

VALUATION
of
**SELDOVIA NATIVE
ASSOCIATION**

4435 ACRES
(as cut-over timber land)

within
KACHEMAK BAY STATE PARK,

ALASKA

As Of
September, 1989

by
MUNDY-DAY-BUNN

MEMO ANDUM

State of Alaska

Department of Natural Resources - Division of Land and Water Management

TO: Ron Swanson
Chief, Land & Resources

DATE: October 5, 1989

FILE NO:

TELEPHONE NO: 762-2680

THRU:

SUBJECT: Appraisal Review
Appraisal No 2264-1
4435 Cut Over Acres
Seldovia Native Assoc.
Kachemak Bay State
Park Land Exchange

FROM: Dennis L. Lattin 
Review Appraiser

I have completed a review of the above-indicated appraisal. The report involves the valuation of 4,435 acres of Seldovia Native Association land located within the Kachemak Bay State Park.

My primary concern at commencing the review was in assuring that the report conforms to appraisal instructions contained in the Preliminary Exchange Agreement for the proposed Kachemak Bay State Park land exchange. Conformity with those instructions, which are near generic in the standard appraisal community report, and use of sound acceptable appraisal practices should lead to a well-supported and logical value conclusion.

General

In Appraisal Instructions forwarded to the appraiser on July 25, 1989 the following was stated:

You are to determine the current fair market value of the surface estate (as defined in ANSCA) of the 4,435 acres of commercially viable forest land as if the timber had been removed through logging.

In addition the appraiser was directed:

You are requested to perform your appraisal in conformance with the State's "Appraisal Instructions Pertaining to the Valuation of State Land". . .

In the resulting appraisal report the appraiser writes (Page 1):

This report shall determine the value of the 4,435 acres of commercially viable forest land, valued as cut over land.

October 5, 1989

He further states (on page 2):

The purpose of this appraisal is to establish a market value for the 4,435 acres of commercially viable timberland as 'cut-over' land¹ owned by the Seldovia Native Association and currently being proposed for exchange with the State of Alaska.

The preceding quote from page 2 of the report was subject to the following footnote appearing at the bottom of the page:

1. Cut-over land is a site that has been logged and as its highest and best use forestry.

The appraiser proceeds, on page 2, with a statement of the highest and best use of the property. He concludes on page 3:

The highest and best use of the subject lands has been determined, independently, by those requesting this appraisal. The 4,435 acres have been deemed most appropriate as timber land, with forest production (reforestation) as its highest and best use.

The appraiser then proceeds to value the subject using timberland comparables as the basis for establishing the property's value.

It is apparent to this reviewer that there is a more than reasonable probability that the highest and best use, as timber land, applied in this appraisal was improper; or that, at least, a proper examination of potential highest and best uses was not completed.

At no point in the appraiser's instructions was there specific direction that the highest and best use of the land had been predetermined. The property is repeatedly (on nine occasions) referred to in the July 25 instruction letter as "commercially viable forest land". This undoubtedly contributed to a mindset that this constituted instructions that the land be appraised as forest land.

It is recommended that the appraiser be instructed to complete a thorough analysis of the potential uses of this property to determine if the forest land use is, indeed, appropriate.

Within the context of the report as it exists, assuming a forest land highest and best use is appropriate, several of deficiencies are noted:

1. Information presented on the forest land comparable sales are incomplete and not in conformance with appraisal instructions for reporting comparable sales data. Locator maps depicting the parcels should be provided, more complete information (e.g. access? terms and conditions? similar or differing forest practices and requirement in Alaska vs. Washington and Oregon?) and comparable photos should be provided.

October 5, 1981

2. Comparable sales of logged off land are available in Alaska. It would appear essential that some such in-state data be included in this report, especially in terms of support for location adjustments (Alaska vs. Washington & Oregon).

Conclusion

If the appropriate highest and best use of these lands has not been determined the value conclusions arrived at in this report are invalid.

In the event the forest land use remains an appropriate highest and best use a considerable amount of comparable sales information will be required to augment what has been furnished.

It appears critical that some local data be located and furnished for discussion and comparison against the Washington/Oregon data in support of a location adjustment.

jls

cc: Gary Gustafson, Director DNR
Dick Mylius, SID

AS1440P

DAILY APPRAISAL/ASSIGNMENT

18:11 09/26/89

00002264-001

SUMMARY INFORMATION

REGION SC

AREA KPB

NEIGHBORHOOD HOMER

LOCATION KACHEMAK BAY

SUBDIVISION

STATUS P APPROVAL DATE

APPRAISER MUNDY BILL

TYPE I

TOTAL ACRES 4,435.00 NUMBER OF PARCELS 1

TOTAL VALUE 443,500 (FAR OR FMV) V

REMARKS THIS IS ONE OF TWO APPRAISALS FOR THE KACHEMAK BAY STATE PARK LAND EXCHANGE. THE OTHER APPRAISAL IS 2264.

