MARKET VALUE APPRAISAL

Eleven (11) parcels located within the following Mat-Su Borough subdivisions

Bartlett Hills Tract A ASLS 79-143A
Chase II ASLS 79-149
Chase Remote ASLS 72-58
Talkeetna Bluffs ASLS 80-94
Talkeetna Bluffs Add ASLS 81-196
Trapper Creek Glen ASLS 79-242

Talkeetna Bluffs

APPRAISAL REPORT No. 3576-0

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

DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA

APPRAISAL REVIEW
STATEMENT

A. SUMMARY OF APPRAISAL NO. 3576

1. ADL NO(S): See table below
2. SIZE: Various, as noted in table
3. APPLICANT: N/A
4. LOCATION: Various locations in the Matanuska-Susitna Borough, Alaska
5. LEGAL DESCRIPTION(S): Various surveys and specific tract or lot and block as noted in table
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Johnthomas Williamson
9. DATE of REPORT: February 8, 2011
10. DATE of VALUE(S): August 27 and September 1, 2010
11. APPRAISED VALUE(S):

Subdivision	ADL	MTRS	Lot	Bk.	Tr.	ASLS	Acres	Value (rounded)	Date of value
Bartlett Hills Tract A	205622	S026N004W36	15	2		79-143A	5.00	$8,000	9/1/2010
Chase II	214441	S026N004W8	5,6	12		79-149	10.00	$7,900	8/27/2010
Chase II	214563	S027N003W34	1, 2	15		79-149	8.988	$7,900	8/27/2010
Chase Remote	52104	S027N003W28			L	72-58	4.84	$16,700	8/27/2010
Talkeetna Bluffs	210346	S026N003W06	2	3		80-94	4.903	$8,000	9/1/2010
Talkeetna Bluffs Add.	214372	S026N003W4	1	3		81-196	5.00	$8,000	9/1/2010
Trapper Creek Glen	205744	S027N006W26	8	27		79-242	3.135	$7,600	8/27/2010
Trapper Creek Glen	206267	S027N006W25	4	32		79-242	4.765	$8,000	8/27/2010
Trapper Creek Glen	205663	S026N006W11	7	2		79-242	4.742	$8,000	8/27/2010
Trapper Creek Glen	206019	S027N006W36	4	20		79-242	3.747	$7,600	8/27/2010
Trapper Creek Glen	206023	S027N006W36	2	21		79-242	3.452	$7,600	8/27/2010

DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA

APPRAISAL REVIEW
STATEMENT

B. SUMMARY OF REVIEW

1. DATE of REVIEW: February 10, 2011
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

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 preliminary 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. 3576

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 2/10/11

cc: Rocky Weber
Tony Wagner

MEMORANDUM State of Alaska

Department of Natural Resources
Tel (907) 269-8539
Fax (907) 269-8914

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

DATE: February 8th, 2011

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson
Appraiser I

SUBJECT: Appraisal of eleven parcels near Talkeetna and Trapper Creek within the following subdivisions: Bartlett Hills Tract A, Chase II, Talkeetna Bluffs, Talkeetna Bluffs Addition, and Trapper Creek Glen.

As requested, I have completed an appraisal of the above referenced parcels and understand that this appraisal will be used to determine a minimum purchase price for a sealed bid auction. 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. This is a summary report based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have inspected all of the subjects and most of the comparable sales used in this report. Physical descriptions of the subject parcels were based on inspections, photography, topographic maps, peer appraisal reports, interviews with realtors, Mat-Su Borough employees and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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APPRAISAL SUMMARY

Location and Legal Description

Subdivisions are within various locations throughout the Matanuska – Susitna Borough. Specific locations are detailed within the General Subdivision Description section.

Bartlett Hills Tract A is located 5 miles east of Talkeetna within Township 36 North, Range 4 West of the Seward Meridian.

Chase II is located 3 to 5 miles northeast of Talkeetna within Townships 26 & 27 North, Ranges 3&4 West of the Seward Meridian.

Chase Remote is located 10 miles northeast of Talkeetna within Township 27 North, Range 3 West of the Seward Meridian.

