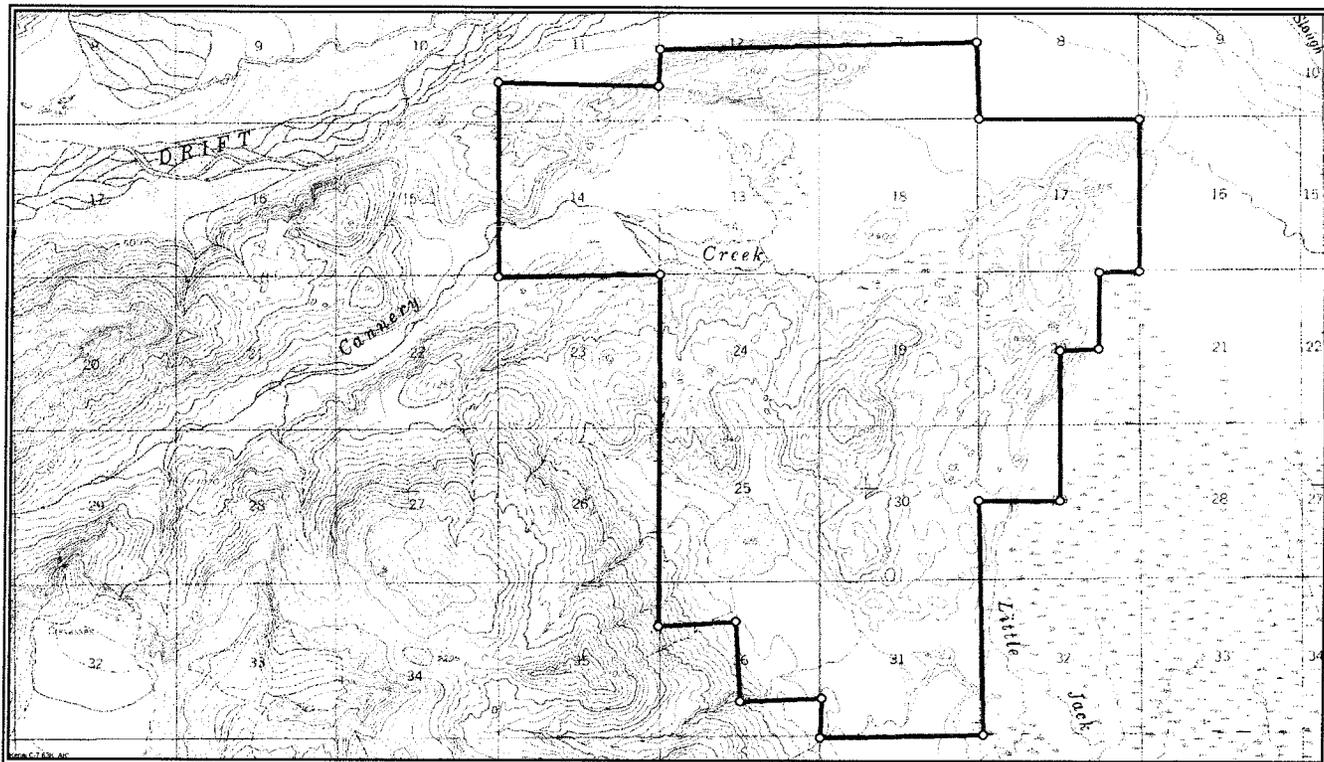


# MARKET VALUE APPRAISAL

of PARCELS within The CANNERY CREEK

## REMOTE RECREATIONAL CABIN STAKING AREA



YEAR 2004

BASE APPRAISAL REPORT No. 3254

### STATE of ALASKA

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

# MEMORANDUM

# State of Alaska

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**Department of Natural Resources**

Tel (907) 269-8514

Fax (907) 269-8914

Michael\_Ward@dnr.state.ak.us

**Division of Mining, Land and Water**

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

Anchorage AK 99501-8914

DATE: April 1, 2004

TO: Judy A. Robinson, SRWA  
Review Appraiser

FROM: Michael R. Ward, Appraiser



SUBJECT: Appraisal of Hypothetical Key Parcels in the Cannery Creek  
Remote Recreational Cabin Staking Area

As requested, I have completed a base report valuation for hypothetical key parcels in the referenced staking area. I understand that this appraisal will be used to determine the base purchase price for recreational parcels staked within this area.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation and in accordance with the Special Instructions DNR Remote Recreational Cabin Site Disposal. This is a complete, 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 not inspected the subject area or the comparable sales used in this report. Physical descriptions of the subject area are based on aerial photography and topographic maps. Based on my observations and analyses of all available data, I have formed an opinion of the market value as of the effective date of value.

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### ADDENDA

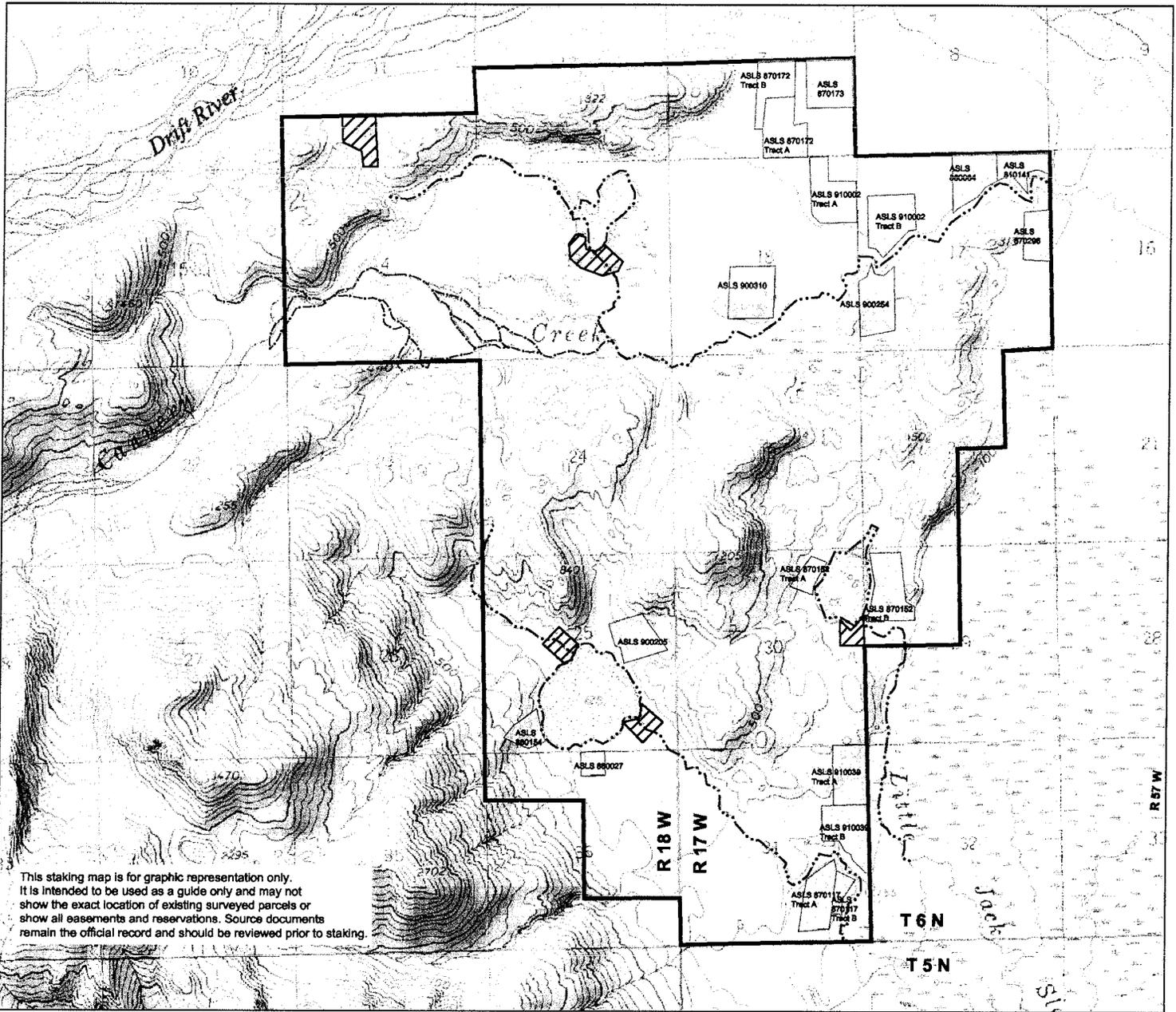
Comparable Sales Forms	
Size Adjustments	
Special Appraisal Instructions	
Title Report	



# DRAFT

# Staking Map: Cannery Creek

Remote Recreational Cabin Site Area No.



This staking map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record and should be reviewed prior to staking.

**USGS QUAD**  
**Kenai C-7, 1:63,360**  
**T 6 N., R 17 W; T 6 N., R 16 W;**  
**Seward Meridian**

Maximum parcel size is 20 acres.

Minimum parcel size is 5 acres.

Staking authorizations: 50

Staking period: September \_\_, 2004 to January \_\_, 2005

All parcels staked on lands owned by the State of Alaska that contain land within 50 feet of a surveyed or proposed (un-surveyed) section line, are subject to a 50-foot wide easement on each side of the section line, which is reserved to the State of Alaska for public highways under AS 19.10.010. Parcels may not be staked over a surveyed section line.

Parcels may not be staked across any public or navigable water body. Parcels are subject to a 50-foot public access easement along the ordinary high water mark.

Parcels are subject to a 100-foot building setback from the ordinary high water line of all water bodies. Some water bodies may also have staking setbacks or water frontage limitations.

A staking setback is required around unauthorized improvements. A staking setback is required around airstrips used by the public.

Most surveys (ASLS, USS) have survey monuments at each corner, which can be used as reference points when staking. See the survey plats for information on corner numbers, bearings, and distances. Monuments found in the field take precedence over the graphic record.

There are public access easements along most ASLS boundaries. Check the survey plats for additional information.

Trail easements have not been verified and their actual location may differ on the ground. Labeling of a trail easement does not guarantee the existence of a trail.

