other Names: (FAIR-banks)
Incorporation Type: 2nd Class Borough
Borough Located In: Fairbanks North Star Borough
School District: Fairbanks North Star Schools
Regional Native Corporation: Not Applicable

Location

The Fairbanks North Star Borough is located in the heart of Interior Alaska, and is the second-largest population center in the state. It is based in Fairbanks, which lies 45 minutes by air from Anchorage and 3 hours from Seattle. It lies at approximately 64.833330° North Latitude and -147.71667° West Longitude. Fairbanks North Star Borough is located in the Fairbanks Recording District. The area encompasses 7,366.2 sq. miles of land and 77.8 sq. miles of water. Interior Alaska experiences seasonal temperature extremes. Average January temperatures range from -22 to -2; July temperatures range from 50 to 72. Temperatures have been recorded as low as -78 in mid-winter, and as high as 93 in summer. Average annual precipitation is 11.3 inches. Ice fog is common during the winter.

History

Koyukon Athabascans have lived in this area for thousands of years. Fairbanks developed when the Chena steamboat landing brought many non-Natives to Fairbanks during the Pedro Dome gold rush. The population of the area continued to increase after construction of the Alcan Highway and the Trans-Alaska oil pipeline.

Culture

The Fairbanks area is the second largest population settlement in Alaska.

Economy

City, Borough, State and federal government agencies, including the military, provide nearly half of the employment in the Borough. The Borough School District and the University of Alaska Fairbanks are the primary public employers. Approximately 6,000 residents are military. Retail services, gold mining, tourism, transportation, medical, and other services are the primary private sector activities. The Fort Knox hardrock gold mine produces 1,200 ounces daily with 360 permanent year-round employees. 142 borough residents hold commercial fishing permits.

Facilities

This information is available on a community basis. Communities located within the Borough include: College, Eielson Air Force Base, Ester, Fairbanks, Fox, Harding Lake, Moose Creek, North Pole, Pleasant Valley, Salcha, and Two Rivers.

Transportation

The Richardson Highway, the Parks Highway, the Steese Highway and the Elliott Highway connect the Interior to Anchorage, Canada and the lower 48. Truck, rail and air services provide transportation of cargo. Scheduled jet services are available at Fairbanks International airport. An 11,800' asphalt runway, heliport and seaplane landing strip are available. A public seaplane base is located on the Chena River. Eielson Air Force Base and Fort Wainwright also conduct flight operations in the area.

Climate

Interior Alaska experiences seasonal temperature extremes. Average January temperatures range from -22 to -2; July temperatures range from 50 to 72. Temperatures have been recorded as low as -78 in mid-winter, and as high as 93 in summer. Average annual precipitation is 11.3 inches. Ice fog is common during the winter.

Fox Community Overview

Current Population: 377 (DCCED 2005 Cert. Pop.)
Incorporation Type: Unincorporated
Borough Located In: Fairbanks North Star Borough
Taxes: Sales: None, Property: 15.403 mills (Borough), Special: 8%
Accommodations Tax (Borough); 5% Alcohol Tax (Borough)

Location and Climate

The community lies on the right bank of Fox Creek as it enters Goldstream Creek Valley, 10 miles northeast of Fairbanks. It is located at the junction of the Steese and Dalton Highways. The community lies at approximately 64.958060° North Latitude and -147.61833° (West) Longitude. (Sec. 31, T002N, R001E, Fairbanks Meridian.) Fox is located in the Fairbanks Recording District. The area encompasses 13.6 sq. miles of land and 0.0 sq. miles of water. Interior Alaska experiences seasonal temperature extremes. Average January temperatures range from -19 to -2; average July temperatures range from 49 to 71. Annual precipitation is 11.5 inches, with 67.8 inches of snowfall.

History, Culture and Demographics

Fox was established as a mining camp prior to 1905. The Fox post office operated from 1908 through 1947. The population of the community consists of 9.7% Alaska Native or part Native. During the 2000 U.S. Census, total housing units numbered 159, and vacant housing units numbered 40. Vacant housing units used only seasonally numbered 2. U.S. Census data for Year 2000 showed 188 residents as employed. The unemployment rate at that time was 5.73 percent, although 21.01 percent of all adults were not in the work force. The median household income was \$51,176, per capita income was \$22,689, and 8.74 percent of residents were living below the poverty level.

Facilities, Utilities, Schools and Health Care

75% of households are fully plumbed, using individual water wells or water delivery and septic tanks. A central water source, owned by the State, is available at 1/2 mile Elliott Highway. Refuse is collected from dumpsters and transported to the Borough landfill. Electricity is provided by Golden Valley Electric Association. There are no state operated schools located in the community. Local hospitals or health clinics include Fairbanks hospitals. Fox is classified as a highway village, it is found in EMS Region 1C in the Interior Region. Emergency Services have highway, river and air access, and are within 30 minutes of a higher-level satellite health care facility. Emergency service is provided by volunteers. Auxiliary health care is provided by Fairbanks hospitals.

