COMPLETE MULTIPLE APPRAISAL REPORT

2007 LAND DISPOSAL
ASPS #: 10-06-127
(Southeast)

FOR:

Mr. Michael Ward
State of Alaska Department of Natural Resources
Division of Mining, Land and Water
550 West 7th Avenue, Suite 650
Anchorage, Alaska 99501-3576

Date of Value:

October 2, 2006

Appraised by:

Richard H. Johnson, ARA
Johnson Appraisal Company
Anchorage, Alaska
Alaska Certified General License #323

SOUTHEAST CONTRACT										
	SOUTHEAST									
	ADL	MTRS	SURVEY	S/D	LOT	BLOCK	ESTIMATED VALUE			
POT RE-OFF	107457	C066S079E25	ASLS 2000-23	WHALE PASSAGE	1	14	$55,000			
POT RE-OFF	107458	C066S079E25	ASLS 2000-23	WHALE PASSAGE	2	14	$55,000			
NEW	107472	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	1	1	25,200			
NEW	107473	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	2	1	25,200			
NEW	107474	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	3	1	$25,500			
NEW	107475	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	4	1	$26,700			
NEW	107476	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	5	1	27,000			
NEW	107477	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	6	1	$31,500			
NEW	107478	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	7	1	$28,500			
NEW	107479	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	1	2	$20,700			
NEW	107480	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	2	2	$18,900			
NEW	107481	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	3	2	$18,900			
NEW	107482	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	4	2	$19,800			
NEW	107483	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	5	2	$28,500			
NEW	107484	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	6	2	$30,000			
NEW	107485	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	7	2	$28,500			
NEW	107486	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	8	2	$27,000			
NEW	107487	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	9	2	$30,000			
NEW	107488	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	10	2	$28,500			
NEW	107489	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	1	3	$27,000			
NEW	107490	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	2	3	$28,500			
NEW	107491	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	1	4	$31,500			
NEW	107492	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	2	4	$31,500			
NEW	107493	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	3	4	$31,500			
NEW	107494	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	4	4	$30,000			
NEW	107495	C074S083E 11 & 14	ASLS 2004-29	HARRIS RIVER WEST	5	4	$28,500			
NEW	107496	C074S083E 11	ASLS 2004-29	HARRIS RIVER WEST	6	4	$28,500			
OTC	104127	C059S080E30	ASLS 83-32	FREDERICK POINT EAST	4	1	$22,000			
OTC	104153	C059S080E30	ASLS 83-32	FREDERICK POINT EAST	9	2	$11,000			
OTC	104168	C059S080E30	ASLS 83-32	FREDERICK POINT EAST	12	2	$11,000			
NEW	107249	C069S080E19, 30	ASLS 2004-03	NAUKATI WEST PH II	7	6	$30,000			
NEW	107250	C069S080E19, 30	ASLS 2004-03	NAUKATI WEST PH II	8	6	$30,000			
NEW	107251	C069S080E19, 30	ASLS 2004-03	NAUKATI WEST PH II	9	6	$30,000			
NEW	107252	C069S080E19	ASLS 2004-03	NAUKATI WEST PH II	5	7	$27,000			
NEW	107253	C069S080E19	ASLS 2004-03	NAUKATI WEST PH II	6	7	$8,100			
NEW	107254	C069S080E19	ASLS 2004-03	NAUKATI WEST PH II	7	7	$8,100			
NEW	107255	C069S080E19	ASLS 2004-03	NAUKATI WEST PH II	8	7	$8,100			
NEW	107271	C069S080E19	ASLS 2004-03	NAUKATI WEST PH II	1	11	$10,800			
NEW	107272	C069S080E19	ASLS 2004-03	NAUKATI WEST PH II	2	11	$11,400			
NEW	107273	C069S080E19, 20	ASLS 2004-03	NAUKATI WEST PH II	3	11	$11,400			
NEW	107274	C069S080E19, 20	ASLS 2004-03	NAUKATI WEST PH II	4	11	~~$10,200~~ $10,800 KRK			
NEW	107275	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	5	11	$11,400			
NEW	107276	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	6	11	$19,800			
NEW	107277	C069S080E19, 20	ASLS 2004-03	NAUKATI WEST PH II	7	11	$20,700			
NEW	107278	C069S080E19, 20	ASLS 2004-03	NAUKATI WEST PH II	8	11	$20,700			
NEW	107279	C069S080E19, 20	ASLS 2004-03	NAUKATI WEST PH II	9	11	$20,700			
NEW	107280	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	10	11	$20,700			
NEW	107281	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	11	11	$20,700			
NEW	107282	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	12	11	$20,700			
NEW	107283	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	1	12	$11,400			
NEW	107284	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	2	12	$11,400			
NEW	107285	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	3	12	$11,400			
NEW	107286	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	4	12	$12,600			
NEW	107287	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	5	12	$12,000			
NEW	107288	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	6	12	$18,900			
NEW	107289	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	7	12	$20,700			
NEW	107290	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	1	13	$11,400			
NEW	107291	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	2	13	$11,400			
NEW	107292	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	3	13	$11,400			
NEW	107293	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	4	13	$11,400			
NEW	107294	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	5	13	$11,400			
NEW	107295	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	6	13	$12,000			
NEW	107296	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	7	13	$12,000			
NEW	107297	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	8	13	$12,000			
NEW	107298	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	9	13	$12,000			
NEW	107299	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	10	13	$11,400			