COMP SALE ID

F1/13-HELP FF8/20-END PRESS ENTER TO CONTINUE

MUNDY-DAY-BUNN

(not a partnership)

ECONOMIC, MARKET & VALUATION ANALYSTS
4041 B STREET, SUITE 204
ANCHORAGE, ALASKA 99503
(907) 561-4166
FAX# (907) 562-0575

Bill Mundy, Ph.D., CRE, MAI
John P. Day, MAI
Ronald W. Bunn, MAI

SEATTLE OFFICES
1109 - 1st Avenue, Suite 200
Seattle, WA 98101
(206) 623-2935

MEDFORD OFFICE
124 South Foothill Road
Medford, OR 97504
(503) 776-2315

September 21, 1989

Mr. Fred Elvsaas
Seldovia Native Association
Drawer L
Seldovia, AK 99663

RE: 4,435 acres of Viable Commercial Timber

Dear Mr. Elvsaas:

Herein you will find the appraisal report of the SNA's 4,435 acres of viable commercial timber land as per the request in the letter received from the law offices of Roger W. DuBrock on July 19, 1989.

The acreage has been valued as cut-over timber land, or bare land.


As of September 15, 1989, the fair market value of the subject property has been determined to be \$100 per acre, for a total of \$443,500.

The property has been inspected, and this appraisal report produced by staff of Mundy-Day-Bunn.

It has been a pleasure preparing this report for you. Please let us know if Mundy-Day-Bunn can be of further assistance.

Sincerely,

MUNDY-DAY-BUNN


Bill Mundy, Ph.D., CRE, MAI

BM:bgm

TABLE OF CONTENTS

INTRODUCTION	1
Proposed Exchange.....	1
Purpose of the Research	2
Definition of Market Value.....	2
Highest and Best Use	2
Methodology	3
Research Participants & Time Frame.....	3
DESCRIPTION OF SUBJECT LANDS.....	3
Location.....	3
Description of Timberlands.....	5
Ownership	5
Access & Improvements.....	5
Easements & Encumbrances.....	5
Zoning.....	6
Forestry and Wood Product Industry	6
Valuation.....	10
Value Reconciliation.....	15

LIST OF TABLES

Table 1.	Forestry & Wood Products Industry Employment & Wages	9
Table 2.	Timber Harvest in Southeast Alaska	9
Table 3.	Product Value of Export	9
Table 4.	Timberland Sales Comparables	12

LIST OF FIGURES

Figure 1.	Subject Location	4
Figure 2.	Boundaries of Exchange Lands.....	7
Figure 3.	Commercially Viable Timber Acreage within SNA Exchange Boundaries	8

ASSUMPTIONS AND LIMITING CONDITIONS

That the analyst is not responsible for the accuracy of opinions furnished by others and contained in this report. Nor is he responsible for the reliability of government data utilized herein.

That compensation for research services is dependent only upon delivery of this report, and is not contingent upon estimates provided.

That this report considers nothing of legal character, and the analyst assumes no responsibility for matters of legal nature.

That no research has been done to determine the absence and presence of hazardous and toxic materials on the subject property. Research shows that contamination can have a significant effect on property value. Because an engineering analysis and value impact analysis regarding contamination is outside the scope of this assignment we render no value opinion on this issue.

That testimony or attendance in court is not required by reason of this analysis unless arrangements are previously made.

That information furnished by property owner, agent and management is correct as received.

That no part of this study may be reproduced without permission of Mundy-Day-Bunn.

That no part of this study may be used as a part of or referred to in a public or private stock offering.

This report is the confidential and private property of the client and Mundy-Day-Bunn. Any person other than Mundy-Day-Bunn or the client who obtains and/or uses this report or its contents for any purpose not authorized by Mundy-Day-Bunn or client is hereby forewarned that all legal means to redress may be employed against him.

This report is based on information which the author believes to be reliable. However, the information used reflects the author's personal opinion of market conditions and other factors which influence employment, population, commercial and residential real property markets and value. The use of such information is at the user's own risk.

INTRODUCTION

The subject property is located within the boundaries of Kachemak Bay State Park. Kachemak Bay State Park and the adjoining Kachemak Bay State Wilderness Park are located at the southwestern end of the Kenai Peninsula between Cook Inlet and the Gulf of Alaska. The two parks, encompassing approximately 256,240 acres, were established by the Alaska State Legislature in 1970 for "the protection of the unique wildlife, recreational and scenic resources contained in those lands and waters."

Proposed Exchange

In 1971, one year after the designation of Kachemak Bay State Park (KBSP), the United States Congress passed the Alaska Native Claims Settlement Act (ANCSA) which entitled Alaska Natives to receive land as settlement of aboriginal land claims. As part of its entitlement, the Seldovia Native Association (SNA) selected roughly 29,400 acres from within the boundaries of the previously designated state park. These selections included key coastline and public use areas, and accounted for over one-third of the total KBSP area.