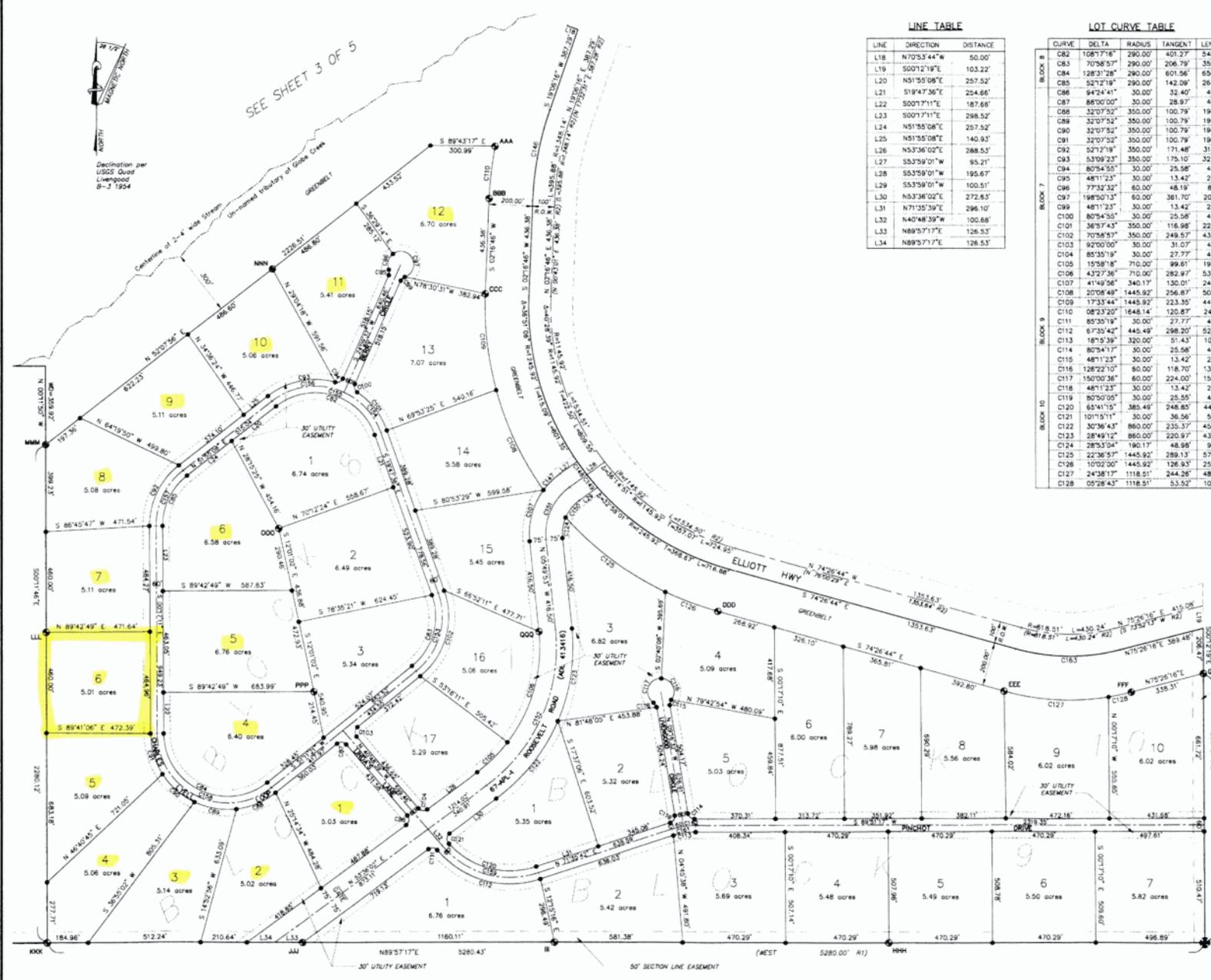
Economy and Transportation

A roadhouse and restaurant and other local services provide some employment. Many residents are employed in Fairbanks. The area's highways provide access to the statewide road system. Nearby Fairbanks offers jet and railway services.

