MARKET VALUE APPRAISAL
Of
Healy, June Creek & Tree Swallow
Parcels
For 2010 Auction

Appraisal Report No. 3556

STATE OF ALASKA

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

DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA

APPRAISAL REVIEW
STATEMENT

A. SUMMARY OF APPRAISAL NO. 3556

1. ADL NO(S): See table below
2. SIZE: Various, as noted in table
3. APPLICANT: N/A
4. LOCATION: 18 miles north of Healy, AK and Mile 20 of the Chena Hot Springs Road
5. LEGAL DESCRIPTION(S): See 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: July 30, 2009
10. DATE of VALUE(S): June 16 and June 17, 2009
11. APPRAISED VALUE(S):

Subdivision	ADL	Lot/Tract	Block	Survey	Size (acres)	Value (RND)
Healy	416730	D		2002-13	18.2	**$14,200**
Healy	416845	I		2002-13	13.03	**$9,400**
June Creek	405138	1	1	79-166	4.98	**$8,600**
June Creek	405139*	2	1	79-166	5.51	**$9,500**
June Creek	405140*	3	1	79-166	5.51	**$9,500**
June Creek	405141*	4	1	79-166	5.51	**$9,500**
June Creek	405142*	5	1	79-166	5.51	**$9,500**
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June Creek	405146*	9	1	79-166	5.51	**$9,500**
June Creek	405147*	10	1	79-166	5.51	**$9,500**
June Creek	405148*	11	1	79-166	5.51	**$9,500**
June Creek	405149*	12	1	79-166	5.51	**$9,500**
June Creek	405150*	13	1	79-166	5.51	**$9,500**
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June Creek	405154*	17	1	79-166	5.372	**$9,300**
June Creek	405278	1	16	79-166	4.959	**$6,400**
June Creek	405279	2	16	79-166	4.959	**$6,400**
June Creek	405305*	10	18	79-166	5.001	**$6,500**
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June Creek	405335*	13	20	79-166	4.591	**$6,000**
June Creek	405336*	14	20	79-166	3.731	**$5,400**
June Creek	405341*	5	21	79-166	4.959	**$6,400**
June Creek	405349	13	21	79-166	4.959	**$6,400**
June Creek	405350	14	21	79-166	4.959	**$8,600**

Subdivision	ADL	Lot/Tract	Block	Survey	Size (acres)	Value (RND)
June Creek	405352	2	22	79-166	4.952	**$6,400**
June Creek	405353	3	22	79-166	4.959	**$6,400**
June Creek	405354	4	22	79-166	4.959	**$6,400**
June Creek	405355	5	22	79-166	4.959	**$6,400**
June Creek	405356	6	22	79-166	4.959	**$6,400**
June Creek	405357	7	22	79-166	4.959	**$6,400**
June Creek	405358	8	22	79-166	4.959	**$6,400**
June Creek	405359	9	22	79-166	4.959	**$6,400**
June Creek	405360	10	22	79-166	4.959	**$6,400**
June Creek	405361	11	22	79-166	4.959	**$6,400**
June Creek	405362	12	22	79-166	4.959	**$6,400**
June Creek	405363	13	22	79-166	4.959	**$6,400**
June Creek	405364	14	22	79-166	4.959	**$8,600**
June Creek	405378*	1	24	79-166	4.959	**$6,400**
June Creek	405393*	1	25	79-166	4.959	**$6,400**
June Creek	405394*	2	25	79-166	4.959	**$6,400**
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June Creek	405416	9	28	79-166	4.054	**$5,300**
June Creek	405418*	11	28	79-166	4.054	**$5,300**
June Creek	405420*	1	29	79-166	5.02	**$5,900**
June Creek	405421*	2	29	79-166	5.009	**$5,900**
June Creek	405422*	3	29	79-166	5.009	**$5,900**
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June Creek	405424*	5	29	79-166	5.009	**$6,500**
June Creek	405425*	6	29	79-166	5.017	**$6,500**
June Creek	405426*	7	29	79-166	5.014	**$6,500**
June Creek	405427*	8	29	79-166	5.022	**$6,500**
June Creek	405428*	9	29	79-166	5.022	**$5,900**
June Creek	405429*	10	29	79-166	5.022	**$5,900**
June Creek	405430*	11	29	79-166	5.022	**$5,900**
June Creek	406470*	6	26	79-166	4.959	**$6,400**
Tree Swallow	417942*	A		870004	13.459	**$40,400**
Tree Swallow	417943*	E		870004	13.028	**$39,100**