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PART I - INTRODUCTION

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Name of Project:	2007 Land Disposal/Over-the-Counter Updates ASPS # 10-06-127 (Southeast Alaska)
Area, Borough and State:	Prince of Wales and Mitkof Islands, Ketchikan Gateway Borough, Alaska
Owner of Record:	State of Alaska
Brief Description:	Sixty-six platted lots within four subdivisions on Prince of Wales Island and Mitkof Island
Appraiser:	Richard H. Johnson, ARA
Type of Report:	Complete, summary under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.
Client of this Report:	State of Alaska Department of Natural Resources
Instructions to the Appraiser:	Estimate current market value of the individual subject lots.
Intended Use of this Report:	Establish market value for the land disposal program. The DNR will use the values established in this report to set a minimum price for each lot.
Property Rights Appraised:	Fee simple estate less mineral rights.
Intended Users of this Report:	State of Alaska, Department of Natural Resources. It will also be used by the general public for guidance in determining actual bid prices.
Dates of Field Work:	October 1 – 5, 2006
Date of Property Inspection:	October 2 and 3, 2006
Effective Date of Value:	October 2, 2006
Date of Report:	October 31, 2006
Highest and Best Use:	Reported on the next page.
Size:	Reported on the next page.
Estimated Market Value:	Reported on the next page.

SOUTHEAST CONTRACT										
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	ADL	MTRS	SURVEY	S/D	LOT	BLOCK	ESTIMATED VALUE			
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NEW	107488	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	10	2	$28,500			
NEW	107489	C074S083E 14	ASLS 2004-29	HARRIS RIVER WEST	1	3	$27,000			
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NEW	107274	C069S080E19, 20	ASLS 2004-03	NAUKATI WEST PH II	4	11	$10,200			
NEW	107275	C069S080E20	ASLS 2004-03	NAUKATI WEST PH. II	5	11	$11,400			
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NEW	107277	C069S080E19, 20	ASLS 2004-03	NAUKATI WEST PH II	7	11	$20,700			
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NEW	107286	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	4	12	$12,600			
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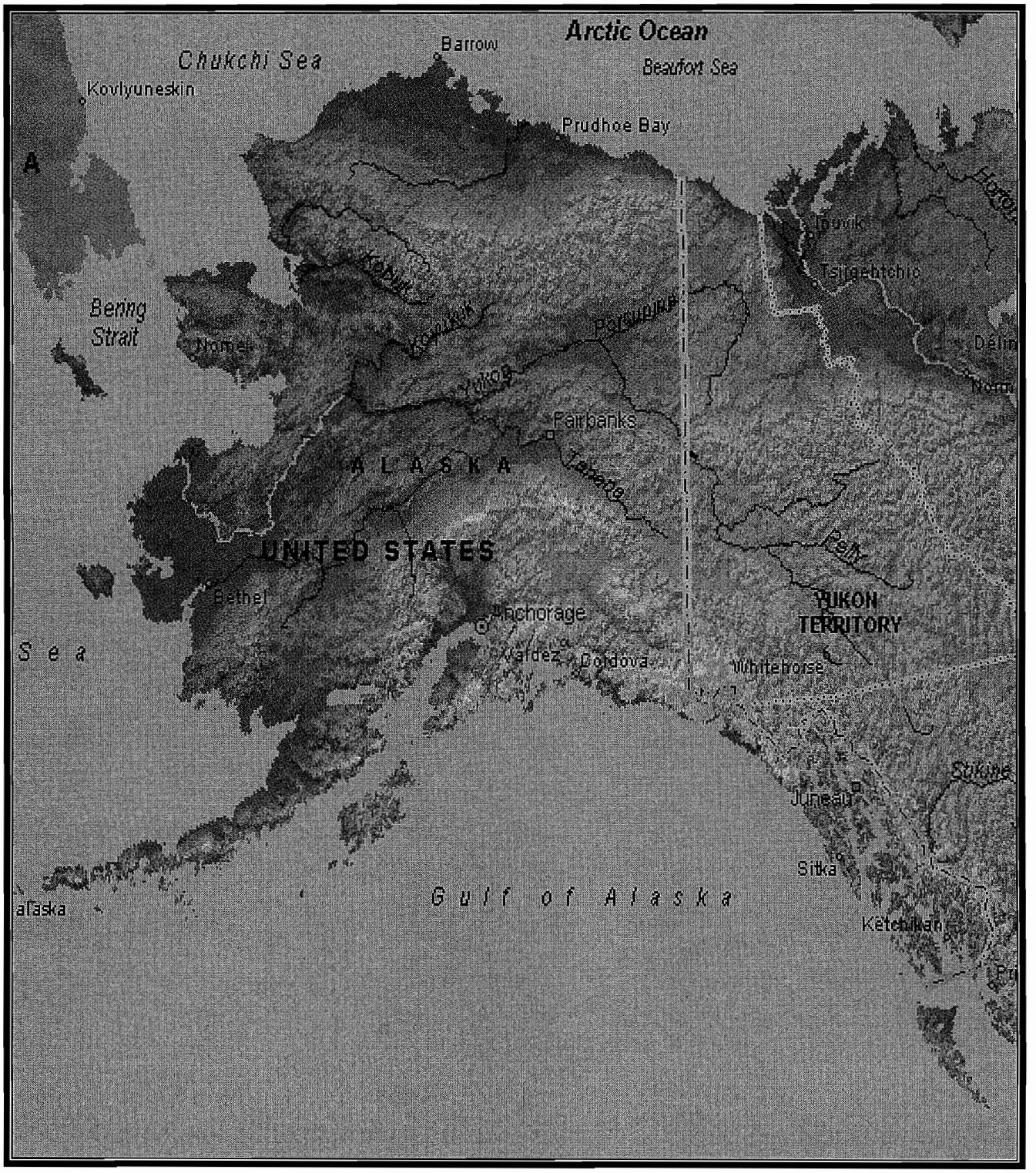
NEW	107291	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	2	13	$11,400			
NEW	107292	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	3	13	$11,400			
NEW	107293	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	4	13	$11,400			
NEW	107294	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	5	13	$11,400			
NEW	107295	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	6	13	$12,000			
NEW	107296	C069S080E20	ASLS 2004-03	NAUKATI WEST PH. II	7	13	$12,000			
NEW	107297	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	8	13	$12,000			
NEW	107298	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	9	13	$12,000			
NEW	107299	C069S080E20	ASLS 2004-03	NAUKATI WEST PH II	10	13	$11,400			


