

# **MARKET VALUE APPRAISAL**

**Of  
Anderson, Deadman Lake, Kantishna River, June Creek, Wood River & West Twin Lake  
Subdivision Parcels  
For 2008 Land Auction**



**APPRAISAL REPORT No. 3471**

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



## A. SUMMARY OF APPRAISAL NO. 3471

1. ADL NO(S): See table below
2. SIZE: Various, as noted in table
3. APPLICANT: N/A
4. LOCATION: Various locations around the Northern Region, see body of report
5. LEGAL DESCRIPTION(S): As noted in table below
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Brandon Simpson
9. DATE of REPORT: August 29, 2007
10. DATE(S) of VALUE(S): June 18 and 19, 2007
11. APPRAISED VALUE(S):

Subdivision	ADL	Lot/Tract	Block	ASLS	Size - acres	Appraised Value
Anderson	404979	4		79-30	30.03	\$9,600
Deadman Lake	407620	1	3	81-40	4.546	\$4,100
Deadman Lake	407621	2	3	81-40	4.615	\$4,100
Deadman Lake	407622	3	3	81-40	4.672	\$4,200
Deadman Lake	407456	1	1	81-40	4.94	\$3,000
Deadman Lake	407457	2	1	81-40	4.86	\$3,000
Deadman Lake	407458	3	1	81-40	5	\$3,100
Deadman Lake	407459	4	1	81-40	4.3	\$2,800
Deadman Lake	407460	5	1	81-40	4.68	\$2,900
Deadman Lake	407461	6	1	81-40	4.72	\$2,900
Deadman Lake	407462	7	1	81-40	4.62	\$2,900
Deadman Lake	407468	13	1	81-40	4.27	\$2,800
Deadman Lake	407469	14	1	81-40	4.99	\$3,000
Deadman Lake	407470	15	1	81-40	4.44	\$2,800
Deadman Lake	407471	16	1	81-40	4.98	\$3,000
Deadman Lake	407472	17	1	81-40	3.57	\$2,500
Deadman Lake	407474	19	1	81-40	4.9	\$3,000
Deadman Lake	407477	22	1	81-40	3.54	\$2,300
Deadman Lake	407478	23	1	81-40	3.74	\$2,500
Deadman Lake	407479	24	1	81-40	3.58	\$2,500
Deadman Lake	407480	25	1	81-40	4.72	\$2,900
Deadman Lake	407481	26	1	81-40	4.2	\$2,700
Deadman Lake	407482	27	1	81-40	3.95	\$2,600
Deadman Lake	407483	28	1	81-40	3.56	\$2,500
Deadman Lake	407486	31	1	81-40	4.32	\$2,800
Deadman Lake	407487	32	1	81-40	3.44	\$2,400
Deadman Lake	407488	33	1	81-40	4.58	\$2,900
Deadman Lake	407494	1	2	81-40	4.79	\$3,000

**DEPARTMENT OF NATURAL RESOURCES**

**STATE OF ALASKA**



**APPRAISAL REVIEW  
STATEMENT**

Deadman Lake	407495	2	2	81-40	4.79	\$3,000
Deadman Lake	407505	12	2	81-40	4.44	\$2,800
Deadman Lake	407511	18	2	81-40	4.33	\$2,800
Deadman Lake	407513	20	2	81-40	4.87	\$3,000
Deadman Lake	407518	9	3	81-40	4.69	\$2,900
Deadman Lake	407519	10	3	81-40	4.23	\$2,700
Deadman Lake	407520	11	3	81-40	4.64	\$2,900
Deadman Lake	407537	1	8	81-40	4.83	\$3,000
Deadman Lake	407538	2	8	81-40	4.97	\$3,000
Deadman Lake	407539	3	8	81-40	4.98	\$3,000
Deadman Lake	407540	4	8	81-40	4.87	\$3,000
Deadman Lake	407541	5	8	81-40	4.97	\$3,000
Deadman Lake	407542	6	8	81-40	4.83	\$3,000
Deadman Lake	407543	7	8	81-40	4.74	\$2,900
Deadman Lake	407544	8	8	81-40	3.86	\$2,600
Deadman Lake	407545	9	8	81-40	4.51	\$2,900
Deadman Lake	407546	10	8	81-40	4.74	\$2,900
Deadman Lake	407549	1	9	81-40	4.79	\$3,000
Deadman Lake	407550	2	9	81-40	4.62	\$2,900
Deadman Lake	407553	5	9	81-40	4.59	\$2,900
Deadman Lake	407554	6	9	81-40	4.99	\$3,000
Deadman Lake	407555	7	9	81-40	4.94	\$3,000
Deadman Lake	407556	8	9	81-40	4.94	\$3,000
Deadman Lake	407557	9	9	81-40	4.61	\$2,900
Deadman Lake	407559	11	9	81-40	4.94	\$3,000
Deadman Lake	407560	12	9	81-40	4.8	\$3,000
Deadman Lake	407561	13	9	81-40	4.82	\$3,000
Deadman Lake	407562	14	9	81-40	4.87	\$3,000
Deadman Lake	407563	15	9	81-40	4.48	\$2,900
Deadman Lake	407564	16	9	81-40	4.86	\$3,000
Deadman Lake	407565	17	9	81-40	4.67	\$2,900
Deadman Lake	407566	18	9	81-40	4.76	\$3,000
Deadman Lake	407567	19	9	81-40	4.35	\$2,800
Deadman Lake	407568	20	9	81-40	3.93	\$2,600
Deadman Lake	407569	21	9	81-40	4.21	\$2,700
Deadman Lake	407570	22	9	81-40	4.66	\$2,900
Deadman Lake	407571	23	9	81-40	4.47	\$2,900
Deadman Lake	407572	24	9	81-40	4.53	\$2,900
Deadman Lake	407573	25	9	81-40	4.53	\$2,900
Deadman Lake	407574	26	9	81-40	4.67	\$2,900
Deadman Lake	407575	27	9	81-40	4.94	\$3,000
Deadman Lake	407576	28	9	81-40	4.52	\$2,900
Deadman Lake	407577	29	9	81-40	4.42	\$2,800
Deadman Lake	407578	30	9	81-40	4.81	\$3,000
Deadman Lake	407581	33	9	81-40	4.17	\$2,700
Deadman Lake	407582	34	9	81-40	4.86	\$3,000
Deadman Lake	407602	2	5	81-40	4.48	\$2,900
Deadman Lake	407603	3	5	81-40	3.75	\$2,500

**DEPARTMENT OF NATURAL RESOURCES**

**STATE OF ALASKA**



**APPRAISAL REVIEW  
STATEMENT**

Deadman Lake	407604	4	5	81-40	3.58	\$2,500
Deadman Lake	407626	2	4	81-40	4.64	\$2,900
Deadman Lake	407627	3	4	81-40	4.38	\$2,800
Deadman Lake	407628	4	4	81-40	3.99	\$2,600
Deadman Lake	407632	6	5	81-41	4.57	\$2,900
Kantishna River Remote	403414	A		89-103	33.3	\$40,100
June Creek	405410	3	28	79-166	4.043	\$4,800
June Creek	405413	6	28	79-166	4.037	\$4,800
June Creek	405301	6	18	79-166	4.84	\$5,800
June Creek	405139	2	1	79-166	5.51	\$6,600
June Creek	405140	3	1	79-166	5.51	\$6,600
June Creek	405141	4	1	79-166	5.51	\$6,600
June Creek	405142	5	1	79-166	5.51	\$6,600
June Creek	405143	6	1	79-166	5.51	\$6,600
June Creek	405144	7	1	79-166	5.51	\$6,600
June Creek	405145	8	1	79-166	5.51	\$6,600
June Creek	405146	9	1	79-166	5.51	\$6,600
June Creek	405147	10	1	79-166	5.51	\$6,600
June Creek	405148	11	1	79-166	5.51	\$6,600
June Creek	405149	12	1	79-166	5.51	\$6,600
June Creek	405150	13	1	79-166	5.51	\$6,600
June Creek	405151	14	1	79-166	4.95	\$5,900
June Creek	405152	15	1	79-166	4.86	\$5,800
June Creek	405154	17	1	79-166	5.37	\$6,400
June Creek	405157	20	1	79-166	5.37	\$6,400
June Creek	405158	21	1	79-166	5.09	\$6,100
June Creek	405188	1	5	79-166	4.74	\$5,700
June Creek	405189	2	5	79-166	4.59	\$5,500
June Creek	405190	3	5	79-166	4.59	\$5,500
June Creek	405191	4	5	79-166	4.59	\$5,500
June Creek	405192	5	5	79-166	4.89	\$5,900
June Creek	405193	6	5	79-166	5.05	\$6,100
June Creek	405194	7	5	79-166	5.05	\$6,100
June Creek	405195	8	5	79-166	5.05	\$6,100
June Creek	405196	9	5	79-166	4.87	\$5,800
June Creek	405198	2	6	79-166	4.59	\$5,500
June Creek	405199	3	6	79-166	4.59	\$5,500
June Creek	405200	4	6	79-166	4.59	\$5,500
June Creek	405201	5	6	79-166	4.59	\$5,500
June Creek	405202	6	6	79-166	3.64	\$4,900
June Creek	405203	7	6	79-166	6.14	\$6,900
June Creek	405204	8	6	79-166	4.59	\$5,500
June Creek	405205	9	6	79-166	4.59	\$5,500
June Creek	405206	10	6	79-166	4.59	\$5,500
June Creek	405209	2	7	79-166	4.59	\$5,500
June Creek	405210	3	7	79-166	4.59	\$5,500
June Creek	405211	4	7	79-166	4.59	\$5,500

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June Creek	405212	5	7	79-166	5.01	\$6,000
June Creek	405213	6	7	79-166	5.14	\$6,200
June Creek	405214	7	7	79-166	4.89	\$5,900
June Creek	405215	8	7	79-166	4.59	\$5,500
June Creek	405216	9	7	79-166	4.59	\$5,500
June Creek	405217	10	7	79-166	4.59	\$5,500
June Creek	405221	2	8	79-166	5.33	\$6,400
June Creek	405222	3	8	79-166	5.33	\$6,400
June Creek	405223	4	8	79-166	5.97	\$7,200
June Creek	405224	5	8	79-166	4.47	\$5,400
June Creek	405225	6	8	79-166	4.66	\$5,600
June Creek	405226	7	8	79-166	5.33	\$6,400
June Creek	405227	8	8	79-166	5.33	\$6,400
June Creek	405228	9	8	79-166	4.72	\$5,700
June Creek	405229	1	9	79-166	5.4	\$6,500
June Creek	405230	2	9	79-166	5.35	\$6,400
June Creek	405231	3	9	79-166	5.33	\$6,400
June Creek	405240	4	11	79-166	5.05	\$6,100
June Creek	405241	5	11	79-166	5.05	\$6,100
June Creek	405242	6	11	79-166	5.05	\$6,100
June Creek	405243	7	11	79-166	5.79	\$6,900
June Creek	405244	8	11	79-166	4.9	\$5,900
June Creek	405245	9	11	79-166	5.11	\$6,100
June Creek	405246	10	11	79-166	5.11	\$6,100
June Creek	405247	11	11	79-166	5.11	\$6,100
June Creek	405248	12	11	79-166	5.11	\$6,100
June Creek	405249	13	11	79-166	5.11	\$6,100
June Creek	405250	14	11	79-166	5.11	\$6,100
June Creek	405253	1	12	79-166	5.79	\$6,900
June Creek	405255	3	12	79-166	4.33	\$5,200
June Creek	405257	2	12A	79-166	5.48	\$6,600
June Creek	405278	1	16	79-166	4.96	\$6,000
June Creek	405279	2	16	79-166	4.96	\$6,000
June Creek	405303	8	18	79-166	6.02	\$6,900
June Creek	405304	9	18	79-166	6.05	\$6,900
June Creek	405305	10	18	79-166	5	\$6,000
June Creek	405306	11	18	79-166	4.96	\$6,000
June Creek	405310	1	19	79-166	6.18	\$7,000
June Creek	405311	2	19	79-166	4.59	\$5,500
June Creek	405312	3	19	79-166	4.59	\$5,500
June Creek	405313	4	19	79-166	4.59	\$5,500
June Creek	405314	5	19	79-166	4.59	\$5,500
June Creek	405318	9	19	79-166	6.11	\$6,900
June Creek	405319	10	19	79-166	5.65	\$6,800
June Creek	405320	11	19	79-166	4.59	\$5,500
June Creek	405321	12	19	79-166	4.59	\$5,500
June Creek	405322	13	19	79-166	3.8	\$4,600
June Creek	405334	12	20	79-166	4.59	\$5,500