*OTC Parcels

DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA

APPRAISAL REVIEW
STATEMENT

B. SUMMARY OF REVIEW

1. DATE of REVIEW: February 10, 2010
2. REVIEWER'S CLIENT: ☒ DNR ☐ Other: _____
3. INTENDED USERS of the REVIEW: ☒ DNR ☒ General Public ☐ Other: _____
4. INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
5. PURPOSE of REVIEW: ☒ Evaluate for Technical Compliance with DNR Instructions & USPAP
   ☐ Evaluate for Technical Compliance with UASFLA ☐ Develop Independent Estimate of Value
   Other: _____
6. SCOPE OF REVIEW: I Inspected the Subject on _____ I Did Not Inspect the Subject ☒
   I Inspected the Comparable Sales on _____ I Did Not Inspect the Comparable Sales ☒
   I Independently Verified the Comparable Sales in the Report ☐ Yes ☒ No
   Data and Information Considered in Addition to that Contained in the Report: ☒ None ☐ See Sections C thru F
   Extraordinary Assumptions, Hypothetical Conditions, & Other Limiting Conditions for this review:
   ☒ None ☐ See Section G Related appraisals reviewed: _____
   Proofread DNR data entry: ☐ Yes ☒ No
7. RESULTS OF REVIEW: ☐ Not Approved ☒ Approved Approved Value: As noted in previous table
8.

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:

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.

DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA

APPRAISAL REVIEW
STATEMENT

REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 3556

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, Review Appraiser

Date 2/10/10

cc: Tim Shilling
Tony Wagner

MEMORANDUM State of Alaska

Department of Natural Resources
Tel (907) 269-8513
Fax (907) 269-8914
brandon_simpson@alaska.gov

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

DATE: July 30, 2009

TO: Kevin Hindmarch
Review Appraiser

FROM: Brandon Simpson

SUBJECT: Appraisal of 61 parcels of land located in near the communities of Healy and Two Rivers. Twenty-three parcels are being appraised to establish minimum bid price for sale at auction. The remaining parcels are currently available over-the-counter.

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 Special Appraisal Instructions (DNR Land Disposal), 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 parcels 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	Location	Lot Size
Healy	About 19 miles north of Healy, on east side of Parks Highway	13.03 & 18.20-acres
June Creek	About 19 miles north of Healy, on west side of Parks Highway	3.73 to 5.52-acres
Tree Swallow	About mile 20 of Chena Hot Springs Road, in community of Two Rivers	13.028 & 13.459-acres

Value Summary

Subdivision	ADL	Lot/Tract	Block	Survey	Size (acres)	Value (RND)
Healy	416730	D		2002-13	18.20	$14,200
Healy	416845	I		2002-13	13.03	$9,400
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Tree Swallow	417943*	E		870004	13.028	**$39,100**

*OTC parcel

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).

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[1]:
"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[2]:
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[3]
"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 16, 2009 for Healy and June Creek parcels
June 17, 2009 for Tree Swallow parcels

Date of Report
July 30, 2009

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[1] The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.112
[2] Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2008, pp. 624-625
[3] The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.23

Exposure Time
Exposure time is defined as[4]:
"...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; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort."

Healy Area Parcels
In the previous 5 years, 120 June Creek parcels were sold by DNR over-the-counter. In addition, DNR sold June Creek parcels at auction, and offered Windy Creek, Ridge Rock and Healy remote recreational staking areas in the vicinity of the June Creek Subdivision. Numerous parcels were staked in these areas. During this time, additional private parcels were offered for sale and sold.

At the time of inspection, 38 June Creek parcels were available over-the-counter by DNR. It is clear that there is demand for similar parcels to the subjects, but due to the large inventory of parcels currently available to the public, an exposure time of up to 2 years in reasonable.

