

MARKET VALUE APPRAISAL

Of

Remote Matanuska-Susitna Borough Parcels

Alexander Creek West, Canyon Lake, Hewitt Whiskey Lake, Lake Creek Non-Ag Homestead, Lockwood Lake, Mat-Su Odd Lot, Onestone Lake, Parker Lake, Skwentna Flats, Skwentna Flats Remote , and Talachuliitna West Subdivisions



APPRAISAL REPORT No. 3656-0

**STATE OF ALASKA
Department of Natural Resources
Division of Mining, Land & Water
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MEMORANDUM State of Alaska

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DATE: January 31, 2013

TO: Kevin Hindmarch
 Review Appraiser

FROM Michael S. Dooley
 Appraiser I

SUBJECT: Appraisal of remote parcels within the Alexander Creek West, Canyon Lake, Hewitt Whiskey Lake, Lake Creek Non-Ag Homestead, Lockwood Lake, Mat-Su Odd Lot, Onestone Lake, Parker Lake, Skwentna Flats, Skwentna Flats Remote, and Talachulitna West Subdivisions.

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 subject parcels and all of the comparable sales used in this report, via aerial inspection. Physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors 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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ADDENDA

Comparable Sale Forms
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APPRAISAL SUMMARY

Location and Legal Description

Subdivision Name	ADL	Location	Legal Description
Alexander Creek West	204889 And 204968	Approximately 7 miles west of the confluence of the Yentna and Susitna Rivers.	Various, See Following
Canyon Lake	213706	Approximately 15 miles west of Skwentna, Alaska.	Lots 1, 2, & 9/Block 1 of ASLS80-139
Hewitt-Whiskey Lake	Various, See Following	Approximately 8 miles northwest of Skwentna, Alaska.	Various, See Following
Lake Creek Non-Ag Homestead	222876 and 222877	Approximately 8 miles east of the confluence of the Yentna and Skwentna Rivers.	Various, See Following
Lockwood Lake	228861	Approximately 4.5 miles east of the "Big Bend" on the Yentna River.	Tract A of ASLS 2003-46
Onestone Lake	215749 and 215791	Approximately 10 to miles west of Skwentna, Alaska, and 1.5 miles north of the Skwentna River.	Lot1/Block9 and Lot5/Block16 of ASLS 81-110
Parker Lake	Various, See Following	Approximately 22 Miles east of Skwentna and 10 miles west of the Susitna River.	Various, See Following
Skwentna Flats	211672 and 211680	Approximately 11 miles southeast of Skwentna, Alaska.	Lot5/Block3 and Lot7/Block5 of ASLS 80-126
Skwentna Flats Remote	217098 and 217105	Approximately 7 miles southeast of Skwentna, Alaska.	Lot 3/Block 9 Of ASLS 79-242

SUMMARY OF VALUES

Subdivision	ADL	Lot/Tract	Block	ASLS	Site Size	Value
Alexander Creek West	204889	1	3	79-209	4.390	\$4,200
Alexander Creek West	204968	11	6	79-209	4.990	\$4,800
Canyon Lake	213706	1,2,9	1	80-139	13.603	\$8,900
Hewitt-Whiskey Lake	205188	29	3	79-148	5.000	\$4,800
Hewitt-Whiskey Lake	205189	30	3	79-148	5.000	\$4,800
Hewitt-Whiskey Lake	205190	31	3	79-148	4.999	\$4,800
Hewitt-Whiskey Lake	205256	6	8	79-148	4.980	\$4,800
Hewitt-Whiskey Lake	205263	13	8	79-148	4.999	\$4,800
Hewitt-Whiskey Lake	205264	14	8	79-148	4.999	\$4,800
Lake Creek Non-Ag Homestead	222876	A	-	87-55	27.840	\$13,400
Lake Creek Non-Ag Homestead	222877	B	-	87-56	36.310	\$15,700
Lockwood Lake	228861	A		2003-46	17.180	\$22,300
Mat-Su Odd Lot	219545	-	-	83-215	39.930	\$30,000
Mat-Su Odd Lot	219562	-	-	83-215	40.010	\$23,000
Onestone Lake	215749	1	9	81-110	11.400	\$8,000
Onestone Lake	215791	5	16	81-110	10.000	\$7,200
Parker Lake	219318	2	3	82-126	10.176	\$14,400
Parker Lake	219319	3	3	82-126	10.118	\$14,400
Parker Lake	219320	4	3	82-126	10.793	\$14,400
Parker Lake	219330	1	7	82-126	10.938	\$12,500
Parker Lake	219331	2	7	82-126	10.961	\$12,500
Parker Lake	219332	3	7	82-126	10.958	\$12,500
Parker Lake	219335	2	8	82-126	10.725	\$12,500
Parker Lake	219336	3	8	82-126	10.826	\$12,500
Skwentna Flats	211680	7	5	80-126	4.71	\$4,500

Skwentna Flats	211672	5	3	80-126	4.773	\$10,100
Skwentna Flats Remote	217098	D	-	85-162	28.15	\$31,100
Skwentna Flats Remote	217105	E	-	85-162	27.07	\$30,300
Talachulitna West	229564	P	-	2006-24	19.09	\$23,300
Talachulitna West	230385	V	-	2006-24	12.19	\$18,200

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

October 4, 2012

Date of Report

January 31, 2013

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 over 100 available parcels within the immediate area. Considering the availability of parcels on the market, a longer exposure time of up to three years is reasonable.

Scope of the Appraisal

Property and Comparable Sales Inspection

I inspected the subject property and all of the comparable sales on October 4, 2012, via aerial inspection. Physical features and access were identified by use of aerial 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, 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 Records Office databases were searched for recent comparable sales while the Matanuska - Susitna Borough database was searched for relevant sale information. 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 following assumptions and limiting conditions.

⁴ Uniform Standards of Professional Appraisal Practice 2010-2011, Appraisal Foundation, p. U-89

Assumptions and Limiting Conditions

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

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.

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.

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.

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".
7. 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.
8. 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

All of the subject parcels are all located in remote areas of the Matanuska-Susitna Borough. All of the parcels are located north of the Cook Inlet, south of Denali National Park, east of the Alaska Range, and west of the Parks Highway.

Market Area – The Matanuska Susitna Borough⁵

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:

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.

According to the 2010 Census, the population was 88,995. There were 41,329 housing units in the community and 31,824 were occupied. Its population was 5.5 percent American Indian or Alaska Native; 84.9 percent white; 1 percent black; 1.2 percent Asian; 0.2 percent Pacific Islander; 6.5 percent of the local residents had multi-racial backgrounds. Additionally, 3.7 percent of the population was of Hispanic decent.

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. In 2010, 300 borough residents held commercial fish permits.

The 2005-2009 American Community Survey (ACS) estimated 35,540 residents as employed. The public sector employed 17.9% of all workers. The local unemployment rate was 11.8%. The percentage of workers not in labor force was 34.3%. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$66,052 (MOE +/- \$1,869). The per capita income (in 2009 inflation-adjusted dollars) was \$24,906 (MOE +/- \$707). About 10.3% of all residents had incomes below the poverty level.

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 44 schools located in the borough, attended by 17,079 students.

⁵ All information regarding market area and neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

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.

Skwentna Neighborhood⁶

Skwentna is an unincorporated town site located just north of the Skwentna River, and within the Yentna River drainage. Skwentna is not accessible by the road system; however it serves a hub for local snowmachiners in the winter and boat traffic up the Yentna in the summer.

History, Culture and Demographics

Dena'ina Athabascans have fished and hunted along the Skwentna and Yentna Rivers for centuries. In 1908, an Alaska Road Commission crew blazed a trail from Seward to Nome, going through Old Skwentna from the Susitna River to Rainy Pass. Many roadhouses were later constructed along the trail to the Innoko Mining District, including the Old Skwentna Roadhouse. Prospectors, trappers and Indians often used sled dogs to transport goods over the trail. Max and Belle Shellabarger homesteaded and started a guide service in 1923, and later a flying service and weather station. A post office was opened in 1937. After World War II, Morrison-Knudson built an airstrip, and in 1950, the U.S. Army established a radar station at Skwentna and a recreation camp at Shell Lake, 15 air miles from Skwentna. In the 1960s, State land disposals increased settlement.

Skwentna residents are scattered over a large area of land. It has a number of seasonal use homes. There is a small local store, and residents use snowmachines or aircraft to travel to the post office.

According to the 2010 Census, There are approximately 37 full time residents. There were 353 housing units in the community and 20 were occupied.

Facilities, Utilities, Schools and Health Care

A number of homes have individual water wells and septic systems, but very few homes are fully plumbed. Outhouses are the primary means of sewage disposal. There is no central electric system; residents provide power via individual generator sets. A community refuse incinerator is available at the unpermitted dump site near the airport, operated by the Borough. The site is currently being used by several families, but most resident's burn and bury their own refuse. There are no state operated schools located in the community. Local hospitals or health clinics include Valley Hospital in Palmer. Skwentna is classified as an isolated village, it is found in EMS Region 2C in the Mat-Su Region. Emergency Services is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Lake Creek/Skwentna First Responders.

Economy and Transportation

Employment is provided through local lodges, the post office and the airstrip.

⁶ All information regarding neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

Subject Parcel Descriptions

Subdivision Name	Survey #	# of Lots	Date Inspected
Alexander Creek West	79-209	2	10-03-2012
Canyon Lake	80-139	1	10-03-2012
Hewitt-Whiskey Lake	79-148	6	10-03-2012
Lake Creek Non-Ag Homestead	87-55 and 87-56	2	10-03-2012
Lockwood Lake	2003-46	1	10-03-2012
Mat-Su Odd Lot	83-215	2	10-03-2012
Onestone Lake	81-110	2	10-03-2012
Parker Lake	82-126	8	10-03-2012
Skwentna Flats	80-126	2	10-03-2012
Skwentna Flats Remote	85-162	2	10-03-2012
Talachulitna West	2006-24	12.19-19.09	10-03-2012

General Property Description for Alexander Creek West

Legal Description

There is two subject parcels within the Alexander Creek West Subdivision within Township 17 North, Range 8 West, Section 11 and Section 14.

ADL	Lot	Block	ASLS	Site Size
204889	1	3	79-209	4.39
204968	11	6	79-209	4.99

Location

Alexander Creek West Subdivision is located approximately 7 miles west of the confluence of the Yentna and Susitna Rivers.

Access

Winter access to the subdivision is either by snowmachine up river then overland to parcels via established right-of-ways. Summer access is via float plane to area lakes then overland to parcels. There are also two platted airstrips in the subdivision. However, the areal inspection did not reveal the construction of these airstrips.

Size & Shape

The subject lots range in size from 4.39 to 4.99 acres and are rectangular to irregular in shape.

Topography

The subdivision is characterized by a level to sloping topography. The subject parcels are approximately 160' to 200' above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with small portions of wetlands identified within the low lying area of the subdivision.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common interior lot lines, and structures may not be constructed within 25' from a road right-of-way and no closer than 10' from a side lot boundary. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort. Additionally, unless a section line has been vacated, there is a fifty foot easement on each side of each section line within the subdivision.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

Tax Assessments⁷

The subjects are 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 2012 mill rate for the subject subdivision is 10.18.