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STATEMENT**

June Creek	405335	13	20	79-166	4.59	\$5,500
June Creek	405336	14	20	79-166	3.73	\$5,000
June Creek	405337	1	21	79-166	4.96	\$6,000
June Creek	405338	2	21	79-166	4.96	\$6,000
June Creek	405339	3	21	79-166	4.96	\$6,000
June Creek	405340	4	21	79-166	4.96	\$6,000
June Creek	405341	5	21	79-166	4.96	\$6,000
June Creek	405343	7	21	79-166	4.96	\$6,000
June Creek	405349	13	21	79-166	4.96	\$6,000
June Creek	405350	14	21	79-166	4.96	\$6,000
June Creek	405352	2	22	79-166	4.96	\$6,000
June Creek	405353	3	22	79-166	4.96	\$6,000
June Creek	405354	4	22	79-166	4.96	\$6,000
June Creek	405355	5	22	79-166	4.96	\$6,000
June Creek	405356	6	22	79-166	4.96	\$6,000
June Creek	405357	7	22	79-166	4.96	\$6,000
June Creek	405358	8	22	79-166	4.96	\$6,000
June Creek	405359	9	22	79-166	4.96	\$6,000
June Creek	405360	10	22	79-166	4.96	\$6,000
June Creek	405361	11	22	79-166	4.96	\$6,000
June Creek	405362	12	22	79-166	4.96	\$6,000
June Creek	405363	13	22	79-166	4.96	\$6,000
June Creek	405364	14	22	79-166	4.96	\$6,000
June Creek	405369	5	23	79-166	4.13	\$5,900
June Creek	405372	8	23	79-166	4.96	\$7,100
June Creek	405378	1	24	79-166	4.96	\$6,000
June Creek	405380	3	24	79-166	4.96	\$6,000
June Creek	405393	1	25	79-166	4.96	\$6,000
June Creek	405394	2	25	79-166	4.96	\$6,000
June Creek	405395	3	25	79-166	4.96	\$6,000
June Creek	405396	4	25	79-166	4.96	\$6,000
June Creek	405397	5	25	79-166	4.96	\$6,000
June Creek	406470	6	26	79-166	4.96	\$6,000
June Creek	406471	7	26	79-166	4.96	\$6,000
June Creek	405402	8	26	79-166	4.96	\$6,000
June Creek	405403	9	26	79-166	4.96	\$6,000
June Creek	405404	10	26	79-166	4.49	\$5,400
June Creek	405405	1	27	79-166	5.79	\$6,900
June Creek	405408	1	28	79-166	4.05	\$4,900
June Creek	405409	2	28	79-166	4.05	\$4,900
June Creek	405427	8	29	79-166	5.02	\$6,000
June Creek	405415	8	28	79-166	4.05	\$4,900
June Creek	405416	9	28	79-166	4.05	\$4,900
June Creek	405417	10	28	79-166	4.05	\$4,900
June Creek	405418	11	28	79-166	4.05	\$4,900
June Creek	405419	12	28	79-166	4.05	\$4,900
June Creek	405420	1	29	79-166	5.02	\$6,000
June Creek	405421	2	29	79-166	5.01	\$6,000



June Creek	405422	3	29	79-166	5.01	\$6,000
June Creek	405423	4	29	79-166	5.01	\$6,000
June Creek	405424	5	29	79-166	5.01	\$6,000
June Creek	405425	6	29	79-166	5.02	\$6,000
June Creek	405426	7	29	79-166	5.01	\$6,000
June Creek	405428	9	29	79-166	5.02	\$6,000
June Creek	405429	10	29	79-166	5.02	\$6,000
June Creek	405430	11	29	79-166	5.02	\$6,000
June Creek	405431	12	29	79-166	5.02	\$6,000
Wood River	417859	H		2003-17	9.05	\$11,200
Wood River	417858	I		2003-17	13.46	\$14,100
Wood River	417857	F		2003-22	10.74	\$12,200
West Twin Lake	409053	4	2	81-219	6.976	\$3,800
West Twin Lake	409060	1	4	81-219	13.447	\$5,600
West Twin Lake	409062	3	4	81-219	12.873	\$5,500

**B. SUMMARY OF REVIEW**

- DATE of REVIEW: October 25, 2007
- REVIEWER'S CLIENT:  DNR  Other: \_\_\_\_\_
- INTENDED USERS of the REVIEW:  DNR  General Public  Other: \_\_\_\_\_
- INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
- PURPOSE of REVIEW:  Evaluate for Technical Compliance with DNR Instructions & USPAP  
 Evaluate for Technical Compliance with UASFLA  Develop Independent Estimate of Value
- 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: \_\_\_\_\_  
 Proofread DNR data entry:  Yes  No
- RESULTS OF REVIEW:  Not Approved  Approved Approved Value: As noted in previous table

**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:** Adequate.

**F. ANALYSES, OPINIONS, and CONCLUSIONS ARE APPROPRIATE and REASONABLE, except:** Appropriate



**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. 3471**

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 Kevin Hindmarch  
Kevin Hindmarch, Review Appraiser

Date 10/25/07

cc: Holly Hill  
Jeffrey Bruno  
A.J. Wait

# MEMORANDUM

# State of Alaska

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*Department of Natural Resources*

Tel (907) 269-8513

Fax (907) 269-8914

[brandon\\_simpson@dnr.state.ak.us](mailto:brandon_simpson@dnr.state.ak.us)

*Division of Mining, Land and Water*

550 West 7<sup>th</sup> Avenue, Suite 650

Anchorage AK 99501-3576

DATE: August 29, 2007

TO: Kevin Hindmarch  
Review Appraiser

FROM: Brandon Simpson 

SUBJECT: Appraisal of 234 parcels of land located in various remote areas of the state. One of the parcels, the Kantishna River Remote parcel is improved with a cabin. Thirteen of the parcels are being appraised to establish a minimum bid price for an eventual offering at auction. The remaining parcels were available over-the-counter at time of appraisal assignment and are being appraised to update the offering price.

As requested, I have completed an appraisal of the referenced parcels. I understand that this appraisal will be used to determine the minimum purchase price for the above referenced parcels. 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 Summary Appraisal 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 most of 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 analysis of all available data, I have formed an opinion of market value as of the effective date of value.

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## APPRAISAL SUMMARY

### Location

Subdivision Name	ADL	Location	Legal Description
Anderson	404979	West of the communities of Clear & Anderson	Tract 4, ASLS 79-30, Plat 79-17
Deadman Lake	Various	North of the Tanana River, about 25 miles east of Manley Hot Springs	Various
Kantishna River Remote	403414	West of Kantishna River, about 19 miles southeast of Manley Hot Springs	Tract A, ASLS 89-103, Plat 90-5
June Creek	Various	West of Parks Highway, about 20 miles north of Healy	Various
West Twin Lake	Various	West of Kantishna River, about 15 miles northeast of Wien Lake	Various
Wood River	Various	Frontage on east side of Wood River, between Gold King & Fort Wainright Military Reservation	Various

### Value Summary

Subdivision	ADL	Lot/Tract	Block	ASLS	Size - acres	Appraised Value
Anderson	404979	4		79-30	30.03	\$9,600
Deadman Lake	407620	1	3	81-40	4.546	\$4,100
Deadman Lake	407621	2	3	81-40	4.615	\$4,100
Deadman Lake	407622	3	3	81-40	4.672	\$4,200
Deadman Lake	407456	1	1	81-40	4.94	\$3,000
Deadman Lake	407457	2	1	81-40	4.86	\$3,000
Deadman Lake	407458	3	1	81-40	5	\$3,100
Deadman Lake	407459	4	1	81-40	4.3	\$2,800
Deadman Lake	407460	5	1	81-40	4.68	\$2,900
Deadman Lake	407461	6	1	81-40	4.72	\$2,900
Deadman Lake	407462	7	1	81-40	4.62	\$2,900
Deadman Lake	407468	13	1	81-40	4.27	\$2,800
Deadman Lake	407469	14	1	81-40	4.99	\$3,000
Deadman Lake	407470	15	1	81-40	4.44	\$2,800
Deadman Lake	407471	16	1	81-40	4.98	\$3,000
Deadman Lake	407472	17	1	81-40	3.57	\$2,500
Deadman Lake	407474	19	1	81-40	4.9	\$3,000
Deadman Lake	407477	22	1	81-40	3.54	\$2,300
Deadman Lake	407478	23	1	81-40	3.74	\$2,500
Deadman Lake	407479	24	1	81-40	3.58	\$2,500
Deadman Lake	407480	25	1	81-40	4.72	\$2,900
Deadman Lake	407481	26	1	81-40	4.2	\$2,700
Deadman Lake	407482	27	1	81-40	3.95	\$2,600
Deadman Lake	407483	28	1	81-40	3.56	\$2,500
Deadman Lake	407486	31	1	81-40	4.32	\$2,800
Deadman Lake	407487	32	1	81-40	3.44	\$2,400
Deadman Lake	407488	33	1	81-40	4.58	\$2,900
Deadman Lake	407494	1	2	81-40	4.79	\$3,000

Deadman Lake	407495	2	2	81-40	4.79	\$3,000
Deadman Lake	407505	12	2	81-40	4.44	\$2,800
Deadman Lake	407511	18	2	81-40	4.33	\$2,800
Deadman Lake	407513	20	2	81-40	4.87	\$3,000
Deadman Lake	407518	9	3	81-40	4.69	\$2,900
Deadman Lake	407519	10	3	81-40	4.23	\$2,700
Deadman Lake	407520	11	3	81-40	4.64	\$2,900
Deadman Lake	407537	1	8	81-40	4.83	\$3,000
Deadman Lake	407538	2	8	81-40	4.97	\$3,000
Deadman Lake	407539	3	8	81-40	4.98	\$3,000
Deadman Lake	407540	4	8	81-40	4.87	\$3,000
Deadman Lake	407541	5	8	81-40	4.97	\$3,000
Deadman Lake	407542	6	8	81-40	4.83	\$3,000
Deadman Lake	407543	7	8	81-40	4.74	\$2,900
Deadman Lake	407544	8	8	81-40	3.86	\$2,600
Deadman Lake	407545	9	8	81-40	4.51	\$2,900
Deadman Lake	407546	10	8	81-40	4.74	\$2,900
Deadman Lake	407549	1	9	81-40	4.79	\$3,000
Deadman Lake	407550	2	9	81-40	4.62	\$2,900
Deadman Lake	407553	5	9	81-40	4.59	\$2,900
Deadman Lake	407554	6	9	81-40	4.99	\$3,000
Deadman Lake	407555	7	9	81-40	4.94	\$3,000
Deadman Lake	407556	8	9	81-40	4.94	\$3,000
Deadman Lake	407557	9	9	81-40	4.61	\$2,900
Deadman Lake	407559	11	9	81-40	4.94	\$3,000
Deadman Lake	407560	12	9	81-40	4.8	\$3,000
Deadman Lake	407561	13	9	81-40	4.82	\$3,000
Deadman Lake	407562	14	9	81-40	4.87	\$3,000
Deadman Lake	407563	15	9	81-40	4.48	\$2,900
Deadman Lake	407564	16	9	81-40	4.86	\$3,000
Deadman Lake	407565	17	9	81-40	4.67	\$2,900
Deadman Lake	407566	18	9	81-40	4.76	\$3,000
Deadman Lake	407567	19	9	81-40	4.35	\$2,800
Deadman Lake	407568	20	9	81-40	3.93	\$2,600
Deadman Lake	407569	21	9	81-40	4.21	\$2,700
Deadman Lake	407570	22	9	81-40	4.66	\$2,900
Deadman Lake	407571	23	9	81-40	4.47	\$2,900
Deadman Lake	407572	24	9	81-40	4.53	\$2,900
Deadman Lake	407573	25	9	81-40	4.53	\$2,900
Deadman Lake	407574	26	9	81-40	4.67	\$2,900
Deadman Lake	407575	27	9	81-40	4.94	\$3,000
Deadman Lake	407576	28	9	81-40	4.52	\$2,900
Deadman Lake	407577	29	9	81-40	4.42	\$2,800
Deadman Lake	407578	30	9	81-40	4.81	\$3,000
Deadman Lake	407581	33	9	81-40	4.17	\$2,700
Deadman Lake	407582	34	9	81-40	4.86	\$3,000
Deadman Lake	407602	2	5	81-40	4.48	\$2,900
Deadman Lake	407603	3	5	81-40	3.75	\$2,500