Tree Swallow Parcels
Currently there are two comparable properties listed along Chena Hot Springs Road. The most recent sale was listed over-the-counter by DNR for 3 months before selling. Based on the most recent market activity, an exposure time of up to 1 year is reasonable.

Sale History
ADL 416730, Tract D, ASLS 2002-13, Healy RRCS was staked in 2001, and the contract was terminated October 2008. The appraised price for this parcel when the contract was terminated was $14,400.

ADL 405138, Lot 1, Block 1, ASLS 79-166, an application to purchase the parcel for $6,000, was received May 2007, and the contract was terminated March 2009.

[4] Uniform Standards of Professional Appraisal Practice 2008-2009, Appraisal Foundation, p. U-87.

SCOPE OF WORK

Property and Comparable Sales Inspection
I previously inspected the June Creek Subdivision from the air on June 18, 2007 for work on an unrelated appraisal. I inspected some of the comparable sales, the Healy parcels, and a portion of the June Creek Subdivision on the ground, June 16, 2009. On June 17, 2009 I inspected additional portions of the June Creek Subdivision and the comparable sales located in the Quota Subdivision.

On June 17, 2009 I also inspected the Tree Swallow parcels and comparable sales along Chena Hot Springs Road.

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 and information about parcels currently available. Current listings were also searched. The recorders office was also searched to identify any recent sales. Sellers and buyers or other knowledgeable market participants 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.

Assumptions and Limiting Conditions

1. The property is appraised as vacant land without structural or site improvements.

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. Some of the appraised parcels 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

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June Creek	405394	2	25	79-166	4.959
June Creek	405395	3	25	79-166	4.959
June Creek	405397	5	25	79-166	4.959

June Creek	405409	2	28	79-166	4.054
June Creek	405416	9	28	79-166	4.054
June Creek	405418	11	28	79-166	4.054
June Creek	405420	1	29	79-166	5.02
June Creek	405421	2	29	79-166	5.009
June Creek	405422	3	29	79-166	5.009
June Creek	405423	4	29	79-166	5.009
June Creek	405424	5	29	79-166	5.009
June Creek	405425	6	29	79-166	5.017
June Creek	405426	7	29	79-166	5.014
June Creek	405427	8	29	79-166	5.022
June Creek	405428	9	29	79-166	5.022
June Creek	405429	10	29	79-166	5.022
June Creek	405430	11	29	79-166	5.022
June Creek	406470	6	26	79-166	4.959
Tree Swallow	417942	A		870004	13.459
Tree Swallow	417943	E		870004	13.028

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

MARKET AREA

Healy

Current Population: 1,025 (2007 Estimated Population (not Certified))
Incorporation Type: Unincorporated
Borough Located In: Denali Borough
School District: Denali Borough Schools
Regional Native Corporation: Not Applicable

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. It lies at approximately 63.856940 North Latitude and -148.966110 West Longitude. (Sec. 20, T012S, R007W, Fairbanks Meridian.) Healy is located in the Nenana Recording District. The area encompasses 669.0 sq. miles of land and 0.4 sq. miles of water. 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.

Healy was established in 1904 and is the home of the Usibelli Coal Mine, Alaska's only operating coal mine. The mine produces 1.3 million tons of coal per year, supplying coal to Golden Valley Electric Association, the University of Alaska Fairbanks, Aurora Energy, Clear AFS, Eielson AFB, and Ft. Wainwright Army Base. The mine also ships coal to South Korea and Chile through the Port of Seward. The Usibelli Coal Mine began a successful environmental reclamation program in 1971. Dall sheep now graze where there was once a strip mine.

Healy is a coal mining town that has evolved into an economically-diverse community. Tourism also greatly affects the economy during summer months.

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.

The large majority of homes use individual wells and septic systems. Over 80% are fully plumbed. Usibelli Mine and the Healy Clean Coal Project have individual water well systems. Refuse is hauled to the new Borough regional landfill located just south of Anderson.

The George Parks Highway provides access, and cargo is delivered by rail or truck. The State-owned Healy River Airport provides a 2,920' long by 60' wide asphalt runway. Local services provide helicopter or air tours of the Denali Park. Companies based in Anchorage and Fairbanks also provide bus tours to the Park.