Talkeetna Bluffs and Talkeetna Bluffs Addition are located 10 miles east of Talkeetna, south of the Talkeetna River, within Township 23 North, Range 3 West of the Seward Meridian.

Trapper Creek is located 5 miles northwest of Trapper Creek within Townships 26 & 27 North, Range 6 West of the Seward Meridian.

Specific legal descriptions are included within the following table:

SUMMARY OF VALUES

Subdivision	ADL	MTRS	Lot	Bk.	Tr.	ASLS	Acres	Value (rounded)	Date of value
Bartlett Hills Tract A	205622	S026N004W36	15	2		79-143A	5.00	**$8,000**	9/1/2010
Chase II	214441	S026N004W8	5,6	12		79-149	10.00	**$7,900**	8/27/2010
Chase II	214563	S027N003W34	1, 2	15		79-149	8.988	**$7,900**	8/27/2010
Chase Remote	52104	S027N003W28			L	72-58	4.84	**$16,700**	8/27/2010
Talkeetna Bluffs	210346	S026N003W06	2	3		80-94	4.903	**$8,000**	9/1/2010
Talkeetna Bluffs Add.	214372	S026N003W4	1	3		81-196	5.00	**$8,000**	9/1/2010
Trapper Creek Glen	205744	S027N006W26	8	27		79-242	3.135	**$7,600**	8/27/2010
Trapper Creek Glen	206267	S027N006W25	4	32		79-242	4.765	**$8,000**	8/27/2010
Trapper Creek Glen	205663	S026N006W11	7	2		79-242	4.742	**$8,000**	8/27/2010
Trapper Creek Glen	206019	S027N006W36	4	20		79-242	3.747	**$7,600**	8/27/2010
Trapper Creek Glen	206023	S027N006W36	2	21		79-242	3.452	**$7,600**	8/27/2010

PREMISES OF THE APPRAISAL

Type of Appraisal and Report
This appraisal is a summary appraisal 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 Special Appraisal Instructions.

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

Intended Use of Appraisal
The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired through the auction sale program under **AS 38.05.055**.

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

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:

> "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."[1]

AS 38.05.125(a) states:

> 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."[2]

Definition of Market Value
"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."[3]

Effective Date of Value Estimate
August 27th and September 1st, 2010.

Date of Report
February 8th, 2011.

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[1] The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.111
[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 "...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."[4]

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. Currently there are multiple parcels available around Trapper Creek offered through real estate agents and private owners. Considering the availability of parcels on the market, an exposure time of up to one year is reasonable.

Property History
All of the subjects have been offered through various land disposal programs in the past. Specific case histories are detailed in the Subdivision Description section. The Department of Natural Resources is the current owner of record for all of the subject parcels.

Scope of the Appraisal

Property and Comparable Sales Inspection
I inspected the subject properties and all of the comparable sales on August 27th and September 1st, 2010. Physical features and access were identified by use of inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

Research and Analysis conducted
Interviews were conducted with, real estate agents, appraisers, local residents, surveyors, contractors, and other individuals familiar with the area who provided information about trends in value, supply, demand, access, and physical characteristics of the subject properties. DNR records and the Recorders Office databases were searched for recent comparable sales while the Matanuska - Susitna Borough database was searched for market data. Private real estate agent websites were searched for recent listings while sellers, buyers, and agents 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 assumptions and limiting conditions on the following page.

[4] Uniform Standards of Professional Appraisal Practice 2010-2011, Appraisal Foundation, p. U-87

Assumptions and Limiting Conditions

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

2. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader visualize the properties.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.

10. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".

11. In this valuation, various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.

12. 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.

PRESENTATION OF DATA

Market Area – The Matanuska Susitna Borough[5]

Location
The Matanuska-Susitna (Mat-Su) Borough is located in the middle of south central Alaska, including the Matanuska and Susitna River Drainages, portions of the Chugach Mountains as well as the Alaska, Talkeetna, and Clearwater Ranges. The Municipality of Anchorage, Upper Cook Inlet, and Knik Arm delineate the Borough's southern border. The average temperatures in January range from 6°F to 14°F; in July, 47°F to 67°F. Annual precipitation is 16.5 inches

Local Government
The Mat-Su Borough is a second class Borough incorporated in 1964 with an elected Mayor and Assembly. The Borough's area-wide powers include: assessment and collection of taxes, education, planning and zoning, parks and recreation, ports, harbors and wharves, ambulance service, transportation systems, air pollution control, day care facilities, historic preservation, and transient accommodations taxation. The Borough's non area-wide powers include fireworks, motor vehicles and operators, snow vehicles, solid waste, libraries, septic tank waste disposal, economic development, limited health and social service, natural gas, electric, and road local improvement districts, animal control, and water pollution control.