Deadman Lake	407604	4	5	81-40	3.58	\$2,500
Deadman Lake	407626	2	4	81-40	4.64	\$2,900
Deadman Lake	407627	3	4	81-40	4.38	\$2,800
Deadman Lake	407628	4	4	81-40	3.99	\$2,600
Deadman Lake	407632	6	5	81-41	4.57	\$2,900
Kantishna River Remote	403414	A		89-103	33.3	\$40,100
June Creek	405410	3	28	79-166	4.043	\$4,800
June Creek	405413	6	28	79-166	4.037	\$4,800
June Creek	405301	6	18	79-166	4.84	\$5,800
June Creek	405139	2	1	79-166	5.51	\$6,600
June Creek	405140	3	1	79-166	5.51	\$6,600
June Creek	405141	4	1	79-166	5.51	\$6,600
June Creek	405142	5	1	79-166	5.51	\$6,600
June Creek	405143	6	1	79-166	5.51	\$6,600
June Creek	405144	7	1	79-166	5.51	\$6,600
June Creek	405145	8	1	79-166	5.51	\$6,600
June Creek	405146	9	1	79-166	5.51	\$6,600
June Creek	405147	10	1	79-166	5.51	\$6,600
June Creek	405148	11	1	79-166	5.51	\$6,600
June Creek	405149	12	1	79-166	5.51	\$6,600
June Creek	405150	13	1	79-166	5.51	\$6,600
June Creek	405151	14	1	79-166	4.95	\$5,900
June Creek	405152	15	1	79-166	4.86	\$5,800
June Creek	405154	17	1	79-166	5.37	\$6,400
June Creek	405157	20	1	79-166	5.37	\$6,400
June Creek	405158	21	1	79-166	5.09	\$6,100
June Creek	405188	1	5	79-166	4.74	\$5,700
June Creek	405189	2	5	79-166	4.59	\$5,500
June Creek	405190	3	5	79-166	4.59	\$5,500
June Creek	405191	4	5	79-166	4.59	\$5,500
June Creek	405192	5	5	79-166	4.89	\$5,900
June Creek	405193	6	5	79-166	5.05	\$6,100
June Creek	405194	7	5	79-166	5.05	\$6,100
June Creek	405195	8	5	79-166	5.05	\$6,100
June Creek	405196	9	5	79-166	4.87	\$5,800
June Creek	405198	2	6	79-166	4.59	\$5,500
June Creek	405199	3	6	79-166	4.59	\$5,500
June Creek	405200	4	6	79-166	4.59	\$5,500
June Creek	405201	5	6	79-166	4.59	\$5,500
June Creek	405202	6	6	79-166	3.64	\$4,900
June Creek	405203	7	6	79-166	6.14	\$6,900
June Creek	405204	8	6	79-166	4.59	\$5,500
June Creek	405205	9	6	79-166	4.59	\$5,500
June Creek	405206	10	6	79-166	4.59	\$5,500
June Creek	405209	2	7	79-166	4.59	\$5,500
June Creek	405210	3	7	79-166	4.59	\$5,500
June Creek	405211	4	7	79-166	4.59	\$5,500
June Creek	405212	5	7	79-166	5.01	\$6,000

June Creek	405213	6	7	79-166	5.14	\$6,200
June Creek	405214	7	7	79-166	4.89	\$5,900
June Creek	405215	8	7	79-166	4.59	\$5,500
June Creek	405216	9	7	79-166	4.59	\$5,500
June Creek	405217	10	7	79-166	4.59	\$5,500
June Creek	405221	2	8	79-166	5.33	\$6,400
June Creek	405222	3	8	79-166	5.33	\$6,400
June Creek	405223	4	8	79-166	5.97	\$7,200
June Creek	405224	5	8	79-166	4.47	\$5,400
June Creek	405225	6	8	79-166	4.66	\$5,600
June Creek	405226	7	8	79-166	5.33	\$6,400
June Creek	405227	8	8	79-166	5.33	\$6,400
June Creek	405228	9	8	79-166	4.72	\$5,700
June Creek	405229	1	9	79-166	5.4	\$6,500
June Creek	405230	2	9	79-166	5.35	\$6,400
June Creek	405231	3	9	79-166	5.33	\$6,400
June Creek	405240	4	11	79-166	5.05	\$6,100
June Creek	405241	5	11	79-166	5.05	\$6,100
June Creek	405242	6	11	79-166	5.05	\$6,100
June Creek	405243	7	11	79-166	5.79	\$6,900
June Creek	405244	8	11	79-166	4.9	\$5,900
June Creek	405245	9	11	79-166	5.11	\$6,100
June Creek	405246	10	11	79-166	5.11	\$6,100
June Creek	405247	11	11	79-166	5.11	\$6,100
June Creek	405248	12	11	79-166	5.11	\$6,100
June Creek	405249	13	11	79-166	5.11	\$6,100
June Creek	405250	14	11	79-166	5.11	\$6,100
June Creek	405253	1	12	79-166	5.79	\$6,900
June Creek	405255	3	12	79-166	4.33	\$5,200
June Creek	405257	2	12A	79-166	5.48	\$6,600
June Creek	405278	1	16	79-166	4.96	\$6,000
June Creek	405279	2	16	79-166	4.96	\$6,000
June Creek	405303	8	18	79-166	6.02	\$6,900
June Creek	405304	9	18	79-166	6.05	\$6,900
June Creek	405305	10	18	79-166	5	\$6,000
June Creek	405306	11	18	79-166	4.96	\$6,000
June Creek	405310	1	19	79-166	6.18	\$7,000
June Creek	405311	2	19	79-166	4.59	\$5,500
June Creek	405312	3	19	79-166	4.59	\$5,500
June Creek	405313	4	19	79-166	4.59	\$5,500
June Creek	405314	5	19	79-166	4.59	\$5,500
June Creek	405318	9	19	79-166	6.11	\$6,900
June Creek	405319	10	19	79-166	5.65	\$6,800
June Creek	405320	11	19	79-166	4.59	\$5,500
June Creek	405321	12	19	79-166	4.59	\$5,500
June Creek	405322	13	19	79-166	3.8	\$4,600
June Creek	405334	12	20	79-166	4.59	\$5,500
June Creek	405335	13	20	79-166	4.59	\$5,500

June Creek	405336	14	20	79-166	3.73	\$5,000
June Creek	405337	1	21	79-166	4.96	\$6,000
June Creek	405338	2	21	79-166	4.96	\$6,000
June Creek	405339	3	21	79-166	4.96	\$6,000
June Creek	405340	4	21	79-166	4.96	\$6,000
June Creek	405341	5	21	79-166	4.96	\$6,000
June Creek	405343	7	21	79-166	4.96	\$6,000
June Creek	405349	13	21	79-166	4.96	\$6,000
June Creek	405350	14	21	79-166	4.96	\$6,000
June Creek	405352	2	22	79-166	4.96	\$6,000
June Creek	405353	3	22	79-166	4.96	\$6,000
June Creek	405354	4	22	79-166	4.96	\$6,000
June Creek	405355	5	22	79-166	4.96	\$6,000
June Creek	405356	6	22	79-166	4.96	\$6,000
June Creek	405357	7	22	79-166	4.96	\$6,000
June Creek	405358	8	22	79-166	4.96	\$6,000
June Creek	405359	9	22	79-166	4.96	\$6,000
June Creek	405360	10	22	79-166	4.96	\$6,000
June Creek	405361	11	22	79-166	4.96	\$6,000
June Creek	405362	12	22	79-166	4.96	\$6,000
June Creek	405363	13	22	79-166	4.96	\$6,000
June Creek	405364	14	22	79-166	4.96	\$6,000
June Creek	405369	5	23	79-166	4.13	\$5,900
June Creek	405372	8	23	79-166	4.96	\$7,100
June Creek	405378	1	24	79-166	4.96	\$6,000
June Creek	405380	3	24	79-166	4.96	\$6,000
June Creek	405393	1	25	79-166	4.96	\$6,000
June Creek	405394	2	25	79-166	4.96	\$6,000
June Creek	405395	3	25	79-166	4.96	\$6,000
June Creek	405396	4	25	79-166	4.96	\$6,000
June Creek	405397	5	25	79-166	4.96	\$6,000
June Creek	406470	6	26	79-166	4.96	\$6,000
June Creek	406471	7	26	79-166	4.96	\$6,000
June Creek	405402	8	26	79-166	4.96	\$6,000
June Creek	405403	9	26	79-166	4.96	\$6,000
June Creek	405404	10	26	79-166	4.49	\$5,400
June Creek	405405	1	27	79-166	5.79	\$6,900
June Creek	405408	1	28	79-166	4.05	\$4,900
June Creek	405409	2	28	79-166	4.05	\$4,900
June Creek	405427	8	29	79-166	5.02	\$6,000
June Creek	405415	8	28	79-166	4.05	\$4,900
June Creek	405416	9	28	79-166	4.05	\$4,900
June Creek	405417	10	28	79-166	4.05	\$4,900
June Creek	405418	11	28	79-166	4.05	\$4,900
June Creek	405419	12	28	79-166	4.05	\$4,900
June Creek	405420	1	29	79-166	5.02	\$6,000
June Creek	405421	2	29	79-166	5.01	\$6,000
June Creek	405422	3	29	79-166	5.01	\$6,000

June Creek	405423	4	29	79-166	5.01	<b>\$6,000</b>
June Creek	405424	5	29	79-166	5.01	<b>\$6,000</b>
June Creek	405425	6	29	79-166	5.02	<b>\$6,000</b>
June Creek	405426	7	29	79-166	5.01	<b>\$6,000</b>
June Creek	405428	9	29	79-166	5.02	<b>\$6,000</b>
June Creek	405429	10	29	79-166	5.02	<b>\$6,000</b>
June Creek	405430	11	29	79-166	5.02	<b>\$6,000</b>
June Creek	405431	12	29	79-166	5.02	<b>\$6,000</b>
Wood River	417859	H		2003-17	9.05	<b>\$11,200</b>
Wood River	417858	I		2003-17	13.46	<b>\$14,100</b>
Wood River	417857	F		2003-22	10.74	<b>\$12,200</b>
West Twin Lake	409053	4	2	81-219	6.976	<b>\$3,800</b>
West Twin Lake	409060	1	4	81-219	13.447	<b>\$5,600</b>
West Twin Lake	409062	3	4	81-219	12.873	<b>\$5,500</b>

## PREMISES OF THE APPRAISAL

### **Type of Appraisal and Report**

This appraisal is a Summary Appraisal Report prepared in accordance with Standards Rule 1 and 2 of the current edition of Uniform Standards of Professional Appraisal Practice (USPAP), and in accordance with DNR's General Appraisal Instructions.

### **Purpose of Appraisal**

The purpose of this appraisal is to estimate current market value.

### **User and Client Identity**

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

### **Intended Use of Appraisal**

The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired during the auction sale program (AS 38.05.055) for the potential reoffer parcels. For the remaining parcels the appraisal will be used to establish purchase price for over the counter sales.

### **Property Rights Appraised**

Rights appraised are fee simple estate less mineral rights reserved to the State of Alaska under **AS 38.05.125(a)**.

Fee simple estate is defined as<sup>1</sup>:

"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)** states<sup>2</sup>:

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 with 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 Value<sup>3</sup>**

"The most probable price, as of a specified date, in cash, or 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."

### **Effective Date of Value**

June 18, 2007 for Deadman Lake, Kantishna River Remote and West Twin Lake parcels  
June 19, 2007 for Anderson, June Creek and Wood River parcels

### **Date of Report**

August 29, 2007

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<sup>1</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.69

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2002, pp. 590-591

<sup>3</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.22

### **Exposure Time**

Exposure time is defined as <sup>4</sup>: "...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..."

Exposure time can vary depending on the type of property being appraised and constantly changing market conditions. Supply and demand of similar properties to the subject is an important factor for determining exposure time.

Parcels similar to the subjects typically require up to three years of marketing time. The subject parcels are considered average to below average when compared with other available properties on the market. Based on exposure time for similar properties, the estimated values are based on an exposure time of up to three years.

### **Sale History**

ADL 404979, Tract 4, ASLS 79-30 (Anderson) sold July 2004 and the contract was terminated August 2006.

ADL 407620, Lot 1, Block 3, ASLS 81-40 (Deadman Lake) sold July 2005 and parcel was relinquished October 2005.

ADL 407621, Lot 2, Block 3, ASLS 81-40 (Deadman Lake) sold July 2005 and parcel was relinquished October 2005.

ADL 407622, Lot 3, Block 3, ASLS 81-40 (Deadman Lake) sold July 2005 and parcel was relinquished October 2005.

ADL 405413, Lot 6, Block 28, ASLS 79-166 (June Creek) sold July 2004 and the contract was terminated June 2006.

ADL 409060, Lot 1, Block 4, ASLS 81-219 (West Twin Lake) sold July 2004 and the contract was terminated August 2006.

ADL 409062, Lot 3, Block 4, ASLS 81-219 (West Twin Lake) sold July 2004 and the contract was terminated August 2006.

It is not uncommon for DNR land to sell and then later be relinquished to the state. The remaining subject parcels have not sold in the last three years.

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<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2004, Appraisal Foundation, p. 94.