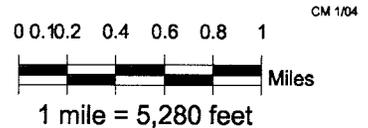
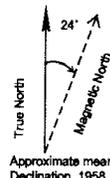
--- Staking setback - 100'

--- Staking setback - 200'

▭ Cannery Creek staking area

▭ Surveys - No Staking Allowed

▨ Reserved Area - No Staking Allowed



Point	Lat	Long	Lat	Long	Lat	Long	Lat	Long	Lat	Long	Lat	Long
274	80	37	30.877866	0.610087	0.008877	80.628243	182	28	16.20233	0.483333	0.008336	-182.446888
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281	80	36	18.88182	0.833333	0.008336	80.808336	182	28	26.88778	0.486887	0.007196	-182.472823
282	80	34	64.88242	0.808887	0.018347	80.808336	182	28	26.88778	0.486887	0.007196	-182.472823
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340	80	34	18.88182	0.833333	0.008336	80.808336	182	24	1.88821	0.4	0.004388	-182.400472

## CANNERY CREEK REMOTE RECREATIONAL CABIN STAKING AREA

### PHYSICAL CHARACTERISTICS

<b>Location</b>	The Cannery Creek staking area is located on the west side of Cook Inlet approximately 25 miles west of Kenai and 12 miles northeast of Redoubt Volcano, near Redoubt Bay and the mouth of the Drift River. This area encompasses approximately 7,440 acres. Thirty (30) parcel staking authorizations will be made available.
<b>Topo map</b>	USGS Kenai C-7 1:63,360
<b>Legal</b>	Township 6 North, Range 17 West, Portions of Sections 7, 17-20 and 29-31, Seward Meridian. Township 6 North, Range 18 West, Portions of Sections 11-14, 24, 25 and 36, Seward Meridian.
<b>Topography/Terrain/ Major features</b>	The 1989 eruption of Redoubt Volcano affected this area. This area is at risk from heavy volcanic ash falls during eruptions. Rust Slough, Cannery Creek, and the Drift River could be subject to catastrophic flooding as a result of volcanic eruptions. The topography is varied, from level to sloping to the steep foothills of Mount Redoubt. Cannery Creek is within the northern half of the staking area, while Round Lake Creek is located in the south portion of the area. Round Lake is located in the southern portion of the area and contains approx. 55 acres
<b>Access</b>	Access is by floatplane to any of three small lakes in the area. Gravel bars along the Drift River would provide wheeled plane access to the northern portion of the area. Boat access from Cook Inlet is five miles east of the subject. It is not known how much of the Drift River is navigable. Previous access up Cannery Creek (north portion of area) has been truncated by an ash induced, five foot waterfall, approximately 3-4 miles east of the staking area.
<b>Roads/Trails</b>	This area was previously offered under the Homestead program. There may be existing trails in the area accessing the homesteads.
<b>View</b>	Predominant views of Mt. Redoubt and the Chigmit Mountains.
<b>Soils</b>	Well drained on benches and rolling hills, sandy glacial outwash with volcanic ash layering.
<b>Vegetation</b>	A vegetative cover of cottonwood, white spruce, alder and tall willows are present in the better drained areas. Dominant vegetation in wet areas is sedges, mosses, willows and other shrubs.
<b>Water source</b>	Lakes, streams and rain catchment.

### EASEMENTS AND RESERVATIONS

<b>Title</b>	T 6 N, R 17 W, SM: Patent No. 50-66-0334; state selection file GS 359 T 6 N, R 18 W, SM: Patent No. 50-66-0326; state selection file GS 363
<b>Area Plan, Management Unit, Classification</b>	Kenai Area Plan, adopted January 7, 2000 Region 11- West Side of Cook Inlet North of Redoubt Bay Management Unit 158 - Upper Cannery Creek Map 11G – Drift River and Map 11H – Redoubt Bay and Kalgin Island Classified Settlement.
<b>Fire Management Option</b>	Unknown.
<b>Allowed uses</b>	Remote Recreational Cabin Site leases are for recreational use only. No commercial use or permanent residence is allowed while under lease. Once the parcel is under purchase contract or conveyed into private ownership, these restrictions no longer apply.
<b>Municipal authority</b>	This staking area is within the boundaries of the Kenai Peninsula Borough. It is subject to the Kenai Peninsula Borough platting authority.
<b>Section line easements</b>	All parcels staked on lands owned by the State of Alaska that contain land within 50 feet of a surveyed or protracted (unsurveyed) section line, or that are bisected by a protracted section line(s), are subject to a 50-foot wide easement on each side of the section line, which is reserved to the State of Alaska for public highways under AS 19.10.010. Staking is not allowed across surveyed section lines or surveyed township lines.
<b>Public access and utility easements</b>	Parcels are subject to a minimum 25-foot public access and utility easement along interior parcel boundary lines and a minimum 60-foot public access easement along all existing trails. Stakers may not obstruct or block access within these easements.
<b>Public and navigable waterbodies and easements</b>	Staking is not allowed across public or navigable water bodies. Parcels are subject to a 50-foot public access easement along the ordinary high water line of public or navigable water bodies.

<b>Setbacks and other restrictions</b>	There is a 200' staking setback upland from the ordinary high water mark of designated anadromous streams and lakes. The upper reaches of Cannery Creek are subject to a 100' staking setback. Stream crossings with motorized vehicles may be prohibited by applicable state and federal laws. Water frontage limitations may apply to some water bodies.
<b>Reserved areas</b>	No staking is allowed within areas reserved or excluded on the staking maps for wood lots, airstrips, habitat protection, public use or other uses.
<b>Waste disposal</b>	Wastewater treatment and disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation. Contact ADEC for information.
<b>Wetlands</b>	Parcels may contain wetlands and may require Army Corps of Engineers permits prior to placement of fill material. Contact ACOE or the Kenai Peninsula Borough for more information.
<b>Improvements</b>	Prior to construction of any structure or waste disposal system, contact the platting authority for any permits or for required setbacks from water bodies, lot lines and easements.
<b>Comments</b>	Bears feed along Cannery Creek. Anadromous fish are found in Round Lake Creek and Cannery Creek.

### Summary of Key Parcels

Hypothetical Key Parcel Key Parcel "A"	Size: 10 acres Lot Type: 1 <sup>st</sup> tier parcel within 500' of float plane access. Access: float/ski plane access in summer/winter. Building Site: at least 50% level, wooded and well drained. Staking Setback: 100'-200' from float plane lakes and creeks. Easements: Typical section-line & pedestrian around lot. Amenities: Typical view of surrounding area.
Hypothetical Key Parcel Key Parcel "B"	Size: 10 acres. Lot Type: 2 <sup>nd</sup> tier parcel more than ¼ mile from recognized trail or landing site Access: Within ¼ mile of a trail. Building Site: at least 50% level, wooded and well drained. Staking Setback: 100'-200' from anadromous creeks. Easements: Typical section-line & pedestrian around lot. Amenities: Typical view of surrounding area.
Improvements	None
Highest and Best Use	Recreational cabin sites
Interest Appraised	Fee simple title, excluding mineral rights
Date of Inspection	Not Inspected
Effective Date of Value	April 1, 2004
Date of Report	April 1, 2004

A **1<sup>st</sup> Tier parcel** is defined as "a parcel with direct frontage on a lake or river, or is separated from the water by public land."

A **2<sup>nd</sup> Tier parcel** is defined as a "location where a parcel(s) could be staked between the subject and the nearest water-body access."

Conclusion of Values for Hypothetical Key Parcels		
	1 <sup>st</sup> Tier Parcel "A"	2 <sup>nd</sup> Tier Parcel "B"
Minimum Parcel Size	5 acres	5 acres
Site Value	\$9,300 Rd.	\$4,700 Rd.
Unit Value	\$1,862*	\$931*
Key Lot Size	10 acres	10 acres
Site Value	\$14,000	\$7,000
Unit Value	\$1,400	\$700
Maximum Parcel Size	20 acres	20 acres
Site Value	\$21,000 Rd.	\$10,500 Rd.
Unit Value	\$1,050*	\$525*

- \* Unit values based on size adjustment chart located in Addenda. Staked parcel values could be higher or lower depending upon individual characteristics and the adjustments noted on the following page. Some numbers have been rounded.

The report is based on the **extraordinary assumption** that all staked parcels have legal access across any staking area setbacks identified within the staking area. It is assumed that these setbacks will remain in state ownership. It is assumed that the appropriate platting authority will approve plats for all parcels staked under this program. We reserve the right to amend this report should unanticipated platting problems require changes that would significantly impact value.

## Adjustments

Date of Value	Date of filing	To Be Determined
Size, acres	Adjustment for variations in size.	See Addenda
Access	Between 501' and 900' from float plane access. Between 901' and 1,320' from float plane access. More than 1/4 mile from trail	0.75 of Key "A" 0.65 of Key "A" 0.90 of Key "B"
Amenities	Creek frontage with 200' setback Non named/non-anadromous creek frontage with no setback Outstanding views Non-float plane lake frontage	1.25 of Key "B" 1.10 of Key "A" or "B" 1.10 of Key "A" or "B" 1.25 of Key "B"
Building site	Poor: Mostly steep, or wet ground, or unstable soils. Average: At least 50% level to gently sloping, adequately drained & wooded. Good: Mostly level to gently sloping, well drained and wooded.	0.90 1.00 1.10
Easements	Typical easements are considered in the base value. Adjustments for other easements or trails across staked parcels to be handled based on reduced useable area & impact on remainder.	To be determined

**Adjustment Process:** An adjustment of less than 1.00 means the feature of the staked parcel is inferior to the hypothetical key parcel and requires a downward price adjustment. An adjustment of greater than 1.00 means the feature is superior to the hypothetical key parcel, requiring an upward adjustment. An adjustment of 1.00 means the property 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 estimated value of the key parcel to yield a value for the staked parcel.

## PREMISES OF THE APPRAISAL

### TYPE OF APPRAISAL AND REPORT

This is a complete, summary appraisal prepared in accordance with Standard Rules 1 and 2 of the Uniform Standards of Professional Appraisal Practice, Appraisal Foundation, and in accordance with Special Appraisal Instructions, DNR Remote Cabin Sites.

### PURPOSE OF THE APPRAISAL

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

### INTENDED USE OF THE APPRAISAL

This appraisal will be used to determine the purchase price for parcels to be acquired under the Remote Recreational Cabin Site program (AS 38.05.600).

### CLIENT AND USER IDENTITY

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

### PROPERTY RIGHTS APPRAISED

The rights appraised are the fee simple estate less the mineral rights reserved to the State of Alaska under AS 38.05.125(a). Fee simple estate is defined<sup>1</sup> as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

AS 38.05.125(a) 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 which may be in or upon said land...[and the right] to occupy as much of said land as may be necessary or convenient... to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.*

### DEFINITION OF MARKET VALUE<sup>3</sup>

*The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.*

In accordance with instructions from the State of Alaska, market value for the appraised property is estimated in terms of seller financing typical for the property type as of the date of appraisal.

<sup>1</sup> The Appraisal of Real Estate, 12th 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, 12th Edition, Appraisal Institute, 2001, p.22

## DEFINITION OF EXTRAORDINARY ASSUMPTION<sup>4</sup>

*"an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.*

The report is based on the extraordinary assumption that all staked parcels have legal access across any staking area setbacks identified within the staking area. It is assumed that these setbacks will remain in state ownership. It is assumed that the appropriate platting authority will approve plats for all parcels staked under this program. We reserve the right to amend this report should unanticipated platting problems require changes that would significantly impact value.

## EFFECTIVE DATE OF VALUE ESTIMATE

The effective date of the value estimate is April 1, 2004.

## EXPOSURE TIME

Exposure time is "...the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal..."<sup>5</sup>

Exposure time varies with the type of property and changes with market conditions. The market for remote recreational properties has been sluggish for years. Supply has grown faster than demand. The market is somewhat saturated. Primary sellers are DNR, the University of Alaska, the Mental Health Lands Trust, Native allottees, and some boroughs. Remote parcels such as the subject typically require 12 or more months of marketing time.

Compared with competing parcels in the overall market for remote parcels, the market appeal for the subject parcels is average to poor. Considering exposure times for similar properties, appraised values for the subject parcels are based on an exposure time of one to three years.

## MARKETING TIME

"Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal."<sup>6</sup>

Considering current market conditions and foreseeable supply and demand as of the date of appraisal, appraised values for the subject parcels are based on an estimated marketing time of one to three years.

## SCOPE OF THE APPRAISAL

I did not inspect the staking area in the field. Physical features, access and utilities were identified by the use of topographic maps, status plats, aerial photographs, DNR appraisal records and interviews with people who are familiar with the area. The Alaska Volcano Observatory was also contacted regarding the potential of future eruptions and the possible threats posed by airborne ash and muddy volcanic floods. Threats to the cabin staking area would predominately be from airborne ash contaminating surface water, fouling mechanical operations (especially aircraft) and compromising the ability to work outdoors.

Also, DNR appraisal records were searched for recent sales of similar parcels. Interviews were conducted with real estate agents, appraisers, and other individuals who provided data about trends in values, supply and demand. Sellers and buyers were contacted to verify sale prices and other transaction details.