Arctic Ocean
Barrow
Chukchi Sea
Beaufort Sea
Kovlyuneskin
Prudhoe Bay
Bering Strait
Nome
Kobuk
Koyukuk
Porcupine
Yukon
Fairbanks
Tanana
ALASKA
UNITED STATES
Bethel
Anchorage
Valdez
Cordova
Sea
Inuvik
Tsiigehtchic
Delin
Peel
YUKON TERRITORY
Whitehorse
Stikine
Juneau
Sitka
Ketchikan
Gulf of Alaska

AREA MAP

ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraiser assumes no responsibility for legal matters. The subject lots are assumed to be free and clear of encumbrances, except as otherwise noted, ***and*** title is assumed to be marketable. No title information was given to the appraiser prior to the engagement.

2. Market data and other pertinent information has been obtained from seemingly knowledgeable and reputable persons. The accuracy of this information is believed to be true but cannot be guaranteed.

3. It is assumed the legal descriptions of the subject lots as furnished by the client are correct.

4. It is assumed all plats and maps used by the appraiser are correct.

5. The appraiser observed no evidence of potential contaminant problems. However, no responsibility for identifying such problems should be assumed by the client or general public. The property is assumed to be free of contaminants.

6. The fee simple of the surface estate is being appraised. There are no known underlying oil, gas, mineral or coal deposits in sufficient quantities that would disturb the surface estate. However, no information regarding minerals was given to the appraiser prior to engagement of this assignment.

7. Sketches and maps included in this appraisal report show *approximate* boundaries and are included to help the reader in visualizing the subject and sales. No claim is made to their accuracy.

8. This report is based on the condition of the subject lots and the market data gathered at the time of the appraisal. It is understood that values expressed in this report may cease to be valid if a market change occurs in the subject or in the local real estate market, or if any appropriate new information becomes available. The appraiser reserves the right to revise the appraisal report should the need arise.

9. It is assumed that there is full compliance with all applicable Federal, State, and local environmental laws and regulations, as well as applicable zoning, building, and use regulations and restrictions, unless otherwise noted in this report.

10. It is assumed that the utilization of the land is within the boundaries of the property described and that there is no encroachment or trespass unless otherwise noted.

11. The appraiser assumes there are no unapparent conditions of the property or subsoil that render it more or less valuable. I assume no responsibility for such conditions, or for any engineering studies required to discover such conditions.

12. This appraisal report is to be used only in its entirety and no part is to be used without the entire report, or in conjunction with any other appraisal. Use of a portion of the report invalidates the analysis and valuation conclusions contained herein.

13. Richard H. Johnson is an accredited member of the American Society of Farm Managers and Rural Appraisers. This report may be reviewed by the Society's Ethics Committee for compliance with their Code of Ethics and Standards of Professional Practice.

14. This appraisal report has been written for the State of Alaska, Department of Natural Resources (the client). Possession of this report, or a copy thereof, does not carry with it the right of publication (either in part or in whole). It may not be used for any purpose other than the stated Purpose of the Report without the express, written consent of the appraiser *and* client.

Scope of Appraisal

The scope of this appraisal encompasses the research and analysis to prepare a report in accordance with the ***Uniform Standards of Professional Appraisal Practice*** (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation and the ***General Appraisal Requirements for DNR Land Disposal.***

The term "scope of work" refers to the amount and type of information researched and the analysis applied in the assignment. The appraisal process is divided into four basic tasks: (1) gathering of information, (2) analyzing data collected, (3) drawing conclusions, and (4) reporting the conclusions.

This report is performed under USPAP Standard Rules 1 and 2. It is prepared under the *summary* reporting option of Standard Rule 2-2(b). Departure is not invoked. Thus, it is a *complete* appraisal report.

The purpose of this appraisal is to form an opinion of current market value for the individual subject lots. The date of value is October 2, 2006. The client and intended user for this report is the Alaska Department of Natural Resources.