SEE SHEET 3 OF 5



Declination per
USGS Quad
Lansford
B-J 1954



LINE TABLE

LINE	DIRECTION	DISTANCE
L18	N70°53'44\"W	50.00'
L19	S00°12'19\"E	103.22'
L20	N51°55'08\"E	257.52'
L21	S19°47'36\"E	254.66'
L22	S00°17'11\"E	187.66'
L23	S00°17'11\"E	298.52'
L24	N51°55'08\"E	257.52'
L25	N51°55'08\"E	140.93'
L26	N53°36'02\"E	288.53'
L27	S53°59'01\"W	95.21'
L28	S53°59'01\"W	195.67'
L29	S53°59'01\"W	100.51'
L30	N53°36'02\"E	272.63'
L31	N71°05'59\"E	296.10'
L32	N40°48'39\"W	100.86'
L33	N89°37'17\"E	126.53'
L34	N89°37'17\"E	126.53'

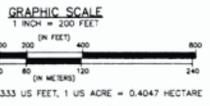
LOT CURVE TABLE

CURVE	DELTA	RADIUS	TANGENT	LENGTH
C82	108°17'16\"	290.00'	401.27'	548.09'
C83	70°58'57\"	290.00'	206.79'	359.28'
C84	128°31'28\"	290.00'	601.96'	650.52'
C85	52°12'18\"	290.00'	142.06'	284.23'
C86	94°24'41\"	30.00'	32.40'	49.43'
C87	86°00'00\"	30.00'	28.97'	46.08'
C88	32°07'52\"	350.00'	100.79'	196.28'
C89	32°07'52\"	350.00'	100.79'	196.28'
C90	32°07'52\"	350.00'	100.79'	196.28'
C91	32°07'52\"	350.00'	100.79'	196.28'
C92	52°12'18\"	350.00'	171.48'	318.90'
C93	53°09'23\"	350.00'	176.10'	324.71'
C94	80°54'55\"	30.00'	25.58'	42.37'
C95	48°11'23\"	30.00'	13.42'	25.23'
C96	77°32'32\"	60.00'	48.19'	81.20'
C97	198°50'13\"	60.00'	361.70'	208.22'
C99	48°11'23\"	30.00'	13.42'	25.23'
C100	80°54'55\"	30.00'	25.58'	42.37'
C101	56°57'43\"	350.00'	116.98'	225.79'
C102	70°58'57\"	350.00'	249.57'	433.61'
C103	92°00'00\"	30.00'	31.07'	48.17'
C104	85°35'19\"	30.00'	27.77'	44.81'
C105	15°58'18\"	710.00'	99.61'	197.92'
C106	43°27'36\"	710.00'	282.97'	536.55'
C107	41°49'58\"	340.17'	130.01'	248.36'
C108	20°58'49\"	1448.92'	256.87'	508.43'
C109	17°33'44\"	1448.92'	223.35'	443.20'
C110	08°23'20\"	1648.14'	120.87'	241.31'
C111	85°35'19\"	30.00'	27.77'	44.81'
C112	67°35'42\"	448.49'	298.20'	525.57'
C113	18°15'38\"	320.00'	51.43'	101.99'
C114	80°54'17\"	30.00'	25.58'	42.36'
C115	48°11'23\"	30.00'	13.42'	25.23'
C116	126°22'10\"	60.00'	118.70'	132.33'
C117	150°00'36\"	60.00'	224.00'	157.59'
C118	48°11'23\"	30.00'	13.42'	25.23'
C119	80°50'05\"	30.00'	25.55'	42.32'
C120	65°41'15\"	385.49'	248.85'	441.85'
C121	107°15'11\"	30.00'	36.56'	53.02'
C122	30°58'43\"	860.00'	235.37'	459.46'
C123	28°49'12\"	860.00'	220.97'	432.58'
C124	28°53'04\"	190.17'	48.98'	95.87'
C125	22°36'57\"	1445.92'	289.13'	570.73'
C126	10°02'30\"	1445.92'	126.93'	253.20'
C127	24°38'17\"	1118.51'	244.26'	480.88'
C128	05°28'43\"	1118.51'	53.52'	106.95'

ROW CURVE TABLE

CURVE	DELTA	RADIUS	TANGENT	LENGTH
C146	16°49'30\"	1448.14'	214.17'	425.25'
C147	17°59'50\"	340.17'	53.87'	106.85'
C148	32°58'58\"	1245.92'	37.52'	75.01'
C149	32°12'18\"	290.00'	142.06'	284.23'
C150	30°56'41\"	190.17'	52.64'	102.71'
C151	56°49'44\"	265.17'	152.57'	276.89'
C152	59°25'50\"	785.00'	448.00'	814.27'
C153	70°58'57\"	320.00'	228.18'	386.44'
C154	46°52'48\"	320.00'	135.98'	257.17'
C155	108°17'16\"	320.00'	442.78'	604.79'
C156	62°14'28\"	320.00'	193.19'	347.62'
C157	52°12'18\"	320.00'	156.78'	291.57'
C158	128°31'28\"	320.00'	683.79'	717.82'
C159	67°35'42\"	415.49'	278.12'	490.18'
C160	8°42'41\"	350.00'	26.66'	53.21'
C161	17°25'20\"	350.00'	53.63'	106.43'
C162	8°42'40\"	350.00'	26.56'	53.21'
C163	30°07'00\"	918.51'	247.12'	483.80'