<sup>4</sup> *The Uniform Standards of Professional Appraisal Practice (USPAP)*, Appraisal Foundation, 2004, p.3

<sup>5</sup> *op. cit.* p. 83.

<sup>6</sup> *Uniform Standards of Professional Appraisal Practice 2001*, Appraisal Foundation, p. 128.

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

### ASSUMPTIONS AND LIMITING CONDITIONS

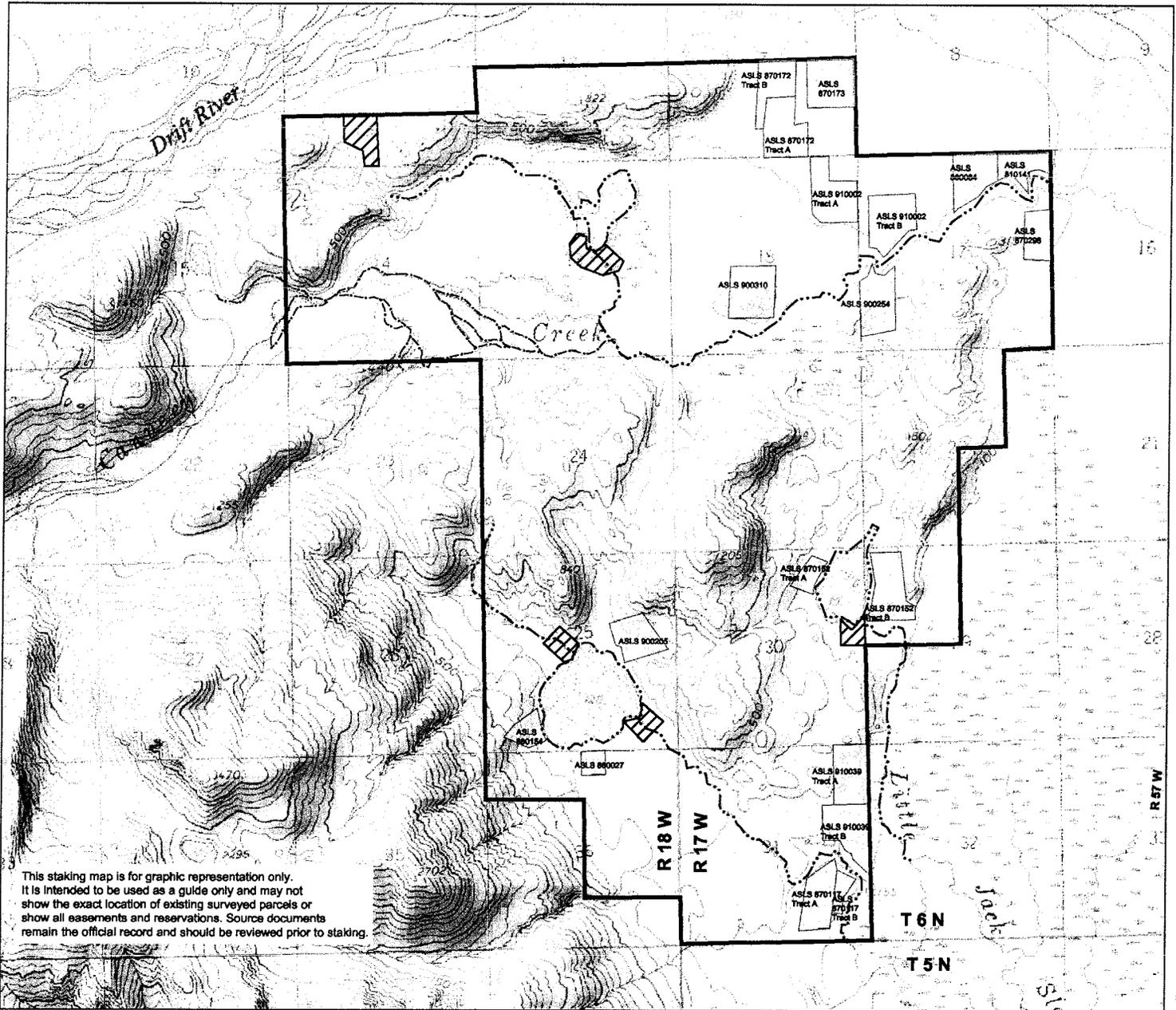
1. The property is appraised as vacant land without structural or site improvements.
2. Some parcels may contain saw timber but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.
3. The data and conclusions embodied in this report are a part of the whole valuation. Each part of this appraisal is only part of the evidence upon which final judgement is based. Therefore, no part should be used out of context and by itself alone.
4. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless prior arrangement has been made and adequate time is provided to review the appraisal.
5. The estimate of value in this report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
6. In this valuation various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.
7. The information furnished by others is believed to be reliable but it is not warranted for its accuracy. Plats of lease areas in this report are included for illustration only and may not be to scale.
8. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions, or for arranging engineering studies to discover them.
9. Unless otherwise stated in this report, the appraiser does not know about the existence of hazardous materials or toxic substances, which may or may not be present on the property. The appraiser is not qualified to detect such substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required discovering them.
10. The report is based on the extraordinary assumption that all staked parcels have legal access across any staking area setbacks identified within the staking area. It is assumed that these setbacks will remain in state ownership. It is assumed that the appropriate platting authority will approve plats for all parcels staked under this program. We reserve the right to amend this report should unanticipated platting problems require changes that would significantly impact value.



**DRAFT**

**Staking Map: Cannery Creek**

Remote Recreational Cabin Site Area No.



This staking map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record and should be reviewed prior to staking.

**USGS QUAD**  
**Kanal C-7, 1:63,360**  
**T 6 N., R 17 W; T 6 N., R 18 W;**  
**Seward Meridian**

Maximum parcel size is 20 acres.

Minimum parcel size is 5 acres.

Staking authorizations: 50

Staking period: September \_\_, 2004 to January \_\_, 2005

All parcels staked on lands owned by the State of Alaska that contain land within 50 feet of a surveyed or projected (un-surveyed) section line, are subject to a 50-foot wide easement on each side of the section line, which is reserved to the State of Alaska for public highways under AS 19.10.010. Parcels may not be staked over a surveyed section line.

Parcels may not be staked across any public or navigable water body. Parcels are subject to a 50-foot public access easement along the ordinary high water mark.

Parcels are subject to a 100-foot building setback from the ordinary high water line of all water bodies. Some water bodies may also have staking setbacks or water frontage limitations.

A staking setback is required around unauthorized improvements. A staking setback is required around airstrips used by the public.

Most surveys (ASLS, USS) have survey monuments at each corner, which can be used as reference points when staking. See the survey plats for information on corner numbers, bearings, and distances. Monuments found in the field take precedence over the graphic record.

There are public access easements along most ASLS boundaries. Check the survey plats for additional information.

Trail easements have not been verified and their actual location may differ on the ground. Labeling of a trail easement does not guarantee the existence of a trail.

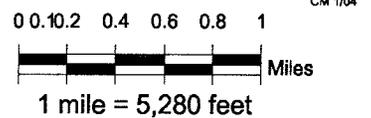
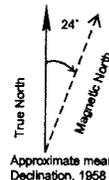
--- Staking setback - 100'

--- Staking setback - 200'

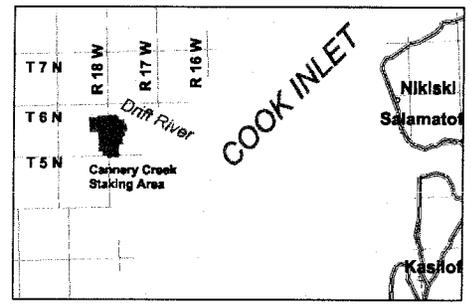
Cannery Creek staking area

Surveys - No Staking Allowed

Reserved Area - No Staking Allowed



Point	Lat	Long	Lat	Long	Lat	Long	Lat	Long	Lat	Long	Lat	Long
474	50	37	30.87650	0.91967	0.00867	80.87634	162	29	18.32892	0.48333	0.00830	182.48808
421	50	37	4.8776	0.91967	0.001368	80.818022	162	29	18.08787	0.48333	0.00830	182.48808
417	50	37	4.8776	0.91967	0.001368	80.818022	162	29	18.08787	0.48333	0.00830	182.48808
317	50	36	12.88162	0.8	0.002678	80.800678	162	27	68.83276	0.48	0.019637	182.48833
318	50	36	12.88162	0.8	0.002678	80.800678	162	27	68.83276	0.48	0.019637	182.48833
268	50	36	48.86398	0.88333	0.010038	80.888367	162	27	58.85336	0.48	0.019637	182.48833
269	50	36	48.86398	0.88333	0.010038	80.888367	162	28	26.86878	0.48867	0.007188	182.47982
219	50	36	30.86603	0.88333	0.008028	80.898136	162	28	26.76867	0.48867	0.007188	182.47982
169	50	34	84.88743	0.88887	0.018247	80.888181	162	28	26.86441	0.48867	0.007188	182.47982
171	50	34	84.88743	0.88887	0.018247	80.888181	162	28	18.88798	0.48333	0.00830	182.48833
21	50	35	36.86593	0.86	0.002048	80.860248	162	18	48.14108	0.3	0.007817	182.37102
22	50	35	36.86593	0.86	0.002048	80.860248	162	20	30.08886	0.33333	0.00830	182.34188
26	50	35	48.86208	0.86	0.010889	80.863889	162	20	30.08886	0.33333	0.00830	182.34188
28	50	35	48.86208	0.86	0.010889	80.863889	162	21	22.87988	0.38	0.00830	182.36836
78	50	34	18.86208	0.88887	0.004414	80.870281	162	21	22.88146	0.38	0.00830	182.36836
80	50	34	18.86208	0.88887	0.004414	80.870281	162	22	18.17881	0.38867	0.004388	182.37102
102	50	34	28.88883	0.88887	0.008038	80.874881	162	22	18.72817	0.38867	0.004388	182.37102
325	50	36	12.88162	0.8	0.002678	80.800678	162	22	18.8231	0.38867	0.004388	182.37102
326	50	36	12.88162	0.8	0.002678	80.800678	162	24	1.88231	0.4	0.004388	182.37102
434	50	37	17.87868	0.81887	0.004888	80.821432	162	34	1.88836	0.4	0.004388	182.40472
436	50	37	17.87868	0.81887	0.004888	80.821432	162	35	18.88118	0.38867	0.004388	182.37102
446	50	37	30.87650	0.91967	0.00867	80.87634	162	35	18.88862	0.38867	0.004388	182.37102
481	50	37	30.87650	0.91967	0.00867	80.87634	162	35	30.08886	0.33333	0.00830	182.34188



## PRESENTATION OF DATA AREA ANALYSIS

### LOCATION

The Cannery Creek Remote Recreation Cabin Staking area is located near Redoubt Bay, on the west side of Cook Inlet. This is a remote and roadless area located 95 miles southwest of Anchorage and 35 miles southwest of Kenai, Alaska

### AREA AND NEIGHBORHOOD DESCRIPTION

The subject staking area is located in southcentral Alaska, which is the most populous area in Alaska. The entire staking area is within the Kenai Peninsula Borough.

The subject neighborhood includes the lowland area on the west side of Cook Inlet, just south of the Drift River. The staking area is approximately ten miles northeast of Redoubt Volcano, which last erupted in 1990. The area was inundated with up to four feet of ash, which substantially altered the courses of Cannery and Round Lake creeks. Previous access up the Cannery Creek has been truncated by an ash-induced waterfall, with an estimated height of five feet. The Alaska Department of Fish and Game is studying installation of a fish ladder type system that would provide access for the anadromous fish population. Investigations in the area indicate that Redoubt Volcano has erupted 30 times during the last 10,000 years.