The subject of this appraisal report consists of sixty-six separate valuation assignments. The appraised parcels are platted lots in the Whale Passage Subdivision, Harris River West Subdivision, Frederick Point East Subdivision and the Naukati West Phase II Subdivision. The pictures contained in this report were taken by the appraiser during the property inspections.

Area data is compiled from several sources - the Craig Chamber of Commerce, the Petersburg Chamber of Commerce and the State of Alaska Community Data Base website. An inspection of the general area was also completed. The property data section for each subdivision is based on a physical inspection of the subject lots. Legal descriptions and acreage estimates were taken from the Alaska State Land Surveys or subdivision maps. Where a conflict between lot sizes existed, the subdivision maps were relied upon. Title information was not available to the appraiser prior to the engagement of the assignment.

Alaska is a non-disclosure state. However, the sale prices of the comparable sales relied upon were given to me by real estate brokers, appraisers and land managers with the Alaska Mental Health Trust and the University of Alaska. A preliminary

search for comparable data took place during the week of September 25, 2006. The search was confined to the Petersburg area and Prince of Wales Island area. Sales occurring after January 2003 were considered. Sales were field inspected when practical. Sales not personally inspected were verified with brokers or appraisers that have inspected the sales. All of the relevant sale transfers were verified with appropriate sources. After assembling and analyzing the data defined in the scope of the assignment, a final value estimate will be made for each subject lot.

The three traditional approaches to value are considered. These include the income approach, cost approach, and sales comparison approach. The sales comparison is the only valuation approach used to solve the appraisal problem. The other two approaches were not used due to a lack of market data or being an inapplicable approach.

References

The following parties were contacted and/or consulted with as part of the appraisal process:

- Ketchikan District Recorders Office
- Island Realty, Craig, Alaska
- University of Alaska Land Office
- Alaska Mental Health Trust Land Office
- State of Alaska Department of Natural Resources
- Joanna Richter (landowner in Naukati Bay)
- Andy Richter (business owner in Naukati Bay)

PART II - FACTUAL DATA

PROPERTY RIGHTS

The property rights appraised herein are the fee simple estate less mineral rights reserved under AS 38.05.125(a). This is the absolute ownership of all of the rights (less mineral estate) unencumbered by any other interest or estate (which include the rights to sell, lease, use, give the property away and the right to refuse to exercise any of these privileges), other than those described in this report; subject only to the limitations of eminent domain, escheat, police power and taxation.

PURPOSE OF APPRAISAL

The purpose of this report is to obtain an estimate of current market value for each subject parcel. *Market Value* is defined by the Special Appraisal Instructions, DNR Land Disposal as follows:

> ***Market Value-*** The most probable price, as of a specified date, in cash, or in terms of 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.
>
> **Reasonable Exposure Time in Market Value Estimate-** Exposure time is the estimated period of time the property being appraised would have been offered on the market in order to have sold at market value on the effective date of the appraisal. The exposure assumes a competent sale effort and reasonable time as reflected by sales of like-kind property under similar market conditions. In this appraisal, the exposure time is one to three years.

INTENDED USE

The appraisal will be used by the State of Alaska DNR to establish the minimum price for each subject parcel for a sealed bid auction or over-the-counter sales. It will also be used by the general public for guidance in determining actual bid price.

DATE OF INSPECTION

An on-the-ground inspection of the subject lots took place on October 2 & 3, 2006. Access to the Naukati subdivision was gained through land owned by Joanne Richter. Some survey corners and monuments for the lots in this subdivision were located. The dedicated right-of-way for access into the Naukati subdivision was located. The Whale Passage subdivision was

inspected from the road. No survey corners were found for this subdivision. The Harris River subdivision was inspected by road and trail. Most lot corners were found. The Frederick Point subdivision was inspected by helicopter.

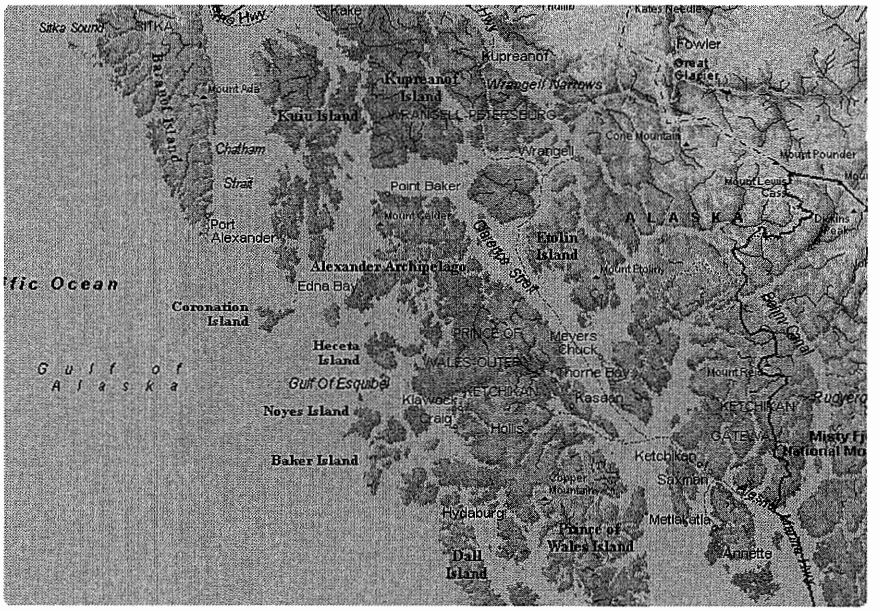
LEGAL DESCRIPTIONS

Various lots within the four subdivisions. See the summary of values at the beginning of the report or the individual property discussions for a more complete legal description.