Ownership History

The Department of Natural Resources is the current owner of record for the subject parcels within the Alexander Creek West subdivision. An application to purchase ADL # 204889 was received on 10/19/2005 but the application was terminated on 03/05/2009 and the parcel was placed into potential reoffer status. ADL #204968 had been under contract but the contract was terminated on 02/23/2011 and the parcel was placed into potential reoffer status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

Personal Property

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

Alexander Creek West Subdivision

⁷ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012

Alexander Creek West Subdivision

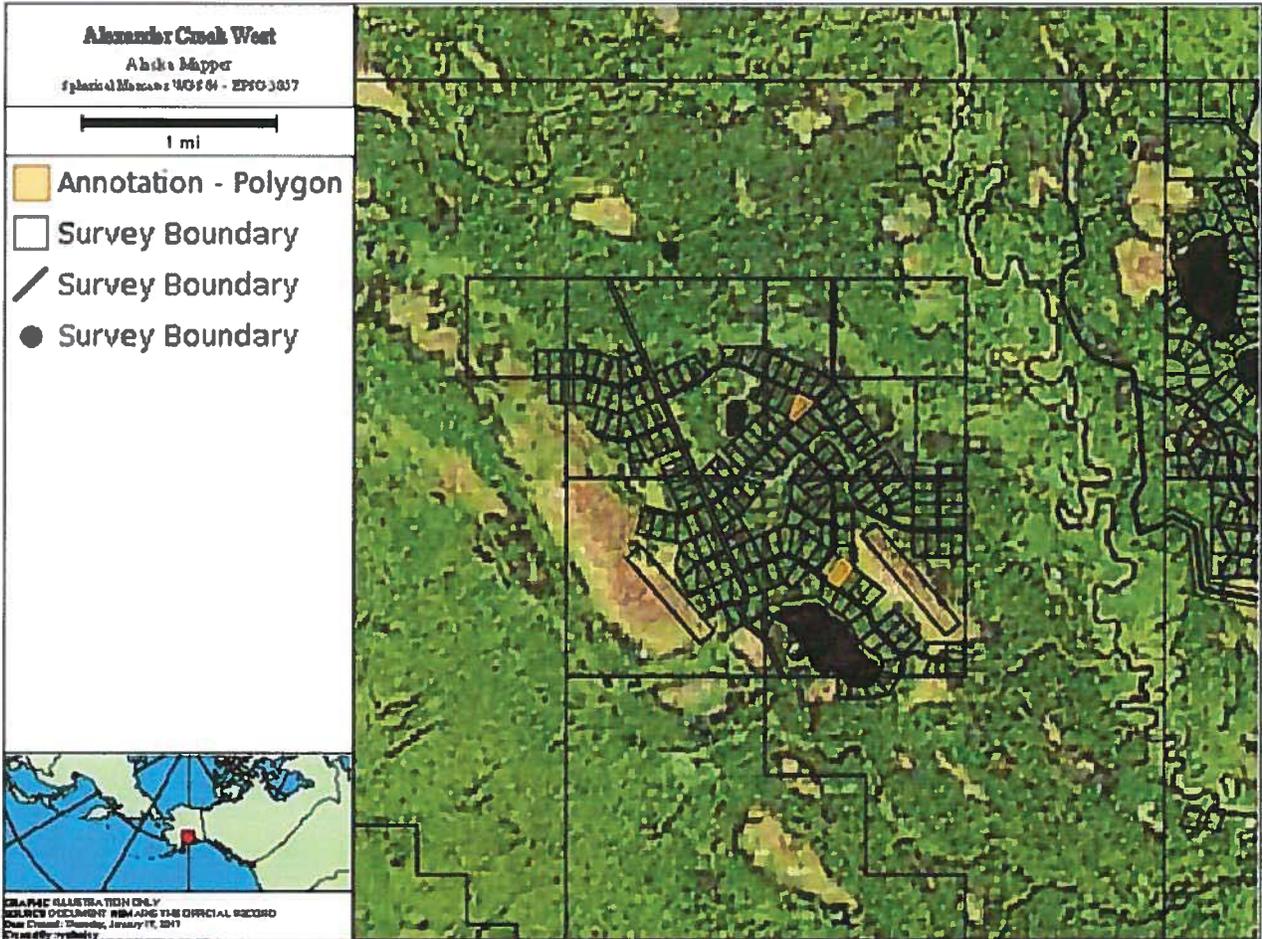


ADL#204889



ADL#204968

Alexander Creek West



Legal Description

There is 1 subject parcel within the Canyon Lake Subdivision. Lots 1, 2 and 9/ Block 1 of ASLS 80-139, ADL# 213706 within Township 21 North, Range 13 West, Section 14, and Section 15.

Location

Canyon Lake Subdivision is located approximately 15 miles west of Skwentna, Alaska and approximately .25 miles south of the Skwentna River.

Access

Summer access to the subdivision is by float plane to a nearby lake then overland to parcel; or by boat up the Yentna River to the Skwentna River, then overland to parcel. Winter access is via snowmachine along rivers and/or overland to the subject subdivision.

Size & Shape

The lots combined total 13.603 acres and are irregular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The subject parcels lay approximately 360 to 390 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with the larger portions of wetlands identified as tracts within the subdivision.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort. Additionally, there is a fifty foot easement on each side of each section line within the subdivision.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments⁸

The subjects are 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 2012 mill rate for the subject subdivision was 10.18.

Ownership History

The Department of Natural Resources is the current owner of record of the subject parcel within the Canyon Lake Subdivision. A contract to purchase the parcel from the Department of Natural Resources was recorded in November of 2002. This contract was terminated in March of 2012 and the subject was placed into Potential Reoffer Status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

Personal Property

⁸ <http://www.matsugov.us/realpropertyquery/detail> accessed 12-07-2011

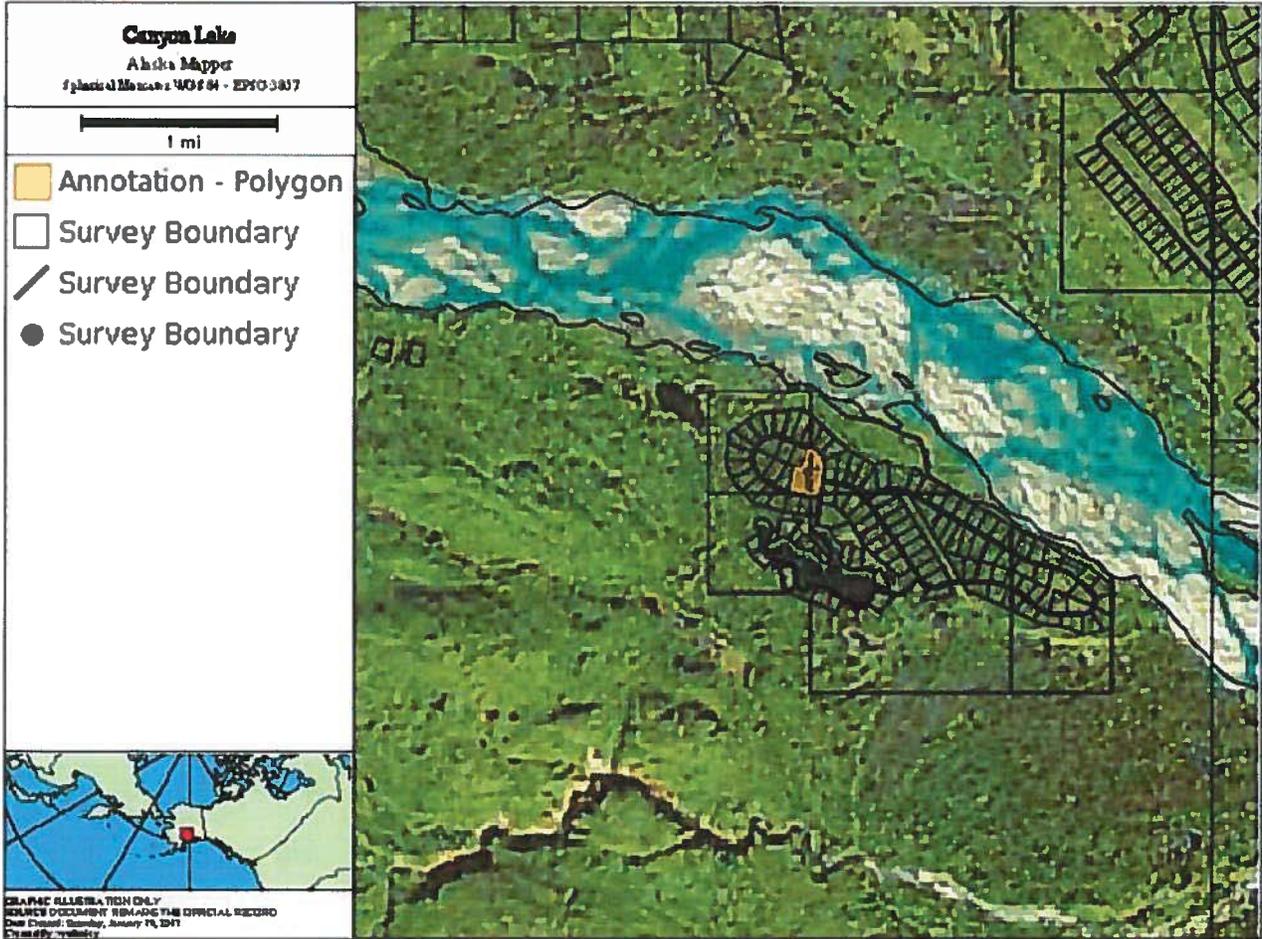
Personal Property

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

Canyon Lake Subdivision



Lot 1, 2 & 9/Block 1, Looking North



General Property Description for Hewitt-Whiskey Lakes

Legal Description

There are six subject parcels located within Hewitt-Whiskey Lakes Subdivision within Township 22 North, Range 12 West, Section 1 and 35.

ADL	Lot	Block	ASLS	Site Size
205188	29	3	79-148	5.000
205189	30	3	79-148	5.000
205190	31	3	79-148	4.999
205256	6	8	79-148	4.980
205263	13	8	79-148	4.999
205264	14	8	79-148	4.999

Location

Hewitt-Whiskey Lakes Subdivision is located approximately 8 miles north of Skwentna, Alaska just southwest of the Yentna River.

Access

Summer access to the subdivision is by boat up river then overland to the parcel or by float plane to an area lake; then overland to parcel. Winter access is via snowmachine along rivers then overland to the subject subdivision.

Size & Shape

Lots range in size from 4.98 to 5.00 acres. The lots are rectangular to irregular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The subject parcels lay approximately 150 feet above sea level.

Soils/Vegetation

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

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 25' public access easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments⁹

The subjects are 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 2012 mill rate for the subject subdivision was 10.18.

⁹ <http://www.matsugov.us/realpropertyquery/detail> accessed 12-07-2011

Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels within the Hewitt-Whiskey Lake subdivision. All of the parcels were under contract starting in 2003/2004. However all of the contracts were terminated between 12-28-2011 and 02-06-2012. All of the parcels are currently in Potential Reoffer Status.