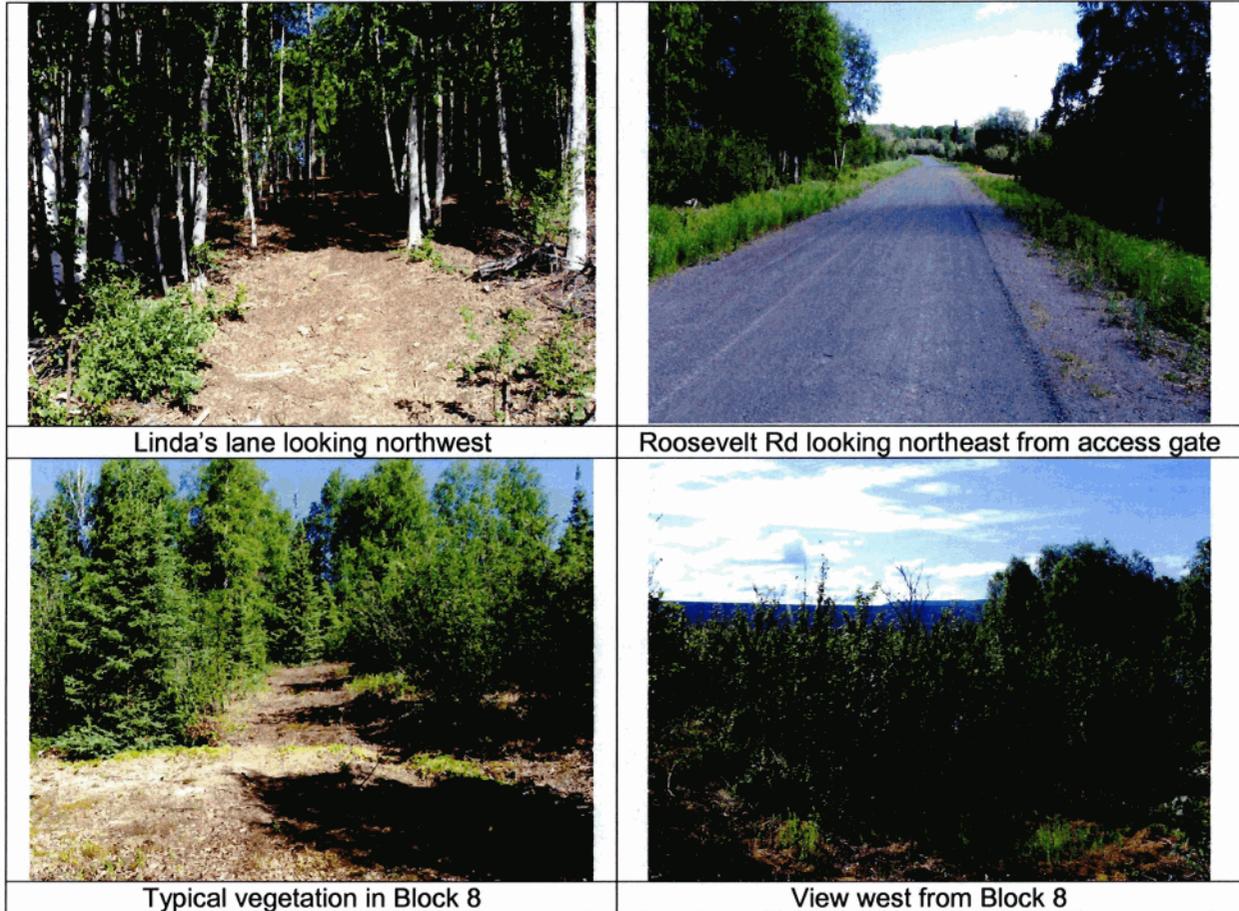
- LEGEND**
- GLO - BLM MONUMENT RECOVERED
 - 3-1/4\" ALUMINUM CAP ON 3/4\" STEEL ROD
 - PRIMARY MONUMENT SET THIS SURVEY
 - SECONDARY MONUMENT SET THIS SURVEY
 - SURVEYED
 - - - UNSURVEYED
 - (R1) BLM PLAT TEN, R3W FAIRBANKS MERIDIAN FILED JANUARY 4, 1988.
 - (R2) STATE OF ALASKA D.O.T. RIGHT-OF-WAY MAP PROJECT 5-0680 (15) SHEETS 9-14.
 - JJ SEE SHEET 5 OF 5 FOR MONUMENT MARKINGS
 - PROTRACTED SECTION LINE AND SECTION LINE EASEMENT VACATED THIS PLAT