AREA AND COMMUNITY DATA

Based on the Special Appraisal Instructions, the *Area and Regional* analysis is brief. The subject area is Prince of Wales Island and Mitkof Island. Prince of Wales Island is the third largest island in the United States. My market research focused on non-Federal rural lands in the vicinity of the island communities of Hollis, Thorne Bay, Coffman Cove, Naukati, Klawok, Craig, Whale Pass and Petersburg.

The Prince of Wales Island road system is accessed from Ketchikan by the Inter Island Ferry system terminal at Hollis. The Mitkof Island road system is accessed by the Alaska Marine Highway system. Most of the island communities benefit from the road system. Of the 1,400 mile road system on Prince of Wales Island, approximately 600 miles is maintained by the Forest Service.



AREA MAP

Most of the area is classified rural. Most of the population is confined to road accessible areas with electricity and telephone. The remote areas are not served with public utilities. The following is a community profile of the ten largest communities based on information provided by the Chamber of Commerce:

Community	Access	Population	Services	Economy
Craig	Road	1,500	Full services	Tourism,fishing,logging
Petersburg	Road/Airport		Full services	Tourism,fishing,logging
Klawock	Road/Airport	673	Full services	Logging
Thorne Bay	Road	582	Full services	Logging, fishing
Hydaburg	Road	369	Extended service	Logging,fishing
Coffman Cove	Road	228	Extended service	Tourism,fishing
Naukati	Road	164	Limited services	Tourism,subsistence
Hollis	Road/Ferry	111	Limited services	Tourism
Whale Pass	Road	62	Limited services	Fishing,subsistence
Kassen	Road	54	Limited services	Fishing,logging

Traditional land and water uses include timber management, commercial fishing and their related industries (i.e. saw mills, seafood processing plants, etc.). These traditional uses are fast becoming replaced with land and water based tourism, construction and retail-based commerce. Sawmills in the area include Viking Lumber Company, W.R. Jones & Sons Lumber Company and the Klawock Saw Mill. Various seafood processors are scattered throughout the area. Of increasing importance is the sportfishing industry. Most ports now have commercial charter boats for salmon and halibut fishing. Black and brown bear hunting is a major recreational component. Sitka black tailed deer are also hunted in the fall.

The majority of the area is within the Tongass National Forest. Significant non-Federal ownerships include ANCSA corporation lands, and lands owned by the State of Alaska, the University of Alaska, and the Alaska Mental Health Trust. The State, UA and MHT are actively subdividing their land holdings and selling the subdivided lots to private users and investors. The sales are handled through sealed bids and over-the-counter transactions. The subdivisions are marketed through newspapers and the worldwide web.

The climate is classified as a "temperate northern forest". Large spruce and hemlock forests exist throughout the area. Minor components of alder and red cedar are also found. The annual precipitation varies from 60 inches to 200 inches. The mean

temperature range is 35ºF in January to 58ºF in July.

MARKET OVERVIEW

The market for this assignment for the subject is nation wide. Buyers range from local persons to out-of-state buyers. Local buyers typically purchase subdivided lots for rural residential use. Out-of-state buyers (usually from the West Coast) purchase subdivided lots for seasonal recreation and investment. Some purchase lots for year-round residences. Several existing subdivisions are competing with the subject for potential buyers. A check of the Multiple Listing Service revealed numerous vacant recreational properties for sale within the market area.

ZONING

Zoning enforcement is under the jurisdiction of the Ketchikan Gateway Borough. Currently, there are no zoning restrictions on the subject properties.

PART III - ANALYSIS AND CONCLUSIONS

HIGHEST AND BEST USE

The determination of highest and best use is one of the most fundamental and important parts of the appraisal process. An appraiser's estimate of highest and best use must be an economic use. A non-economic highest and best use, such as conservation preservation, or any other use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value.

Definition

The Appraisal of Real Estate,12th Edition, defines highest and best use as *"...the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value..."*

Four Tests

In determining the highest and best use of a property, many elements are considered. Potential uses must be analyzed in terms of legally permissible, physically possible, financially feasible and its degree of profitability. The use that meets the first three tests and is most profitable is its highest and best use. The four tests are applied in their corresponding order. In other words, the test of legal use must be met before the test of physically possible can be applied, and so forth.

Reasonably Probable Uses

A key element in the definition refers to "reasonably probable uses." Market value cannot be predicted upon uses that are not reasonable. Supply and demand observed in the market area indicates there are three possible *reasonably probable* uses – recreation, rural residential use or investment use.

DETERMINATION

Legally Permissible

The first test involves a determination of what uses are legally permissible. Existing leases, deed restrictions, zoning, building codes, historic controls and environmental regulations may all influence potential use and must be investigated by the appraiser.

None of the subject lots are currently zoned. Therefore, any of the reasonably probable uses are legally permissible.

Physically Possible

Once the test of legally permissible use is completed, the test of physically possible uses must be addressed. The appraiser must determine what legally permitted uses of the property

being appraised are physically possible.