Two Rivers

Current Population:	644 (2007 Estimated Population (not Certified))
Incorporation Type:	Unincorporated
Borough Located In:	Fairbanks North Star Borough
School District:	Fairbanks North Star Schools
Regional Native Corporation:	Not Applicable

Two Rivers is dispersed from mile 13 to mile 25 of Chena Hot Springs Road. It lies between the Chena and the Little Chena Rivers, in the Fairbanks North Star Borough It lies at approximately 64.872220 North Latitude and -147.038330 West Longitude. (Sec. 36, T001N, R003E, Fairbanks Meridian.) Two Rivers is located in the Fairbanks Recording District. The area encompasses 28.5 sq. miles of land and 0.0 sq. miles of water. Interior Alaska experiences seasonal temperature extremes. Average January temperatures range from -19 to -2; average July temperatures range from 49 to 71. Annual precipitation is 11.5 inches, with 67.8 inches of snowfall.

The community lies on the banks of the upper Chena River, near the Little Chena River. It was the site of a Territorial school. Expansion of the greater Fairbanks area since the 1970s has enabled the community to expand and develop.

Dog mushing is a prevalent activity in Two Rivers. There are several community organizations, including churches, the PTA, the Ski Club, 4-H, and scouts. A recreational complex is available at Pleasant Valley, which supports baseball, basketball, tennis, ice skating and hockey.

There are numerous local businesses in Two Rivers, and many residents are employed in the Fairbanks area. Three general stores, four restaurants, a post office, a laundromat, the UCLA HIPAS observatory, agricultural enterprises, an RV park, and other small businesses exist. One resident holds a commercial fishing permit. Several residents are involved in dog mushing or raising horses, due to the excellent trails in the area.

Homes have individual wells or have water delivered, use septic tanks, and are fully plumbed. Nearly one-fourth of homes in this area are used only seasonally. Refuse is collected from dumpsters and transported to the Borough landfill. Ready access to Fairbanks transportation facilities provides airport, railway and highway connections.

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. The appraised parcels lack any improvements; therefore the cost approach will not be used.

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 for valuation of the vacant land.

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. The parcels to be appraised will be grouped by location.

HEALY LOTS

Fifty-nine of the parcels are located in the vicinity of Healy. These lots are located between Healy and Nenana along the Parks Highway. The June Creek Subdivision lots are located on the west side of the highway, and the two Healy parcels can be found on the east side. All of the parcels are located within 1 mile of the highway. There are sporadic year round residents in the June Creek Subdivision, and along the Parks Highway in the immediate vicinity of the appraised parcels. Golden Valley Electric Association has extended electric service into the subdivision along platted right-of-ways. Kennedy Drive has been improved from the highway, but not to any of the appraised lots. Current access is by ATV, snowmachine or by foot, along platted roads and easements.

The *Healy Key Lot* is ADL 405279, a 4.959-acre parcel located in the June Creek Subdivision. The surveys of the remaining Healy lots are included in the addenda of this report.

Key Lot	**Legal Description**	**Size (acres)**
ADL 405279 June Creek	Lot 2, Block 16, ASLS 79-166	4.959

The remaining subject parcels included in this analysis are summarized below:

Subdivision	**ADL**	**Lot/Tract**	**Block**	**Survey**	**Size (acres)**
Healy	416730	D		2002-13	18.20
Healy	416845	I		2002-13	13.03
June Creek	405138	1	1	79-166	4.98
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	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	4.857
June Creek	405154	17	1	79-166	5.372
June Creek	405278	1	16	79-166	4.959
June Creek	405305	10	18	79-166	5.001
June Creek	405306	11	18	79-166	4.96
June Creek	405335	13	20	79-166	4.591
June Creek	405336	14	20	79-166	3.731
June Creek	405341	5	21	79-166	4.959
June Creek	405349	13	21	79-166	4.959
June Creek	405350	14	21	79-166	4.959
June Creek	405352	2	22	79-166	4.952
June Creek	405353	3	22	79-166	4.959