A Memorandum of Understanding between the state, SNA, the Kenai Peninsula Borough and Cook Inlet Region, Inc. (owners of subsurface estate) was first executed in May, 1979 as a means to resolve land disputes arising from Native selections in the park area. A primary component of this agreement was the parties' mutual commitment to exchange SNA selection lands within the park for comparably valued state lands elsewhere. The driving purpose for the land exchange was to consolidate state land holdings and create "land ownership patterns which [would] permit more effective administration of the State public domain."

To date, two land exchanges totaling 4,538 acres of SNA lands have been consummated. The details regarding these exchanges are discussed in the Valuation section of this report. Two other exchanges have been attempted, but have failed for various reasons.

In 1987 SNA sold the timber on 12,400 acres of its inholdings to Timber Trading Company (a subsidiary of Koncor Timber Company) with a contract which allowed the company to cut timber for a 12 year period beginning in May, 1987. It was subsequently determined by Timber Trading Company (TTC) that 4,435 of the 12,400 acres have commercial potential. The threat of timber harvesting within the park revived interest in a land exchange and has prompted renewed negotiations between the involved parties.

A Preliminary Exchange Agreement has been negotiated between the State of Alaska, SNA and TTC which contemplates the State of Alaska acquiring SNA's land and TTC's timber in exchange for state lands and timber rights as well as other compensation. The proposed exchange agreement involves a total of 23,802 acres of SNA lands, 19,367 acres of which are owned in fee simple interest and 4,435 acres on which the timber is owned by TTC.

It is our understanding that although the timber and the land are at present separately owned, the State of Alaska intends to consolidate these ownerships and place the land and timber acquired into the Kachemak Bay State Park, where they will be administered for their natural and scenic values.

Despite this intended consolidation, the Preliminary Exchange Agreement dictates that two separate appraisal reports be produced. This report shall determine the value of the 4,435 acres of commercially viable forest land, valued as cut over land. The standing volume and market value of the TTC timber found on this acreage has previously been determined by a timber appraiser.

Purpose of the Research

The purpose of this appraisal is to establish a market value for the 4,435 acres of commercially viable timberland as 'cut-over' land¹ owned by Seldovia Native Association and currently being proposed for exchange with the State of Alaska. The intention of this appraisal is to provide a basis for determining an equal value exchange of lands between the two parties.

Definition of Market Value

"The highest price in terms of money that a property would bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and a passing title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well-informed, or well advised, each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash, or its equivalent.
5. Financing, if any, is on terms generally available in the community at the specified date and typical for the property in its locale.

(Source: *The Appraisal of Real Estate*, American Institute of Real Estate Appraisers, Chicago, IL, 8th Edition, page 33.)

Highest and Best Use

The highest and best use has been defined as "that use which at the time of appraisal is most likely to produce the greatest net return to the land and/or building over a given period of time." In the context of market value, highest and best use is also defined as:

"The reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal."

Alternatively, it is that use, from among reasonable, probable and legal alternative uses, found to be physically feasible, and which results in the highest land value. In cases where a site has existing improvements, it is to be recognized that the highest and best use may be different from its existing use. Any analysis of highest and best use should include the following reasonable sequence of thought:

1. Possible Use: To what use is it physically possible to put the site in question?
2. Legal Use: What uses are permitted by zoning and deed restrictions?
3. Feasible Use: What possible and legal uses will produce a net return to the owner of the site?

¹ Cut-over land is a site that has recently been logged and as its highest and best use forestry.

4. Probable Use: The use must be probable, not speculative or conjectural. There must be profitable demand for such use and it must return to the land the highest net return for the longest time.
5. Highest and Best Use: Among the possible, legal, and feasible uses, those uses which will produce the highest net return or the highest present worth.

The highest and best use of the site can be determined in two manners, from the qualitative standpoint and from the quantitative standpoint. The qualitative approach is based on the appraiser's judgment, and it is dependent on a sound reasoned logic. The quantitative approach is based on a careful highest and best use analysis comparing the land values supportable by alternative uses, the highest and best use being that use which maximizes the value of the site.

The highest and best use of the subject lands has been determined, independently, by those requesting this appraisal. The 4,435 acres have been deemed most appropriate as timber land, with forest production (reforestation) as its highest and best use.

Methodology

The fair market value estimate for the 4,435 acres as cut-over timber land (bare land), was determined by the direct sales comparison approach.

An extensive inquiry of Alaska, Washington and Oregon, state and federal agency personnel (i.e., appraisers, foresters, assessors); independent forest consultants, and timber industry experts was made by telephone to garner information useful to the objectives of the valuation. Sales comparables, perceptions of the Alaska market and Washington and Oregon markets, information about industry guidelines and industry expertise, were acquired in this manner.

The analysis and integration of the data from these two efforts provided an indication of value for the subject lands.