## SCOPE OF WORK

### **Property and Comparable Sales Inspection**

The Deadman Lake, Kantishna River Remote and West Twin Lake parcels were inspected by helicopter with Chena Aviation on June 18, 2007. Kantishna River Remote was inspected on the ground with the remainder of parcels being an aerial inspection.

Anderson, June Creek and Wood River parcels were inspected by fixed wing aircraft with Shadow Aviation on June 19, 2007.

### **Research and Analysis Conducted**

Interviews were conducted with local real estate agents, appraisers, and other individuals familiar with the area who provided information about trends in values, supply and demand. DNR records were searched for recent comparable sales. The recorders office was also searched to identify any recent sales. Sellers and buyers were contacted to verify recent sale prices and other transaction details.

After analysis of all available data, appropriate comparable sales were selected. The market value estimate was derived from this process and is based on the following assumptions and limiting conditions. Individual lot values were derived by correlating the "key lot" value.

## **Assumptions and Limiting Conditions**

1. The property is appraised as vacant land without structural or site improvements (except ADL 403414, Tract A, ASLS 89-103, Kantishna River Remote).
2. 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.
3. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader in visualizing the properties.
4. Information furnished by others and included in the report is believed to be reliable but the appraiser does not warrant the accuracy of such information.
5. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on these properties. The estimate of value is based on the assumption that there are no such materials on the property. The appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
6. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been made in advance.
7. The data and conclusions in this report are a part of the whole valuation. Each part of this report is only part of the evidence upon which the final judgment is based. Therefore, no part should be used out of context and by itself alone.
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 any such conditions, or for arranging engineering studies to discover them.
9. 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.
10. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include that value of commercial timber, if any.
11. All of the appraised parcels except ADL 403414, Kantishna River Remote were inspected from the air. Due to the lack of on-site inspections (aerial only) some physical features are assumed based on conversations with those knowledgeable about the area and interpretation of existing maps and aerials. The appraiser reserves the right to modify the value conclusions if an on-site inspection reveals a variation in site features from those assumed in this report.

**PRESENTATION OF DATA**

**Property Identification**

<b>Subdivision</b>	<b>ADL</b>	<b>Lot/Tract</b>	<b>Block</b>	<b>ASLS</b>	<b>Size - acres</b>
Anderson	404979	4		79-30	33.03
Deadman Lake	407620	1	3	81-40	4.546
Deadman Lake	407621	2	3	81-40	4.615
Deadman Lake	407622	3	3	81-40	4.672
Deadman Lake	407456	1	1	81-40	4.94
Deadman Lake	407457	2	1	81-40	4.86
Deadman Lake	407458	3	1	81-40	5
Deadman Lake	407459	4	1	81-40	4.3
Deadman Lake	407460	5	1	81-40	4.68
Deadman Lake	407461	6	1	81-40	4.72
Deadman Lake	407462	7	1	81-40	4.62
Deadman Lake	407468	13	1	81-40	4.27
Deadman Lake	407469	14	1	81-40	4.99
Deadman Lake	407470	15	1	81-40	4.44
Deadman Lake	407471	16	1	81-40	4.98
Deadman Lake	407472	17	1	81-40	3.57
Deadman Lake	407474	19	1	81-40	4.9
Deadman Lake	407477	22	1	81-40	3.54
Deadman Lake	407478	23	1	81-40	3.74
Deadman Lake	407479	24	1	81-40	3.58
Deadman Lake	407480	25	1	81-40	4.72
Deadman Lake	407481	26	1	81-40	4.2
Deadman Lake	407482	27	1	81-40	3.95
Deadman Lake	407483	28	1	81-40	3.56
Deadman Lake	407486	31	1	81-40	4.32
Deadman Lake	407487	32	1	81-40	3.44
Deadman Lake	407488	33	1	81-40	4.58
Deadman Lake	407494	1	2	81-40	4.79
Deadman Lake	407495	2	2	81-40	4.79
Deadman Lake	407505	12	2	81-40	4.44
Deadman Lake	407511	18	2	81-40	4.33
Deadman Lake	407513	20	2	81-40	4.87
Deadman Lake	407518	9	3	81-40	4.69
Deadman Lake	407519	10	3	81-40	4.23
Deadman Lake	407520	11	3	81-40	4.64
Deadman Lake	407537	1	8	81-40	4.83
Deadman Lake	407538	2	8	81-40	4.97
Deadman Lake	407539	3	8	81-40	4.98
Deadman Lake	407540	4	8	81-40	4.87
Deadman Lake	407541	5	8	81-40	4.97
Deadman Lake	407542	6	8	81-40	4.83
Deadman Lake	407543	7	8	81-40	4.74
Deadman Lake	407544	8	8	81-40	3.86
Deadman Lake	407545	9	8	81-40	4.51

Deadman Lake	407546	10	8	81-40	4.74
Deadman Lake	407549	1	9	81-40	4.79
Deadman Lake	407550	2	9	81-40	4.62
Deadman Lake	407553	5	9	81-40	4.59
Deadman Lake	407554	6	9	81-40	4.99
Deadman Lake	407555	7	9	81-40	4.94
Deadman Lake	407556	8	9	81-40	4.94
Deadman Lake	407557	9	9	81-40	4.61
Deadman Lake	407559	11	9	81-40	4.94
Deadman Lake	407560	12	9	81-40	4.8
Deadman Lake	407561	13	9	81-40	4.82
Deadman Lake	407562	14	9	81-40	4.87
Deadman Lake	407563	15	9	81-40	4.48
Deadman Lake	407564	16	9	81-40	4.86
Deadman Lake	407565	17	9	81-40	4.67
Deadman Lake	407566	18	9	81-40	4.76
Deadman Lake	407567	19	9	81-40	4.35
Deadman Lake	407568	20	9	81-40	3.93
Deadman Lake	407569	21	9	81-40	4.21
Deadman Lake	407570	22	9	81-40	4.66
Deadman Lake	407571	23	9	81-40	4.47
Deadman Lake	407572	24	9	81-40	4.53
Deadman Lake	407573	25	9	81-40	4.53
Deadman Lake	407574	26	9	81-40	4.67
Deadman Lake	407575	27	9	81-40	4.94
Deadman Lake	407576	28	9	81-40	4.52
Deadman Lake	407577	29	9	81-40	4.42
Deadman Lake	407578	30	9	81-40	4.81
Deadman Lake	407581	33	9	81-40	4.17
Deadman Lake	407582	34	9	81-40	4.86
Deadman Lake	407602	2	5	81-40	4.48
Deadman Lake	407603	3	5	81-40	3.75
Deadman Lake	407604	4	5	81-40	3.58
Deadman Lake	407626	2	4	81-40	4.64
Deadman Lake	407627	3	4	81-40	4.38
Deadman Lake	407628	4	4	81-40	3.99
Deadman Lake	407632	6	5	81-41	4.57
Kantishna River Remote	403414	A		89-103	33.33
June Creek	405410	3	28	79-166	4.043
June Creek	405413	6	28	79-166	4.037
June Creek	405301	6	18	79-166	4.84
June Creek	405139	2	1	79-166	5.51
June Creek	405140	3	1	79-166	5.51
June Creek	405141	4	1	79-166	5.51
June Creek	405142	5	1	79-166	5.51
June Creek	405143	6	1	79-166	5.51
June Creek	405144	7	1	79-166	5.51
June Creek	405145	8	1	79-166	5.51

June Creek	405146	9	1	79-166	5.51
June Creek	405147	10	1	79-166	5.51
June Creek	405148	11	1	79-166	5.51
June Creek	405149	12	1	79-166	5.51
June Creek	405150	13	1	79-166	5.51
June Creek	405151	14	1	79-166	4.95
June Creek	405152	15	1	79-166	4.86
June Creek	405154	17	1	79-166	5.37
June Creek	405157	20	1	79-166	5.37
June Creek	405158	21	1	79-166	5.09
June Creek	405188	1	5	79-166	4.74
June Creek	405189	2	5	79-166	4.59
June Creek	405190	3	5	79-166	4.59
June Creek	405191	4	5	79-166	4.59
June Creek	405192	5	5	79-166	4.89
June Creek	405193	6	5	79-166	5.05
June Creek	405194	7	5	79-166	5.05
June Creek	405195	8	5	79-166	5.05
June Creek	405196	9	5	79-166	4.87
June Creek	405198	2	6	79-166	4.59
June Creek	405199	3	6	79-166	4.59
June Creek	405200	4	6	79-166	4.59
June Creek	405201	5	6	79-166	4.59
June Creek	405202	6	6	79-166	3.64
June Creek	405203	7	6	79-166	6.14
June Creek	405204	8	6	79-166	4.59
June Creek	405205	9	6	79-166	4.59
June Creek	405206	10	6	79-166	4.59
June Creek	405209	2	7	79-166	4.59
June Creek	405210	3	7	79-166	4.59
June Creek	405211	4	7	79-166	4.59
June Creek	405212	5	7	79-166	5.01
June Creek	405213	6	7	79-166	5.14
June Creek	405214	7	7	79-166	4.89
June Creek	405215	8	7	79-166	4.59
June Creek	405216	9	7	79-166	4.59
June Creek	405217	10	7	79-166	4.59
June Creek	405221	2	8	79-166	5.33
June Creek	405222	3	8	79-166	5.33
June Creek	405223	4	8	79-166	5.97
June Creek	405224	5	8	79-166	4.47
June Creek	405225	6	8	79-166	4.66
June Creek	405226	7	8	79-166	5.33
June Creek	405227	8	8	79-166	5.33
June Creek	405228	9	8	79-166	4.72
June Creek	405229	1	9	79-166	5.4
June Creek	405230	2	9	79-166	5.35
June Creek	405231	3	9	79-166	5.33

June Creek	405240	4	11	79-166	5.05
June Creek	405241	5	11	79-166	5.05
June Creek	405242	6	11	79-166	5.05
June Creek	405243	7	11	79-166	5.79
June Creek	405244	8	11	79-166	4.9
June Creek	405245	9	11	79-166	5.11
June Creek	405246	10	11	79-166	5.11
June Creek	405247	11	11	79-166	5.11
June Creek	405248	12	11	79-166	5.11
June Creek	405249	13	11	79-166	5.11
June Creek	405250	14	11	79-166	5.11
June Creek	405253	1	12	79-166	5.79
June Creek	405255	3	12	79-166	4.33
June Creek	405257	2	12A	79-166	5.48
June Creek	405278	1	16	79-166	4.96
June Creek	405279	2	16	79-166	4.96
June Creek	405303	8	18	79-166	6.02
June Creek	405304	9	18	79-166	6.05
June Creek	405305	10	18	79-166	5
June Creek	405306	11	18	79-166	4.96
June Creek	405310	1	19	79-166	6.18
June Creek	405311	2	19	79-166	4.59
June Creek	405312	3	19	79-166	4.59
June Creek	405313	4	19	79-166	4.59
June Creek	405314	5	19	79-166	4.59
June Creek	405318	9	19	79-166	6.11
June Creek	405319	10	19	79-166	5.65
June Creek	405320	11	19	79-166	4.59
June Creek	405321	12	19	79-166	4.59
June Creek	405322	13	19	79-166	3.8
June Creek	405334	12	20	79-166	4.59
June Creek	405335	13	20	79-166	4.59
June Creek	405336	14	20	79-166	3.73
June Creek	405337	1	21	79-166	4.96
June Creek	405338	2	21	79-166	4.96
June Creek	405339	3	21	79-166	4.96
June Creek	405340	4	21	79-166	4.96
June Creek	405341	5	21	79-166	4.96
June Creek	405343	7	21	79-166	4.96
June Creek	405349	13	21	79-166	4.96
June Creek	405350	14	21	79-166	4.96
June Creek	405352	2	22	79-166	4.96
June Creek	405353	3	22	79-166	4.96
June Creek	405354	4	22	79-166	4.96
June Creek	405355	5	22	79-166	4.96
June Creek	405356	6	22	79-166	4.96
June Creek	405357	7	22	79-166	4.96
June Creek	405358	8	22	79-166	4.96

June Creek	405359	9	22	79-166	4.96
June Creek	405360	10	22	79-166	4.96
June Creek	405361	11	22	79-166	4.96
June Creek	405362	12	22	79-166	4.96
June Creek	405363	13	22	79-166	4.96
June Creek	405364	14	22	79-166	4.96
June Creek	405369	5	23	79-166	4.13
June Creek	405372	8	23	79-166	4.96
June Creek	405378	1	24	79-166	4.96
June Creek	405380	3	24	79-166	4.96
June Creek	405393	1	25	79-166	4.96
June Creek	405394	2	25	79-166	4.96
June Creek	405395	3	25	79-166	4.96
June Creek	405396	4	25	79-166	4.96
June Creek	405397	5	25	79-166	4.96
June Creek	406470	6	26	79-166	4.96
June Creek	406471	7	26	79-166	4.96
June Creek	405402	8	26	79-166	4.96
June Creek	405403	9	26	79-166	4.96
June Creek	405404	10	26	79-166	4.49
June Creek	405405	1	27	79-166	5.79
June Creek	405408	1	28	79-166	4.05
June Creek	405409	2	28	79-166	4.05
June Creek	405427	8	29	79-166	5.02
June Creek	405415	8	28	79-166	4.05
June Creek	405416	9	28	79-166	4.05
June Creek	405417	10	28	79-166	4.05
June Creek	405418	11	28	79-166	4.05
June Creek	405419	12	28	79-166	4.05
June Creek	405420	1	29	79-166	5.02
June Creek	405421	2	29	79-166	5.01
June Creek	405422	3	29	79-166	5.01
June Creek	405423	4	29	79-166	5.01
June Creek	405424	5	29	79-166	5.01
June Creek	405425	6	29	79-166	5.02
June Creek	405426	7	29	79-166	5.01
June Creek	405428	9	29	79-166	5.02
June Creek	405429	10	29	79-166	5.02
June Creek	405430	11	29	79-166	5.02
June Creek	405431	12	29	79-166	5.02
Wood River	417859	H		2003-17	9.05
Wood River	417858	I		2003-17	13.46
Wood River	417857	F		2003-22	10.74
West Twin Lake	409053	4	2	81-219	6.976
West Twin Lake	409060	1	4	81-219	13.447
West Twin Lake	409062	3	4	81-219	12.873

## **Personal Property**

There is no personal property involved with the appraisal of these properties.