Personal Property

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



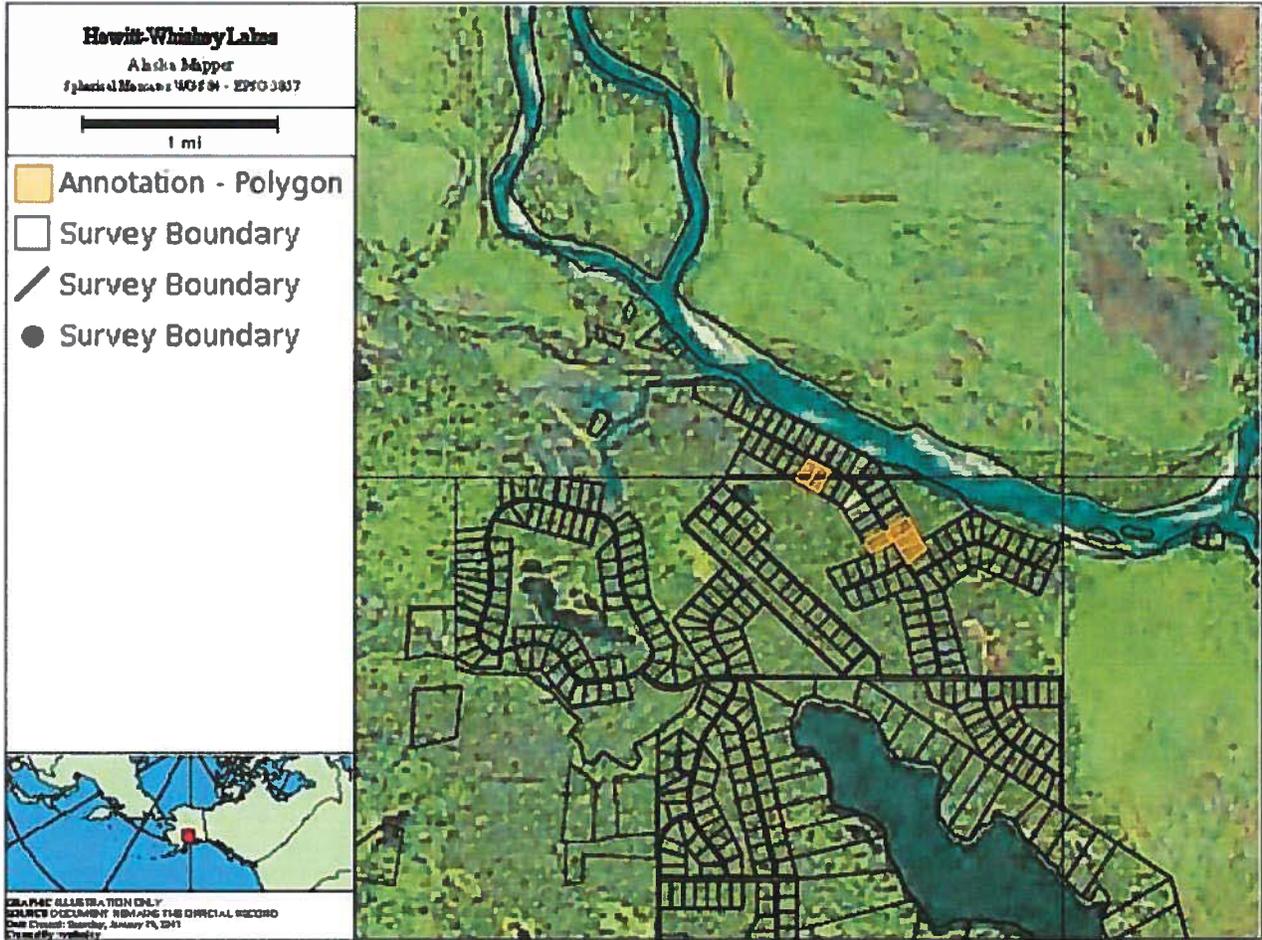
Lots 29, 30, 31/Block 3 & Lot 6/Block 8/Looking Southeast



Lots 29, 30, 31/Block 3 & Lot 6/Block 8/Looking east



Lots 13 & 14/Block 8/Looking Northeast



General Property Description for Lake Creek Homestead Subdivision

Legal Description

There are two Lake Creek Homestead subject parcels, within Township 22 North, Range 9 West, Sections 2, 3, and 11.

ADL	Tract	Block	ASLS	Site Size
222876	A	-	87-55	27.84
222877	B	-	87-56	36.31

Location

Lake Creek Homestead is located approximately 8.5 miles east of the confluence of the Skwentna and Yentna Rivers between Lake Creek and the Kahiltna River.

Access

Access to the subdivision is primarily by snowmachine.

Size & Shape

The subject parcels range from 27.84 acres to 36.31 acres and are irregular in shape.

Topography

The subdivision is characterized by a generally level topography. The subject parcels lie at approximately 500-600' above sea level.

Soils/Vegetation

The subject parcels are primarily spruce and. Soils are typical of the surrounding area, with a large tract of wetlands bordering the west of the subject parcels.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common interior lot lines. The survey plat indicates a 30' seismic line/public access easement bisecting Tract B.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments¹⁰

The subjects are 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.

Ownership History

The Department of Natural Resources is the current owner of record for the subject parcels within the Lake Creek Non-AG Homestead. Both tracts were purchase in the 2006 DNR Land Auction. The contract for ADL #222876 was terminated on 11-16-2011. The contract for ADL#222877 was terminated on 3-17-2011. Both parcels are currently in Potential Reoffer Status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

¹⁰ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012

Personal Property

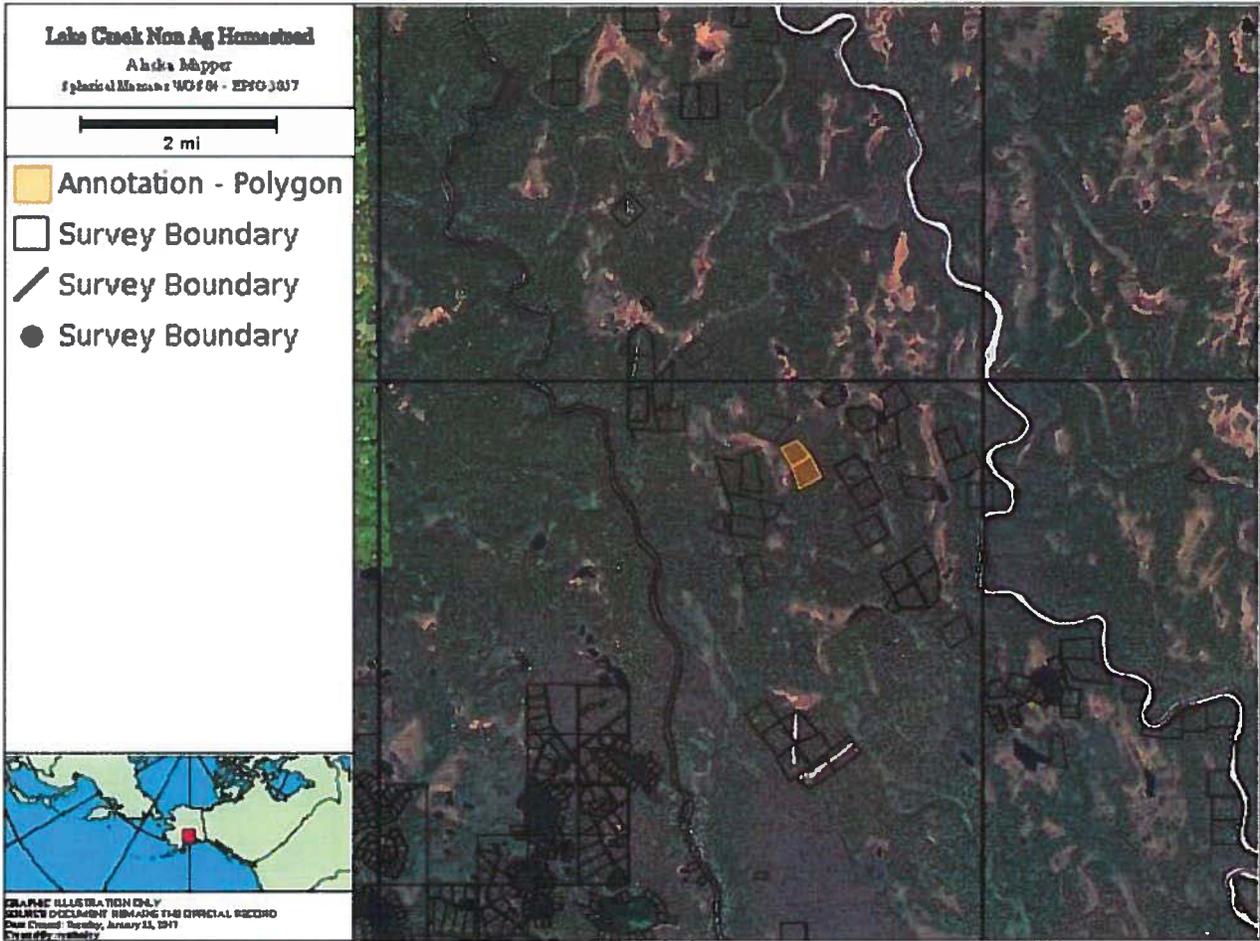
There is no personal property involved with the appraisal of this property.



ADL#222876/Looking East



ADL#222877/Looking Southeast



General Property Description for Lockwood Lake RRCS

Legal Description

There is one subject parcel located in Lockwood Lake subdivision within Township 19 North, Range 7 West, Section 14.

ADL	Tract	Block	ASLS	Site Size
228861	A	-	2003-46	17.18

Location

Lockwood Lake Subdivision is located approximately 5 miles east of the "Big Bend" of the Yentna River 1.5 miles east of Ladyslipper Lake.

Access

The primary access is by float plane to lake. Winter access is via snowmachine along rivers then overland to the subject subdivision.

Size & Shape

The subject parcel is 17.18 acre in site and irregular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The subject parcel is approximately 200 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce. Soils are typical of the surrounding area with low laying areas of wetlands.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. The Parcel is subject to a 30' public access easement on each side of common lot lines, a 50' public access easement along the lake, and structures may not be constructed within 100' of the mean high water line.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

Tax Assessments¹¹

The subjects are 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 2012 MIL rate for the subject subdivision is 10.18.

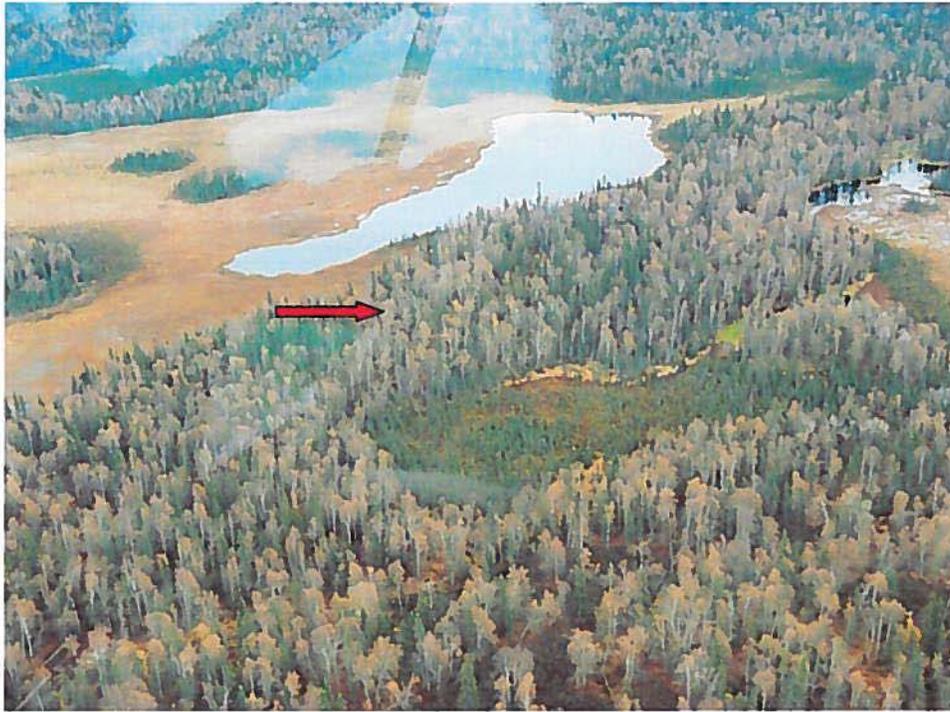
Ownership History

The Department of Natural Resources is the current owner of record for the subject parcel. The parcel is currently in Potential Reoffer Status. There are no known sales or contracts within the past 3 years.