This is a remote area accessible only by float plane aircraft to one of the two or three small lakes in the area. Wheeled planes may be able to use the gravel bars of the Drift River to access the northern portions of the area. A large swamp to the east separates the staking area from Cook Inlet. Small lakes, ponds and small creeks drain the area.

The topography in the area is undulating, and varies from 100 feet to 1,500 feet above mean sea level. Most of the soils consist of sandy glacial outwash, but a few are formed in stratified silty and sandy sediments, with very gravelly river outwash near larger streams. The dominant vegetation is sedges, mosses, willows and other shrubs in wet areas. Cottonwood, spruce, alder and tall willows cover better-drained areas. The area provides excellent habitat for waterfowl, moose and bear.<sup>7</sup>

Alaska Department of Fish and Game did not have any data about the lakes. The surrounding area has many ponds, creeks and a large swampy area in the north that provide a habitat for water fowl. The current land records do not show any ownership changes in the cabin staking area. This area is not as popular with the Anchorage recreation market because it is 100 air miles or 1.5 hours flying time from the city. A more economical fly-in is from the Kenai/Soldotna/Homer areas, which amounts to a short 40 minute flight. The Cook Inlet lowlands are popular for moose, bear and water fowl hunting. Hunters use the Drift River sand bars for aircraft landings and take-offs.

The Alaska Volcano Observatory was also contacted regarding the potential of future eruptions and the possible threats posed by airborne ash and muddy volcanic floods. The volcano last erupted in 1968 and 1989/1990 and will assuredly erupt again in the future. Threats to the cabin staking area would predominately be from airborne ash contaminating surface water, fouling mechanical operations (especially aircraft) and compromising the ability to work outdoors.

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<sup>7</sup> 1979. Exploratory Survey of Alaska, USDA, Soil Conservation Service, pp. 61-2

## DATA ANALYSIS and CONCLUSION

Highest and best use analysis identifies the most profitable and competitive use of the property. Therefore, highest and best use is a market driven concept that is fundamental to the valuation of a property.

### HIGHEST AND BEST USE

Highest and best use is defined as:

***the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.***<sup>8</sup>

The highest and best use of a site must meet four criteria. The highest and best use of a property must be:

- legally permissible,
- physically possible,
- financially feasible, and
- maximally productive.

The value of land is generally estimated as though vacant and available for development to its highest and best use. The appraisal of improvements (when present on the site) is based on their actual contribution to the total value of the property. The appraised property is vacant and unimproved.

### HIGHEST and BEST USE of SITE as VACANT

#### **Legally Permissible**

There are no local zoning laws limiting the development of this parcel. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. The key parcel could be developed for almost any legal use.

#### **Physically Possible**

The subject size and physical characteristics are adequate to support all reasonable and probable uses.

#### **Financially Feasible**

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

#### **Maximally Productive**

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

#### **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.

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<sup>8</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p305

## SALES COMPARISON APPROACH

### KEY PARCEL METHOD

In appraising a number of similar parcels, it is accepted appraisal practice to appraise a key parcel that is most representative of all the 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 for the Remote Recreational Cabin Site program require the appraiser to develop and use quantitative adjustments. Ideally, the value difference 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 between the property appraised and the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgement 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 the appraised property and requires a downward price 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 key parcel; inferior features require a negative adjustment. The following is a summary of adjustments and how they were estimated. Detailed information about the comparable sales and the adjustments is contained in the Addenda.

**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 estate less mineral rights as per Alaska Statute 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. As a result of the testing for coal-bed methane (CBM) gas in the Mat-Su Valley, the level of public interest in the controversy is elevated. It is too soon to tell if a reaction (positive or negative) to this type of development will be evident in the market place. Until the situation is clarified, the impact from CBM drilling is unknown and no adjustment will be made.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. In some markets cash may command a discount compared with typical seller financing. The amount of the discount is usually proportional to the total price. Inexpensive parcels are seldom discounted for cash. Available sales do not offer reliable comparisons for measuring price differences due to terms. The trend is for cash sales

to be at the lower end of the price range. Listed prices which set the upper limit of value were also considered in this analysis.

**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 indicates that prices of vacant land have been level in recent years. Comparable sales used in this valuation are the most recent transactions available and need no adjustment for time.

**Lot Type/Frontage** The first hypothetical key parcel has frontage on a float plane accessible lake in the area. Parcel "A" is defined as "a parcel with direct frontage on a lake or river, or is separated from the water by public land." The second has no lake frontage. Parcel "B" is defined as a "location where a parcel could be staked between the subject and the nearest water-body access."

Sales previously analyzed on and near the Totek Lake and Deadman Lake (DNR Appraisal #3073) indicates that back lots sell for 25% to 35% of the lakefront parcels. An analysis done in DNR Appraisal #3082 found parcels on fly-in lakes sell for 33% to 180% more than the non-frontage off the lake. Stated alternatively, interior parcels sell for 35% to 75% of fly-in lakefront properties.

An additional study (Appraisal 3197) completed by Brandon Simpson of the State DNR of parcels in the upper Susitna drainage, found a 40% decrease in per acre prices between fly-in lake front lots and interior lots located more than a ¼ mile from the water frontage.

Given all the above data, a 2<sup>nd</sup> tier key Parcel B will be adjusted downward 50% from the float plane accessible, key Parcel A.

**Location/Access** The subject may be accessed from two floatplane accessible lakes, but require a high performance plane due to the short length of the lakes and the surrounding terrain. Use of the gravel bars along the Drift River would require a mile plus overland hike to access good south facing land. Previous access up Cannery Creek has been blocked by ash deposits. The six comparables have superior access and require a downward adjustment. While a market-generated adjustment is not possible to extract, experience suggests that a 10% to 20% downward adjustment is reasonable depending upon comparable access. The comparables will be adjusted downward 10% to 20% depending upon the quality of the boat and plane access. Sales 1 and 6 can be reached by plane and boat and will be adjusted downward 10% to 20%. Sales 2, 3, 4 and 5 are located on similar fly-in lakes and require no adjustment.

**Size** The price per acre varies inversely with the size of parcel. Many analyses have revealed the fact that when the parcel size doubles, the unit value decreases to a point at which the change is minimal. A detailed explanation of the application of adjustments is included in the addenda of this report.

**Building Site** Several factors such as drainage, soils, and topography may affect the location, size, and number of potential building sites. These factors and their adjustments are noted as follows:

Site Characteristics	Site Quality Rating	Adjustment Multiplier
Mostly steep, or wet ground, or unstable soil conditions	Poor	1.10
At least 50% level to gently sloping, well drained and wooded	Average	1.00
Mostly level to gently sloping, well drained and wooded.	Good	0.90

**Easements** Public access and utility easements along section and lot lines are 15 to 50 feet wide or as required by the platting authority. Most easements are within the limits of normal setback distances along the property lines. None of the sales have abnormal easements and there are no adjustments required.

### VALUATION OF HYPOTHETICAL KEY PARCEL

The following sales are the most recent transactions of remote parcels similar to the key parcel.

No.	Data ID	Date	Location	Access	Legal	ASLS#	Acres	Price	\$/Acre
1	13428	2/02	Loon Lake, Kachemak Bay	Fly-In/ Walk-in	Tr. K	73-47	3.80	\$10,900	\$2,868
2	13405	12/99	Wadell Lake	Fly-in	Tr. A	86-110	10.00	\$15,000	\$1,500
3	13940	5/03	Wadell Lake	Fly-in	Tr. B	86-110	10.00	\$16,000	\$1,600
4	13941	5/03	Bear Lake	Fly-in	Tr. C	87-190	6.77	\$13,000	\$1,920
5	13942	11/03	High Mt. Lakes	Fly-in	B9, L7	80-154	4.87	\$9,500	\$1,950
6	13404	5/02	Cook Inlet	Boat/Fly-in	N/a	USS 4510	5.00	\$12,500	\$2,500

### DESCRIPTION AND VALUATION OF KEY PARCEL "A"

**Location** Cannery Creek Remote Staking Area  
**Size** 10 acres  
**Lot Type** 1<sup>st</sup> tier parcel within 500' of a float plane accessible lake  
**Access** Floatplane (summer) plane with skis (winter)  
**Building Site** Average - At least 50% dry level ground, sandy soils  
**Utilities** None  
**Setbacks** 100 to 200 feet from lakes and anadromous creeks  
**Easements** Typical lot line easements or as required by platting authority.  
**Waterfront** Float plane lake  
**Amenities** Typical view of surrounding landscape



## SALES COMPARABLES

**Comparable No. 1** is the February 2002 sale of 3.80 acre parcel on Loon Lake, approximately ten miles east of Homer, near Bear Cove. The site is located on the west side of the lake, with moderately steep topography. The area has been decimated by spruce bark beetle infestation and the subject contains a substantial amount of fallen trees. Fly-in access is restricted by wind patterns and length of lake. Secondary access is from an overland trail up a steep trail from Kachemak Bay, which provides boat access to the area. After making an adjustment for size, access and site quality, this sale indicates \$1,931 per acre.

**Comparable No. 2** is a ten acre parcel located on a small cove on Wadell Lake, approximately ten miles south of the staking area. It is 150 feet from the lake, with marshy frontage, that nonetheless has most of the lake front amenities. The parcel is accessed by float plane, similar to the subject. This sale required no adjustments and indicates a value of \$1,500 per acre.

**Comparable No. 3** is the May 2003 sale of a ten acre parcel located on a small cove on Wadell Lake, approximately ten miles south of the staking area. It has 1,622 feet of lake frontage, with a large bench offering multiple building sites and above average views. This sale required a small adjustment for extensive water frontage and indicates a value of \$1,296 per acre. The parcel is accessed by float plane, similar to the subject. This parcel was purchased from the Department of Natural Resources in an over the counter transaction. It was available for 16 months prior to a full price, cash transaction.

**Comparable No. 4** is the May 2003 sale of a 6.77 acre parcel on the east side of Bear Lake, approximately nine miles south of the staking area. The site is high and dry, providing good building sites, lake frontage and above average views. This sale required a small adjustment for size and indicates a value of \$1,417 per acre. The parcel is accessed by float plane, similar to the subject. This parcel was purchased from the Department of Natural Resources in an over the counter transaction. It was available for 16 months prior to a full price, cash transaction.

**Comparable No. 5** is the July 2003 sale of a 4.87 acre parcel in High Mountain Lakes Subdivision, located approximately 65 miles north of the subject staking area. This parcel was purchased from the Department of Natural Resources in an over the counter transaction. The parcel is accessed by float plane, similar to the subject. This sale required a small adjustment for size and indicates a value of \$1,463 per acre.

**Comparable No. 6** is the May 2002 sale of a 5.00-acre parcel on bluff of Cook Inlet, approximately five miles southeast of the staking area. The parcel has three small buildings, which were in poor condition and had no contributory value. This site has superior access as it can be reached by wheeled planes along the beach front, as well as by boat. The site was listed for \$25,000 for two years prior to sale. This sale required an adjustment for size and access and indicates a value of \$1,500 per acre.

## Reconciliation

Three of the six sales were between private parties, with Sale Nos. 3, 4 and 5 being purchased from the DNR. The adjusted range of values for the Key 1<sup>st</sup> tier parcel is from \$1,296 to \$1,931 per acre, with an average of \$1,518 per acre. Sale No. 1 is located on Loon Lake, which is a slightly superior location, being only 10-15 miles east of Homer, with superior access. The remaining comparables indicate \$1,296 to \$1,500 per acre.