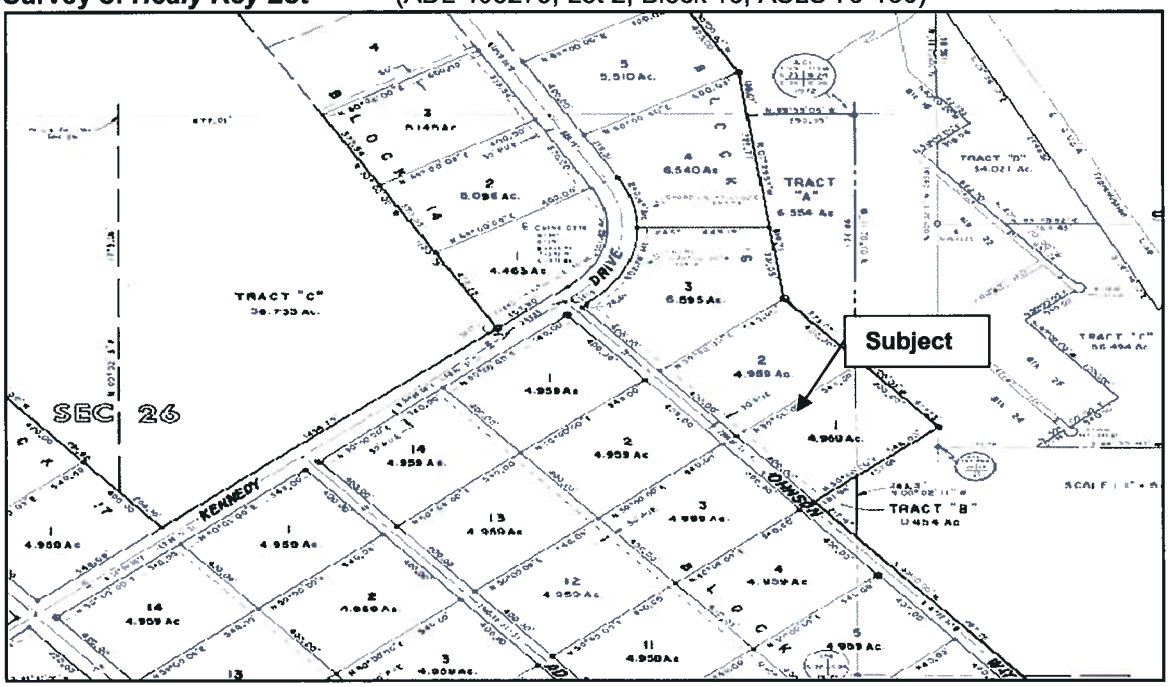
June Creek	405354	4	22	79-166	4.959
June Creek	405355	5	22	79-166	4.959
June Creek	405356	6	22	79-166	4.959
June Creek	405357	7	22	79-166	4.959
June Creek	405358	8	22	79-166	4.959
June Creek	405359	9	22	79-166	4.959
June Creek	405360	10	22	79-166	4.959
June Creek	405361	11	22	79-166	4.959
June Creek	405362	12	22	79-166	4.959
June Creek	405363	13	22	79-166	4.959
June Creek	405364	14	22	79-166	4.959
June Creek	405378	1	24	79-166	4.959
June Creek	405393	1	25	79-166	4.959
June Creek	405394	2	25	79-166	4.959
June Creek	405395	3	25	79-166	4.959
June Creek	405397	5	25	79-166	4.959
June Creek	405409	2	28	79-166	4.054
June Creek	405416	9	28	79-166	4.054
June Creek	405418	11	28	79-166	4.054
June Creek	405420	1	29	79-166	5.02
June Creek	405421	2	29	79-166	5.009
June Creek	405422	3	29	79-166	5.009
June Creek	405423	4	29	79-166	5.009
June Creek	405424	5	29	79-166	5.009
June Creek	405425	6	29	79-166	5.017
June Creek	405426	7	29	79-166	5.014
June Creek	405427	8	29	79-166	5.022
June Creek	405428	9	29	79-166	5.022
June Creek	405429	10	29	79-166	5.022
June Creek	405430	11	29	79-166	5.022
June Creek	406470	6	26	79-166	4.959

Healy Key Lot (ADL 405279, Lot 2, Block 16, ASLS 79-166)