Personal Property

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

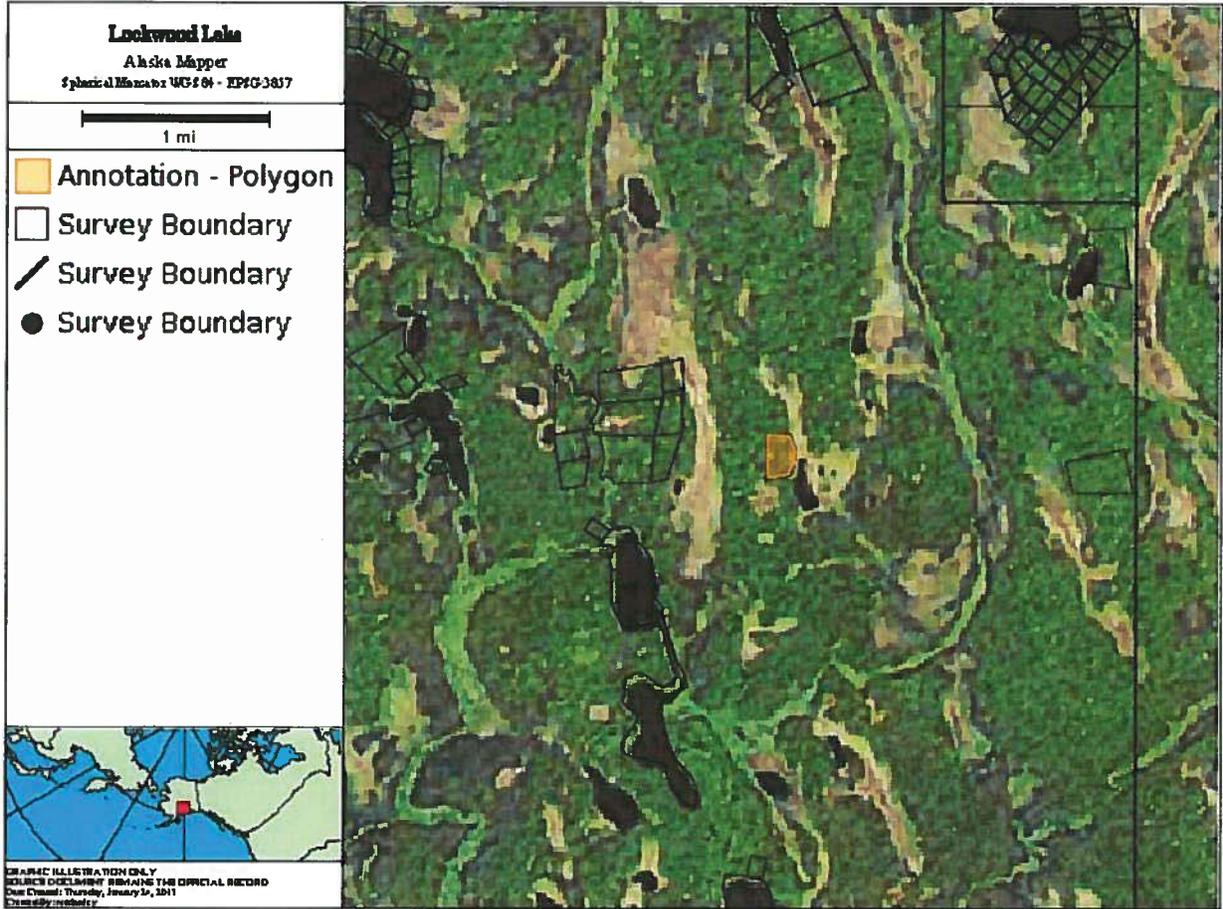
¹¹ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012



ADL#228861/Looking East



ADL#228861/Looking Southeast



General Property Description for Mat-su Odd Lots

Legal Description

There are two Mat-Su Odd Lot subject parcels within the within Township 18 North, Range 4 West, Sections 9 and 21.

ADL	Tract	Block	ASCS Plat	Site Size
219545	-	-	83-215	39.93
219562	-	-	83-215	40.01

Location

ADL #219545 is located approximately 1.75 miles west of the Parks Highway, approximately .50 miles southwest of the southwest shoreline of Nancy Lake, and approximately 1.0 mile south of the winter trailhead on Nancy Lake Parkway.

ADL#219562 is located approximately 2.75 miles southwest of the Parks Highway, approximately 2.50 miles southwest of the southwest shoreline of Nancy Lake, approximately 3.0 mile south of the winter trailhead on Nancy Lake Parkway, and approximately .75 of a mile east of the northeast shore of Redshirt Lake.

Access

Access to the subject parcels is primarily by snowmachine via established trails and established right-of-ways from Nancy Lake Parkway and Lynx Lake Road.

Size & Shape

The subject parcels range in size from 39.93 to 40.01 acres and are rectangular in shape.

Topography

The subdivision is characterized by a generally level topography. The subject parcels lay at approximately 200' to 275' above sea level. ADL#219545 contains a small lake/pond at the northern portion of the property.

Soils/Vegetation

Subdivision contains primarily mature spruce and alders with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with tracts of wetlands identified within the low lying area of the area. Based on satellite imagery and topographic map observations, approximately 30% of ADL#219562 is considered wetlands.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. There is a 25' public access/utility easement along all interior lot lines. There is a 50' public access easement along the ordinary high water mark of an unnamed water body. Additionally, unless a section line has been vacated, there is a fifty foot easement on each side of each section line within the subdivision.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments¹²

The subjects are 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.

¹² <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012

Ownership History

The Department of Natural Resources is the current owner of record for both of the Mat-Su Odd Lot parcels. Both parcels are in Potential Reoffer Status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

Personal Property

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



ADL#219545



ADL#219545



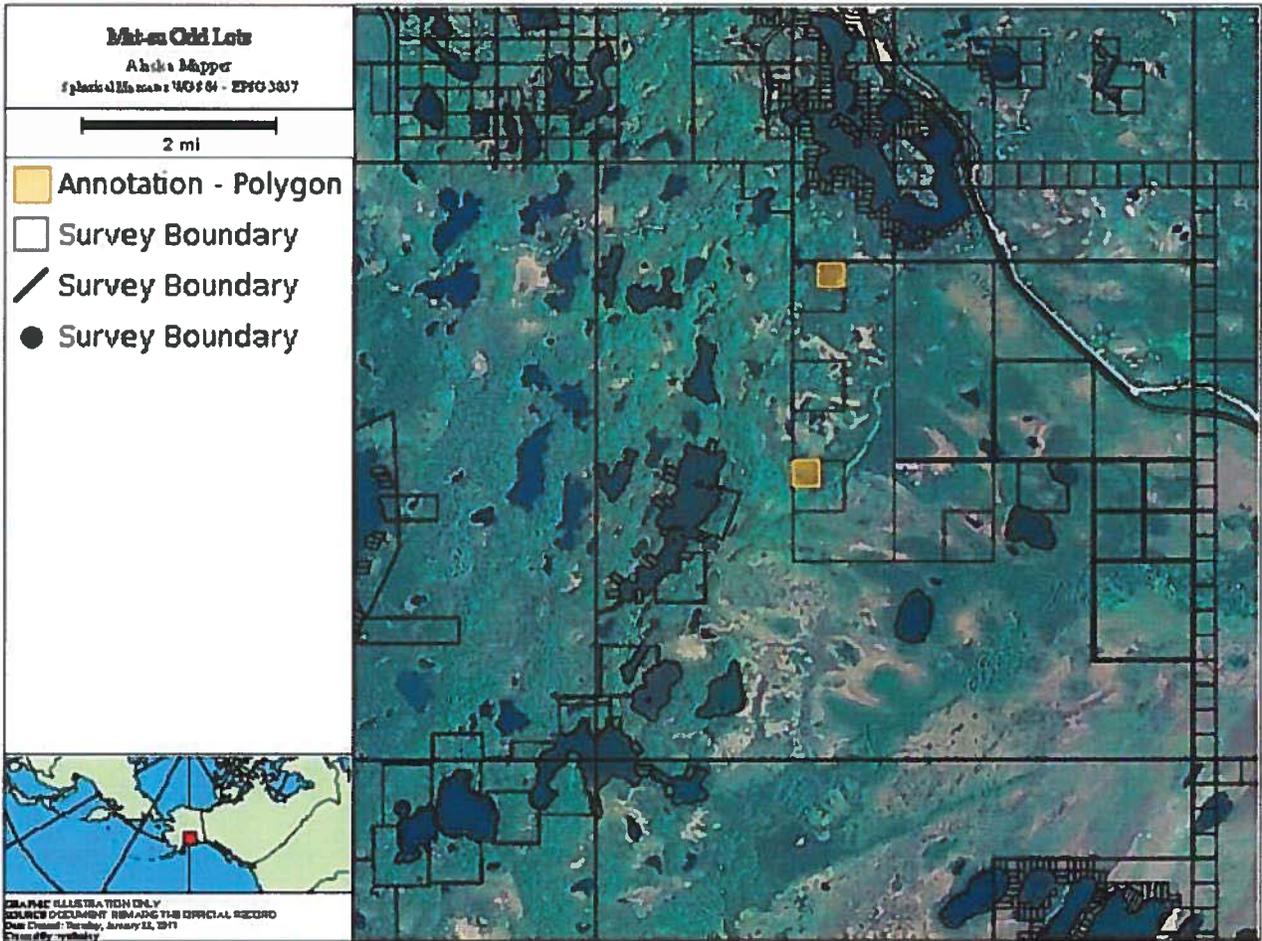
ADL#219562



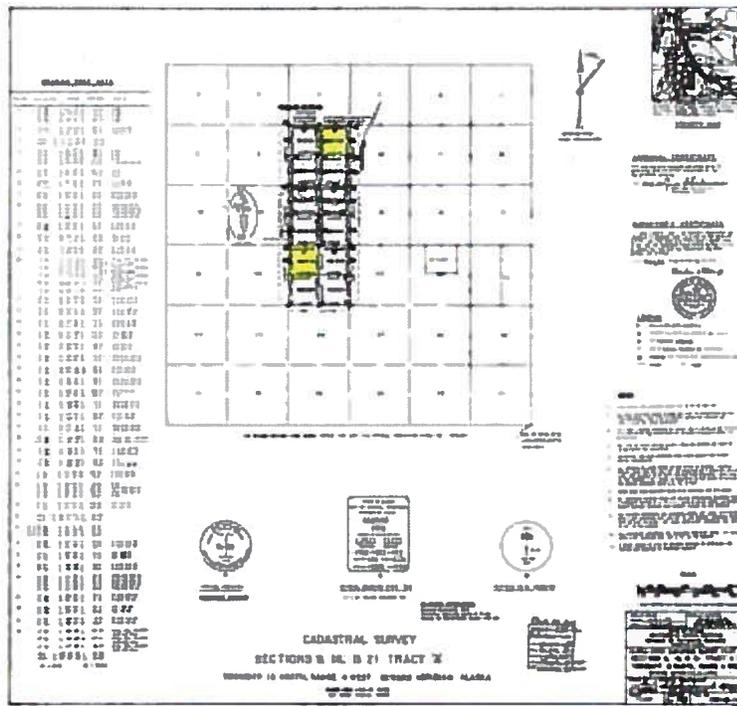
ADL#219562



ADL#219562



Mat-Su Odd Lots Plat



General Property Description for Onestone Lake Subdivision

Legal Description

There are 2 subject parcels within the Onestone Lake Subdivision within Township 21 North, Range 12 West, Section 8 and 17.