Research Participants & Time Frame

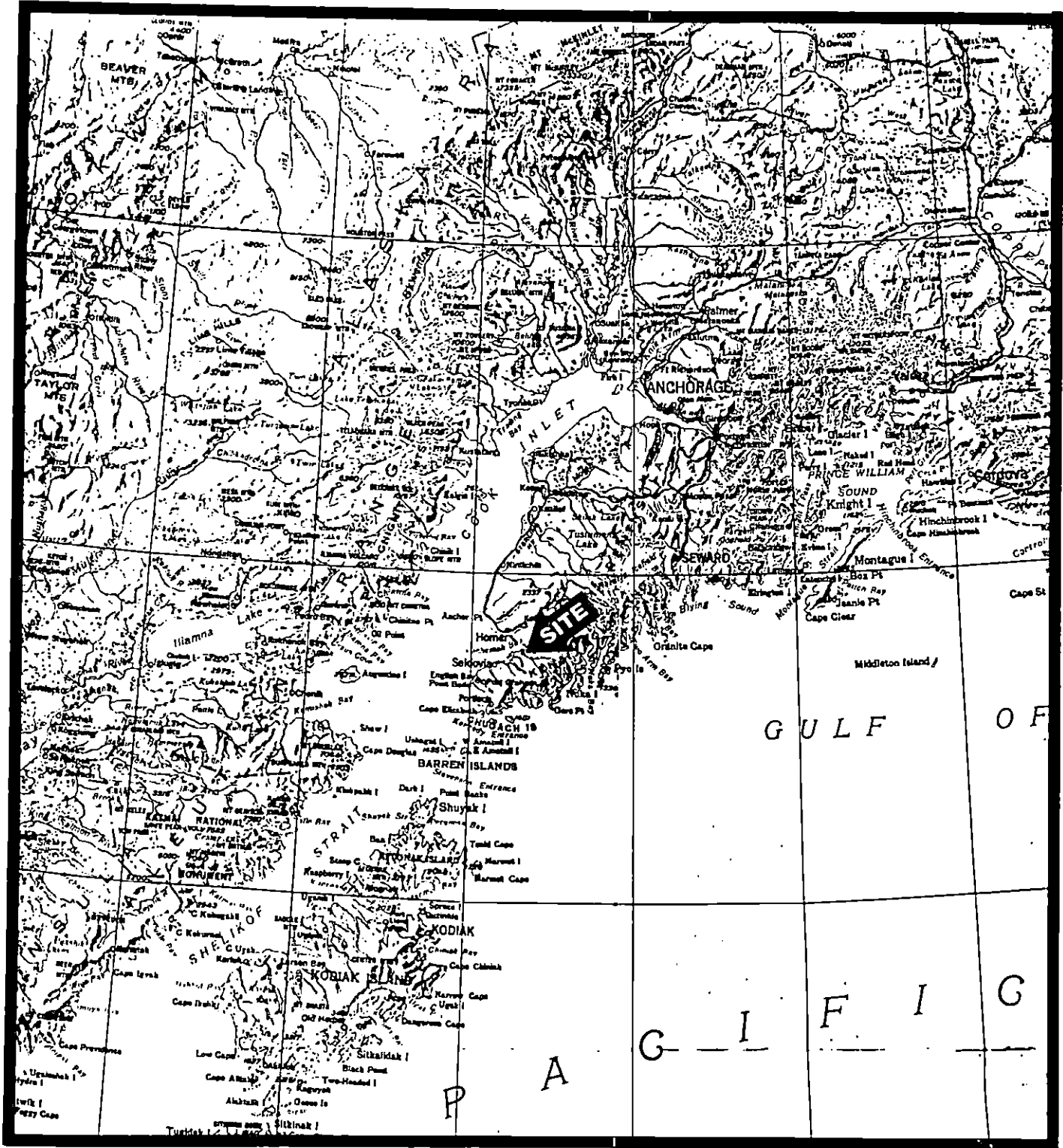
This study was prepared for Seldovia Native Association under the supervision of Bill Mundy, Ph.D., CRE, MAI. Field research and data collection was performed by Linda Glover, M.B.A. Both Bill Mundy and Victoria Adams, M.A., Research Analyst, inspected the property that is the subject of this report, and Bill Mundy performed the final report review. Data was collected and analyzed during July and August, 1989; the report was prepared between August 1, 1989 and September 15, 1989.

DESCRIPTION OF SUBJECT LANDS

Location

The 4,435 acres of timberland which are the subject of this report, combined with the 19,362 acres which are valued separately, encompass nearly the entire southwest portion of Kachemak Bay State Park on the Kenai Peninsula in southcentral Alaska (see Figure 1). The two properties combined form a fairly contiguous parcel which fronts China Foot Bay and Neptune Bay on the north and the eastern shore of Sadie Cove. A noncontiguous parcel is also included along Sadie

Figure 1
Location Map



Cove's western shoreline. The legal description for the lands offered for exchange are contained in Appendix A. It should be noted that no survey has been conducted to delineate the two properties, so that the legal description contained here includes both the 19,367 acres and the 4,435 acres of timberland.