Demographics
The population of the Mat-Su Borough consists of 8.6% Alaska Native or part Native. Low housing costs, the rural lifestyle, and a reasonable commute to Anchorage for employment and services has made the Mat-Su Borough one of the fastest growing areas of Alaska in recent years. During the 2000 U.S. Census, total housing units numbered 27,329, and vacant housing units numbered 6,773. Vacant housing units used only seasonally numbered 5,244. U.S. Census data for Year 2000 showed 25,356 residents as employed. The unemployment rate at that time was 10.3 percent, although 40.63 percent of all adults were not in the work force. The median household income was $51,221, per capita income was $21,105, and 11.01 percent of residents were living below the poverty level. The 2009 population was 84,314.

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

Facilities
There are three incorporated cities within the Borough: Houston, Palmer, and Wasilla.
Additionally, there are several unincorporated communities and twenty-five (25) Borough recognized community councils. The majority of the Borough population resides in the "core area" surrounding the cities of Palmer and Wasilla, and within the cities themselves. The remaining population is spread out among the various unincorporated communities, as well as some remote sites. There are 42 schools located in the borough, attended by 16,489 students.

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

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[5] All information regarding neighborhood information derived from http://www.matsugov.us/Planning. & http://www.commerce.state.ak.us/dca/commdb/CIS.cfm

Talkeetna Neighborhood
Located at the junction of the Talkeetna and Susitna Rivers, it lies 115 miles north of Anchorage at mile 226.7 of the Alaska Railroad. The paved Talkeetna Spur Road runs 14 miles east off the George Parks Highway at milepost 98.7. January temperatures range from -33 to 33 °F; July can range from 42 to 83 °F. Annual precipitation averages 28 inches, with 70 inches of snowfall.

The population of the community consists of 9.1% Alaska Native or part Native. Middle and high school students are bused to Y, at milepost 98, in the Susitna Valley. During the 2000 U.S. Census, total housing units numbered 528, and vacant housing units numbered 170. Vacant housing units used only seasonally numbered 121. U.S. Census data for Year 2000 showed 463 residents as employed. The unemployment rate at that time was 14.42 percent, although 35.15 percent of all adults were not in the work force. The median household income was $38,289, per capita income was $23,695, and 10.81 percent of residents were living below the poverty level.