ADL	Lot	Block	ASLS	Site Size
215749	1	9	81-110	11.4
215791	5	16	81-110	10.0

Location

Onestone Lake Subdivision is located approximately 12 miles southwest of the confluence of the Yentna and the Skwentna Rivers, and approximately 1.25 miles north of the Skwentna River.

Access

Access to the subdivision is primarily by airplane to area lakes then overland to subject parcel. It may also be possible to access the parcels by snowmachine up river then overland to parcels via established trails and established right-of-ways.

Size & Shape

The subject lot sizes range from is 10.0 to 11.40 acres and are irregular in shape.

Topography

The subdivision is characterized by a level to rolling topography. The subject parcels lay approximately 400' to 500' above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with small portions of wetlands identified within the low lying area of the subdivision.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common interior lot lines, and structures may not be constructed within 25' from a road right-of-way and no closer than 10' from a side lot boundary. There is a 50' public access easement along the mean high water or ordinary water line. All surveyed section lines are subject to a 50' wide easement, unless vacated.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

Tax Assessments¹³

The subjects are 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 2012 mill rate for the subject subdivision is 10.18.

¹³ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012

Ownership History

The Department of Natural Resources is the current owner of record for the subject parcels within the Onestone Lake subdivision. An Application to purchase the ADL#215749 was received on 07-10-2009. The application was terminated on 11-15-2011 and the parcel was placed into potential reoffer status. A contract to purchase ADL#215791 was recorded on 01-04-2005. The contract was terminated on 02-06-2012 and the parcel was placed into potential reoffer status. There are no other known deed transfers or contracts to purchase the subject property within the past 3 years.

Personal Property

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



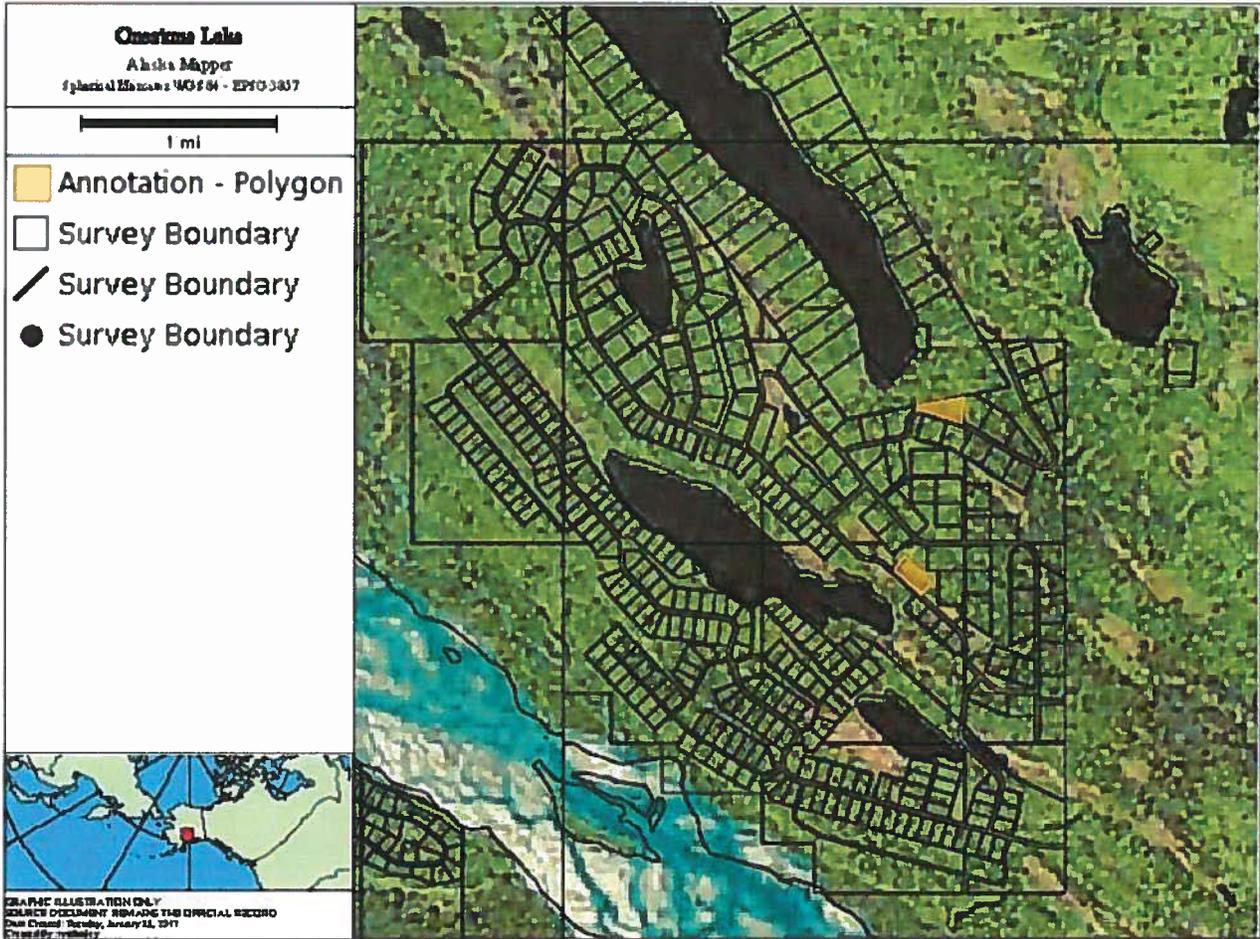
ADL#215749



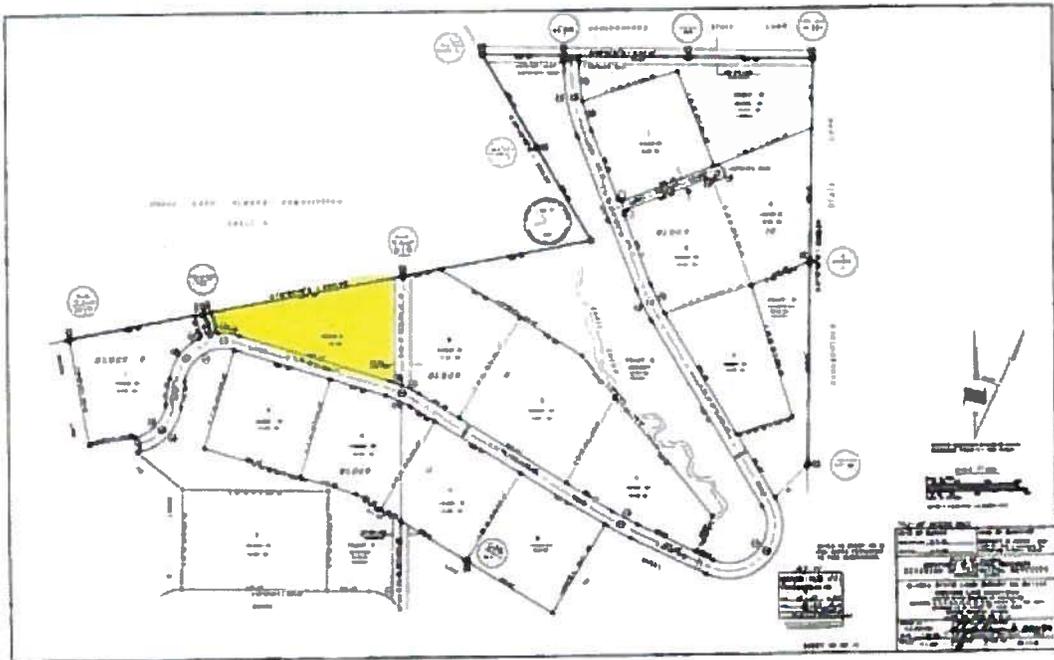
ADL#215791



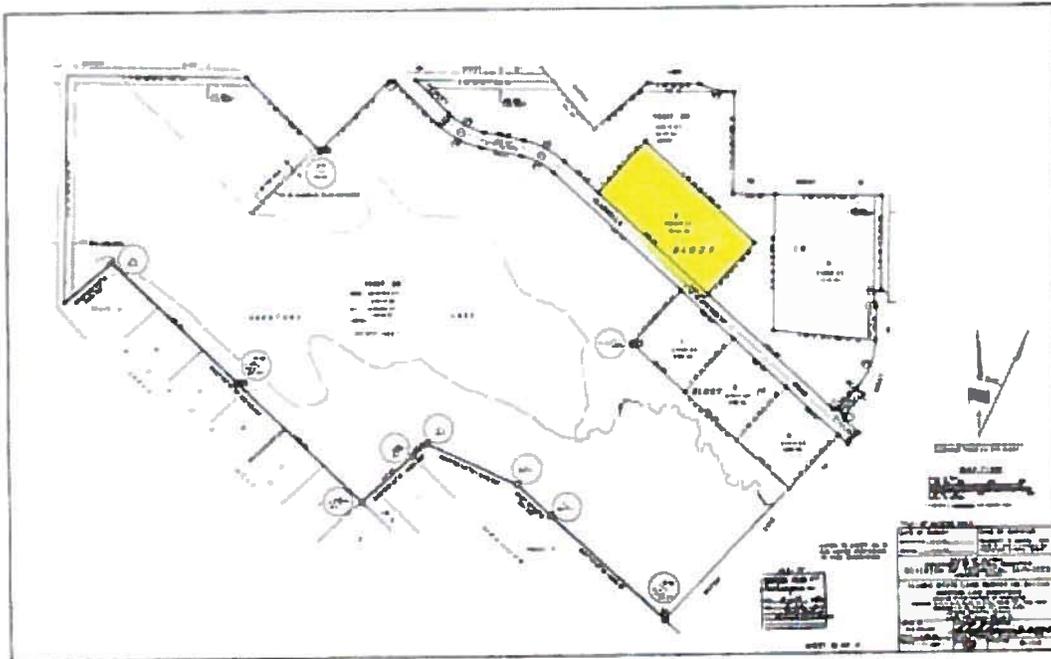
ADL#215791



Onestone Lake Plat



Onestone Lake Plat



General Property Description for Parker Lake Subdivision

Legal Description

There are 8 subject parcels is located in the Parker Lake Subdivision within Township 22 North, Range 7 West, Sections 1 and 12.