Description of Timberlands

The timberlands are dispersed in a noncontiguous manner throughout the subject property. This dispersion includes timber at sea level spreading to moderately flat lowlands and continuing up to approximately 700 feet above sea level. Starting at the northeast corner, directly between Mckeon Flats and China Poot Bay, a portion rises to 200 feet. The northern central region contain a large portion of the timberland covering a flat plain at the mouth of Stonehocker Creek. To the northeast, the remainder of China Poot Bay is bordered by the timber. The central region contains the more mountainous sections of timber with a majority of the land falling in the range of 100 to 600 feet above sea level. This mountainous region is bounded on the south by a thin strip of timber lying at the base of a watershed. The south east and south central portions are void of the timberlands. Finally, the southwest portion has a section of timberlands at the base of Sadie Cove. This land is mostly low with a thin strip of timber at the base of the central mountainous region.

Ownership

The subject 4,435 acres are owned by the Seldovia Native Association as part of their entitlement under ANCSA. SNA's holdings represent the largest private ownership within the Park's boundaries. The Kenai Area Division of the Alaska State Parks estimates that there are approximately 100 additional private parcels within the park's boundaries, mostly of five acres or less in size and located along the coast. According to the Kachemak Bay State Park Management Plan (1988), most of these parcels predate the establishment of the park and were acquired through State and Federal Disposal programs. All lands below mean high tide are owned by the State of Alaska.

Figure 2 delineates SNA's holdings within the state park boundaries that are proposed for exchange. These holdings include both the 4,435 acres which are the subject of this report and the 19,367 acres which have been valued in a separate appraisal report. The figure also delineates parcels granted to the state under previous exchanges and ANCSA land selections relinquished by SNA as part of those previous exchanges. Figure 3 highlights the timbered acreage which is the subject this appraisal. The timbered acreage is discontinuously scattered amidst the subject parcel.

Access & Improvements

Access to the coastal portions of the subject property is via floatplane or boat. China Poot and Neptune Bays provide relatively safe moorage and landing areas with gently sloping shorelines. Sadie Cove, in contrast, has steeper coastlines with little to no beach areas. Access to the backland portion of the subject is by foot traffic only. There are currently no roads on, through, or adjacent to the subject property. Various hunting and hiking trails have been established over time, but have not been formally maintained.

There are no known improvements within the subject boundaries.

Easements & Encumbrances

A Homer Electric Association power line easement crosses portions of the Kachemak Bay State Park property. The appraiser is not aware of any restrictive or other easements that would affect the value of the property.

Zoning

For the purpose of properly managing the resources within various state park units, all lands and waters within the state park system have been classified into land use zones. The majority of the subject property has been classified as Natural according to the Alaska State Park's scheme. According to the Kachernak Bay State Park Management Plan, the purpose and characteristics of a Natural zone is as follows:

Natural zones are established to provide for moderate to low impact and dispersed forms of recreation and to act as buffers between recreational development and wilderness zones.

These zones are relatively underdeveloped and undisturbed and are managed to maintain high scenic qualities and to provide visitors with opportunities for significant natural outdoor experiences. An area's natural landscape character is the dominant feature within this zone. Landscape modification may be allowed to enhance, maintain or protect the natural setting according to the unit management plan.

Permitted uses in a Natural zone include bicycling, backpacking, fishing, hunting, cross-country skiing, camping, sledding, tobogganing, berry picking and rock climbing. Motorized off-road vehicle use with the exception of boats and aircraft are considered incompatible uses of the natural zone and are prohibited. This would be the desired zoning situation, by the State Park. The subject property is not officially zoned and therefore, timber harvesting is not prohibited.

Other restrictions apply to the tidal grounds of the subject property which, as mentioned, belong to the State. Any uses involving tidelands (running lines, mooring lines, docks, etc.) are subject to State approval and may even require permitting by the Corps of Engineers and Coast Guard.

Forestry and Wood Product Industry

In 1986, Alaska's forestry and wood products industry made gains in employment and profits for the first time since the beginning of the decade. Annual average employment declined an average of about 10% per year from 1980 to 1985 where it reached its lowest at 2,300 workers (see Table 1, Forestry and Wood Products Employment and Wages). Timber harvests fluctuated somewhat during this same time without taking severe drops (see Table 2), though the industry as a whole has suffered from poor market conditions (see Table 3). The more recent past and future, however, look bright, as shown in employment figures for 1987 and 1988. The declining value of the dollar against the Japanese yen has made Alaska timber more competitive in the Pacific Rim market which accounts for roughly 85% of its exports. Greater demand in the lower 48 generated by a stronger housing industry is also diverting the Washington, Oregon, and British Columbia producers from the Asian market, leaving more room for Alaskan exports.