DATE OF SURVEY BEGINNING: 06/30/04 ENDING: 09/30/04	ALASKA CONSULTING SURVEYORS, INC. 601 West 41st Avenue, Suite 101 Anchorage, Alaska 99503 (907) 562-7950
STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER ANCHORAGE, ALASKA	
ALASKA STATE LAND SURVEY No. 2003-14	
TATALINA SUBDIVISION Creating Lots 1-18 & Tract A, Bk 1; Lots 1-8, Bk 2; Lots 1-9, Bk 3; Lots 1-2, Bk 4; Lots 1-14, Bk 5; Lots 1-15, Bk 6; Lots 1-17, Bk 7; Lots 1-6, Bk 8; Lots 1-7, Bk 9; Lots 1-10, Bk 10; And Vacation of Portions of the Protracted Section Lines and Section Line Easements	
Located within Unsurveyed Sections 29, 30, 31 and 32, 8 N., 3 W., Fairbanks Meridian, Alaska FAIRBANKS RECORDING DISTRICT	
DRAWN BY: MJC	APPROVAL RECOMMENDED: <i>[Signature]</i> 27 Mar 2005
DATE: 3/21/05	DATE: 2/22/05
CHECKED: LGR	SCALE: 1\"=200'
SHEET 4 OF 5	ASLS 20030014/EV-2-974

Fairbanks 2005-53

**GENERAL SITE DESCRIPTION TATALINA
SUBDIVISION F006N003W31&32 ASLS 2003-14**

**Location**

The subject is located approximately 40 miles north of Fairbanks, Alaska on the southwest side of the Elliott Highway.

Access

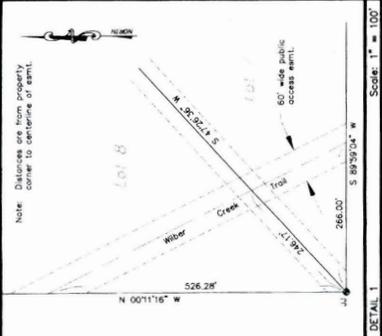
The subdivision is accessible from a maintenance road (Roosevelt Road) used to access the Trans Alaska Pipeline (ADL 413416), or from the Elliott Highway. **No direct access from either of these roads is allowable.** Roosevelt Road is a gravel road with a 150 foot access easement, 75 feet each side of the centerline. The right of way fronting all subdivision lots will be brushed to a distance of ten feet, wide enough for an ATV trail. At the current time the brushed trails have been completed through Blocks 7 and 8, but not through Blocks 5 and 6. It is a special assumption that the right of way between Block 5 and Block 6 will be brushed prior to sale.

Size and Shape

The subject lots are basically normally shaped and range in size from 5.02 acres to 7.12 acres.

Topography

The subdivision slopes downward in a southwesterly direction away from the Elliott Highway. All lots are moderately sloped with views to the west.



LOT CURVE TABLE

CURVE	DELTA	RADIUS	TANGENT	LENGTH
C1	52°04'23"	420.00'	205.18'	381.77'
C2	16°58'35"	420.00'	73.85'	122.85'
C3	48°31'35"	270.00'	122.85'	230.25'
C4	93°03'54"	30.00'	31.65'	48.73'
C5	61°31'41"	300.00'	19.25'	345.00'
C6	17°52'00"	300.00'	97.95'	178.86'
C7	186°41'39"	60.00'	60.68'	176.86'
C8	107°12'25"	60.00'	81.39'	112.27'
C9	47°18'39"	30.00'	11.81'	22.68'
C10	35°04'03"	380.00'	115.32'	324.29'
C11	86°56'06"	30.00'	28.44'	45.52'
C12	89°50'07"	420.00'	418.79'	698.53'
C13	52°25'39"	420.00'	206.39'	384.31'
C14	17°28'50"	420.00'	73.85'	122.85'
C15	17°28'50"	1254.83'	192.81'	382.82'
C16	184°19'13"	480.00'	78.41'	157.39'
C17	33°57'13"	480.00'	143.96'	278.90'
C18	107°04'04"	300.00'	305.31'	470.35'
C19	121°24'54"	300.00'	305.31'	470.35'
C20	36°38'41"	300.00'	305.31'	470.35'
C21	39°32'28"	480.00'	172.53'	331.28'
C22	18°32'55"	480.00'	78.26'	155.39'
C23	23°24'03"	480.00'	99.41'	196.04'
C24	29°01'36"	480.00'	124.26'	243.17'
C25	46°17'33"	30.00'	31.20'	48.33'
C26	121°39'03"	60.00'	107.43'	177.37'
C27	154°44'43"	60.00'	267.82'	182.05'
C28	45°11'33"	30.00'	13.42'	26.23'
C29	142°14'12"	2246.48'	188.32'	338.01'
C30	142°14'12"	2246.48'	284.55'	566.11'