## **MARKET AREA**

The Anderson parcel is located near the communities of Clear and Anderson, within the Denali Borough. Deadman Lake is located just north of the Tanana River, about 25 miles east of Manley Hot Springs. Kantishna River Remote is located just west of the Kantishna River about 19 miles southeast of Manley Hot Springs. June Creek Subdivision is found just west of the Parks Highway about 20 miles north of Healy. The West Twin Lake parcels are located west of the Kantishna River about 15 miles northeast of Wien Lake. The Wood River parcels front Wood River between Gold King and Fort Wainwright Military Reservation.

The only towns near any of the appraised parcels are Anderson and Clear which are found just east of the Anderson parcel and Healy found south of June Creek Subdivision. The remaining parcels are located in remote areas of the state surrounded by sporadic recreational cabins and undeveloped wilderness.

### **Anderson and Clear**

Anderson lies on a spur road which spans 6 miles west off the George Parks Highway, 76 miles southwest of Fairbanks and 285 miles north of Anchorage. Clear Air Force Station is located within the City boundaries.

Clear Air Force Station, the school, City, and other government positions employ most of the residents. A \$106.5 million intercontinental ballistic missile radar warning system is under construction at Clear AFS. "PAVE PAWS" will identify and warn of missiles launched from Asia and Europe. The Clear Fish Hatchery provides small stocks of gamefish to area streams and lakes, and has been the only commercial hatchery to rear sheefish. Residents often travel to Fairbanks to purchase goods and services.

The George Parks Highway provides access to Anchorage and Fairbanks. The Alaska Railroad serves Anderson and Clear. A State-owned 4,000' lighted asphalt runway is located at Clear Airport, 4 miles south of town along the access road. Charters and private aircraft serve the airstrip. A private 2,500' dirt strip is located at Clear Sky Lodge.

### **Healy**

Healy lies at the mouth of Healy Creek on the Nenana River, 78 miles southwest of Fairbanks. It is located on a 2.5-mile spur road, just north of the entrance to the Denali National Park and Preserve on the George Parks Highway. Healy is located in the Nenana Recording District. Interior Alaska experiences seasonal temperature extremes. January temperatures range from -22 to -2; July temperatures range from 50 to 72. Average annual precipitation is 11.3 inches.

The Usibelli Coal Mine has dominated the economy of Healy for over 60 years, and employs 95 positions. Of the 1.3 million tons of coal the mine produces annually, 400,000 tons are exported for delivery to South Korea and Chile and 900,000 tons remain in Alaska for domestic use. Golden Valley Electric Association and the Railbelt School District are also major employers in Healy. Tourism at nearby Denali Park supports local RV Parks, guided rafting trips, helicopter tours and other businesses. The \$274 million Healy Clean Coal Power Plant was completed in November 1997, but has sat idle since 2000. To lower the costs per kilowatt hour and be economically viable, the plant needs retrofits and modifications costing another \$50 to \$80 million. The Plant is owned by the Alaska Industrial Development and Export Authority, an independent State corporation.<sup>5</sup>

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<sup>5</sup> Alaska DCCED 'Community Database Online', accessed 27 June 2007.  
<[http://www.commerce.state.ak.us/dca/commdb/CF\\_BLOCK.htm](http://www.commerce.state.ak.us/dca/commdb/CF_BLOCK.htm)>.

## **DATA ANALYSIS AND CONCLUSION**

### **Valuation Analysis**

Three approaches are considered to determine the market value estimate.

#### **Income Approach**

The income approach for valuation is used primarily for income producing properties. It utilizes the capitalization process to discount future anticipated net income to a present value. It is not common to lease vacant land for a residential or recreational use therefore data that supports this approach is not available.

#### **Cost Approach**

The cost approach is based on the assumption that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. This approach will separate the value of the land from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. With the exception of the Kantishna River Remote parcel the subject parcels lack any improvements. The cost approach will be used to value the cabin on the Kantishna River Remote parcel.

#### **Sales Comparison Approach**

The sales comparison approach considers actual sales or prices asked for properties that have similar characteristics of the subject properties. Adjustments are made to the comparison properties so as to determine a price at which they would have sold if they had identical characteristics as the subject properties. This derived price then indicates a value for the subject properties. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use and physical features. Only the sales comparison approach is applicable (except in the valuation of the aforementioned improvement).

#### **Key Parcel Method**

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking.

#### **Explanation of Adjustments**

DNR appraisal instructions state that the appraiser may develop and use quantitative or qualitative adjustments. Ideally, the value differences for any price adjustment is measured by comparing prices of paired sales that are very similar except for the feature of comparison to be measured. When market sales do not support quantifiable adjustments for differences and the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgment in making adjustments. The conventional sequence of adjustments is property rights conveyed, financing terms, conditions of sale, time, location, and physical features.

An adjustment of less than 1.00 means the sale feature is superior to that appraised property and requires a downward adjustment to indicate the value of the key parcel. An adjustment greater than 1.00 means that the sale feature is inferior to the subject, requiring an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel.

The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared

with the appraised parcel; inferior features require a negative adjustment. Detailed information about the comparable sales and the adjustments is contained in this report and Addenda.

Anderson, Kantishna River Remote, June Creek Subdivision, and Wood River parcels will be appraised in separate valuations. Deadman Lake and West Twin Lake parcels will be valued together. These lakes have similar attributes and do not require separate comparable sales.

**ANDERSON**

ADL 404979, Lot 4, ASLS 79-30 is a 33.03-acre parcel and described as 'Anderson'.

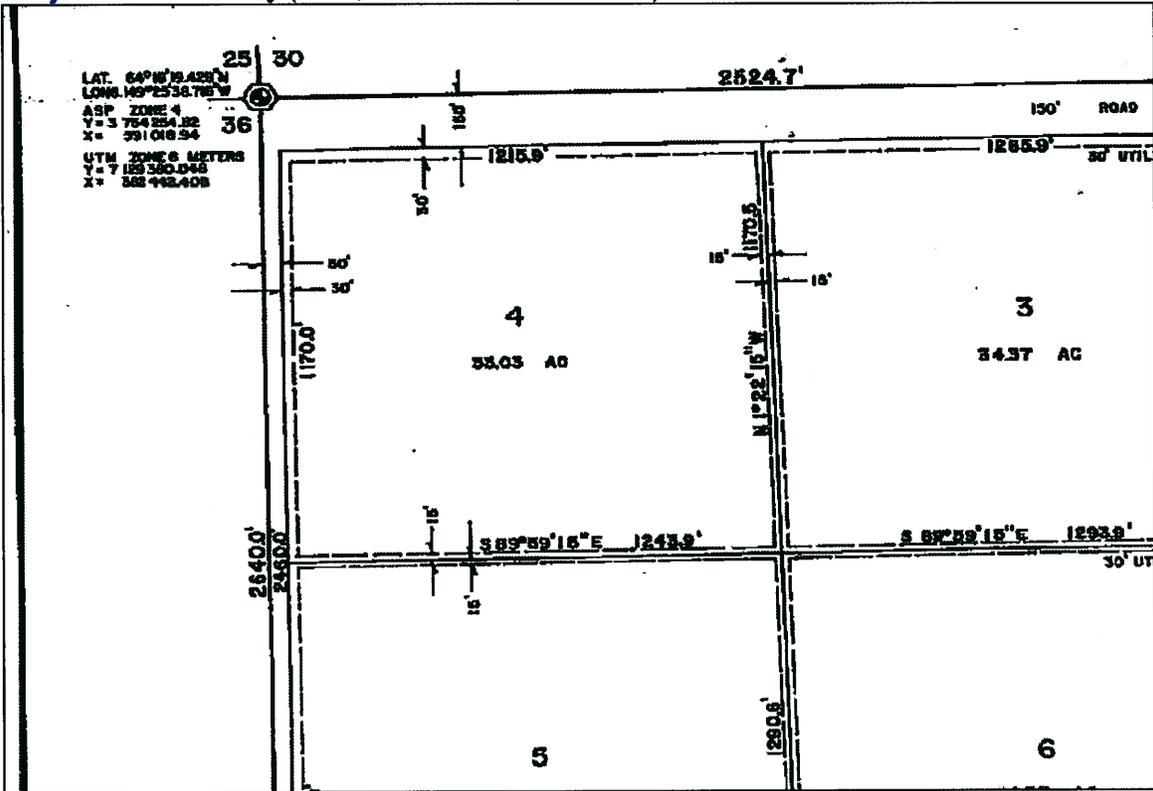
The subject parcel included in this analysis is summarized below:

	<b>Lot</b>	<b>ASLS</b>	<b>Size (acres)</b>
Anderson (ADL 404979)	4	79-30	33.03

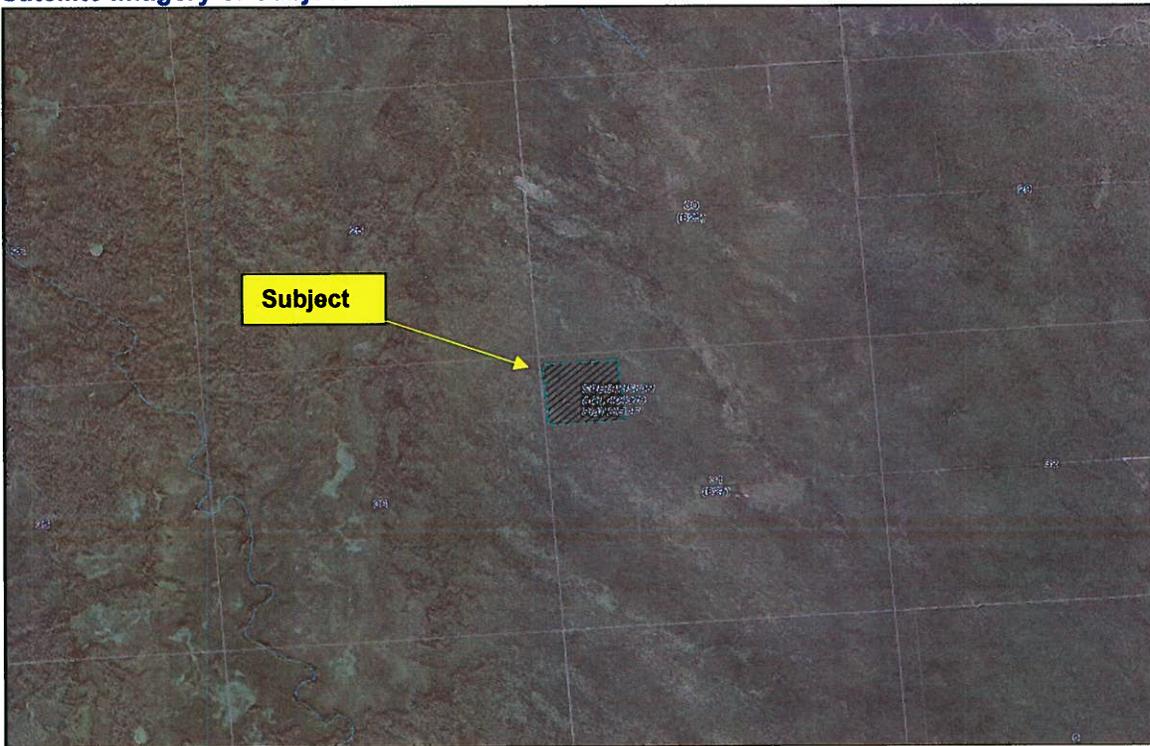
**ANDERSON** (ADL 404979, Lot 4, ASLS 79-30)

<b>Location</b>	Located about 6 miles west of the Clear Air Force Station, near the community of Anderson. Subject is located west of the Parks Highway and Nenana River.
<b>Access</b>	Road/trail access begins just south of the bridge over the Nenana River. Trails are minimally constructed in some sections. ATV's or 4-wheel drive vehicles are required to reach the area. Access may be difficult during wet periods. Winter access via snowmachine.
<b>Size &amp; Shape</b>	33.03-acre, square parcel
<b>Topography</b>	Mostly level parcel
<b>Soils</b>	Majority of parcel appears to be fair to well-drained with some wet areas present.
<b>Vegetation</b>	Birch and Spruce
<b>Utilities</b>	None
<b>Water &amp; Sewer</b>	None
<b>Easements</b>	30' utility easement
<b>Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	Located within the Denali Borough, all borough land is currently zoned unrestricted
<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	Denali Borough is the taxing authority. The Borough currently does not assess property taxes
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Primarily recreational with sporadic rural residential uses

**Subject Parcel Survey (Lot 4, ASLS 79-30, Plat 79-17)**



**Satellite Imagery of Subject Parcel**



## Photograph of Appraised Parcel

(Date: June 19, 2007)



### **Highest and Best Use**

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as<sup>6</sup>:

“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.”