Figure 3
Location of Commercially
Viable Forest Land
Within Subject Boundaries

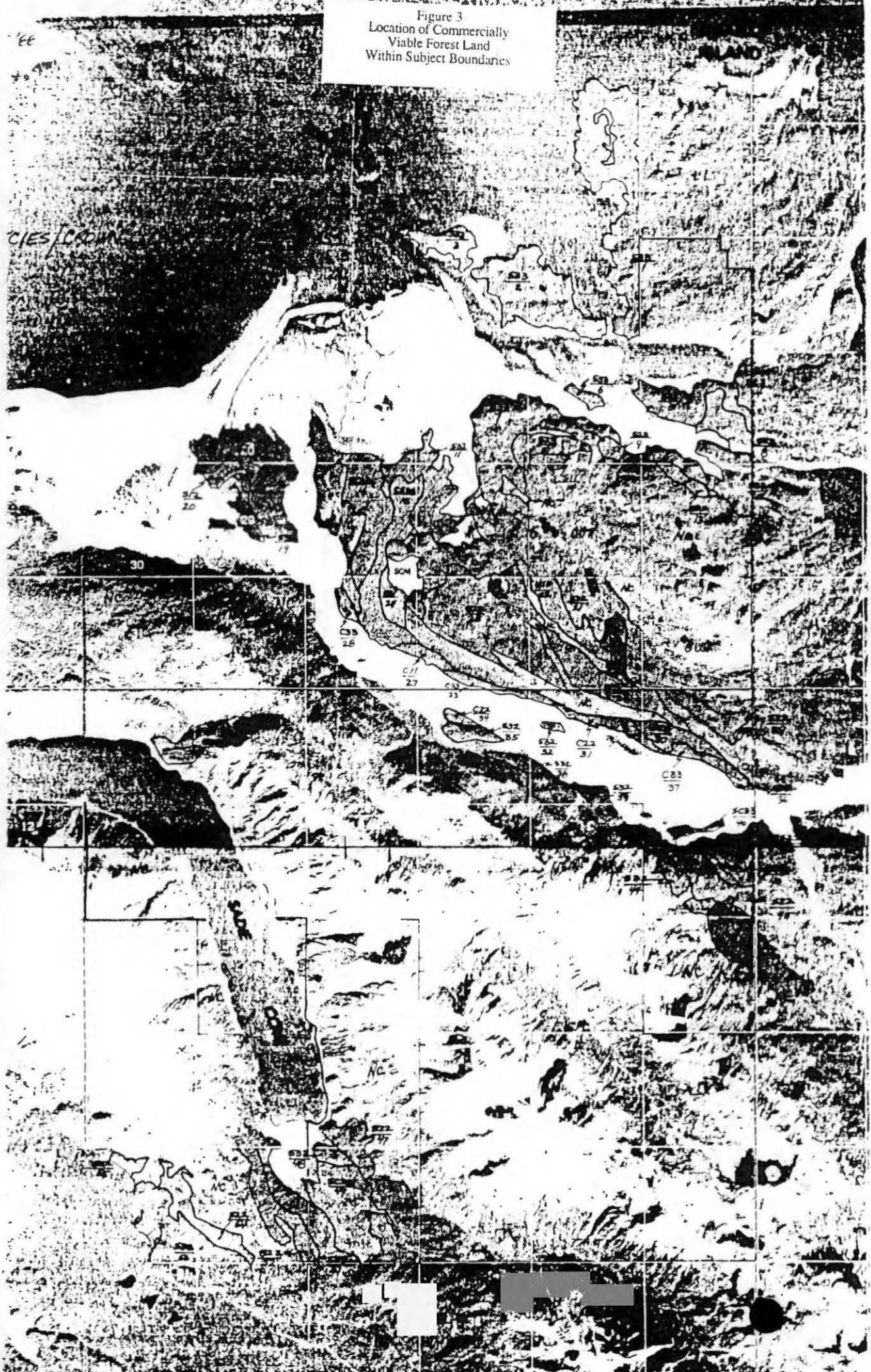


Figure 2
Boundaries of Proposed Exchange Lands

KEY

- Subject Boundaries
- - - K.B.S.P. Boundaries
- ▨ Land within K.B.S.P. previously traded to the state.
- ▩ A.N.C.S.A. land selections relinquished by S.N.A.