The subject area is difficult to access, with two, possibly three float plane accessible lakes, or gravel bars along the Drift River to the north. Overland access from population centers is non-existent. The area sits in the northeast shadow of Mt. Redoubt, which is an active volcano with a well documented history of eruptions. The most recent eruptions in 1989-1990 greatly altered the course of Cannery Creek, which had previously provided access for fish and humans.

Given the above reasoning, a value at the lower end of the range is reasonable. In the final value conclusion, the market value for the hypothetical key 1st tier parcel within the staking area is estimated to be **\$1,400 per acre, or \$14,000 for a ten acre tract.**

For the non-water front parcels (2nd tier), the same sales were utilized as for the key 1<sup>st</sup> tier parcel, but adjusted downward 50% for a location ¼ mile from a recognized trail or landing site. The value for the hypothetical Key Parcel "B", is estimated to be **\$700 per acre, or \$7,000 for a ten acre tract.**

The report is based on the **extraordinary assumption** that all staked parcels have legal access across any staking area setbacks identified within the staking area. It is assumed that these setbacks will remain in state ownership. It is assumed that the appropriate platting authority will approve plats for all parcels staked under this program. We reserve the right to amend this report should unanticipated platting problems require changes that would significantly impact value.

## Staked Parcel Valuation and Adjustments

The key parcels are further adjusted to reflect the physical characteristics of the staked parcels in relation to the hypothetical key parcel.

**Lot Type** A key parcel value has been calculated for key Parcel A, as well as key Parcel B. A further refinement of the key Parcel A value is required to equitably price parcels located between 500 feet and one quarter mile from a recognized trail or landing site. A study of 14 sales from the Matanuska-Susitna drainage indicates that parcels located between 501' to 900' feet from the waterfront sell for approximately 75% of water front lots. The data for those lots located between 901' and 1,320' is less reliable, but logic would dictate and a value between 75% of Parcel A and the value of Parcel B. Lots located between 901' and one quarter mile will be adjusted by 65%. A copy of the study is included in the Addenda.

**Amenities** Exceptional features which may enhance value includes panoramic views, small ponds or creeks that enhance market appeal of a recreational site justifies an adjustment of 1.10 to 1.25. Appraisal #3082 showed no differential in parcels with and without frontage on a small, unnamed creek, but showed a 25% upward adjustment to be supported for frontage on a named creek. Cannery Creek, Round Lake Creek and Little Jack Slough are the only named creeks/streams within the staking area and subject to a 100' to 200' staking setback. The Department of Fish and Game put these setbacks in place for habitat protection. If inspection of a staked parcel reveals frontage on a non-significant creek, the value will be adjusted upward 10% from the value of the non-lake front key parcel.

**Building Site** Several factors such as drainage, soils, and topography may affect the location, size, and number of potential building sites. These factors and their adjustments are noted as follows:

Site Characteristics	Site Quality Rating	Adjustment Multiplier
Mostly steep, or wet ground, or unstable soil conditions	Poor	1.10
At least 50% level to gently sloping, well drained and wooded	Average	1.00
Mostly level to gently sloping, well drained and wooded.	Good	0.90

**Size** The price per acre varies inversely with the size of parcel. Many analyses have revealed the fact that when the parcel size doubles, the unit value decreases to a point at which the change is minimal. A detailed explanation of the application of adjustments is included in the addenda of this report.

**Easements** Public access and utility easements along section and lot lines are 15 to 50 feet wide or as required by the platting authority. Most easements are within the limits of normal setback distances along the property lines. Any abnormal easement will be adjusted on a case by case basis.

**CERTIFICATION OF VALUE**

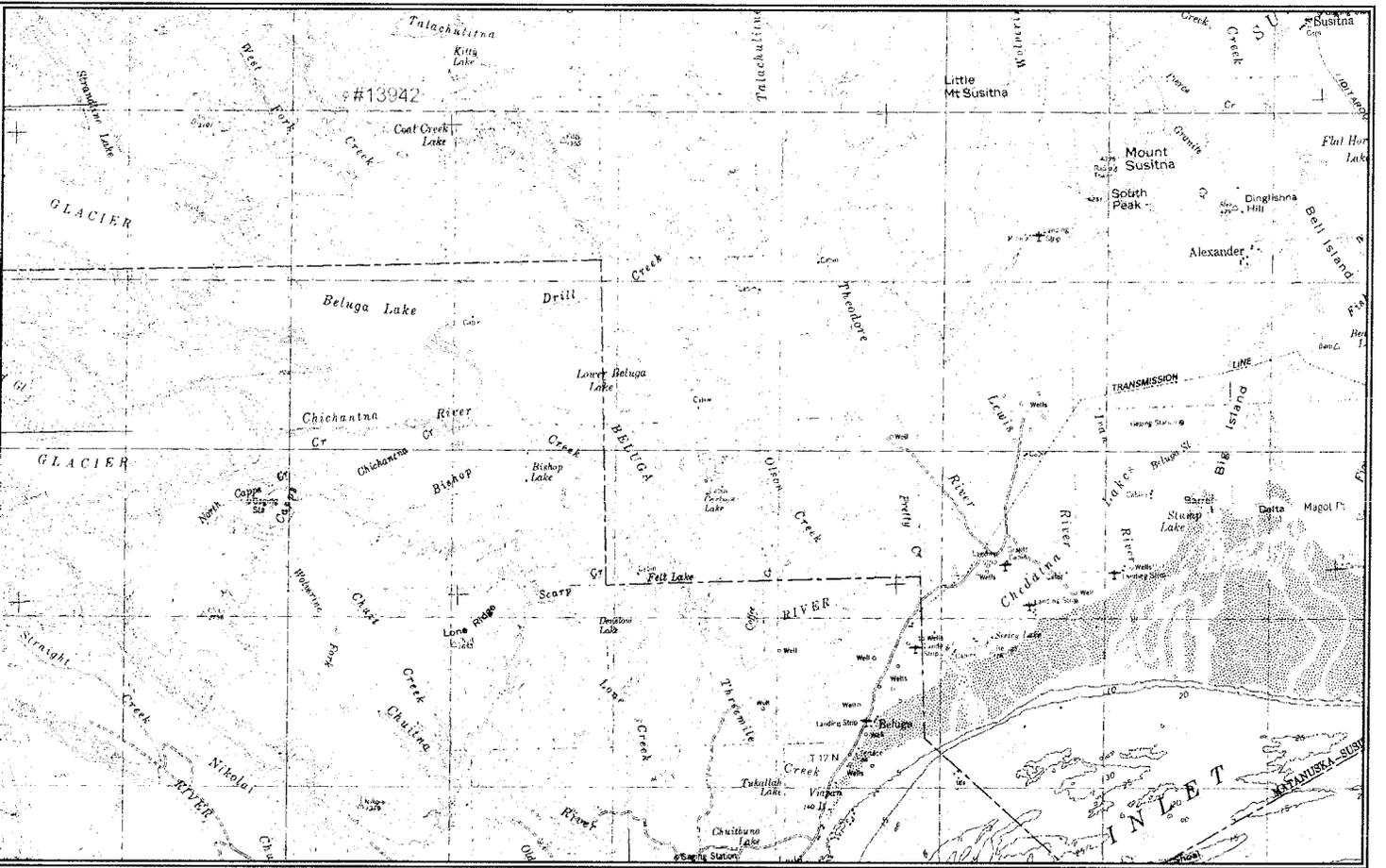
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting of a predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the properties that are the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I have the knowledge and experience to competently complete this assignment.
- My opinion of the market value of the fee simple title less mineral rights for the land only developed to its highest potential, described in the subsequent report are :

4/26/2004  
Date

Michael [Signature]  
Appraiser





Sale 5 located 68 miles north of staking area.

Sale	Comp #	Lakefront	Date	Sale Price	Size	\$ per/acre	\$ per/acre adjusted to 10 acre key parcel
1	215806ADL	Onestone Lake	2/22/00	\$7,500	4.99	\$1,503	\$1,127
2	215807ADL	Onestone Lake	2/26/00	\$7,500	4.92	\$1,524	\$1,135
3	12605	unnamed lake near Mona Lake	12/1/00	\$6,500	5	\$1,300	\$975
4	215804ADL	Onestone Lake	1/23/97	\$7,500	4.99	\$1,503	\$1,127
5	12607	Unnamed lake, Yentna drainage	8/1/98	\$11,000	4.73	\$2,326	\$1,698
6	12624	Kitty Lake	3/1/98	\$9,500	4.71	\$2,017	\$1,472
7	13515	Middle Lake	2/12/02	\$8,000	4.12	\$1,942	\$1,359
		<b>No waterfront</b>					
8	12598	650' off Hiline Lake	5/1/00	\$10,000	11.25	\$889	\$922
9	12599	1 mi from Hewitt-Whiskey Lake	7/1/99	\$8,400	10	\$840	\$840
10	12602	1 mi east of Donkey Lake	4/1/99	\$12,500	27.33	\$457	\$676
11	12608	3/4 mi from Parker Lake	3/1/00	\$8,000	10.139	\$789	\$789
12	13304	1750' from Shell Lake	2/12/02	\$7,500	10.14	\$740	\$740
13	No #	1750' from Shell Lake	12/4/03	\$9,500	10.88	\$873	\$873
14	No #	1 mi+ from Shell Lake	9/19/01	\$3,500	16.27	\$215	\$255
<b>Mean</b>		<b>% Change</b>					
lakefront	\$1,270						
no waterfront	\$728						
		lakefront \$1,270					
		no waterfront \$728	(-43%)				
		Lakefront \$1,270					
		650' from Hiline Lake (#8) \$922	(-27%)				

**Access Adjustment:**

The sales in the Susitna Drainage suggest a 40% decrease in per/acre price between lake frontage lots and interior lots (more than 1/4 mile from frontage). Market data is limited for sites that fall in between these parameters. Sale # 8 was the only sale found that is neither lakefront or interior. The per/acre sale price of this parcel is 27% less than the lakefront lots. After rounding an adjustment of .75 of Key Parcel 'A' is appropriate for parcels 500' to 900' from frontage. No data was found for parcels located between 901' to 1320' from frontage. The adjustment of .65 of Key Parcel 'A' is based on the assumption that these parcels will be less valuable than that of parcels located closer to frontage, but more valuable than that of parcels located 1/4 mile or more from frontage.