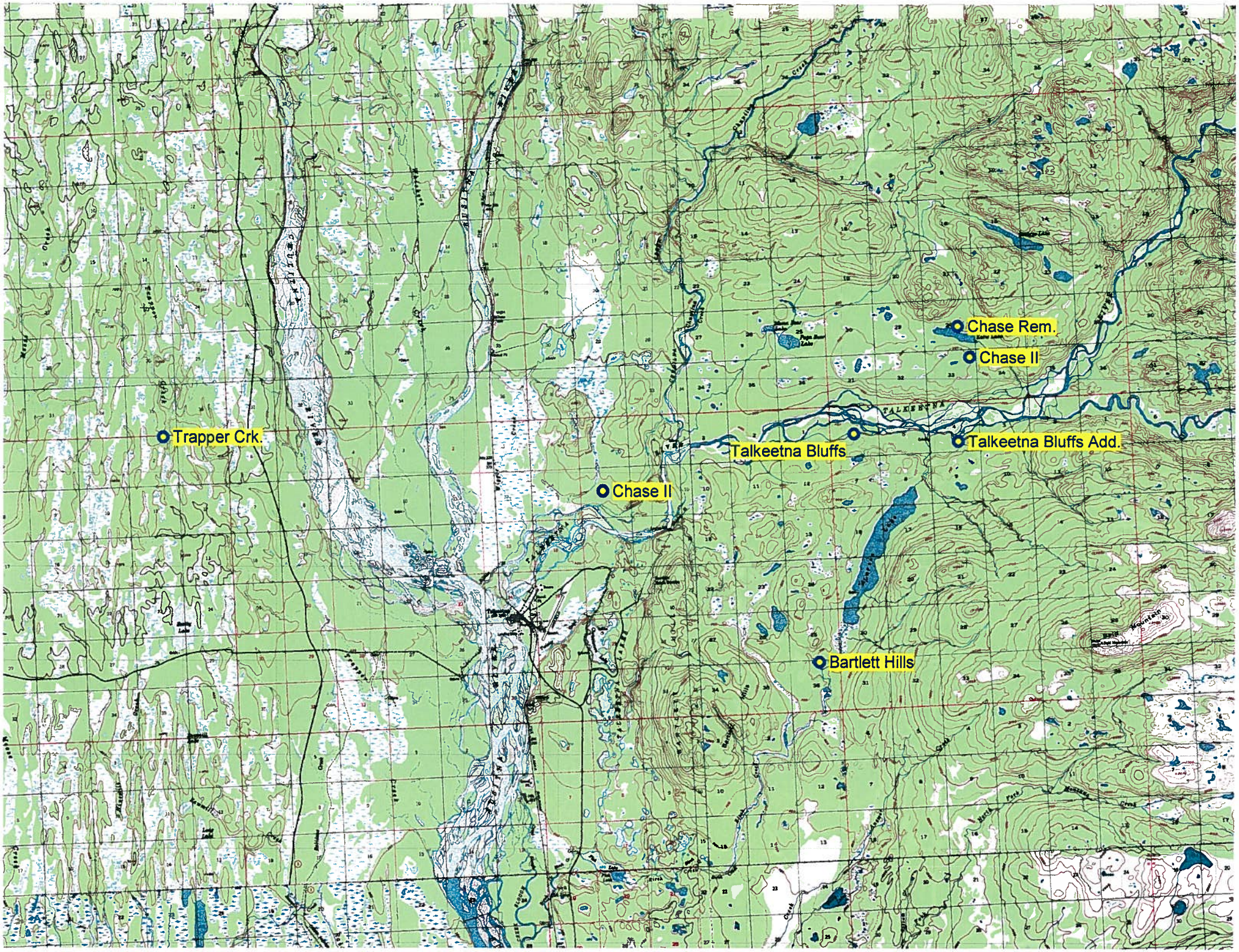
The majority of residents have individual wells, septic tanks, and complete plumbing. A piped water and sewer system is maintained by the Mat-Su Borough. The high school operates its own water system. A borough-operated refuse transfer station is located at mile 11.5 Talkeetna Spur Road. A sludge disposal site is available locally. Electricity is provided by Matanuska Electric Association. There is one school located in the community, attended by 90 students.

Talkeetna is accessible by road, air, and train. The Talkeetna Spur Road connects to the George Parks Highway. There are two state-owned runways. One is asphalt paved and 3,500' long by 75' wide runway; the other is a 480' long by 85' wide gravel strip. There are several additional airstrips in the vicinity, including one owned by the U.S. Bureau of Land Management. There is an Alaska Railroad depot.

Trapper Creek Neighborhood
Trapper Creek lies between mile 107 and 133 of the George Parks Highway, in the Mat-Su Borough. It lies about 17 miles north of the Talkeetna Spur Road, and west of the confluence of the Chulitna, Susitna, and Talkeetna Rivers within the Talkeetna Recording District.

Subsistence and sporting activities are an integral part of the lifestyle, some residents are retired. Those who are employed work in a variety of industries such as education, transportation and construction. Trapper Creek has developed from homesteading through the 1960s, and some recent new subdivisions. Recreation, hunting, snowmobiling and dog mushing are popular activities. Middle and high school students attend Susitna Valley in Y, at Milepost 98.

The majority of occupied homes use individual wells and septic tanks, while the school operates its own permitted well water system. A Borough refuse transfer station is located at mile 15.3 of the Parks Hwy. Electricity is available on Petersville Road for approximately 6 miles west of the Parks Highway. Residents beyond this point use individual generators.