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use.

### **Legally Permissible**

The subject parcel is not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Therefore, almost any legal use of the site would be possible.

### **Physically Possible**

The subject parcel is 33.03-acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

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<sup>6</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.306

**Financially Feasible**

Surrounding land use is primarily recreational with sporadic rural residential home sites. Development of the parcel depends on the amount of resources the owner is willing to allocate for recreational needs.

**Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. Access to hunting, snow machining and dog sledding are the primary motivations for surrounding recreational users.

**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 almost any legal use, primarily a private recreation cabin site or rural residential home site.

**Explanation of Adjustments**

**Unit of Comparison** Generally, the buyers and sellers in the market place determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The price per/acre is the most commonly recognized unit of comparison in the subject market.

**Rights Conveyed** Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer measurable differences in prices as a result of terms. In general a cash transaction would tend to be at the lower end of the price range with listings usually setting the upper limit.

**Conditions of Sale** Unless otherwise noted the market transactions used in this appraisal do not reflect any unusual seller-buyer motivations that affected value.

**Market Conditions (Time)** Analysis of real estate sales in the subject area indicate that prices in recent years have remained stable for properties similar to the subject parcel. No market conditions (time) adjustment is necessary.

**Location** The subject parcel and all comparable sales are located in similar locations. All are located near Anderson Alaska. No location adjustment is necessary.

**Size** The price per unit and size of a given unit tend to have an inverse relationship. As the size of a parcel increases the price paid per acre decreases. Comparables that differed from the "key lot" by more than one acre were given size adjustments based on a chart derived from market data by Steve Starrett, staff appraiser. In general, his findings point to a 25% decrease in unit price each time the size of a parcel doubles. A size adjustment chart is included in the addenda to show how the adjustments were derived.

**Access** Numerous trails crisscross the area. The subject parcel and all comparable sales feature trail access. Trails allow for ATV and snowmachine access with 4-wheel drive access possible during drier periods. The quality of trails providing this access varies but all trails may be impassible during wet conditions.

**Site Quality** Describes the physical attributes of the parcel. The subject parcel and all comparable sales feature similar physical attributes.

### DEADMAN & WEST TWIN LAKE

Deadman Lake and West Twin Lake parcels will be valued together. These lakes have similar attributes and do not require separate comparable sales. Lots in this analysis range in size from 3.44 – 13.45 acres with 83 total parcels. Six of the lots are potential reoffer parcels to be offered at auction with the remainder of the lots being offered over-the-counter. A Key Lot will be utilized to value the Deadman & West Twin Lake parcels.

ADL 409053, Lot 4, Block 2, West Twin Lake, ASLS 81-219 is a 6.976-acre parcel and described as the 'Key Lot'.

#### DEADMAN LAKE (ASLS 81-40, Plat 81-10)

<b>Location</b>	Just north of the Tanana River, about 25 miles east of Manley Hot Springs
<b>Access</b>	Fly-in to Deadman Lake on floats or skis. Winter access also possible via snowmachine.
<b>Topography</b>	Moderate slope away from lake
<b>Soils</b>	Majority of subdivision appears to be fair to well-drained
<b>Vegetation</b>	Birch and Spruce
<b>Utilities</b>	None
<b>Water &amp; Sewer</b>	None
<b>Easements</b>	Typical
<b>Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	None
<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	None
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Recreational uses or undeveloped land

#### WEST TWIN LAKE (ASLS 81-219, Plat 82-140)

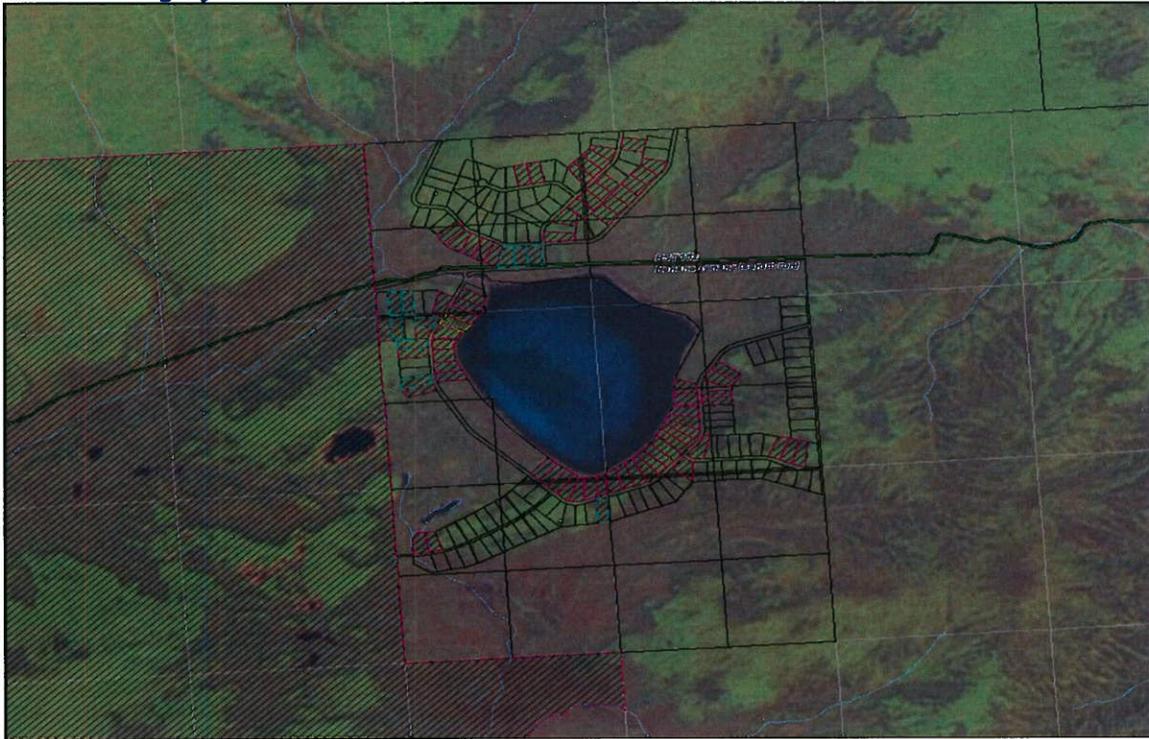
<b>Location</b>	West of the Kantishna River about 15 miles northeast of Wien Lake
<b>Access</b>	Fly-in to West Twin Lake on floats or skis. Winter access also possible via snowmachine.
<b>Topography</b>	Moderate slope away from lake
<b>Soils</b>	Majority of parcel appears to be fair to well-drained
<b>Vegetation</b>	Birch and Spruce
<b>Utilities</b>	None
<b>Water &amp; Sewer</b>	None
<b>Easements</b>	Typical
<b>Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	None
<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	None
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Recreational uses or undeveloped land

**Key Lot Description**

<b>DEADMAN &amp; WEST TWIN LAKE 'KEY LOT'</b>	
<b>Location</b>	Located on east side of West Twin Lake. Parcel is considered a 2 <sup>nd</sup> tier parcel, separated from the lake by another surveyed parcel. (T5S, R16W, Section 31, F.M.)
<b>Legal Description</b>	Lot 4, Block 2, West Twin Lake, ASLS 81-219, Plat 82-140 (ADL 409053)
<b>Access</b>	Fly-in to West Twin Lake on floats or skis, then overland via easement between Lot 6 & 7, Block 2. Winter access also possible via snowmachine.
<b>Size and Shape</b>	6.976-acres, irregular shaped parcel
<b>Topography/Vegetation/Soils</b>	Moderately sloped parcel with well-drained soils. Parcel treed with birch and spruce
<b>Utilities</b>	None
<b>Easements</b>	Typical
<b>Hazardous Waste and Toxic Materials/Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	None
<b>Amenities</b>	Interior lot, view potential of West Twin Lake & surrounding landscape



**Satellite Imagery of Deadman Lake Subdivision**



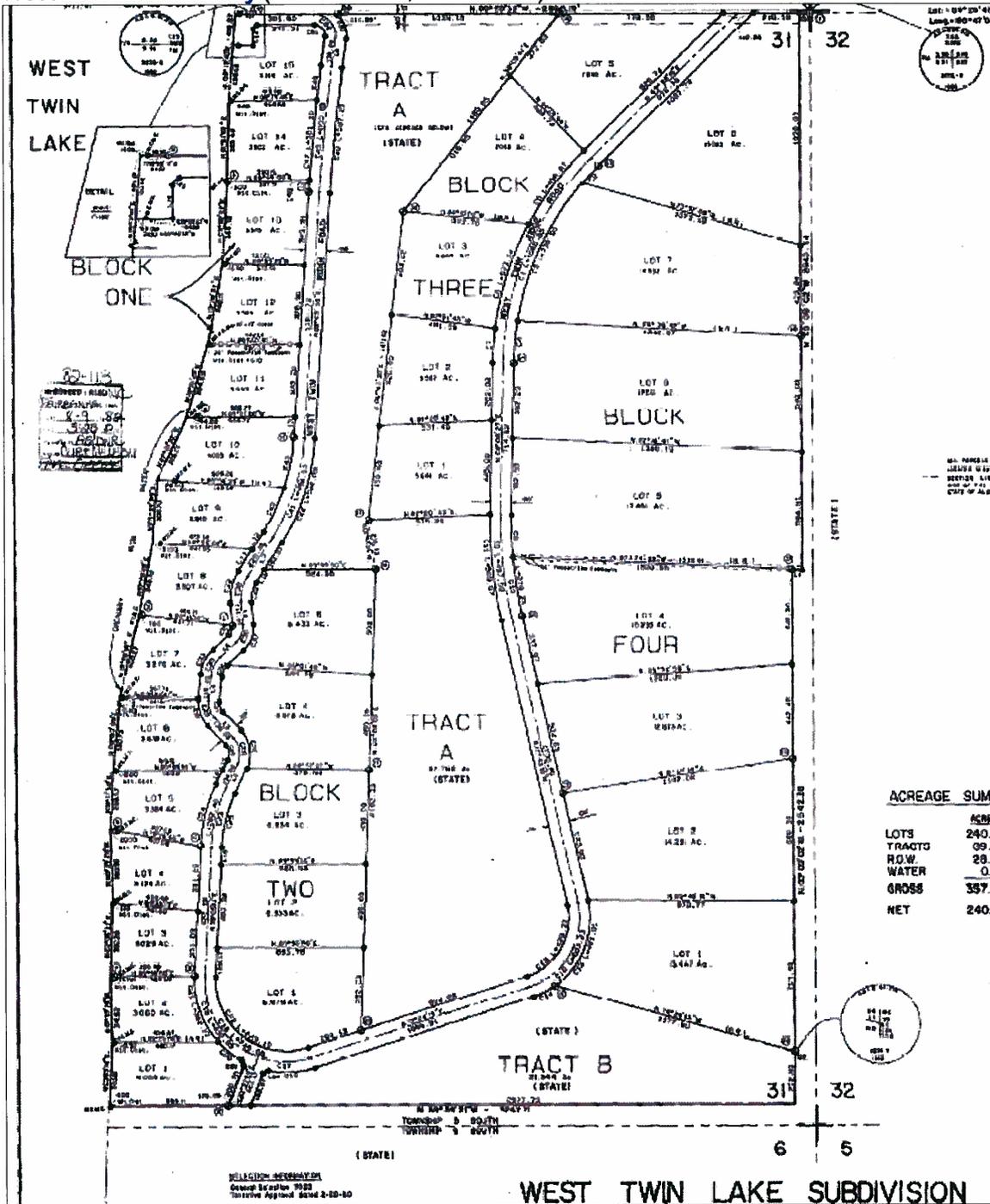
**Photograph of Deadman Lake Subdivision**