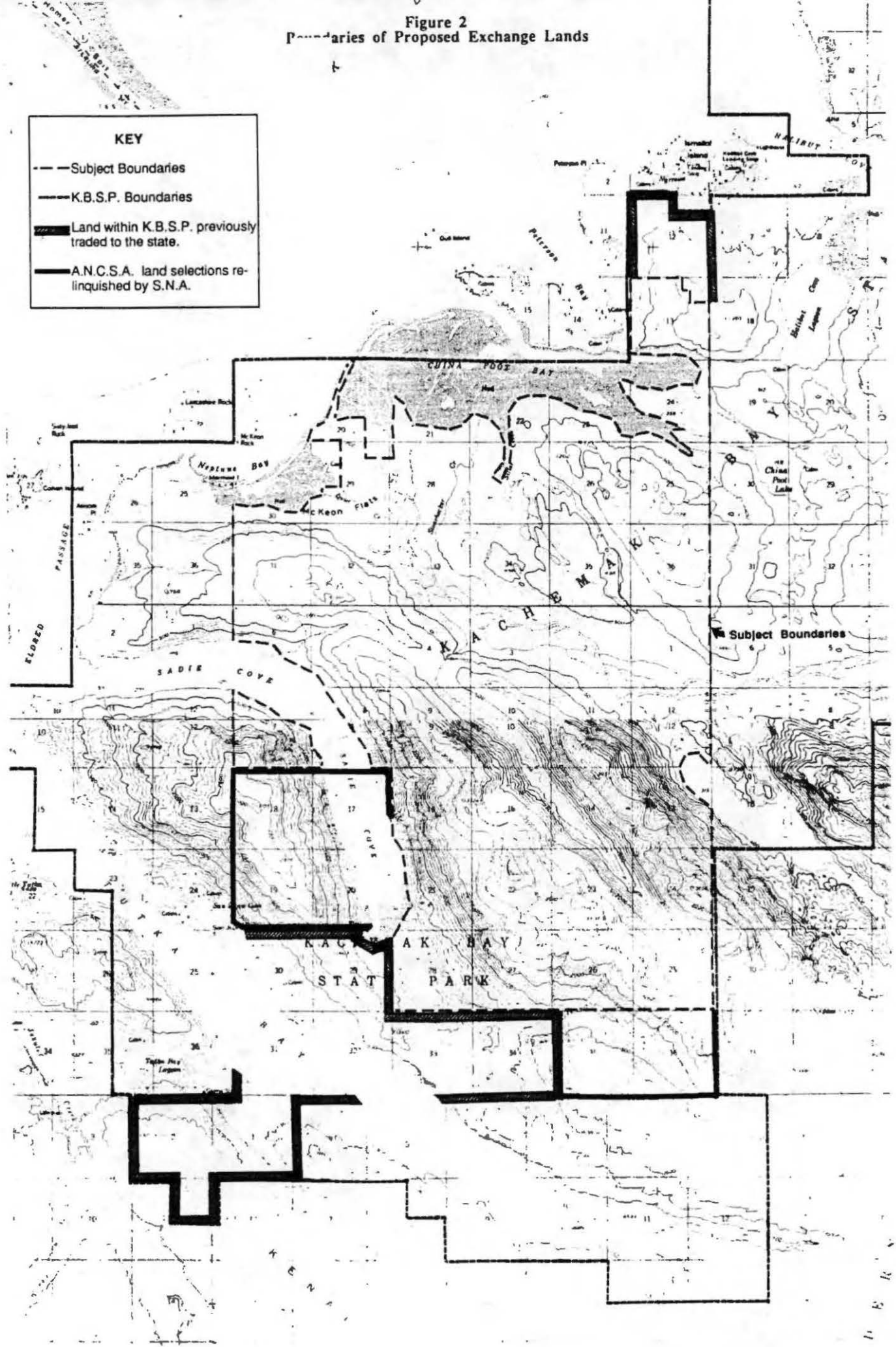


Table 1
Forestry & Wood Products Industry Employment & Wages

Year	Annual Average Employment	% Change	Annual Total Wages (in Millions \$)	% Change
1980	3,556	19%	112.6	32%
1981	3,192	-10%	103.7	-8%
1982	2,632	-8%	97.6	-6%
1983	2,632	-10%	93.8	-4%
1984	2,354	-11%	82.9	-12%
1985	2,300	-3%	86.0	4%
1986	2,661	13%	91.2	6%
1987	3,100	16.5%	109.7	10.3%
1988	3,600	16.1%	129.6	18.1%

Source: Timber Supply and Demand 1986, U.S.D.A., Forest Service, 1987

Table 2
Timber Harvest in Southeast Alaska
(Expressed in MBF Log Scale)

Year	Total	State of Alaska	B/A	Tongass N.F.	Native Corps.
1980	542.8	5.1	15.3	452.1	70.1
1981	515.5	5.4	2.5	385.7	122.0
1982	562.7	5.7	2.9	344.9	209.2
1983	492.0	5.6	3.2	251.2	232.0
1984	457.2	4.7	0.7	249.8	202.0
1985	531.5	2.9	0.0	265.3	263.3
1986	570.8	0.5	0.0	271.6	298.7
1987	N/A	25.8	no record	282.0	N/A
1988	N/A	16.4	no record	332.0	N/A

Source: Timber Supply and Demand 1986, U.S.D.A., Forest Service, 1987

Table 3
Product Value of Export

Year	
1980	\$339,474,000
1981	\$278,278,000
1982	\$277,593,000
1983	\$272,954,000
1984	\$219,034,000
1985	\$215,173,000
1986	\$255,512,000
1987	not able to update
1988	not able to update

Source: Timber Supply and Demand 1986,
U.S.D.A., Forest Service, 1987

Employment in the forest industries is included in the two larger sectors of agriculture and manufacturing. Forestry employment, which is categorized as part of the agricultural sector, is a very small part of the industry, typically accounting for only two to three percent of total industry employment. This leaves the vast majority of the industry employment involved in the manufacturing of lumber and wood products, and paper and allied products.