COMPARABLE

ID: 13428  REGION: SOUTHCENTRAL    AREA: KENAI PENINUSLA BOR NEIGHBORHOOD: HOMER  LOCATION: WEST SHORE OF LOON LAKE, SE OF HEAD OF BEAR COVE ON SOUTH SHORE OF KACHEMAK BAY  FRONTAGE NAME: LOON LAKE SUBDIVISION:	PHOTOGRAPH/MAP:
GRANTOR: ROBERT F. FOX KEOGH PLAN GRANTEE: DE ARMOUN, DONALD M. AND ELIZABETH L.	TAKEN BY: _____ DATE: _____  SOURCE OF INFORMATION/DATE: R. FOX BY JULIE DERRY 3/02
DATE OF SALE: 2/1/2002    SALE PRICE: \$10,900.00 ACRES: 3.800 REC DIST: HOMER BOOK/PAGE/SER. # 311/36 INSTRU: WARRANTY DEED TERMS: TERMS CONDITION: \$2,180 DOWN (20%)	

LEGAL DESCRIPTION: TRACT K, ASLS 73-47, PLAT 75-25. ADL 54552  TAX ID:	USGS MAP: SELDOVIA C-3    QUAD: SELDOVIA LATITUDE: N594248    LONGITUDE: W1510044 MTRS: S005S010W29
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SLOPE: MODERATE SOILS: SHORE: SITE DESCRIPTION:	VEGETATION: MOSTLY BEETLE KILLED SPRUCE TREES UNUSUAL FEATURES: THE OUT-OF-TOWN GRANTOR REPORTS HE ACQUIRED THE LOT IN 1999 FROM AN OWNER WHO PLANNED TO "WALK AWAY" FROM IT. HE THEN CONTINUED ADVERTISING IT FOR SALE ASSUMING IT WOULD EVENTUALLY SELL. GRANTOR NEVER SAW THE LOT. ONCE DENSE MATURE SPRUCE TREE COVER IS MOSTLY DEAD FROM BARK BEETLE INFESTATION. MANY FALLEN TREES. TOPOGRAPHY IS MODERATE TO STEEP EASTERLY SLOPE DOWN TO LOON LAKE. THERE IS A TRAIL EASEMENT FROM THE HEAD OF BEAR COVE TO LOON LAKE. OWNERS USING THE FOOTPATH REPORT A STEEP CLIMB UP ON THE FOOTPATH TO THE RIDGE OVERLOOKING BEAR COVE THEN DOWN TO THE LAKE. PEDESTRIAN EASEMENTS ALONG THE LAKE ALLOW LEGAL ACCESS. THIS LOT HAS A 10' WIDE EASEMENT. LOON LAKE HAS LIMITED ACCESSIBILITY BY FLOATPLANE. TAKE-OFFS PARTICULARLY ARE RESTRICTED BY WIND PATTERNS AND LENGTH OF THE LAKE. REPORT 3172.
FRONTAGE: <input checked="" type="checkbox"/> LakeFrontage <input type="checkbox"/> HwyFrontage <input type="checkbox"/> OceanFrontage <input type="checkbox"/> CreekFrontage <input type="checkbox"/> PondFrontage <input type="checkbox"/> RiverFrontage	ELECTRICITY: N    TELEPHONE: N    WATER: N    SEWER: N    NATURAL GAS: N    ACCESS: FLY-IN WALK-IN

ZONING: NONE	TITLE INTEREST: FEE	PARCEL TYPE: UPLAND
EASEMENTS/RESTRICTIONS:		

HIGHEST / BEST USE: RECREATIONAL
MARKET EXPOSURE:
SUPPLY/DEMAND:
BUYER/SELLER MOTIVATION:

SALE PRICE:	\$10,900.00
VALUE OF IMPROVEMENTS:	\$0.00 IMPROVEMENTS:
LAND VALUE:	\$10,900.00

# OF SITES:	\$/SITE:	ACRES:	\$/ACRE:	SQUARE FEET:	\$/SQFT:	FRONT FEET:	\$/FF:	RENTAL RATE:
1	\$10,900	3.8	\$2,868	0	\$0.00	278	\$39.21	0.000 %

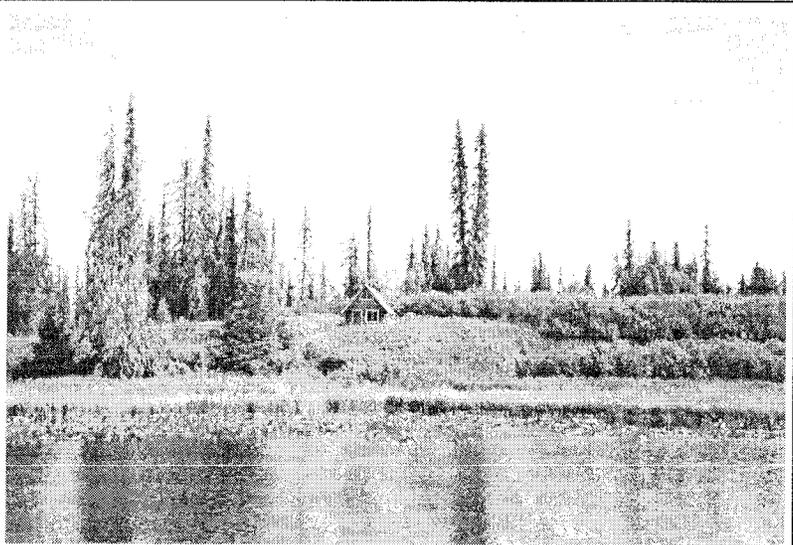
COMPARABLE

ID: 13405  
 REGION: SOUTHCENTRAL AREA: KENAI PENINUSLA BOR  
 NEIGHBORHOOD: WEST COOK INLET  
 LOCATION: ON WADELL LAKE 40 MI SW OF KENAI  
 FRONTAGE NAME: WADELL LAKE  
 SUBDIVISION: BEAR LAKE REMOTE

GRANTOR: SMITH, DELORES JEAN  
 GRANTEE: BAILEY, DON W. & GLORIA ANN

DATE OF SALE: 12/30/1999 SALE PRICE: \$18,000.00  
 ACRES: 10.000  
 REC DIST: 301-ANCHORAGE  
 BOOK/PAGE/SER. # 3581/894  
 INSTRU:  
 TERMS: CASH  
 CONDITION:

PHOTOGRAPH/MAP:



TAKEN BY: VENTIS PLUME DATE: 7/16/02

SOURCE OF INFORMATION/DATE: BUYER BY V PLUME 7/8/02

LEGAL DESCRIPTION:  
 TR "A", ASLS 85-24, PLAT 86-110, ANCHORAGE RD  
 TAX ID: 22118510

USGS MAP: KENAI B-7 QUAD: KENAI  
 LATITUDE: N602442.930 LONGITUDE: W1522103.047  
 MTRS: S04N018W26

SLOPE: ROLLING VEGETATION: FORESTED WITH SOME OPENINGS  
 SOILS: WELL DRAINED  
 SHORE: MARSHY UNUSUAL FEATURES:  
 SITE DESCRIPTION:  
 THIS TEN-ACRE PARCEL IS 150 FEET FROM WADELL LAKE. IT LIES ON A LOW RISE WITH A SOUTHWEST EXPOSURE. THE LAKE FRONT IS SWAMPY. WADELL LAKE IS FLOATPLANE ACCESSIBLE. THE 12' X 16' WOOD FRAME CABIN HAS A LOFT AND IS IN FAIR CONDITION.  
 FRONTAGE:  LakeFrontage  HwyFrontage  OceanFrontage  CreekFrontage  PondFrontage  RiverFrontage  
 ELECTRICITY: N TELEPHONE: N WATER: N SEWER: N NATURAL GAS: N ACCESS:  
 FLY-IN

ZONING: NONE TITLE INTEREST: FEE PARCEL TYPE: UPLAND  
 EASEMENTS/RESTRICTIONS: 25 FT PUB ACCESS ALL BOUNDARIES

HIGHEST / BEST USE: RECREATIONAL  
 MARKET EXPOSURE: ONE YEAR  
 SUPPLY/DEMAND: LIMITED  
 BUYER/SELLER MOTIVATION: NORMAL

SALE PRICE:	\$18,000.00
VALUE OF IMPROVEMENTS:	\$3,000.00 IMPROVEMENTS: CABIN
LAND VALUE:	\$15,000.00

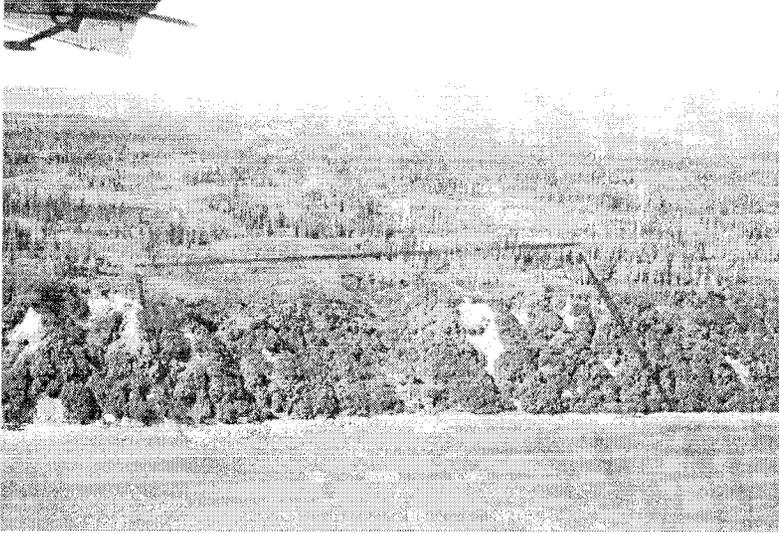
# OF SITES:	\$/SITE:	ACRES:	\$/ACRE:	SQUARE FEET:	\$/SQFT:	FRONT FEET:	\$/FF:	RENTAL RATE:
1	\$15,000	10	\$1,500	435,600	\$0.03	656	\$22.87	0.000 %







COMPARABLE

ID: 13404  REGION: SOUTHCENTRAL    AREA: KENAI PENINUSLA BOR NEIGHBORHOOD:    WEST COOK INLET LOCATION:    REDOUBT BAY 35 MI W OF KENAI  FRONTAGE NAME:    COOK INLET SUBDIVISION:	PHOTOGRAPH/MAP:  
GRANTOR:    COLUMBIA WARD CO FISHERIES GRANTEE:    SHEPARDSON DAVID HOWARD	TAKEN BY:    VENTIS PLUME                      DATE:    7/16/02
DATE OF SALE: 5/3/2002    SALE PRICE: \$12,500.00 ACRES:    5.000 REC DIST: 301-ANCHORAGE BOOK/PAGE/SER. # 2002-029772-0 INSTRU:    WARRANTY DEED TERMS: CASH CONDITION:	SOURCE OF INFORMATION/DATE:    C. HALL FROM BERNIE VOCKNER; 3/02

LEGAL DESCRIPTION: USS 4510  TAX ID:    22118005	USGS MAP:    KENAI B-7                      QUAD:    KENAI LATITUDE:    N602413                      LONGITUDE:    W1521543 MTRS:    S04N017W29
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SLOPE: LEVEL                      VEGETATION:    FORESTED

SOILS: WELL DRAINED

SHORE: BLUFF                      UNUSUAL FEATURES:

SITE DESCRIPTION:

THIS PARCEL IS LOCATED ON WEST SIDE OF COOK INLET ON REDOUBT BAY , ONE MILE NORTHWEST OF HARRIET POINT. THE BLUFF IS 50 FEET OR HIGHER. BEACH IS GRAVELLY BUT HAS A SHALLOW RUNOUT WITH ROCKS. IMPROVEMENTS INCLUDE THREE BUILDINGS IN POOR CONDITION WITH NO CONTRIBUTORY VALUE. LISTED AT \$25,000 FOR BETTER THAN TWO YEARS. SOLD FOR \$12,500 WITHOUT SEEING THE SITE. ACCESS IS BY AIR OR BOAT. REPORT 3154.