(Date: June 18, 2007)

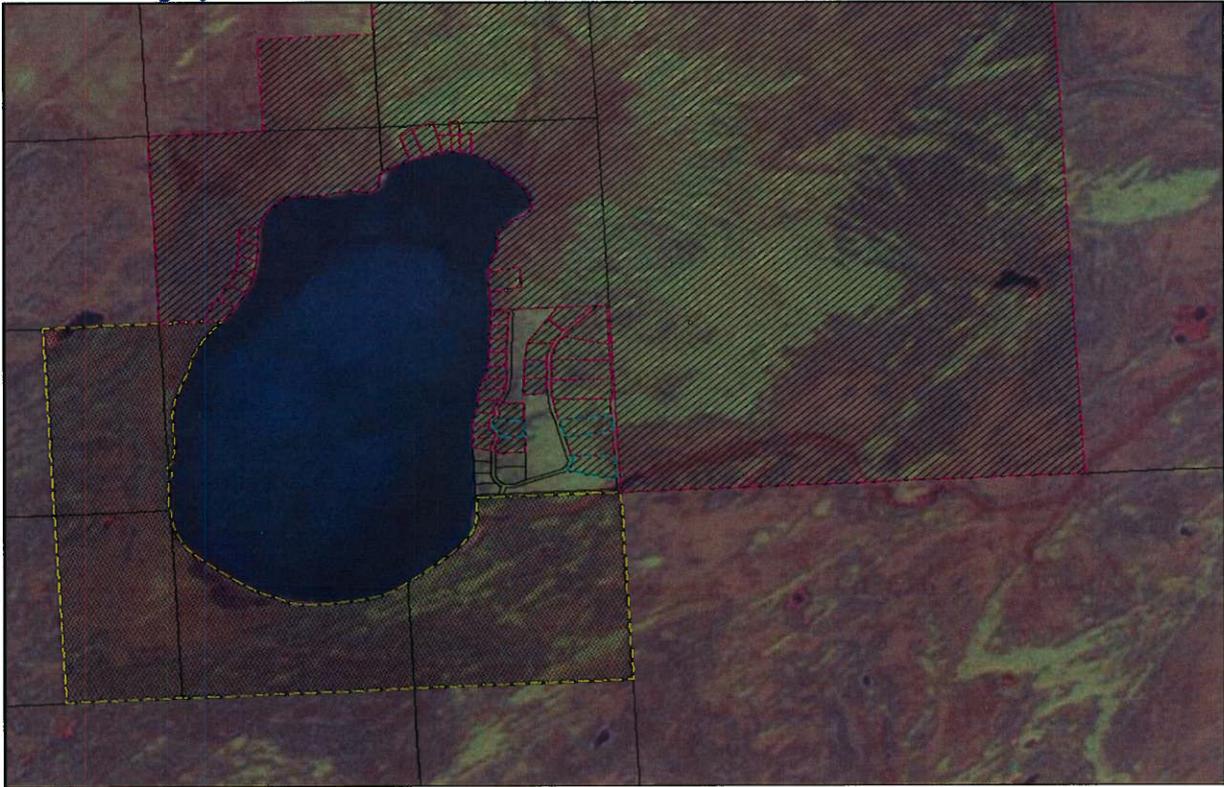


View of Deadman Lake looking northeast, outlet located near Lot 1, Block 6 shown at top of picture, Block 7 – 10 shown at bottom of picture, sporadic cabins are located around lake

West Twin Lake Survey (ASLS 81-219, Plat 82-140)



**Satellite Imagery of West Twin Lake Subdivision**



**Photograph of West Twin Lake Subdivision**

(Date: June 18, 2007)



View of West Twin Lake looking west. West Twin Lake Subdivision is found at foreground picture.

### **Highest and Best Use**

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as<sup>7</sup>:

“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.”

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use.

#### **Legally Permissible**

The subject parcels are not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Therefore, almost any legal use of the site would be possible.

#### **Physically Possible**

The subject parcels range in size from 3.44 to 13.447 acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

#### **Financially Feasible**

Surrounding land use is primarily recreational. Development of the parcel depends on the amount of resources the owner is willing to allocate for recreational needs.

#### **Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. Access to hunting, snow machining and dog sledding are the primary motivations for surrounding recreational users.

#### **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 almost any legal use, primarily a private recreation cabin site.

### **Explanation of Adjustments**

**Unit of Comparison** Generally, the buyers and sellers in the market place determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The price per/acre is the most commonly recognized unit of comparison in the subject market.

**Rights Conveyed** Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer measurable differences in prices

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<sup>7</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.306

### KANTISHNA RIVER REMOTE

ADL 403414, Tract A, ASLS 89-103 is a 33.33-acre parcel and described as 'Kantishna River Remote'.

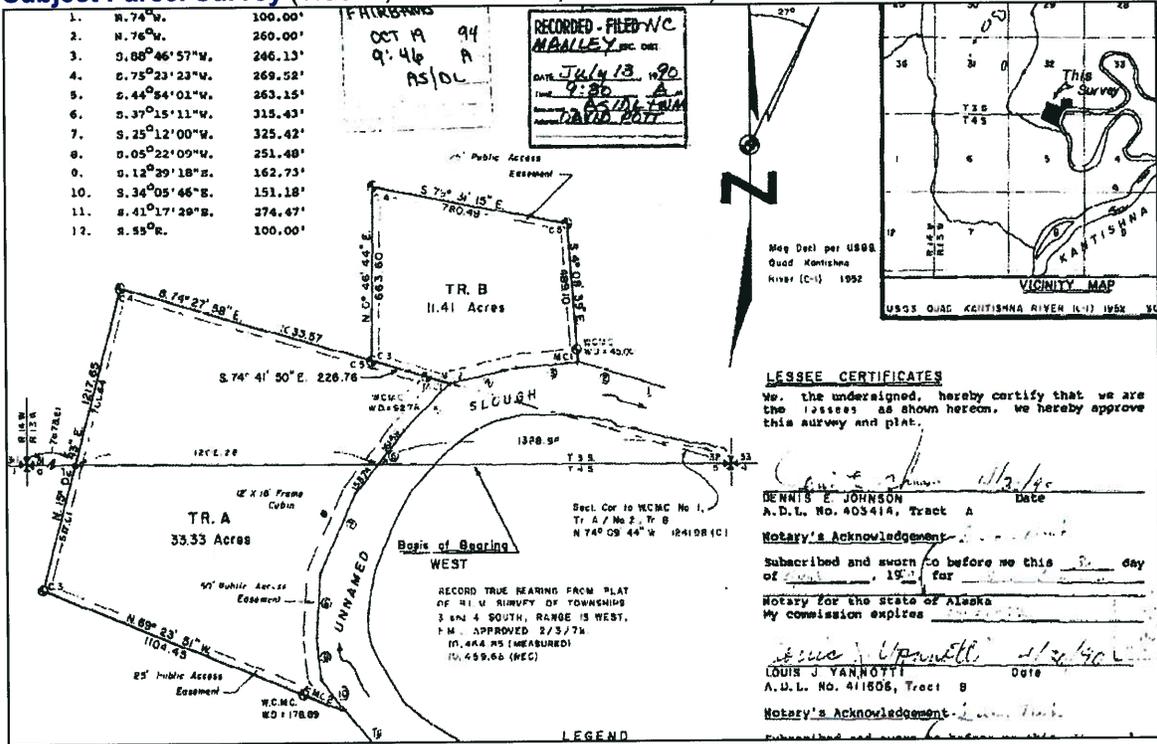
The subject parcel included in this analysis is summarized below:

	Tract	ASLS	Size (acres)
Kantishna River Remote (ADL 403414)	A	89-103	33.33

### KANTISHNA RIVER REMOTE (ADL 403414, Tract A, ASLS 89-103)

<b>Location</b>	Just west of Kantishna River about 19 miles southeast of Manley Hot Springs
<b>Access</b>	Parcel is situated on bluff above Kantishna River slough. Summer boat access is possible but requires climbing bluff. Winter access via snowmachine.
<b>Size &amp; Shape</b>	33.33-acre, irregular shaped parcel
<b>Topography</b>	Parcel has level portions and portions with moderate to steep slope
<b>Soils</b>	Majority of parcel appears to be fair to well-drained with some wet areas present.
<b>Vegetation</b>	Birch and Spruce
<b>Utilities</b>	None
<b>Water &amp; Sewer</b>	None
<b>Easements</b>	50' public access easement along unnamed slough
<b>Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	None
<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	None
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Recreational or undeveloped land

**Subject Parcel Survey (Tract A, ASLS 89-103, Plat 94-117)**



**Satellite Imagery of Subject Parcel**





View of unnamed slough parcel fronts at about mid point of parcel. Cabin shown in photograph.

### **Highest and Best Use**

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as<sup>8</sup>:

“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.”

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use.

### **Legally Permissible**

The subject parcel is not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Therefore, almost any legal use of the site would be possible.

### **Physically Possible**

The subject parcel is 33.33-acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

<sup>8</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.306

**Financially Feasible**

Surrounding land use is primarily recreational. Development of the parcel depends on the amount of resources the owner is willing to allocate for recreational needs.

**Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. Access to hunting, snow machining and dog sledding are the primary motivations for surrounding recreational users.

**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 almost any legal use, primarily a private recreation cabin site.

**Explanation of Adjustments**

**Unit of Comparison** Generally, the buyers and sellers in the market place determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The price per/acre is the most commonly recognized unit of comparison in the subject market.

**Rights Conveyed** Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer measurable differences in prices as a result of terms. In general a cash transaction would tend to be at the lower end of the price range with listings usually setting the upper limit.

**Conditions of Sale** Unless otherwise noted the market transactions used in this appraisal do not reflect any unusual seller-buyer motivations that affected value.

**Market Conditions (Time)** Analysis of real estate sales in the subject area indicate that prices in recent years have remained stable for properties similar to the 'Key Lot'. No market conditions (time) adjustment is necessary.

**Location** The subject parcel and all comparable sales are located in similar locations. No location adjustment is necessary.

**Size** The price per unit and size of a given unit tend to have an inverse relationship. As the size of a parcel increases the price paid per acre decreases. Comparables that differed from the "key lot" by more than one acre were given size adjustments based on a chart derived from market data by Steve Starrett, staff appraiser. In general, his findings point to a 25% decrease in unit price each time the size of a parcel doubles. A size adjustment chart is included in the addenda to show how the adjustments were derived.

**Access** Summer access is possible by boat on the Kantishna River. The cabin sits on a bluff above the river that must be climbed. Winter access is via snowmachine on one of the many trails in the area.

**Site Quality** Describes the physical attributes of the parcel. The subject parcel and all comparable sales feature similar physical attributes.

**KANTISHNA RIVER REMOTE IMPROVEMENT DESCRIPTION & VALUATION**



Front of cabin



Side view of cabin

### JUNE CREEK SUBDIVISION

Lots in this analysis range in size from 3.64 – 6.18 acres with 146 total parcels. Two of the lots are potential reoffer parcels to be offered at auction with the remainder of the lots being offered over-the-counter. A Key Lot will be utilized to value the June Creek Subdivision parcels.

ADL 405212, Lot 5, Block 7, June Creek Subdivision, ASLS 79-166 is a 5.006-acre parcel and described as the 'Key Lot'.