Chase Rem.
Chase II
Trapper Crk.
Talkeetna Bluffs
Talkeetna Bluffs Add.
Chase II
Bartlett Hills

Trail to Bartlett Hills Tract A ADL 205622, subject to the right.

On Bartlett Hills Tract A ADL 205622.

General Property Description for Bartlett Hills Subdivision ASLS 79-143A

Legal Description

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	MSB Tax ID
205622	Bartlett Hills Tract A	S026N004W25,36	15	2	79-143A	5.00	86-133	Anchorage	2051B01L049

Location
Bartlett Hills Tract A is located is located approximately 5 miles east of Talkeetna, one half mile west of the Healy Intertie, within Township 36 North, Range 4 West of the Seward Meridian.

Access
Access to the subject is via constructed ATV trail during the summer and snowmachine during the winter.

Size & Shape
The subject is 5 acres and rectangular.

Topography
The subject is level with minimal variation in elevation, and approximately 700 feet above sea level.

Soils/Vegetation
Subdivision contains primarily mature birch and spruce mix. Soils are typical of the surrounding area.

Utilities, Water & Sewer
The subject does not have utilities. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Easements & Zoning Regulations
No zoning, the subject is located within an unregulated area of the Mat-Su Borough. There is a 25 foot building setback from all rights-of-way and a 15' utility easement along all interior lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials
No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments[6]
The subject is located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2010 mill rate for the subdivision was 13.08.

Ownership History
ADL 205622 was offered through the 1982 DNR Lottery. The parcel did not receive any applicants but received an application in 1983. The applicant entered into a purchase contract with DNR. The land sale contract was then terminated in 2008 due to non-payment.

The Department of Natural Resources is the current owner of record for the subject parcel.

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

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[6] http://www.matsugov.us/realpropertyquery/detail

Approaching Chase II ADL 214441, subject is between drainage and fall hill.

Over Chase II ADL 214441.

General Property Description for Chase II Subdivision ASLS 79-149

Legal Description

ADL	Subdivision	MTRS	Lot	Bk.	Unit	ASLS	Acres	Plat	Recording District	MSB Tax ID
214441	Chase II	S026N004W8	5,6	12	IIB	79-209	10.00	82-3	Talkeetna	2058B12L005-1
214563	Chase II	S027N003W34	1, 2	15	VC	79-209	8.988	82-3	Talkeetna	2061B15L001-1

Location
ADL 214441 is located 3 miles northwest of Talkeetna within Section 8, Township 26 North, Range 4 West, Seward Meridian.

ADL 214563 is located 10 miles northwest of Talkeetna within Section 34, Township 27 North, Range 3 West, Seward Meridian. Both parcels are north of the Talkeetna River.

Access
Access to the subdivision is by ATV then overland by foot to the subjects. There are several constructed trails throughout the subdivision, yet none of the subjects have direct constructed access. Winter access is by snowmachine and is more feasible than summer access.

Size & Shape
The subjects are 8.988 to 10 acres and rectangular.

Topography
The subjects are level with minimal variation in elevation. ADL 214441 is 525' above sea level, while ADL 214563 is 800' above sea level.

Soils/Vegetation
Subdivision contains primarily mature birch and spruce mix. Soils are typical of the surrounding area.

Utilities, Water & Sewer
The subject does not have utilities. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Easements & Zoning Regulations
No zoning, the subject is located within an unregulated area of the Mat-Su Borough. There is a 25 foot building setback from all rights-of-way and a 15' utility easement along all interior lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials
No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments[7]
The subject is located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2010 mill rate for the subdivision was 10.35

[7] http://www.matsugov.us/realpropertyquery/detail

Chase II ADL 214563 looking south, Katie Lake is just to the north.

Chase II ADL 214563 in immediate foreground, Katie Lake in background.

Ownership History

ADL 214441 was offered through the 1988 DNR Lottery and received an application to purchase in 1990. The application was terminated before a land sale contract was written.

ADL 214563 was offered through the 2002 DNR Sealed Bid Auction, sold OTC in 2005, then was relinquished by the purchaser in 2006.

The Department of Natural Resources is the current owner of record of the subjects.