ROW CURVE TABLE

CURVE	DELTA	RADIUS	TANGENT	LENGTH
C136	52°25'39"	420.00'	220.38'	411.77'
C137	16°58'35"	420.00'	73.85'	122.85'
C138	21°58'55"	350.00'	158.27'	254.83'
C139	48°31'35"	300.00'	136.27'	254.83'
C140	157°04'55"	300.00'	40.42'	80.30'
C141	17°52'00"	300.00'	97.95'	178.86'
C142	37°02'00"	210.00'	177.86'	335.13'
C143	91°70'05"	2391.83'	194.19'	387.54'
C144	65°40'45"	559.26'	360.97'	641.00'
C145	114°01'00"	259.26'	389.35'	515.92'

LINE TABLE

LINE	DIRECTION	DISTANCE
L7	N04°34'44\"	50.00'
L8	S04°34'44\"	50.00'
L9	N04°17'28\"	418.31'
L10	N04°17'28\"	118.35'
L11	S58°11'31\"	150.29'
L12	N02°30'38\"	229.42'
L13	S00°17'11\"	199.70'
L14	S00°17'11\"	193.32'
L15	S22°08'28\"	92.47'
L16	N04°17'28\"	118.27'
L17	S58°11'31\"	188.64'

LEGEND

- GLO - BLM MONUMENT RECOVERED
- 3-1/4" ALUMINUM CAP ON 3/4" STEEL ROD
- PRIMARY MONUMENT SET THIS SURVEY
- 3-1/4" ALUMINUM CAP ON 2-1/2" x 3"
- SECONDARY MONUMENT SET THIS SURVEY
- 5/8" DIA. x 30" REBAR WITH 2" ALUMINUM CAP
- SURVEYED
- UNSURVEYED

(R1) BLM PLAT 104, ROW FARMHANDS MERIDIAN FILED JANUARY 4, 1988
 (R2) STATE OF ALASKA D.O.T. RIGHT-OF-WAY MAP PROJECT S-0860 (13) SHEETS 9-14
 JJ SEE SHEET 5 OF 5 FOR MONUMENT MARKINGS
 PROTECTED SECTION LINE AND SECTION LINE EASEMENT VACATED THIS PLAT

1 METER = 3.2808333 US FEET, 1 US ACRE = 0.4047 HECTARE

GRAPHIC SCALE
 1" = 200 FEET
 0 100 200 300 400 500 600 700 800
 (IN METERS)