#### JUNE CREEK SUBDIVISION (ASLS 79-166)

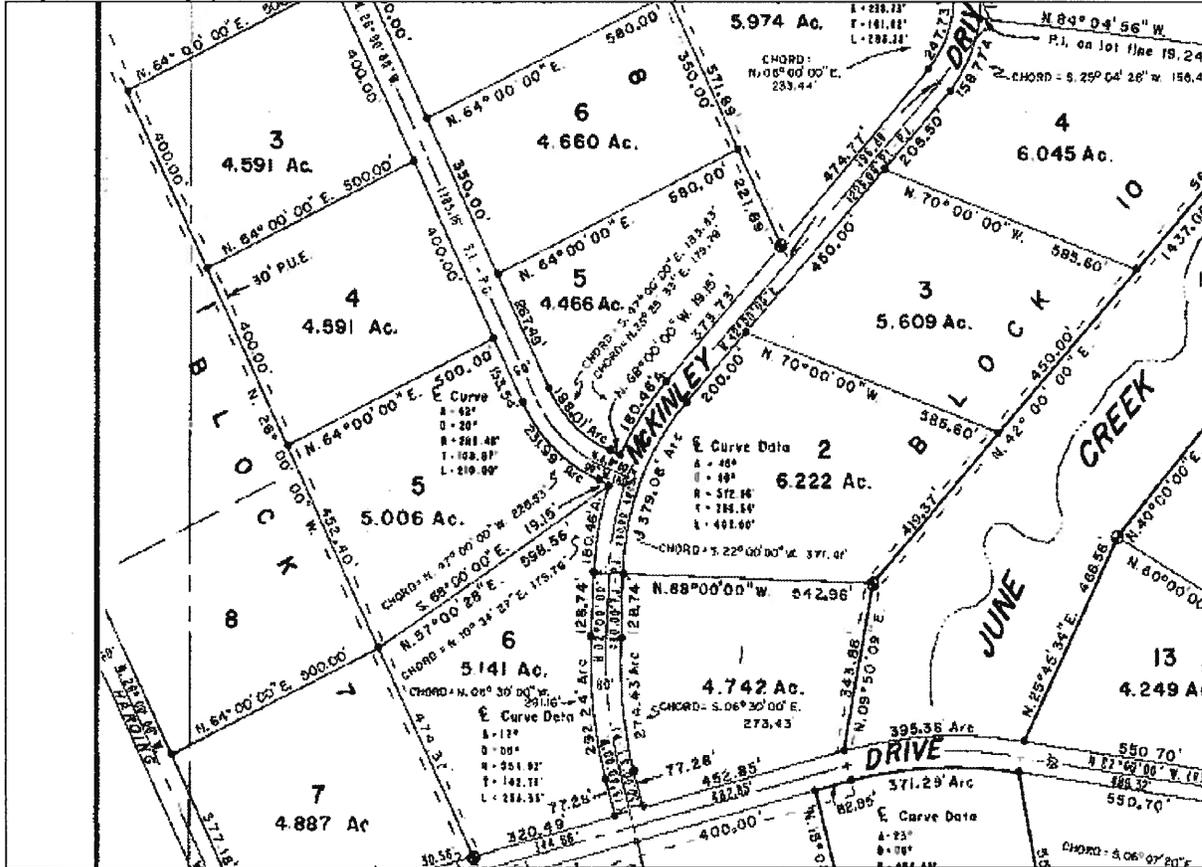
<b>Location</b>	Near the northern foothills of the Alaska Range, approximately 26 road miles north of Healy, on the west side of the Parks Highway
<b>Access</b>	Portions of Washington Way & Eisenhower Drive have been developed. Access to remaining parcels along undeveloped right-of-ways or platted roads. Summer access by ATV or walk-in with winter access reportedly possible by snowmachine along Bear Creek. Entire subdivision is located within 1 mile of Parks Highway.
<b>Size</b>	3.64 to 6.18 acres
<b>Topography</b>	Mostly level parcels
<b>Soils</b>	Majority of parcel appears to be fair to well-drained with some wet areas present.
<b>Vegetation</b>	Some spruce
<b>Utilities</b>	None
<b>Water &amp; Sewer</b>	None
<b>Easements</b>	Typical
<b>Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	Located within the Denali Borough, all borough land is currently zoned unrestricted
<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	Denali Borough is the taxing authority. The Borough currently does not assess property taxes
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Rural residential, recreational or undeveloped

#### Key Lot Description

<b>JUNE CREEK SUBDIVISION</b>	
<b>Location</b>	Northern portion of subdivision (T9S, R9W, Section 23, F.M.)
<b>Legal Description</b>	Lot 5, Block 7, ASLS 79-166, Plat 80-9 (ADL 405212)
<b>Access</b>	Access via platted but undeveloped Roosevelt Avenue and Coolidge Street
<b>Size and Shape</b>	5.006-acres, square parcel
<b>Topography/Vegetation/ Soils</b>	Level parcel with adequate drainage. Treed with spruce.
<b>Utilities</b>	None
<b>Easements</b>	Typical

<b>Hazardous Waste and Toxic Materials/ Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	Located within the Denali Borough, all borough land is currently zoned unrestricted
<b>Amenities</b>	Interior lot, limited view potential

**Key Lot Survey (Lot 5, Block 7, ASLS 79-166, Plat 80-9)**



See addenda for complete survey of June Creek Subdivision

**Satellite Imagery of June Creek Subdivision**



Northern portion of subdivision



Southern portion of subdivision



View of Bear Creek with Parks Highway in background. Vegetation and topography typical of subdivision.

### **Highest and Best Use**

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as<sup>9</sup>:

“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.”

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use.

### **Legally Permissible**

The subject parcels are not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Therefore, almost any legal use of the site would be possible.

### **Physically Possible**

The subject parcels range in size from 3.64 to 6.18 acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

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<sup>9</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.306

**Financially Feasible**

Surrounding land use is a mix of rural residential, recreational or undeveloped land. Development of the parcel depends on the amount of resources the owner is willing to allocate for recreational needs.

**Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. Access to hunting, snow machining and dog sledding are the primary motivations for surrounding recreational users.

**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 almost any legal use, primarily a private recreation cabin site or rural residential homesite.

**Explanation of Adjustments**

**Unit of Comparison** Generally, the buyers and sellers in the market place determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The price per/acre is the most commonly recognized unit of comparison in the subject market.

**Rights Conveyed** Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer measurable differences in prices as a result of terms. In general a cash transaction would tend to be at the lower end of the price range with listings usually setting the upper limit.

**Conditions of Sale** Unless otherwise noted the market transactions used in this appraisal do not reflect any unusual seller-buyer motivations that affected value.

**Market Conditions (Time)** Analysis of real estate sales in the subject area indicate that prices in recent years have remained stable for properties similar to the 'Key Lot'. No market conditions (time) adjustment is necessary.

**Location** The subject parcel and all comparable sales are located in similar locations. No location adjustment is necessary.

**Size** The price per unit and size of a given unit tend to have an inverse relationship. As the size of a parcel increases the price paid per acre decreases. Comparables that differed from the "key lot" by more than one acre were given size adjustments based on a chart derived from market data by Steve Starrett, staff appraiser. In general, his findings point to a 25% decrease in unit price each time the size of a parcel doubles. A size adjustment chart is included in the addenda to show how the adjustments were derived.

**Access** The entire subdivision is located within 1 mile of the Parks Highway. Portions of Eisenhower Road and Washington Way have been developed. The remainder of the platted roads have not been developed. Access to parcels without developed access is via ATV, snowmachine or walk-in. Several of the appraised parcels have developed access and have been given a subjective adjustment as the market lacks the data to quantify an access adjustment.

### WOOD RIVER

Lots in this analysis range in size from 9.05 – 13.46 acres with 3 total parcels. All of the Wood River lots are new lots that will be made available at auction. A Key Lot will be utilized to value the Wood River parcels.

ADL 417858, Tract I, Wood Rive, ASLS 2003-17 is a 13.46-acre parcel and described as the 'Key Lot'.

#### WOOD RIVER (ASLS 2003-17 & 2003-22)

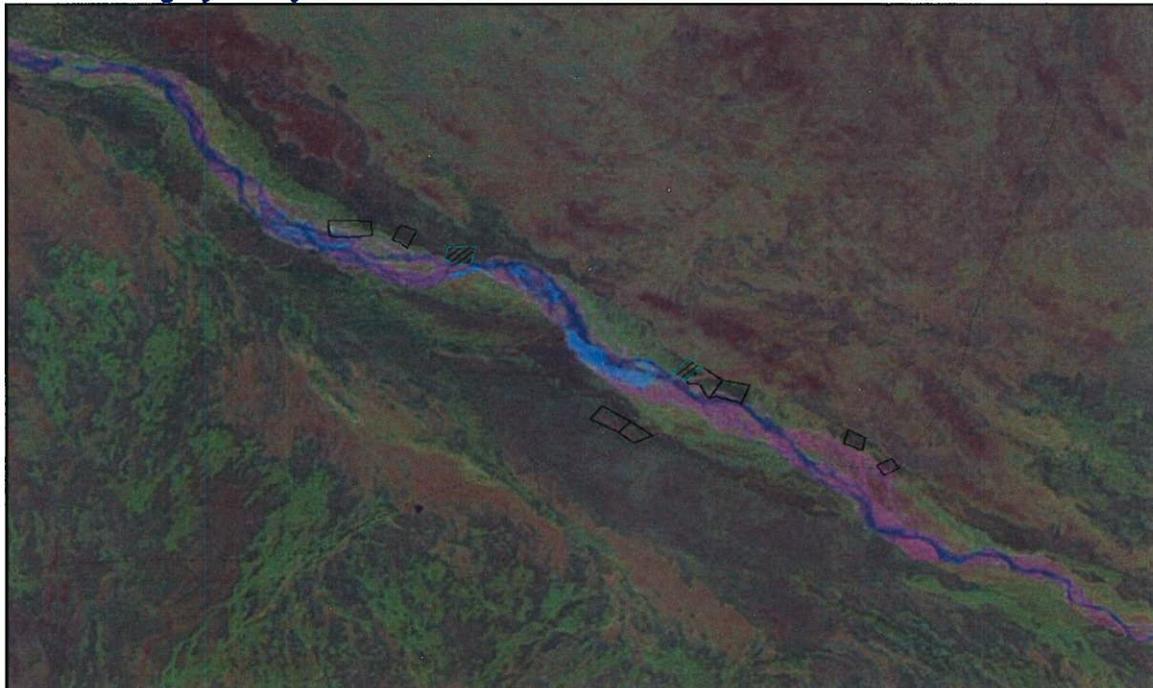
<b>Location</b>	All parcels have frontage on the Wood River, between Gold King & Fort Wainwright Military Reservation.
<b>Access</b>	The Rex Trail provides access via ATV or snowmachine into the area. Fly-in access is possible with landings on gravel bars. Boat access may be possible depending on water levels.
<b>Size</b>	9.05 to 13.46-acres
<b>Topography</b>	Mostly level
<b>Soils</b>	Mostly well-drained with sporadic wet areas
<b>Vegetation</b>	Spruce and Birch
<b>Utilities</b>	None
<b>Water &amp; Sewer</b>	None
<b>Easements</b>	The subject parcels have a 100' scenic easement and building setback along the Wood River frontage in addition to the typical public access and utility easements. The scenic easement prevents building within the easement and removing vegetation or altering landscaping (except within the 50' public access easement)
<b>Environmental Hazards</b>	None observed
<b>Zoning Regulations</b>	None. Tract H & I, ASLS 2003-17 are located in the Fairbanks North Star Borough, Tract F, ASLS 2003-22 is located in the Denali Borough.
<b>Hazardous Waste &amp; Toxic Materials</b>	None observed
<b>Tax Assessments</b>	For Tract H & I, ASLS 2003-17 the Fairbanks North Star Borough is the taxing authority. Parcels owned by the State of Alaska are tax-exempt. Once ownership is transferred from the State of Alaska, property taxes become the responsibility of the purchaser. For Tract F, ASLS 2003-22 the Denali Borough is the taxing authority. The Denali Borough currently does not assess property taxes
<b>Ownership History</b>	State of Alaska
<b>Adjacent Land Use</b>	Primarily recreational with sporadic rural residential uses

#### Key Lot Description

<b>WOOD RIVER</b>	
<b>Location</b>	Located on northeast side of Wood River, about 2 miles north of the Rex Trail within the Fairbanks North Star Borough (T7S, R1W, Section 33, F.M.)
<b>Legal Description</b>	Tract I, ASLS 2003-17, Plat 2006-14 (ADL 417858)



### Satellite Imagery of Key Lot



-Photo shows two subject parcels (Tract I, ASLS 2003-17 ADL 417858 & Tract F, ASLS 2003-22 ADL 417857.) Both parcels are depicted on map with crosshatch depicting lot. The Rex Trail is represented on photo with black dotted line.

### Photographs of Key Lot

(Date: June 19, 2007)



### **Highest and Best Use**

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as<sup>10</sup>:

“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.”

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use.

#### **Legally Permissible**

The subject parcels are not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Therefore, almost any legal use of the site would be possible.

#### **Physically Possible**

The subject parcels range in size from 9.05 to 13.46-acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

#### **Financially Feasible**

Surrounding land use is primarily recreational. Development of the parcel depends on the amount of resources the owner is willing to allocate for recreational needs.

#### **Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. Access to hunting, snow machining and dog sledding are the primary motivations for surrounding recreational users.

#### **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 almost any legal use, primarily a private recreation cabin site.

### **Explanation of Adjustments**

**Unit of Comparison** Generally, the buyers and sellers in the market place determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The price per/acre is the most commonly recognized unit of comparison in the subject market.

**Rights Conveyed** Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer measurable differences in prices

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<sup>10</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.306