Personal Property

There is no personal property involved with the appraisal of this property.

Chase Remote ADL 52104 on north side of Katie Lake.

Chase Remote ADL 52104 looking east.

General Property Description for Chase Remote ASLS 72-58

Legal Description

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Plat	Recording District	MSB Tax ID
52104	Chase Remote	S027N003W28	L	72-58	4.84	77-23	Talkeetna	1508000T00L

Location
ADL 52104 is 10 miles northeast of Talkeetna, on the north side of Katie Lake within Section 28 of Township 27 North, Range 3 West of the Seward Meridian.

Access
Access to the subdivision is via float plane in summer or snowmachine in winter.

Size & Shape
ADL 52104 is 4.84 acres and rectangular in shape.

Topography
The subject is level with minimal variation in elevation and approximately 800 feet above sea level.

Soils/Vegetation
Subdivision contains primarily mature birch and spruce mix. Soils are typical of the surrounding area.

Utilities, Water & Sewer
The subject does not have utilities. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Easements & Zoning Regulations
No zoning, the subject is located within an unregulated area of the Mat-Su Borough. There is a 10' pedestrian easement along the ordinary high water line of Katie Lake.

Environmental Hazards, Hazardous Waste & Toxic Materials
No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments[8]
The subject is located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2010 mill rate for the subdivision was 10.35

Ownership History

ADL 52104 was offered through the 2002 DNR Sealed Bid Auction. The parcel did not receive any bids but sold OTC in 2003. The applicant entered into a purchase contract with DNR. The land sale contract was then terminated in 2009 due to non-payment.

The Department of Natural Resources is the current owner of record for the subject parcel.

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

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[8] http://www.matsugov.us/realpropertyquery/detail

Talkeetna Bluffs Lot 2, Block 3, ADL 210346. Constructed ATV access off main trail.

Flat building site on ADL 210346.

General Property Description for:
Talkeetna Bluffs ASLS 80-94 and Talkeetna Bluffs Addition ASLS 81-196

Legal Description

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	MSB Tax ID
210346	Talkeetna Bluffs	S026N003W06	2	3	80-94	4.903		Talkeetna	2133B03L002
214372	Talkeetna Bluffs Add.	S026N003W04	1	3	81-196	5.00		Talkeetna	2272B03L001

Location
Talkeetna Bluffs and Talkeetna Bluffs Addition are located 10 miles east of Talkeetna, south of the Talkeetna River, within Sections 4 & 6, Township 23 North, Range 3 West of the Seward Meridian.

Access
Access to the subdivision is via ATV or snowmachine. There is an established trail to the subjects with a trailhead at the end of Comsat Road.

Size, Shape & Topography
The subjects are 4.903 to 5.00 acres and irregular in shape. The subjects are level with minimal variation in elevation and approximately 500' above sea level.

Soils/Vegetation
Subdivision contains primarily mature birch and spruce mix. Soils are typical of the surrounding area.

Utilities, Water & Sewer
The subject does not have utilities. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the ADEC.

Easements & Zoning Regulations
The subjects are located within an unregulated area of the Mat-Su Borough and are not zoned. On ADL 210346, there is a 20' utility easement along the Talkeetna Heights Avenue right of way. ADL 214372 has a blanket easement along the right of way for maintaining sufficient cut and fill of slopes to conform to minimum Borough standards.

Environmental Hazards, Hazardous Waste & Toxic Materials
No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments[9]
The subject is located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2010 mill rate for the subdivision was 13.08

Ownership History
Both parcels were purchased through the DNR OTC offering in 2000. The contracts were terminated in 2009 due to non-payment. The Department of Natural Resources is the current owner of record of the subject.