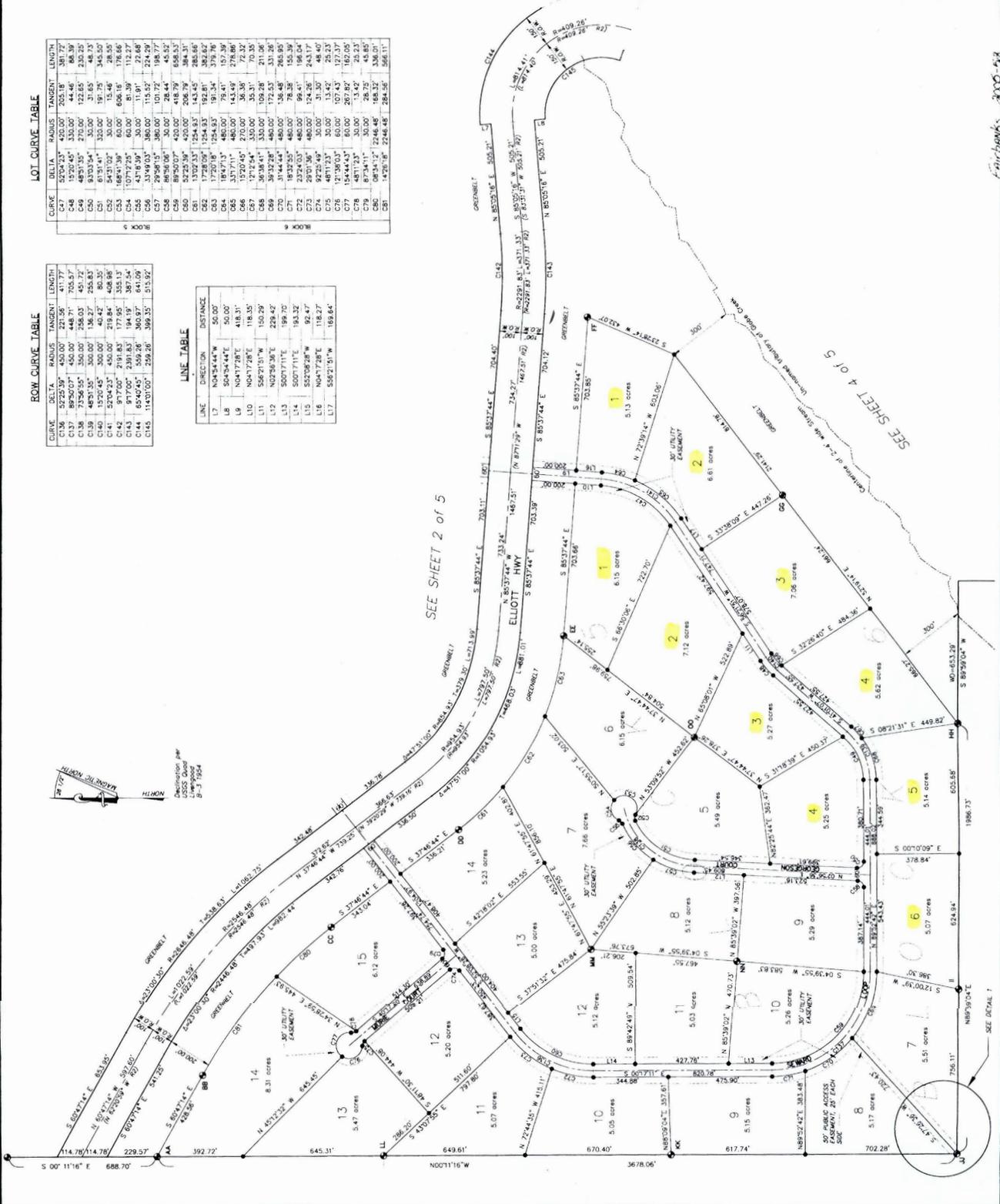
DATE OF SURVEY: ALASKAN CONSULTING SURVEYORS, INC.
 BEGINNING: 08/29/04 601 West 4th Avenue, Suite 107 Anchorage, Alaska 99503 (907) 562-7900
 ENDING: 09/20/04

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

ALASKA STATE LAND SURVEY NO. 2003-14
 TATALINA SUBDIVISION
 Creating Lots 1-18 & Tract A, Blk 1; Lots 1-8, Blk 2; Lots 1-9, Blk 3; Lots 1-10, Blk 4; Lots 1-11, Blk 5; Lots 1-12, Blk 6; Vac. Location of Lots 1-4, Blk 8; Lots 1-7, Blk 9; Lots 1-10, Blk 10; Vac. Location of Portions of the Protected Section Line and Section Line Elements Sections 29, 30, 31; and 32 with the City of Tatiana Meridion, Alaska FARMHANDS RECORDING DISTRICT

APPROVAL RECOMMENDED:
 DRAWN BY: MJE
 DATE: 7/21/05
 CHECKED: LOR
 SCALE: 1"=200'
 FILE NUMBER: 27-14-2065
 DATE: 7/21/05