ADL	Lot	Block	ASLS	Site Size
219318	2	3	81-126	10.176
219319	3	3	81-126	10.118
219320	4	3	81-126	10.793
219330	1	7	81-126	10.938
219331	2	7	81-126	10.961
219332	3	7	81-126	10.958
219335	2	8	81-126	10.725
219336	3	8	81-126	10.826

Location

The subject parcels are located approximately 6 miles southeast of the end of Oilwell Road; approximately 22 miles southwest of Talkeetna; approximately 22 miles southeast of Skwentna; and approximately 6 miles west of Trapper Lake.

Access

Summer access to the subdivision is by airplane to Parker Lake, then overland to the subject. Winter access is via snowmachine along from the end of Oilwell Road overland to the subject.

Size & Shape

The subject parcels range from 10.118 to 10.958 acres and are irregular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The subject parcel is approximately 250 to 300 feet above sea level.

Soils/Vegetation

The subject parcel contains primarily mature birch and spruce. Soils are typical of the surrounding area.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 25' public access easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

Tax Assessments¹⁴

The subjects are 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 2012 mill rate for the subject subdivision is 13.07.

Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels. Both of the parcels are currently in Potential Reoffer Status.

Personal Property

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



Lots 1,2,&3/Block7 and Lots 3&8/Block 8

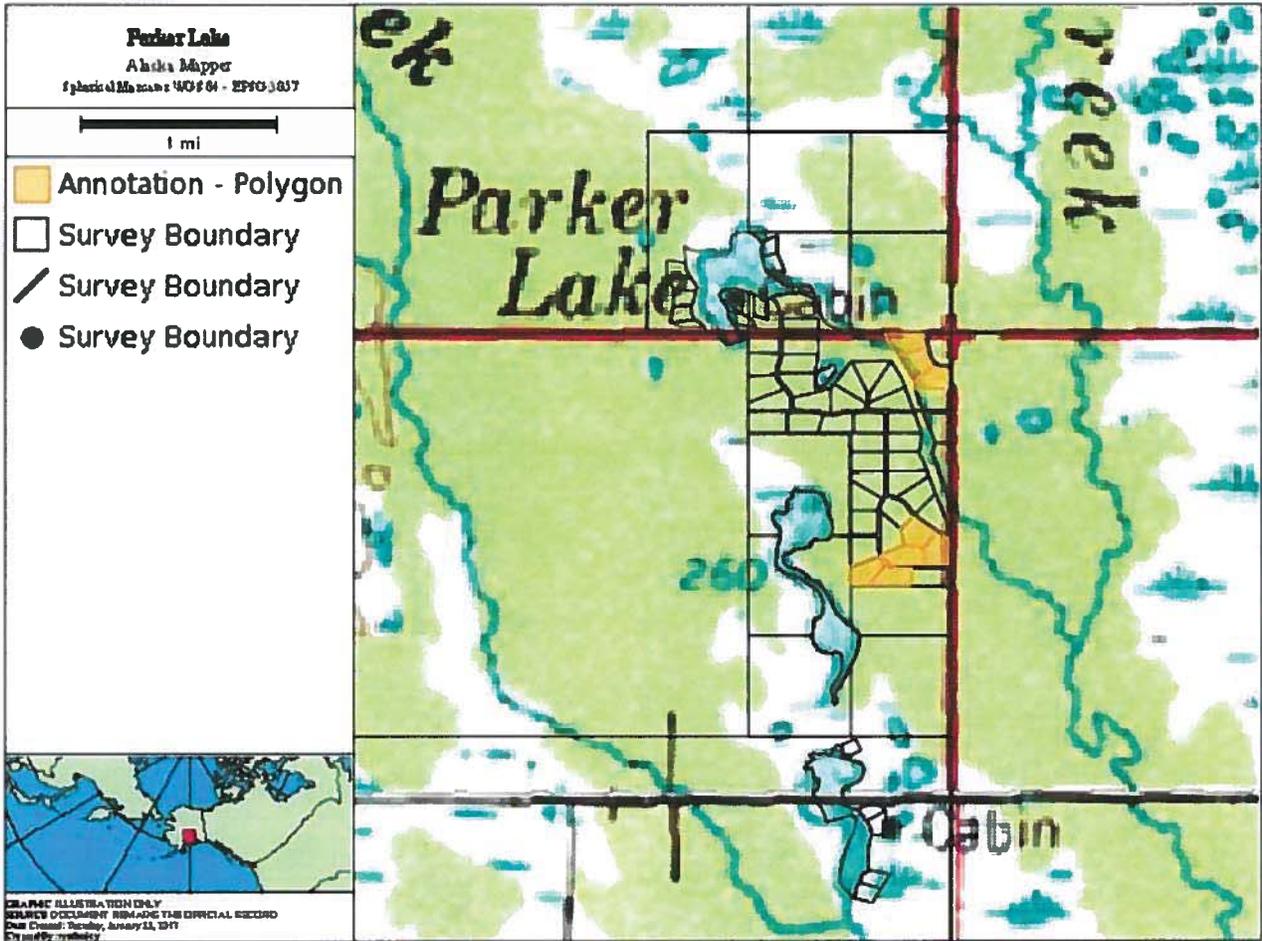
¹⁴ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012



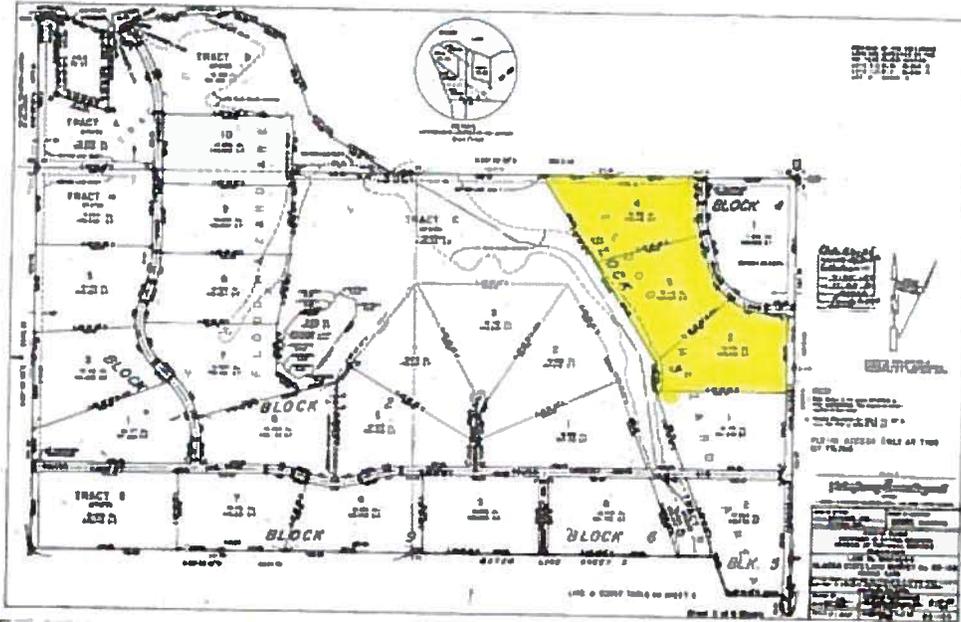
Lots 1,2,&3/Block7 and Lots 3&8/Block 8



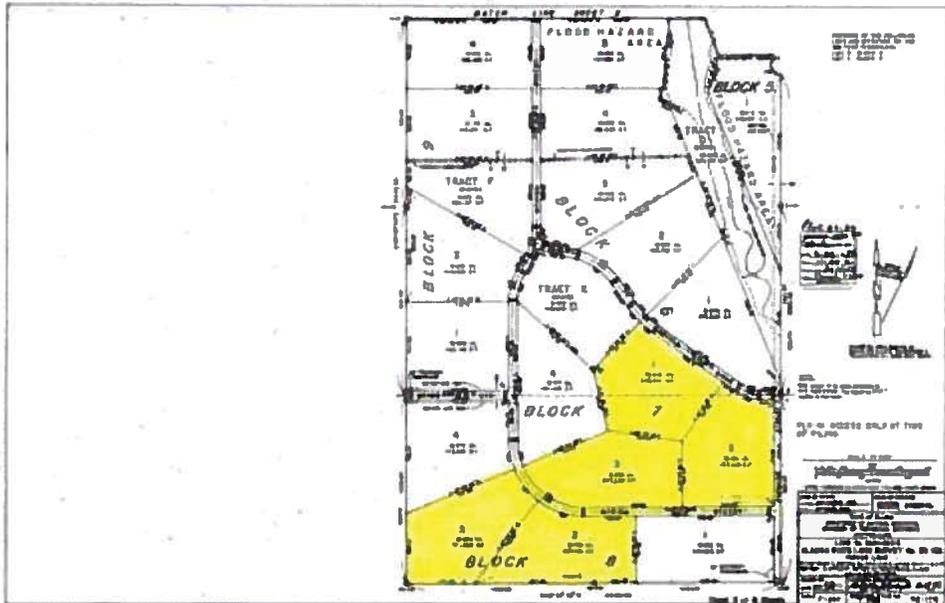
**Lots 2, 3 & 4/Block 3/ Looking Southeast
Parcels #2, 3, & 4 are in foreground from left to right.**



Parker Lake Plat



Parker Lake Plat



General Property Description for Skwentna Flats

Legal Description

There are two subject parcels in the Skwentna Flats Subdivision within Township 20 North, Range 10 West, Section 14.

ADL	Lot	Block	ASLS	Site Size
211672	5	3	80-126	4.773
211680	7	5	80-126	4.710

Location

The subject parcels are located approximately 11 miles south of the confluence of the Skwentna and Yentna Rivers.

Access

Summer access to the subdivision is by airplane to an area lake, then overland to the subject. Winter access is via snowmachine along rivers then overland to the subject

Size & Shape

The subject parcels range in size from 4.710 to 4.773 acres and are rectangular to irregular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The subject parcel is approximately 200 feet above sea level.

Soils/Vegetation

The subject parcel contains primarily mature birch and spruce. Soils are typical of the surrounding area.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' utility easement on each side of common lot lines. There is a 20' utility easement inside of all lot lines not common to other lots. Structures may not be constructed within 25' of a road easement, 10' feet from side and back lot lines, and 75' from normal high water mark of any water body. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

Tax Assessments¹⁵

The subjects are 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 2012 mill rate for the subject subdivision is 10.18.

Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels. An application was received to purchase ADL#211672 on 08-27-2007. That application was terminated on 12-20-2011 and the parcel was placed into potential reoffer status. Both of the parcels are currently in Potential Reoffer Status.