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

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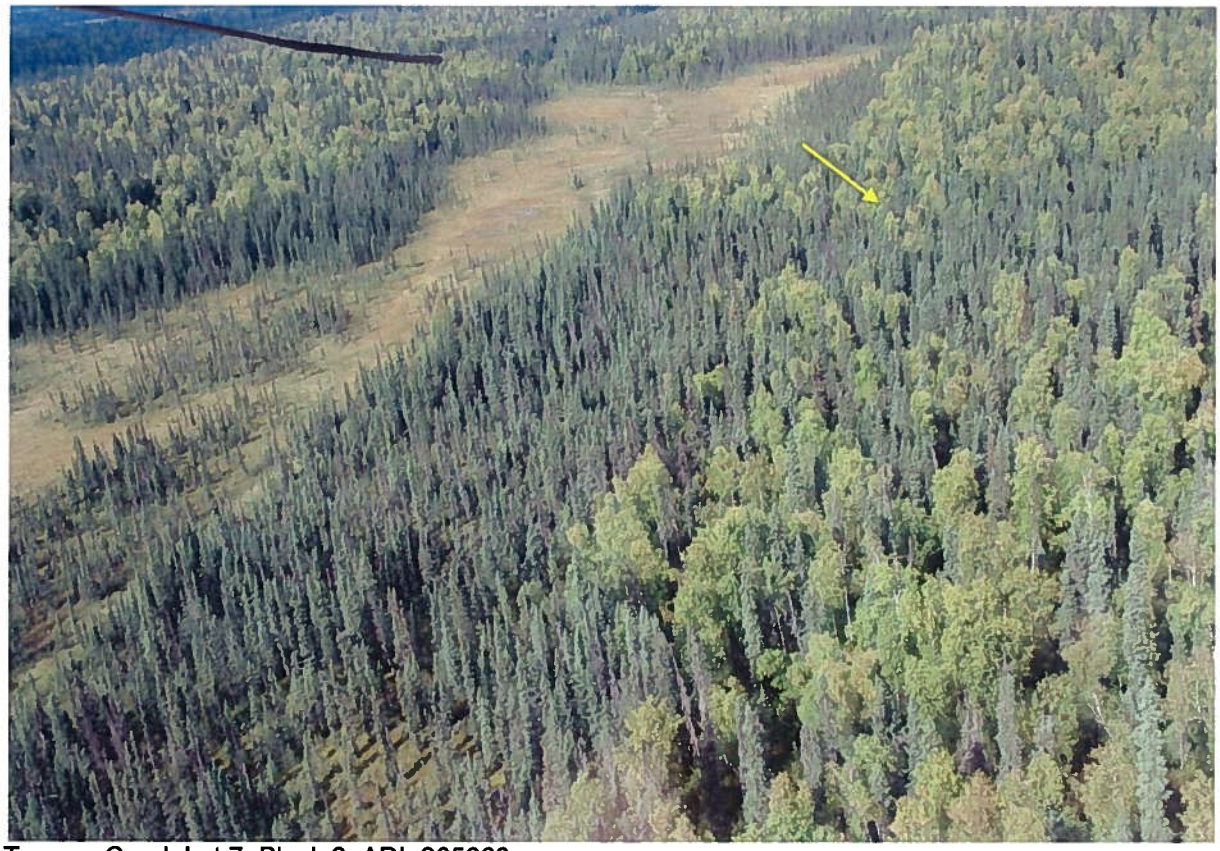
[9] http://www.matsugov.us/realpropertyquery/detail

Talkeetna Bluffs Addition Lot 1, Block 3, ADL 210346.

Talkeetna Bluffs Addition Lot 1, Block 3, ADL 210346 access.



Trapper Creek Lot 7, Block 2, ADL 205663.

Trapper Creek Lot 8, Block 27, ADL 205744.

General Property Description for Trapper Creek Glen ASLS 79-242

Legal Description

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	MSB Tax ID
205744	Trapper Creek Glen	S027N006W26	8	27	79-242	3.135	80-119	Talkeetna	2049B27L008
206267	Trapper Creek Glen	S027N006W25	4	32	79-242	4.765	80-119	Talkeetna	2049B32L004
205663	Trapper Creek Glen	S026N006W11	7	2	79-242	4.742	80-119	Talkeetna	2049B02L007
206019	Trapper Creek Glen	S027N006W36	4	20	79-242	3.747	80-119	Talkeetna	2049B20L004
206023	Trapper Creek Glen	S027N006W36	2	21	79-242	3.452	80-119	Talkeetna	2049B21L002

Location
Trapper Creek Glen is located approximately 5 miles northwest of Trapper Creek within Townships 26 & 27 North, Range 6 West of the Seward Meridian.