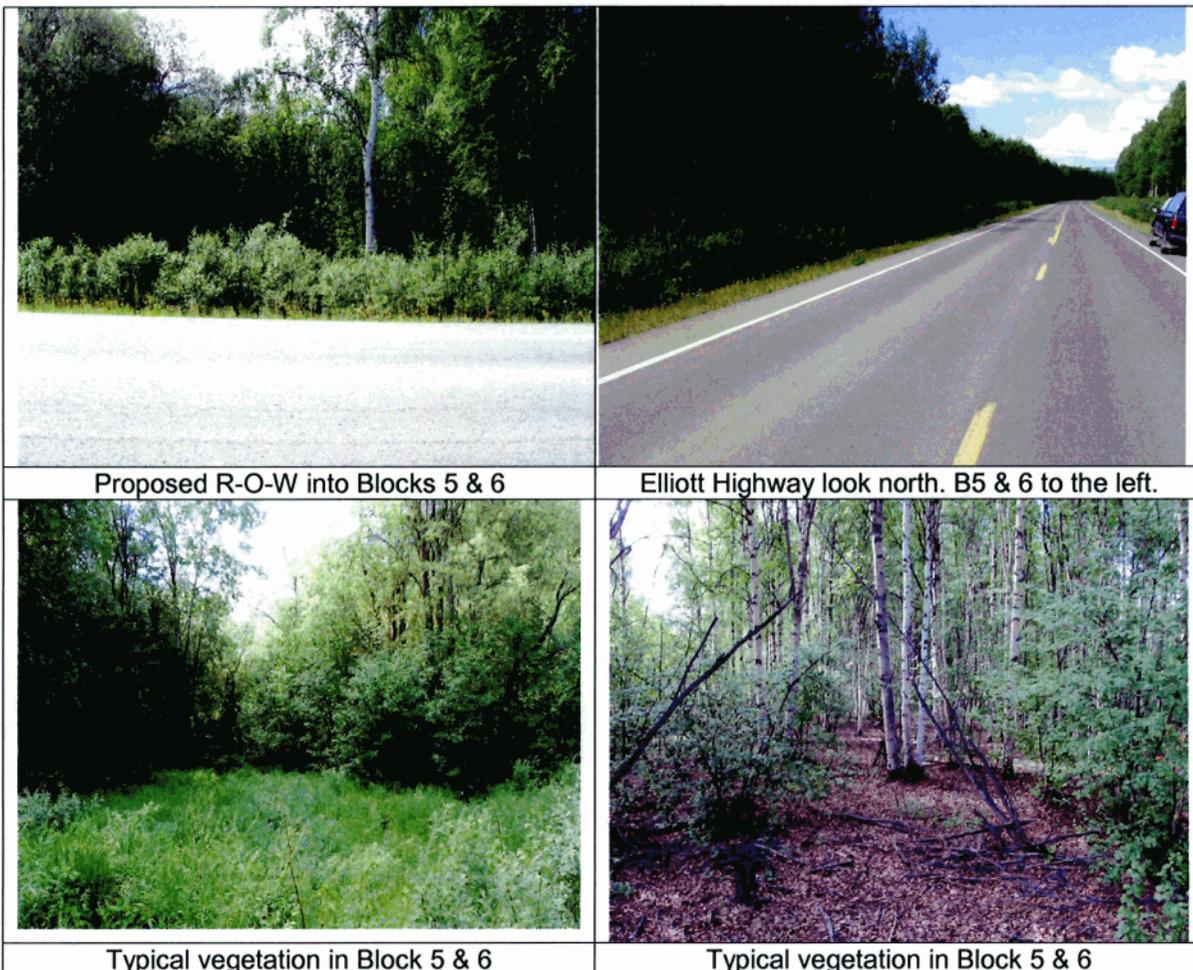
SHEET 3 OF 5 ASLS 20030014/EV-2-974



FARMHANDS 3-000-2-3

Soils

Soil conditions are unknown, but appear to be suitable.



Utilities

Electric and telephone service are not available to the subject lots. Because there is no public water or sewer, on-site water wells and septic systems are needed for development.

Easements

A title report was available to the appraiser and according to preliminary documents, all interior roads shall have a 30' utility easement along the front side of each parcel. The Pipeline Road has a 150' right-of-way (75' each side). All brushed trails will be within a 60 foot right-of-way (30' each side). While the exact location is unknown, these are peripheral easements that do not impact value.

Environmental Hazards

None were observed.

Hazardous Waste and Toxic Materials

None were observed.

Zoning Regulations

The subject is located outside the boundaries of an organized borough or incorporated city. There are no land use restrictions which would prevent development of the site to its highest and best use.

Ownership History

The property is owned by the State of Alaska DNR.

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 parcels could be developed for almost any legal use.

Physically Possible

The size and physical characteristics of the parcels are adequate to support all reasonable and probable uses. There are no soils or topography issues that reduce the buildable area suitable for development with a residential/recreational structure.

Financially Feasible

Surrounding land use is a mix between recreational and residential. The Fairbanks area attracts many summer time residents, while also offering a semi-rural lifestyle to year round residents if they choose. Based on the neighborhood development, it appears there is limited demand for commercial use.

Maximally Productive

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

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

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 remote recreational development.

The definition above applies specifically to the Highest and Best Use of the land. It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. All parcels are vacant and unimproved.

Due to the confidentiality of sales information in the State of Alaska, the valuation section of the report is unavailable online. The entire report can be reviewed at the DNR Public Information Center:

In Anchorage

(in the Atwood Building)
550 W. 7th Ave. Suite 1200, Anchorage AK, 99501
Phone (907) 269-8400
Fax (907) 269-8901
TDD for hearing impaired (907) 269-8411
e-mail: dnr.pic@alaska.gov
Business hours 10:00 am to 5:00 pm M-F.

In Fairbanks

(Corner of University & Airport Way)
3700 Airport Way, Fairbanks, AK 99709
Phone (907) 451-2705
Fax (907) 451-2706
TDD for hearing impaired (907) 451-2770
e-mail: fbx-pic@alaska.gov
Business hours 10:00 am to 5:00 pm M-F.

In Juneau

(Southeast Div. of Land)
400 Willoughby Ave., 4th Floor, Juneau AK 99801
Phone (907) 465-3400
Fax (907) 586-2954
e-mail: southeast_land@dnr.state.ak.us
Business hours 10:00 am to 5:00 pm M-F.