¹⁵ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012

Personal Property

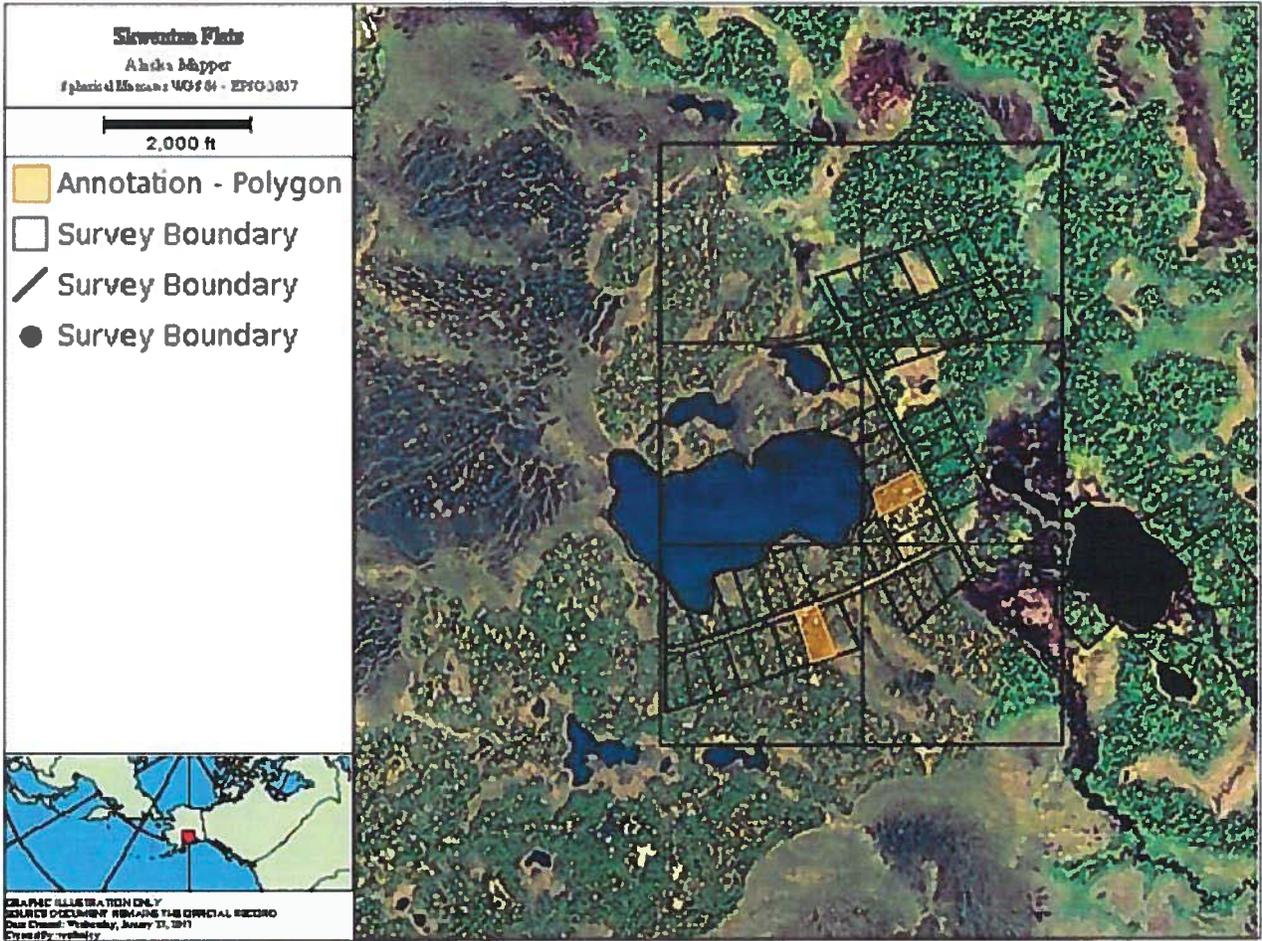
There is no personal property involved with the appraisal of this property.



Lot 5/Block3/Looking Southwest



Lot7/Block 5/ Looking West-Southwest



General Property Description for Skwentna Flats Remote Subdivision

Legal Description

There are two subject parcels within the Skwentna Flats Remote Subdivision within Township 21 North, Range 10 West, Section 26

ADL	Tract	Block	ASLS	Site Size
217098	D	-	85-162	28.15
217105	E	-	80-162	27.07

Location

The subject parcels are located approximately 7 miles southeast of the confluence of the Skwentna and Yentna Rivers.

Access

Parcels have lake frontage on a floatplane sized lake. Summer access to the subdivision is by floatplane to the adjacent lake. Winter access is via snowmachine along rivers then overland to the subject.

Size & Shape

The subject parcels range in size from 27.07 to 28.15 acres and are irregular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The subject parcel is approximately 350 feet above sea level.

Soils/Vegetation

The subject parcel contains primarily mature birch and spruce. Soils are typical of the surrounding area.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' utility easement on each side of common lot lines. There is a 20' utility easement inside of lot lines not common to other lots. Structures may not be constructed within 25' of a road easement, 10' feet from side and back lot lines, and 75' from normal high water mark of any water body. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic material, waste, or hazards were observed during the field inspection.

Tax Assessments¹⁶

The subjects are 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 2012 mill rate for the subject subdivision is 10.18.

Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels. A purchase contract to purchase ADL#217098 was recorded on 05-08-2006. The contract was terminated on 03-13-2012. Both of the parcels are currently in Potential Reoffer Status.

¹⁶ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012

Personal Property

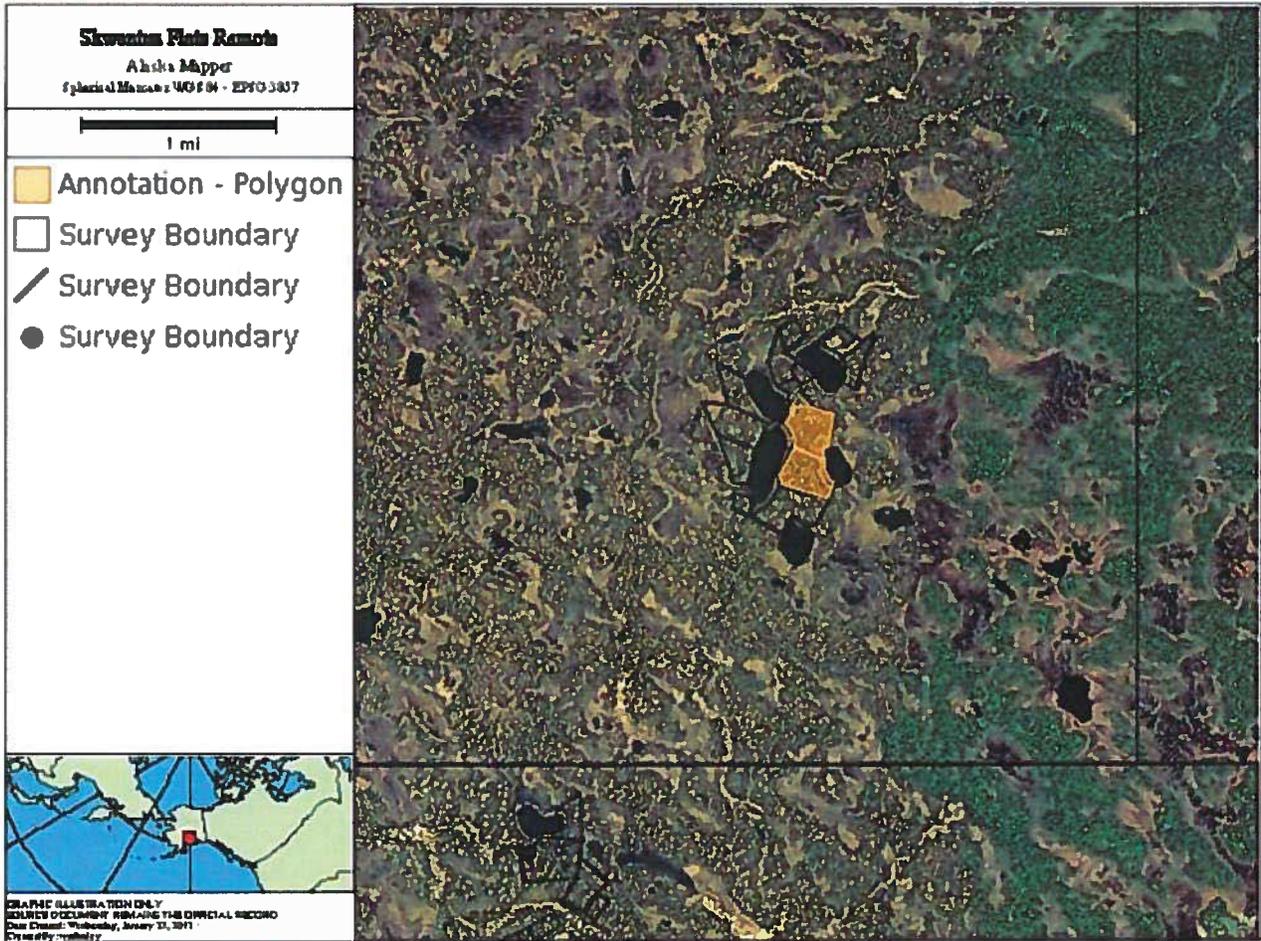
There is no personal property involved with the appraisal of this property.

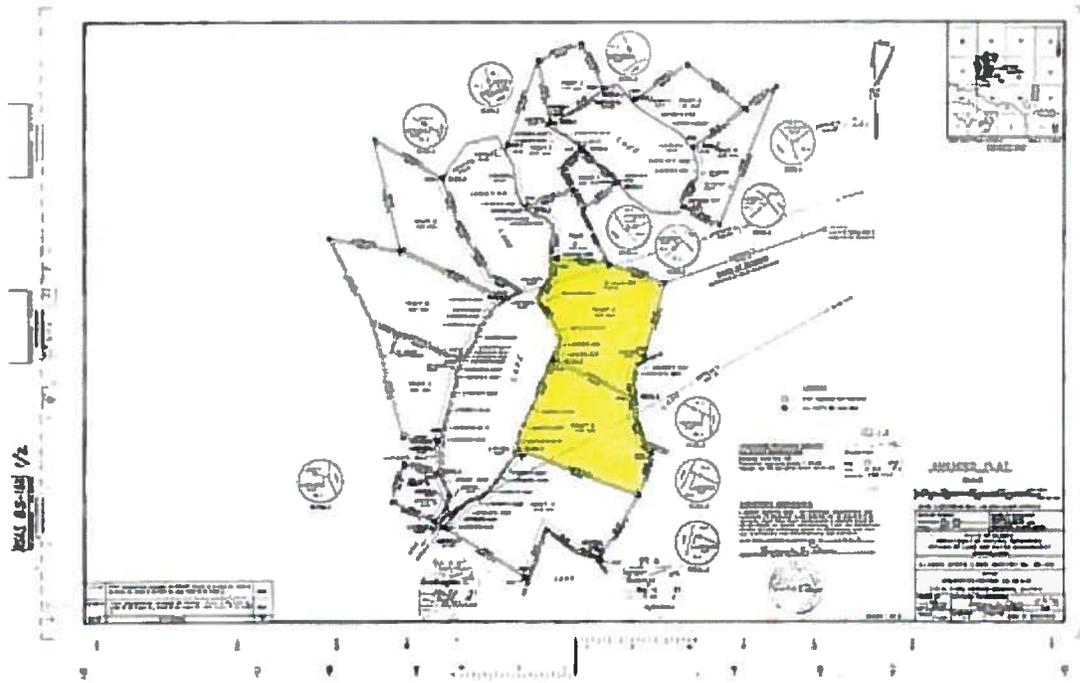


ADL#217098



ADL#217105





General Property Description for Talachulitna West Subdivision

Legal Description

There two subject parcels located within Township 19 North, Range 12 West, Section 5.