Access for the subject lots ranges from good via the road system to poor via unimproved right-of-ways. Rural residential use is not physically possible on the lots without good road access. Recreation is not as dependent upon access, so the lots with poor access could be used for recreation. All of the lots are physically possible for investment use.

Financially Feasible

After applying the first two tests in the highest and best use determination, uses that are not legally permissible or physically possible were eliminated from consideration. Potential uses that satisfy the first two criteria are then subjected to the third criteria of financially feasible.

All three uses are classified "non income-producing". Demand for all three physically possible uses is good in the area. All three uses are considered financially feasible.

Maximally Productive

The final test involves determining which uses that have been determined legally permissible, physically possible and financially feasible is the maximally productive use of the subject. The financially feasible use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

Conclusion

Based on the above highest and best use analysis, recreational use/investment use is the maximally productive use for lots with poor access. Rural residential use/investment use is the maximally productive use of the lots with good access.

HARRIS RIVER WEST SUBDIVISION

PROPERTY DATA SECTION
AND
VALUATION DETERMINATION

PROPERTY DATA

The appraisal assignment comprises twenty-five platted lots within the Harris River West Subdivision, as shown in ASLS 2004-29. The subdivision lies just south of the Klawok-Hollis Highway.

Access to the subdivision is good via a gravel road/trail. The right-of-way shown on the plat giving Lots 1-5 of Block 1 and Lots 1-5 of Block 2 access is unimproved. It is basically an ATV trail. Electricity and telephone service is nearby the subdivision (along the highway). Topography is variable throughout the subdivision. Along the northern side, topography is steep. It becomes less steep and almost level along the southwestern side. Lots 1 through 4 of Block 2 are low and wet. It appears these lots may have drainage problems.

Vegetation is mostly woods, with Sitka Spruce and Hemlock species predominate. The terrain of the subdivision can best be described as "rugged". Numerous fallen trees, "slash" and variable topography make getting around the subdivision difficult. It appears Lot 3 of Block 4 is being used as a firearms target shooting area. The area is an old gravel pit that has a lot of paper targets set up and numerous shell casings scattered around. This area has a high probability of containing lead. The client should complete a contaminants survey. However, the client instructions were to value this property as free of contaminants.

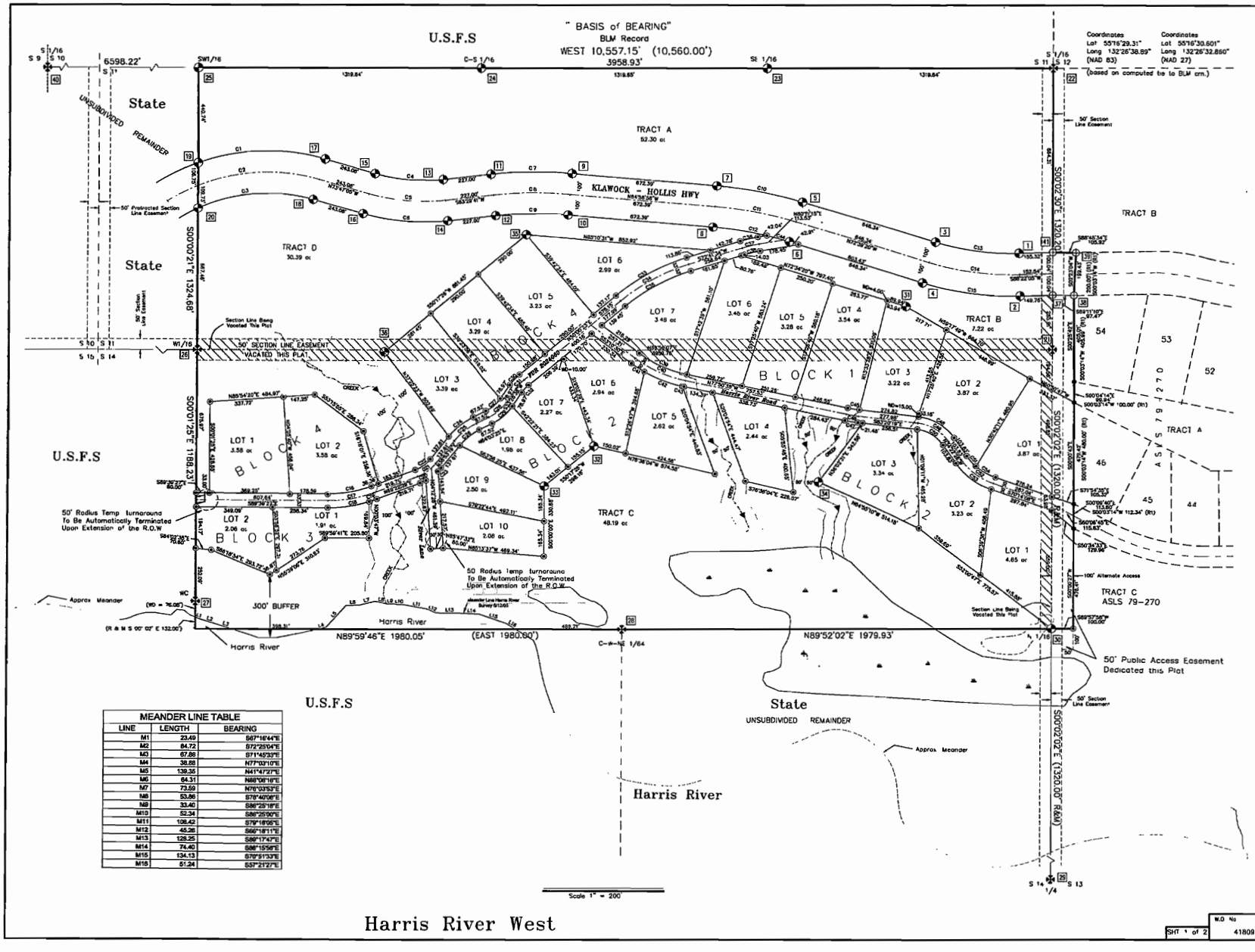
Lots 1 & 2 of Block 3 are near the Harris River. However, there is a 300-foot "buffer" identified on the plat between the river and the lots. This buffer area is wet and has significant fallen trees hindering access to the river. Neither lot has frontage on the Harris River. There is no soils information available for the specific lots. The exploratory soil survey conducted for the state indicates the area has a Humic Lithic Cryorthod soils association. This soil series is very gravelly and steep or hilly topography. It is common to mountains on islands in southeast Alaska. The soils within this association have a wide range of drainage properties. The inspection of the property indicates the soils are organic material (mostly forest litter) over bedrock.