FRONTAGE:    LakeFrontage     HwyFrontage     OceanFrontage     CreekFrontage     PondFrontage     RiverFrontage

ELECTRICITY: N    TELEPHONE: N    WATER: N    SEWER: N    NATURAL GAS: N    ACCESS:

BOAT  
FLY-IN

ZONING:    N	TITLE INTEREST:    FEE	PARCEL TYPE:    UPLAND
EASEMENTS/RESTRICTIONS:    NONE		

HIGHEST / BEST USE:    RECREATIONAL

MARKET EXPOSURE:    2+ YRS

SUPPLY/DEMAND:    ADEQUATE

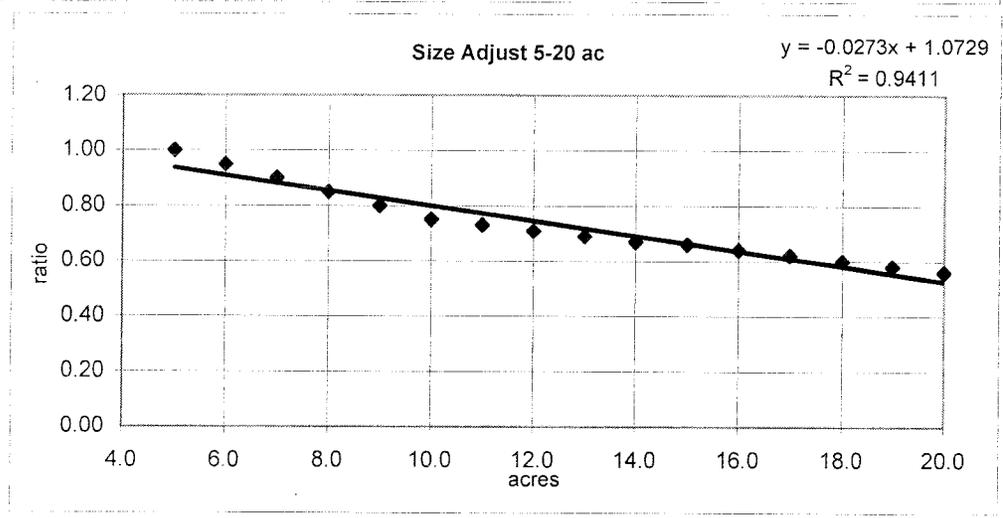
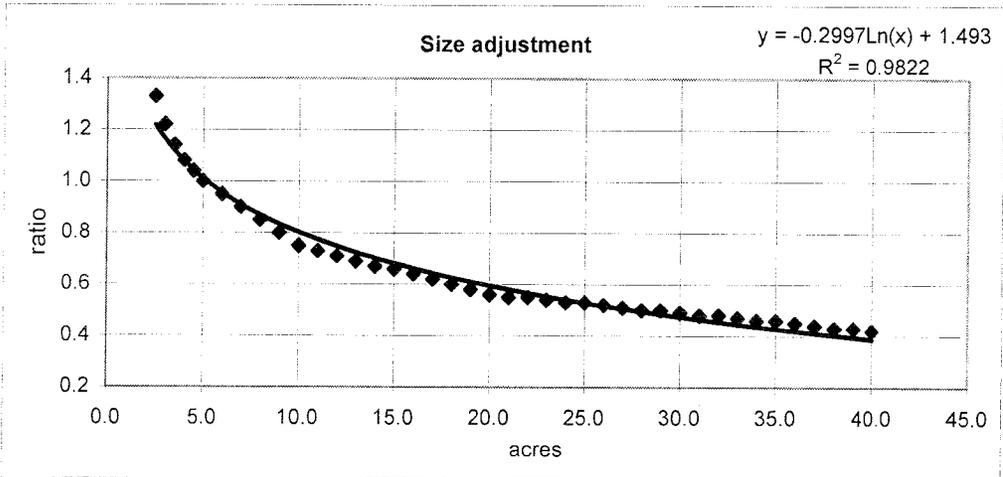
BUYER/SELLER MOTIVATION:    NORMAL

SALE PRICE:	\$12,500.00
VALUE OF IMPROVEMENTS:	\$0.00    IMPROVEMENTS:
LAND VALUE:	\$12,500.00

# OF SITES:	\$/SITE:	ACRES:	\$/ACRE:	SQUARE FEET:	\$/SQFT:	FRONT FEET:	\$/FF:	RENTAL RATE:
1	\$12,500	5	\$2,500	217,800	\$0.06	800	\$15.63	0.000 %

**SIZE ADJUSTMENT - DNR METHOD**  
Developed by Steve Starrett

Acres	Starret	Graph
2.50	1.33	1.22
3.00	1.22	1.16
3.50	1.14	1.12
4.00	1.08	1.08
4.50	1.04	1.04
5.00	1.00	1.01
6.00	0.95	0.96
7.00	0.9	0.91
8.00	0.85	0.87
9.00	0.8	0.83
10.00	0.75	0.80
11.00	0.73	0.77
12.00	0.71	0.75
13.00	0.69	0.72
14.00	0.67	0.70
15.00	0.66	0.68
16.00	0.64	0.66
17.00	0.62	0.64
18.00	0.6	0.63
19.00	0.58	0.61
20.00	0.56	0.60
21.00	0.55	0.58
22.00	0.55	0.57
23.00	0.54	0.55
24.00	0.53	0.54
25.00	0.53	0.53
26.00	0.52	0.52
27.00	0.51	0.51
28.00	0.5	0.49
29.00	0.5	0.48
30.00	0.49	0.47
31.00	0.48	0.46
32.00	0.48	0.45
33.00	0.47	0.45
34.00	0.46	0.44
35.00	0.46	0.43
36.00	0.45	0.42
37.00	0.44	0.41
38.00	0.43	0.40
39.00	0.43	0.40
40.00	0.42	0.39



From the above table  
Multiplier=(Key Parcel)/(Comparable)

## Fact sheet:



# Alaska Department of Natural Resources

## GENERALLY ALLOWED USES ON STATE LAND

Division of Mining, Land and Water • December 2002

As provided in 11 AAC 96.020, the following **uses and activities** are generally allowed on state land managed by the Alaska Division of Mining, Land and Water that is not in any special management category or status as listed in 11 AAC 96.014<sup>1</sup>. Uses listed as "Generally allowed" do not require a permit from the Department of Natural Resources. Note that this list does not apply to state parks, nor to land owned or managed by other state agencies such as the University of Alaska, Alaska Mental Health Trust, Department of Transportation and Public Facilities, or the Alaska Railroad. Before beginning an activity on state land, the user should check to be sure it is generally allowed in that particular area.

### TRAVEL ACROSS STATE LAND:

**Hiking, backpacking, skiing, climbing, and other foot travel; bicycling; traveling by horse or dogsled or with pack animals.**

**Using a highway vehicle** with a curb weight of up to 10,000 pounds, including a four-wheel-drive vehicle and a pickup truck, **or using a recreational-type vehicle** off-road or all-terrain vehicle with a curb weight of up to 1,500 pounds, including a snowmobile and four-wheeler, on or off an established road easement, if use off the road easement does not cause or contribute to water quality degradation, alteration of drainage systems, significant rutting, ground disturbance, or thermal erosion. An authorization is required from ADF&G for any motorized travel in fish bearing streams. (Curb weight means the weight of a vehicle with a full tank of fuel and all fluids topped off, but with no one sitting inside or on the vehicle and no cargo loaded. Most highway rated sport utility vehicles are within the weight limit as are most ATVs, including a basic Argo.)

**Landing an aircraft** (such as a single-engine airplane or a helicopter), or using watercraft (such as a boat, jet-ski, raft, or canoe), without damaging the land, including shoreland, tideland, and submerged land.

**Driving livestock**, including any number of reindeer or up to 100 horses, cattle, or other domesticated animals.

### ACCESS IMPROVEMENTS ON STATE LAND:

Brushing or **cutting a trail** less than five feet wide using only hand-held tools such as a chainsaw (making a trail does not create a property right or interest in the trail).

**Anchoring a mooring buoy** in a lake, river, or marine waters, or placing a **float, dock, boat haulout, floating breakwater, or boathouse** in a lake, river, or in marine waters, for the personal, noncommercial use of the upland owner, if the use does not interfere with public access or another public use, and if the improvement is placed within the projected sidelines of the contiguous upland owner's parcel or otherwise has the consent of the affected upland owner. A float or dock means an open structure without walls or roof that is designed and used for access to and from the water rather than for storage, residential use, or other purposes. A boat haulout means either a rail system (at ground level or elevated with pilings) or a line attached from the uplands to an anchor or mooring buoy. A floating breakwater means a structure, such as a log bundle, designed to dissipate wave or swell action. A boathouse means a structure designed and used to protect a boat from the weather rather than for other storage, residential use or other purposes.

<sup>1</sup> These special use areas are listed in 11 AAC 96.014 and on the last page of this fact sheet. Maps of the areas are available online at: [www.dnr.state.ak.us/mlw/sua](http://www.dnr.state.ak.us/mlw/sua)

## REMOVING OR USING STATE RESOURCES:

**Hunting, fishing, or trapping**, or placement of a crab pot, shrimp pot, herring pound or fishwheel, that complies with applicable state and federal statutes and regulations on the taking of fish and game.

**Harvesting a small number of wild plants, mushrooms, berries, and other plant material** for personal, noncommercial use. The cutting of trees is not a generally allowed use except as it relates to brushing or cutting a trail as provided above.

**Using dead and down wood for a cooking or warming fire**, unless the department has closed the area to fires during the fire season.

**Grazing** no more than five domesticated animals.

**Recreational gold panning; hard-rock mineral prospecting or mining** using light portable field equipment, such as a hand-operated pick, shovel, pan, earth auger, or a backpack power drill or auger, or **suction dredging** using a suction dredge with a nozzle intake of six inches or less, powered by an engine of 18 horsepower or less, and pumping no more than 30,000 gallons of water per day. An authorization is required from ADF&G prior to dredging in fish bearing streams.

## OTHER IMPROVEMENTS AND STRUCTURES ON STATE LAND:

**Setting up and using a camp** for personal, noncommercial recreational purposes, or for any non-recreational purpose (such as a support camp during mineral exploration), for no more than 14 days at one site, using a tent platform or other temporary structure that can readily be dismantled and removed, or a floathouse that can readily be moved. Moving the entire camp at least two miles starts a new 14-day period. Cabins or other permanent improvements are not allowed, even if they are on skids or another non-permanent foundation. The camp must be removed immediately if the department determines that it interferes with public access or other public uses or interests.

**Brushing or cutting a survey line** less than five feet wide using only hand-held tools (such as a chainsaw), or **setting a survey marker** (setting a survey monument—a permanent, official marker—requires written survey instructions issued by the Division of Mining, Land and Water under 11 AAC 53).

Placing a residential **sewer outfall** into marine waters from a contiguous privately owned upland parcel, with the consent of the affected parcel owners, if the outfall is within the projected sidelines of the contiguous upland parcel and is buried to the extent possible or, where it crosses bedrock, is secured and covered with rocks to prevent damage. Any placement of a sewer outfall line must comply with state and federal statutes and regulations applicable to residential sewer outfalls.

**Placing riprap or other suitable bank stabilization material** to prevent erosion of a contiguous privately owned upland parcel if no more than one cubic yard of material per running foot is placed onto state shoreland and the project is otherwise within the scope of the U.S. Army Corps of Engineers nationwide permit on bank stabilization.

## MISCELLANEOUS USES OF STATE LAND:

An event or assembly of **50 people or less**, including events sponsored by non-profit organizations or a commercial event.

Entry for commercial recreation purposes on a **day-use basis** with no overnight camps or unoccupied facilities that remain overnight, as long as the use has been registered as required by 11 AAC 96.018.

**Recreational or other use** not listed above may occur on state land as long as that use

- \* is not a commercial recreational camp or facility, (whether occupied or unoccupied) that remains overnight;
- \* does not involve explosives or explosive devices (except firearms);
- \* is not prospecting or mining using hydraulic equipment methods;

- \* does not include drilling in excess of 300 feet deep (including exploratory drilling or stratigraphic test wells on state land not under oil or gas lease);
- \* is not for geophysical exploration for minerals subject to lease or an oil and gas exploration license;
- \* does not cause or contribute to significant disturbance of vegetation, drainage, or soil stability;
- \* does not interfere with public access or other public uses or interests; and
- \* does not continue for more than 14 consecutive days at any site. Moving the use to another site at least two miles away starts a new 14-day period.