ADL	Tract	Block	ASLS	Site Size
229564	P	-	2006-24	19.09
230385	V	-	2006-24	12.19

Location

The Talachulitna West Subdivision is located approximately 18 miles southwest of the confluence of the Skwentna and Yentna Rivers; approximately 7 miles south of the Skwentna River, and 1.5 miles west of the Talachulitna River.

Access

Parcels have lake frontage on a floatplane sized lake. Summer access to the subdivision is by floatplane to an area lake. Winter access is via snowmachine along rivers then overland to the subject.

Size & Shape

The subject parcels range in size from 12.19 to 19.09 acres and are irregular in shape.

Topography

The parcels lie approximately 1000 feet above sea level.

Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some. Soils are typical of the surrounding area, with the larger portions of wetlands identified in close proximity of the subject.

Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 30' easement along common lot lines, and a 60 foot public access easement along all existing trails. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort and a 100' building setback from said water bodies. Additionally, there is a fifty foot easement on each side of each section line within the subdivision.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Tax Assessments¹⁷

The subjects are 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 2012 MIL rate for the subdivision is 10.18.

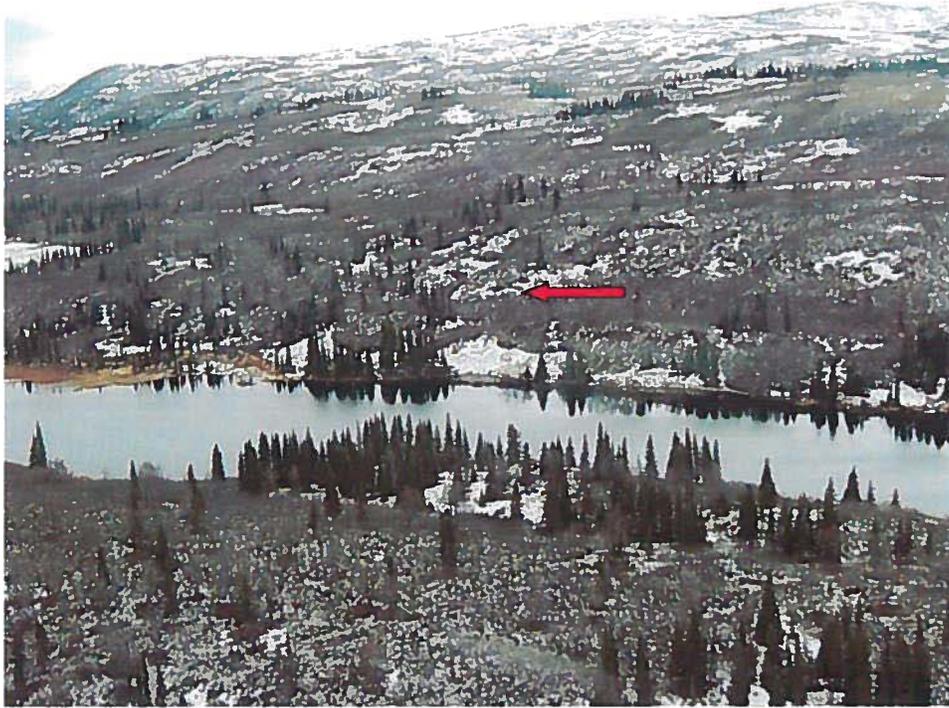
Ownership History

The Department of Natural Resources is the current owner of the Yenlo Hills Remote subject parcel. The subject parcel was available for purchase through the DNR Over-The-Counter program. However, the subject parcel is currently in potential reoffer status. More details about the subject parcels sales history are on the following page.

¹⁷ <http://www.matsugov.us/realpropertyquery/detail> accessed 10-19-2012

Personal Property

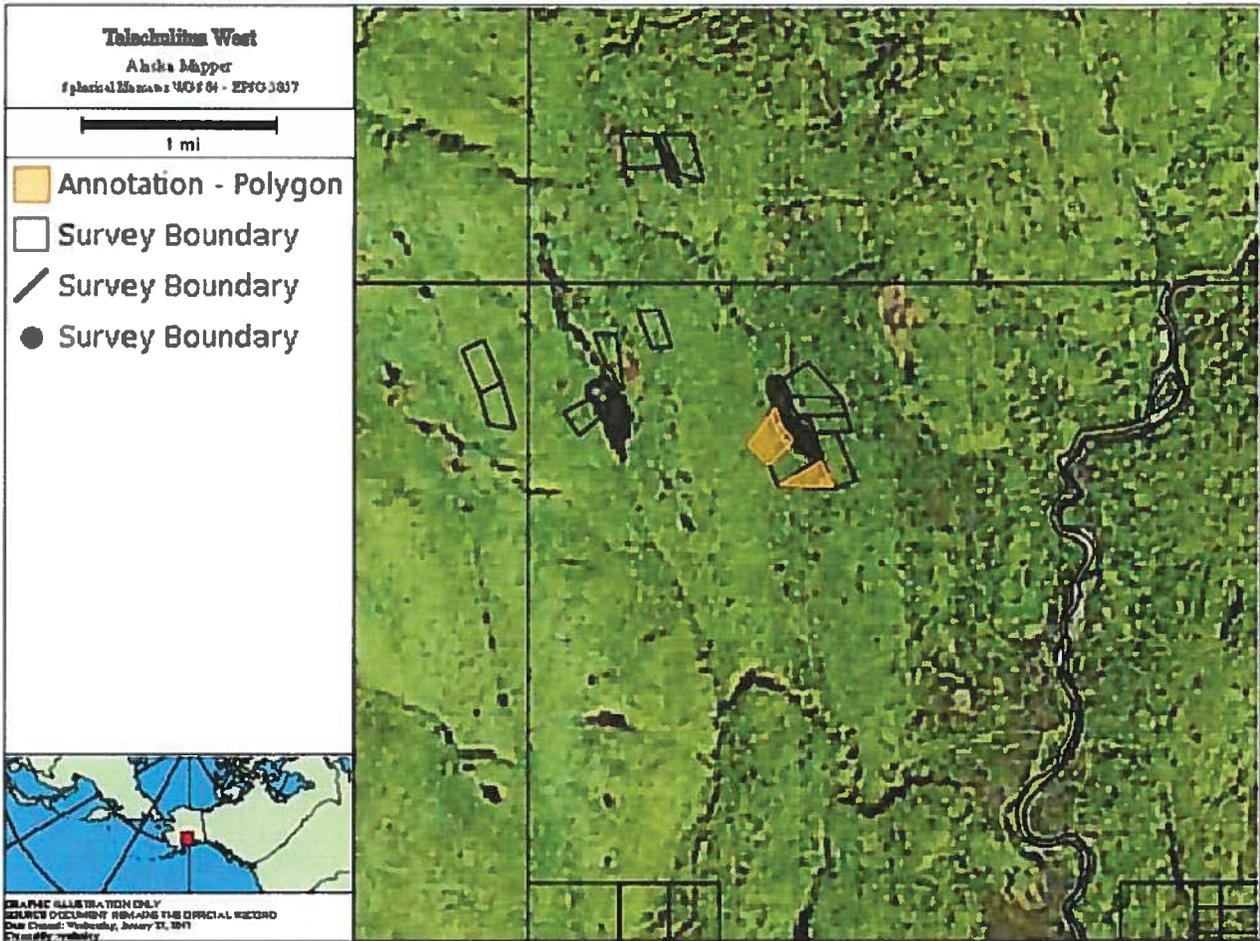
There is no personal property involved with the appraisal of this property.



ADL#229564/Looking West



ADL#230385/Looking West



DATA ANALYSIS AND CONCLUSION

Highest and Best Use

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

"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."¹⁸

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

Legally Permissible

All parcels are subject to local zoning laws, subdivision covenants and restrictions, plat notes, as well as Borough and State regulations. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Almost any legal use of the site would be possible.

Physically Possible

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

Financially Feasible

Surrounding land use is primarily residential. Development of the parcel depends on the amount of resources the owner is willing to allocate for residential needs. Development in the area is ongoing; however, the overall market has slowed as evidenced by stagnant prices and longer marketing times.

Maximally Productive

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. The immediate vicinity is characterized by private recreation. Snowmachining and other outdoor activities are the primary motivations for the surrounding recreational users.

Highest and Best Use of Land as Vacant

Based on the foregoing analysis, the highest and best use of the subject parcels as vacant would be for almost any legal use, primarily rural recreation cabin sites.

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. As such, the cost approach will not be used.

¹⁸ The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.277-278

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 used for valuing the parcels within this appraisal report.

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 match the quality of the key parcel's feature, thus indicating 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 match, thus indicating the value of the key parcel. An adjustment of 1.00 (or $=$) means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel.

The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment. Detailed information about the comparable sales and the adjustments is contained in this report and addenda.

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. Price per acre is the mostly commonly used unit of comparison and will be utilized in this analysis.

Rights Conveyed

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

Financing Terms

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

Conditions of Sale

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

Market Conditions (Time)

Analysis of real estate sales in the subject area 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 do not need to be adjusted for time.

Location

The subject parcels and all comparable sales are located in the same market area. No location adjustment is necessary.

Size & Topography

The comparable parcels have been grouped together in a manner in which minimizes required adjustments. Size adjustments are performed by utilizing the DNR Size Adjustment Method which can be found in the addendum. All comparable parcels are similar in topography to the key parcel. There are no major topographical deficiencies which would require an adjustment.

Access

All subjects and comparable sales feature similar access. Specifically the most likely access is to fly into the general area, then walk overland. Alternatively, the subject and comparable sales can be accessed via major arterial rivers, then overland, or on snowmachine in winter. Distance from major rivers will be taken into consideration in the final reconciliation. Unless noted otherwise, the subject and comparables sales feature similar means of access.

Utilities

The subject parcel and all comparable sales lack all utilities, no adjustment is necessary.

Amenities

Exceptional features of a given parcel may increase value. Features such as type of water frontage, proximity to bodies of water, exceptional views are examples of amenities that may warrant adjustments.

Data Analysis and Value Conclusions

All of the parcels in this analysis have been grouped into four categories; lakefront parcels, interior (non-lakefront) parcels, Parker Lake Subdivision Parcels, and Mat-Su Odd Lot Parcels. A “Key parcel” has been identified for each group and analyzed according. All of the parcels have been analyzed on a price per acre basis.

Lakefront Parcels

Subdivision Name	ADL	Lot/Tract	Block	ASLS	Size Range/ Acres
Lockwood Lake	228861	A	-	2003-46	17.18
Skwentna Flats	211672	5	3	80-126	4.773
Skwentna Flats Remote	217098	D	-	85-162	28.15
Skwentna Flats Remote	217105	E	-	85-162	27.07
Talachulitna West	229564	P	-	2006-24	19.09
Talachulitna West	230385	V	-	2006-24	12.19

Lakefront Key Parcel Description

Legal Description	ASLS 2003-46, Plat #81-34, ADL#228861
Location	Approximately 5 miles east of the “Big Bend” of the Yentna River 1.5 miles east of Ladyslipper Lake.
Access	The primary access is by float plane to lake. Winter access is via snowmachine along rivers then overland to the subject subdivision.
Size and Shape	17.18 Acres/Irregular
Utilities	None
Topography	Level to sloping, approximately 200' above sea level
Easements	Typical
Zoning	None
Environmental Hazards	None Noted
Amenities	666 Feet of Lake Frontage