It appears from the plat that originally there were several section line easements cutting through various lots in the subdivision. However, the plat indicates these were vacated.

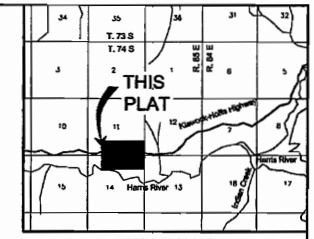
A summary of the individual lots is shown on the next page.

Summary of the Harris River West Subdivision Lots

ADL #/(Lot/Block)	Size	Access	Utilities	Topography
107472 (L1,B1)	3.87 acres	ROW-unimproved	Nearby	Moderately sloping
107473 (L2,B1)	3.87 acres	ROW-unimproved	Nearby	Moderately sloping
107474 (L3,B1)	3.22 acres	ROW-unimproved	Nearby	Moderately sloping
107475 (L4,B1)	3.54 acres	ROW-unimproved	Nearby	Steeply sloping
107476 (L5,B1)	3.28 acres	ROW-unimproved	Nearby	Steeply sloping
107477 (L6,B1)	3.48 acres	Gravel road	Nearby	Steeply sloping
107478 (L7,B1)	3.48 acres	Gravel road	Nearby	Steeply sloping
107479 (L1,B2)	4.65 acres	ROW-unimproved	Nearby	Gently sloping
107480 (L2,B2)	3.23 acres	ROW-unimproved	Nearby	Nearly level
107481 (L3,B2)	3.34 acres	ROW-unimproved	Nearby	Nearly level
107482 (L4,B2)	2.44 acres	ROW-unimproved	Nearby	Nearly level
107483 (L5,B2)	2.62 acres	ROW-unimproved	Nearby	Nearly level
107484 (L6,B2)	2.94 acres	Gravel road	Nearby	Gently sloping
107485 (L7,B2)	2.27 acres	Gravel road	Nearby	Gently sloping
107486 (L8,B2)	1.98 acres	Gravel road	Nearby	Gently sloping
107487 (L9,B2)	2.50 acres	Gravel road	Nearby	Nearly level
107488 (L10,B2)	2.08 acres	Gravel road	Nearby	Nearly level
107489 (L1,B3)	1.91 acres	Gravel road	Nearby	Gently sloping
107490 (L2,B3)	2.06 acres	Gravel road	Nearby	Gently sloping
107491 (L1,B4)	3.58 acres	Gravel road	Nearby	Gently sloping
107492 (L2,B4)	3.58 acres	Gravel road	Nearby	Gently sloping
107493 (L3,B4)	3.39 acres	Gravel road	Nearby	Gently sloping
107494 (L4,B4)	3.29 acres	Gravel road	Nearby	Moderately sloping
107495 (L5,B4)	3.23 acres	Gravel road	Nearby	Moderately sloping
107496 (L6,B4)	2.99 acres	Gravel road	Nearby	Steeply sloping



MEANDER LINE TABLE		
LINE	LENGTH	BEARING
M1	23.49	S67°16'44"E
M2	84.72	S72°25'04"E
M3	67.88	S71°45'33"E
M4	38.88	N77°03'10"E
M5	138.35	N41°47'27"E
M6	64.31	N88°06'16"E
M7	73.59	N76°03'53"E
M8	53.86	S78°40'06"E
M9	33.40	S86°25'18"E
M10	52.34	S86°25'00"E
M11	108.42	S79°18'06"E
M12	45.26	S66°18'11"E
M13	128.25	S89°17'47"E
M14	74.40	S86°15'56"E
M15	134.13	S79°51'37"E
M16	51.24	S57°21'27"E