## Check for special conditions and exceptions!

All activities on state land must be conducted in a responsible manner that will minimize or prevent disturbance to land and water resources, and must comply with all applicable federal, state, and local laws and regulations. **By acting under the authority of this list, the user agrees to the conditions set out in 11 AAC 96.025** (a copy of these conditions are attached to this fact sheet). A person who violates these conditions is subject to any action available to the department for enforcement and remedies, including civil action for forcible entry and detainer, ejection, trespass, damages, and associated costs, or arrest and prosecution for criminal trespass in the second degree. The department may seek damages available under a civil action, including restoration damages, compensatory damages, and treble damages under AS 09.45.730 or AS 09.45.735 for violations involving injuring or removing trees or shrubs, gathering technical data, or taking mineral resources. (11 AAC 96.145)

Remember that this list does not apply to state parks or Alaska Mental Health Trust lands. In addition, some other areas managed by the Division of Mining, Land and Water are not subject to the full list of generally allowed uses. Exceptions may occur because of special conditions in a state land use plan or management plan for example, a management plan may reduce the number of days that people can camp at a specific site), or by a "special use land" designation (for instance, a special use land designation for the North Slope requires a permit for off-road vehicle use). Special Use Areas are listed in 11 AAC 96.014; more information is available on the department's website at [www.dnr.state.ak.us/mlw/sua](http://www.dnr.state.ak.us/mlw/sua).

Also, be aware that this list does not exempt users from the permit requirements of other state, federal, or local agencies. For example, a permit might be required by the Department of Fish and Game if the use will take place in a state game refuge.

Finally, this list does not authorize a use if another person has already acquired an exclusive property right for that use. For instance, it does not give people permission to graze livestock on someone else's state grazing lease, to build a trail on a private right-of-way that the Division of Mining, Land and Water has granted to another person, or to pan for gold on somebody else's state mining location.

Department staff can help users determine the land status of state-owned land and whether it is subject to any special exceptions or to private property rights.

## For additional information, contact the Department of Natural Resources:

PUBLIC INFORMATION CENTER 550 W. 7 <sup>th</sup> Avenue, Suite 1260 Anchorage, AK 99501-3557 (907) 269-8400 TDD: (907) 269-8411	DIVISION OF MINING, LAND & WATER PUBLIC INFORMATION OFFICE 400 Willoughby Ave., Suite 400 Juneau, AK 99801-1700(907) 465-3400 TDD: (907) 465-3888	PUBLIC INFORMATION CENTER 3700 Airport Way Fairbanks, AK 99709-4699 (907) 451-2705 TDD: (907) 451-2770
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**CONDITIONS FOR GENERALLY ALLOWED USES**  
**(11 AAC 96.025<sup>2</sup>)**

A generally allowed use listed in 11 AAC 96.020 is subject to the following conditions:

- (1) activities employing wheeled or tracked vehicles must be conducted in a manner that minimizes surface damage;
- (2) vehicles must use existing roads and trails whenever possible;
- (3) activities must be conducted in a manner that minimizes
  - (A) disturbance of vegetation, soil stability, or drainage systems;
  - (B) changing the character of, polluting, or introducing silt and sediment into streams, lakes, ponds, water holes, seeps, and marshes; and
  - (C) disturbance of fish and wildlife resources;
- (4) cuts, fills, and other activities causing a disturbance listed in (3)(A)–(C) must be repaired immediately, and corrective action must be undertaken as may be required by the department;
- (5) trails and campsites must be kept clean; garbage and foreign debris must be removed; combustibles may be burned on site unless the department has closed the area to fires during the fire season;
- (6) survey monuments, witness corners, reference monuments, mining location posts, homestead entry corner posts, and bearing trees must be protected against destruction, obliteration, and damage; any damaged or obliterated markers must be reestablished as required by the department under AS 34.65.020 and AS 34.65.040;
- (7) every reasonable effort must be made to prevent, control, and suppress any fire in the operating area; uncontrolled fires must be immediately reported;
- (8) holes, pits, and excavations must be repaired as soon as possible; holes, pits, and excavations necessary to verify discovery on prospecting sites, mining claims, or mining leasehold locations may be left open but must be maintained in a manner that protects public safety;
- (9) on lands subject to a mineral or land estate property interest, entry by a person other than the holder of a property interest, or the holder's authorized representative, must be made in a manner that prevents unnecessary or unreasonable interference with the rights of the holder of the property interest.

**List of Special Use Land Designations Excluded from Generally Allowed Uses**

- Alyeska Ski Resort
- Baranof Lake Trail
- Caribou Hills
- Exit Glacier Road
- Glacier/Winner Creek
- Hatcher Pass Special Use Area
- Indian Cove
- Kamishak Special Use Area
- Kenai Fjords Coastline
- Kenai River Special Management Area Proposed Additions
- Lake Clark Coastline
- Lower Goodnews River
- Lower Talarik Creek
- Marmot Island Special Use Area
- Nenana River Gorge and McKinley Village Subd.
- North Slope Area
- Nushagak
- Poker Flat North
- Poker Flat South
- Resurrection Bay
- Thompson Pass
- Togiak National Wildlife Refuge

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<sup>2</sup> Register 164, January 2003

# SPECIAL APPRAISAL INSTRUCTIONS

## DNR REMOTE RECREATIONAL CABIN SITE DISPOSAL

1. **Appraisal Standards:** A complete, summary appraisal is required and must be prepared in accordance with these instructions and with Standards Rules 1 and 2 of the *Uniform Standards of Professional Appraisal Practice* (USPAP).
2. **Purpose of the Appraisal:** The purpose of the appraisal is to estimate market value.
3. **Intended Use:** The appraisal will be used by DNR to determine the purchase price for parcels to be acquired under the Remote Recreational Cabin Site staking program (AS 38.05.600).
4. **Definition of Market Value:** Appraisals must use the following definition of market value and must be based on terms of sale as described in section 5 below. Appraisals using other definitions will be returned for correction.  
  
*The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.<sup>1</sup>*
5. **Terms of Sale:** Market value must be estimated in terms of seller financing typical for the market. DNR will not accept appraisals that apply a downward adjustment to comparable prices with typical seller financing in order to indicate a cash value. Per AS 38.05.065 DNR is required to offer seller financing and does not discount for cash.
6. **Property Rights Appraised:** Appraise the fee simple estate less mineral rights reserved under AS 38.05.125(a). Appraisals that do not cite this definition will be returned for correction.
7. **Appraisal Methodology:** Potential applicants are to be given value estimates for each staking area before they actually stake any parcels. For that reason, appraisals will be completed in a two-step process. In the first step (called the base report), an appraisal report will value hypothetical key parcels that are likely to be staked in each staking area, e. g. a lakefront parcel and an interior parcel. The base report will also quantify any value differences that are likely to exist between actual parcels and key parcels, e.g. size, access, building site, amenities, easements. In the second step (called the parcel report) the attributes of each actual, surveyed parcel will be compared to the appropriate key parcel as a means for determining the actual appraised value and purchase price. Parcel reports may be physically separate from the base reports. If that is the case, each parcel report will reference the base report as the basis for value. There will be lag time between completion of the base report and the actual date of entry/valuation date. Should values change between those dates, the parcel report will have to quantify the adjustment, if any, for time or market conditions.
8. **Date of Valuation:** Use a current date of valuation for the base report and the date of entry for the parcel report.
9. **Minimum Value:** Minimum parcel purchase price is \$1,000 per 11 AAC 67.840 (d)(2).
10. **Inspection and Determination of Site Quality:** Onsite inspection of the staking area and comparable sales is optional during preparation of the base report. In lieu of physical inspection for the base report, the appraiser may rely on as many sources of information as are available: recent aerial photos from commercial sources, previous DNR appraisals, topographic maps, field inspection reports in DNR case files, aerial mosaics in DNR design files, and previous field experience in the area. Actual surveyed parcels must be field inspected to determine site characteristics and quality compared with the hypothetical key parcel. Fly-over inspections are acceptable.
11. **Improvements:** Onsite improvements made by the applicant will be excluded from the estimate of value.
12. **Photographs:** The parcel valuation report must contain photographs of the actual, surveyed parcels. Photographs must clearly approximate property corners and boundaries with marks on the photographs or explanatory captions.
13. **Plat or Survey Maps:** Staking maps are required in the base report. Staking maps, survey maps, and land status maps are required in the parcel valuation report. The appraiser is expected to review staking maps, surveys, plats, plat notes, and land status maps for easements and other restrictions that could affect value and to summarize such easements and restrictions in the appraisal reports.
14. **Data Analysis and Key Parcel:** A base report may include more than one staking area if the market characteristics of the staking areas are similar. A base report may also include more than one hypothetical key parcel. When appraising similar parcels within the same or similar staking areas, a typical or *Key Parcel* valuation method must be used. For each key parcel appraised, the base report must include a valuation grid. When appraising key parcels, it is also acceptable to compare one key parcel to another as the method for estimating value, e.g. an interior key parcel is half the value of an otherwise similar lakefront parcel. Grids must describe the pertinent features of each of the key parcels and each of the comparable sales. Grids must also show quantitative adjustments made in relating the pertinent features of the comparable transactions to the pertinent features of the key parcels or pertinent features of actual parcels to key parcels.

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<sup>1</sup> The Appraisal of Real Estate, Eleventh Edition, Appraisal Institute, 1996, page 22

## SPECIAL APPRAISAL INSTRUCTIONS DNR REMOTE RECREATIONAL CABIN SITE DISPOSAL

In order to ensure consistency in the valuation process, adjustments must be quantified and briefly discussed in narrative, in addition to being presented in the grid. Whenever possible, the adjustments will be expressed in terms of multipliers, e.g. 1.20 for plus 20% or .80 for minus 20%. As the amount of the adjustment increases, the need for factual evidence (e.g. paired sales, data arrays, opinion surveys) increases. The final reconciliation must clearly state which indicators of value are the most reliable, and explain how each indicator affects the appraiser's final conclusion of value. Estimates based solely on the appraiser's opinion without explanation will be rejected. Estimates based solely on regression analysis or other statistical methods may also be rejected.

15. **Comparable Sale Data and Map:** The base report must contain Comparable Sale Forms or data sheets. Each data sheet must be similar in content to the attached sample. A comparable sale location map is required, showing the location of each comparable in relation to the appraised properties and other comparables.
16. **Report Format:** DNR has prepared standard base and parcel report formats that must be used. Contact the DNR review appraiser to obtain electronic copies of the format.
17. **Required Number of Copies:** One bound copy of the draft base report and five bound copies of the final base report should be delivered to the DNR Review Appraiser. One copy of the parcel report should be delivered to the DNR Review Appraiser.
18. **Disclosure:** By law, appraisal reports are public documents that must be made available to the public upon request. Appraisals shall not contain any language that restricts public use. If the report contains use-restricting language, the language will not apply.
19. **Review and Approval:** The DNR review appraiser will review all appraisals for compliance with USPAP and DNR instructions.
20. **How to Contact the DNR Review Appraiser:**

Judy A. Robinson, SRWA	Phone: 907-269-8512
Division of Mining, Land & Water	FAX: 907-269-8914
550 W 7 <sup>th</sup> Ave, Suite 650	E-mail: <a href="mailto:judy@dnr.state.ak.us">judy@dnr.state.ak.us</a>
Anchorage, AK 99501-3576	Hours: 8AM to 4PM

Attachments: Comparable Sale Form  
Base Report Form  
Parcel Report Form