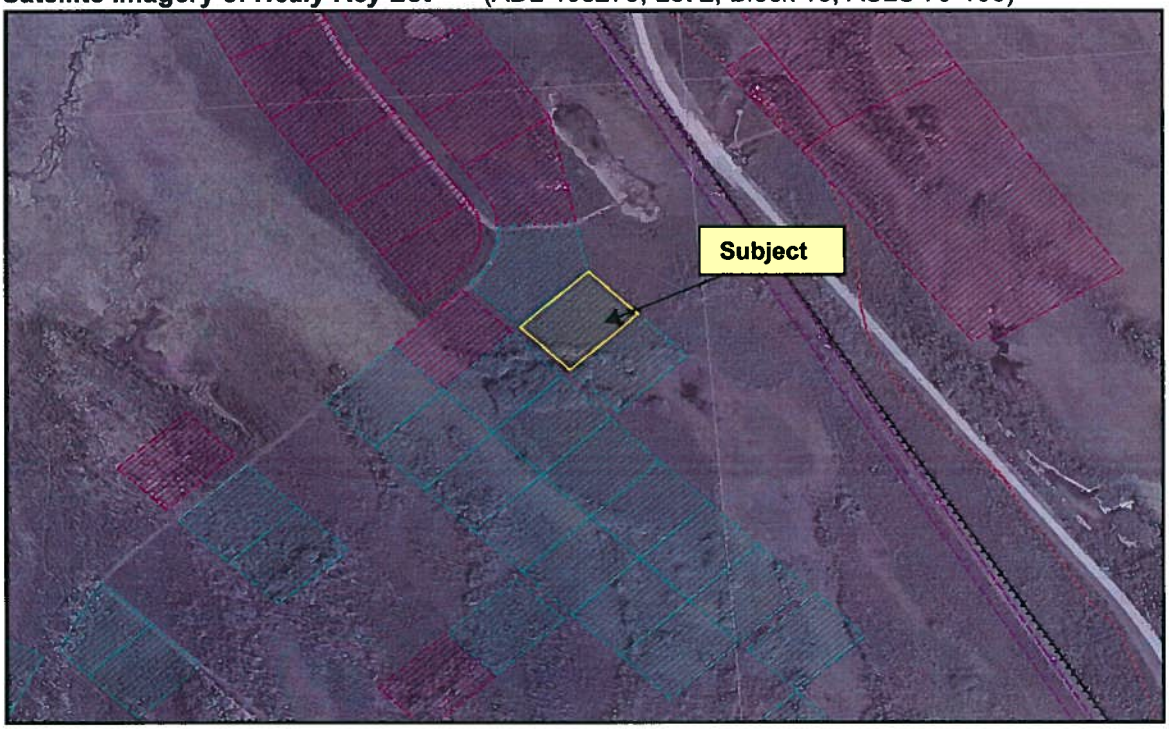
Location	About 19 miles north of Healy, on west side of Parks Highway
Access	ATV or snowmachine along Kennedy Drive, then unimproved Johnson Road. Kennedy Drive has been cleared allowing for ATV access and possible 4-wheel drive access depending on conditions.
Size & Shape	4.959-acre rectangular shaped parcel
Topography	Mostly level
Soils	Adequate
Vegetation	Mostly spruce
Utilities	Electric available on Kennedy Drive. GVEA charges $2,400 per/connection
Water & Sewer	None
Easements	Typical
Environmental Hazards	None noted
Zoning Regulations	Unzoned
Tax Assessments	None, located in Denali Borough which does not currently assess taxes

Ownership History	State of Alaska
Adjacent Land Use	Rural residential or undeveloped
Amenities	Interior lot with average view potential

Survey of *Healy Key Lot* (ADL 405279, Lot 2, Block 16, ASLS 79-166)



Satellite Imagery of *Healy Key Lot* (ADL 405279, Lot 2, Block 16, ASLS 79-166)



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

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(in the Atwood Building)
550 W. 7th Ave. Suite 1200, Anchorage AK, 99501
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TDD for hearing impaired (907) 269-8411
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Business hours 10:00 am to 5:00 pm M-F.

In Fairbanks
(Corner of University & Airport Way)
3700 Airport Way, Fairbanks, AK 99709
Phone (907) 451-2705
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Business hours 10:00 am to 5:00 pm M-F.