Access
Access to the subdivision is via ATV, on foot, or snowmachine. There are multiple established trails throughout the subdivision; however, these trails do not directly access the subjects

Size & Shape
The subjects are 4.903 to 5.00 acres and irregular in shape.

Topography
The subjects are level with minimal variation in elevation and approximately 500' above sea level.

Soils/Vegetation
Subdivision contains primarily mature birch and spruce mix. Soils are typical of the surrounding area.

Utilities, Water & Sewer
The subject does not have utilities. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Easements & Zoning Regulations
The subjects are located within an unregulated area of the Mat-Su Borough and are not zoned. There is a 20' utility easement and 25; building setback along all right of ways. Additionally, there is a 15' utility easement along all common interior lot lines.

Environmental Hazards, Hazardous Waste & Toxic Materials
No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments[10]
The subject is located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2010 mill rate for the subdivision was 14.09.

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[10] http://www.matsugov.us/realpropertyquery/detail

Over Lot 4 Block, 32, ADL 206267.

Trapper Creek Lot 2, Block 21, ADL 206023 sits roughly 300 feet north of the creek (photo looking east).

Ownership History

All of the subject parcels within Trapper Creek Glen were offered through the DNR OTC program. In 2007 and 2008, each of the parcels received an application to purchase by various applicants. None of the applicants pursued a sale contract and each application was either relinquished or terminated. The Department of Natural Resources is the current owner of record of the subject.

Personal Property

There is no personal property involved with the appraisal of this property.

Lot 4, Block 20, ADL 206019 looking south.

ADL 206019 looking west.

Valuation Analysis
Three approaches to value 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 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. Since all the parcels are vacant, 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. Of the three approaches to value, only the sales comparison approach is applicable.

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, and will be utilized. 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.

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 are 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 (or <) 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 (or >) means that the sale feature is inferior to the subject's feature which requires an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 (or =) means the sale feature is similar to the key parcel, 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.

Qualitative adjustments are noted as superior (-), inferior (+), or equal/similar (=). The overall comparability of each sale is analyzed to bracket a probable value for the subject. In many cases, combinations of both quantitative and qualitative adjustments are used.

Data Analysis and Conclusion for

Subjects with Trail Access

Identification of Key Parcel and similar subjects

Subdivision	ADL	MTRS	Lot	Bk.	ASLS	Acres
Bartlett Hills Tract A (KEY)	**205622**	**S026N004W36**	**15**	**2**	**79-143A**	**5.00**
Chase II	214441	S026N004W8	5,6	12	79-149	10.00
Chase II	214563	S027N003W34	1, 2	15	79-149	8.988
Talkeetna Bluffs	210346	S026N003W06	2	3	80-94	4.903
Talkeetna Bluffs Add.	214372	S026N003W4	1	3	81-196	5.00
Trapper Creek Glen	205744	S027N006W26	8	27	79-242	3.135
Trapper Creek Glen	206267	S027N006W25	4	32	79-242	4.765
Trapper Creek Glen	205663	S026N006W11	7	2	79-242	4.742
Trapper Creek Glen	206019	S027N006W36	4	20	79-242	3.747
Trapper Creek Glen	206023	S027N006W36	2	21	79-242	3.452

Data Analysis and Value Conclusion

Key Parcel	ADL 205622, Lot 15, ASLS 79-143A, Bartlett Hills
Location	Approximately 6 miles east of Talkeetna within Township 26 North, Range 4 West, Section 25 & 36.
Access	ATV or snowmachine.
Size & Shape	5 acres and rectangular.
Topography	Level, approximately 700 feet above sea level.
Soils & Vegetation	Mature birch and spruce mix. Soil is predominantly Nancy Silt Loam.
Utilities	None.
Easements & Zoning	No Zoning. Typical subdivision easements.
Environmental Hazards	None observed.
Tax Assessments	2010 mill rate of 13.08. There is no tax burden assessed to the State of Alaska.
Ownership	DNR is the owner of record.
Personal Property	None.
Amenity	None.

Highest and Best Use

Analysis of highest and best use for the subject 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

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

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

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

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