VICINITY MAP

SCALE: 1 INCH = 1 MILE
USGS Quad CRAIG B-2 & B-3
Dated 1949

MAGNETIC DECLINATION DETERMINED FROM U.S.G.S. QUADRANGLE CRAIG B-2 1949

LEGEND

- Recovered BLM Monument
- Recovered 3 1/4" Alu. Cap Monument
- Set 2 1/2" x 30" GI pipe with 3 1/4" al cap
- Found 5/8" Rebar
- Set 5/8" rebar with 2 1/2" aluminum cap
- Computed position from BLM record ties
- Boundary Line
- Other survey line, including tie line
- Section Line being vacated this Plat
- Approximate boundary of other properties
- Public Access Easement
- ( ) Record data BLM (see note 5)
- (R1) Record data ASLS 79-270
- Section Line Easement Being Vacated this Plat

Bar Scale

1 inch = 200' ft.
1 METER = 3.2808333 US FEET 1 US ACRE = 0.4047 HECTARES

DATE OF SURVEY	SURVEYED BY
Beginning May 2005 Ending July 2005	SENTIO Inc 2102 Cleveland Avenue Anchorage, Alaska 99517 (907)243-9966 Fax: (907) 243-9967

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

ALASKA STATE LAND SURVEY NO. 2004-29

Harris River West Subdivision,
Creating Lots 1-7 Blk 1, Lots 1-10 Blk 2; Lots 1&2 Blk 3, Lots 1-5 Blk 4, Tracts A, B, C & D
Sectionones & Section Line Easement Vacation Plat & Dedication Of Public Access Easement within Tract C, ASLS 79-270

Within Partial Surveyed Sections 11 through 14, T 74 S., R 85E., C.R.M., ALASKA

Ketchikan Recording District

Drawn by	APPROVAL RECOMMENDED		
GJR	Statewide Platting Supervisor:		Date
Checked by:	Scale	File No	
MJH	1:200	ASLS 20040029 / EV-2-970	

SHT 1 of 2	W.O No	41809

Harris River West S/D – road leading into the subdivision.

Harris River West S/D – typical vegetation and topography in Block 2.

Harris River West S/D – typical vegetation and topography in Block 4

Harris River West S/D – corners of Lots 6 & 7 of Block 2.

Harris River West S/D – ATV trail following right-of-way to access the Eastern portion of the subdivision (Blocks 1 and 2).

Harris River West S/D – old gravel pit on Lot 3 of Block 4.

Harris River West S/D – area used for target practice on Lot 3 of Block 4.

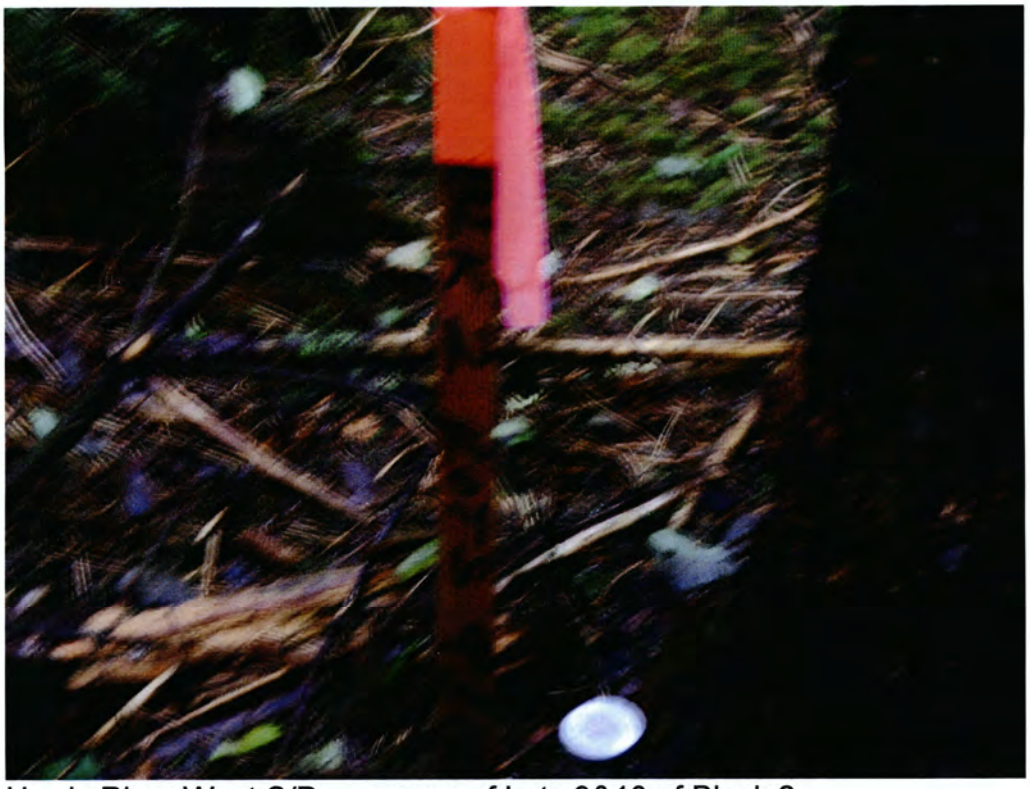
Harris River West S/D – Lot 8 of Block 2.

Harris River West S/D – typical vegetation and topography on Lot 9 of Block 2.

Harris River West S/D – typical vegetation near Lots 1&2 of Block 3.

Harris River West S/D – Lot 3 of Block 4.

Harris River West S/D – typical vegetation near Lots 1&2 of Block 4.



Harris River West S/D – corners of Lots 9&10 of Block 2.

Harris River West S/D – typical vegetation and topography for Lots 9&10 of Block 2.