With approximately 29.5 million acres of commercial forest land and the potential for harvesting 690 million board feet annually, these three subsectors combine to make forestry the fourth largest resource industry in the state. Ownership of this resource is almost exclusively controlled by the U.S. Forest Service, the State of Alaska, and the Alaska Native Corporations.

Valuation

In this appraisal, the direct sales comparison approach was used to determine the fair market value of the subject lands, as cut-over timber land (bare land).

The direct sales comparison approach, also known as the market data approach, is based on the principle of substitution and assumes that a prudent investor would pay no more for a property than the cost of acquiring an equally desirable substitute in the open market. It presumes that the purchaser will consider all alternatives, act rationally and have adequate time to pursue his objective. In this approach actual sales transactions involving properties similar to the subject property, are compared with the subject for the purpose of estimating value. Since very few properties are perfectly comparable, adjustment are made for the differences which exist between a comparable and the subject.

In Alaska, up to 98% of the commercial timber resources are owned by Native Corporations, the State of Alaska and the Federal Government. Very few transactions of timberland have taken place, and most of those have been exchanges with the State. Detailed data on the few private industry sales transactions was not made available.² This resulted in the acquisition of sales comparables from Washington and Oregon, and the subsequent gathering of pertinent data from Alaska, Washington and Oregon to perform the necessary adjustments to the comparables in the analysis.²

Sources contacted in Alaska consistently cited the difficulty in estimating a range of value for cutover land in Alaska. Apparently, very few sales of cutover land have occurred in Alaska, and the U.S. Forest Service out of Juneau is currently struggling with a methodology for establishing standards and indices for determining base land values. Estimates have ranged from the land's being worthless once it has been logged, to no impact on the previous land value after the timber has been removed. Values are highly variable and site specific.

The determinants of value for timberland (as bare land) are: location, access, utility (alternative highest and best use of land), land productivity for future crops (site classification), logging costs and the buyer/seller perceptions of the land value.

The value of the timberland is traditionally broken down into total value = timber value + reproduction (stock) value + residual land value.

² The information collected from Alaska State and Federal agencies, independent forest consultants, and timber industry experts pertains to the timber industry and their perceptions of the Alaskan market. Information was also gathered from the same types of sources in Washington and Oregon. Their knowledge and perceptions of the Alaskan market and their own markets were used in conjunction with the aforementioned data.

The subject lands, 4,435 acres, are in non-contiguous parcels of varying size throughout the 23,802 acres of the proposed exchange. Therefore, comparables ranging in size from 80 acres to 8,903 acres were analyzed to take into consideration variances in value attributable to size.

The comparables were divided into two categories: those valued as cut-over or base land and those valued as timber land with a base land value extracted from the total value. Comparables No. 1, 3, 8 and 10 are in the first category. Comparables No. 2, 4, 5, 6, 7, 9 and 11 fall into the second. An analysis of the two categories of comparables are as follows:

Bare Land Comparables

Comparable No. 1 is superior to the subject lands in its location and access (off State Hwy. on a logging road). The saw timber is not considered in the valuation of the land at \$247/acre, but the property's longterm development potential is considered, making this comparable superior to the subject in this respect also.

Comparable No. 3 is superior to the subject property in its access. There are paved and dirt roads to all tracts. It is also superior in that one half of the property is well stocked with mixed conifer reproduction. This comparable's site class of III to IV represents a rotation of 75 to 100 years which is superior to the subject's 100 to 150 year rotation.³

Comparable No. 8 is comparable to the subject in that its highest and best use is forestry and it is considered logged over (cut-over) land. However, it is superior in its access by logging road and in its site classification (Site Class III, representing approximately 80 year rotation). The value of \$200 per acre would also reflect the relatively small size of the parcel.

Comparable No. 10 is comparable to the subject in the non-contiguous nature of the parcels, as well as the highest and best use being forestry. However, the \$189 per acre value represents the superior nature of the comparable in its site classification or rotation length, its access by State Hwy. and its 460 acres of reproduction stock.

Timberland Comparables

Comparable No. 2, with a high value of \$1,667 per acre, reflects the high volume of merchantable timber of this comparable. It is also superior to the subject in its future development potential and site classification. A bare land value is extracted from this sale at \$200 per acre, reflecting the superior access by county and dirt roads and superior site class.

Comparable No. 4 has a value of \$147.68 per acre, assigned by the buyer to the bare land. Access to the property is inferior to the subject land. The elevation of the comparable is 2,800 to 5,000 feet and the terrain is steeply sloped. However, the comparable is superior in that 175 acres are stocked for reproduction.

Comparable No. 5's buyer has placed a value of \$100 to \$200 per acre on the land (bare land). An overall value per acre of \$1,880 reflects the high volume of merchantable timber on this property. The site class on this site is III, denoting a rotation of approximately 80 years which is superior to that of the subject, which has been estimated at 100 to 150 years. It has superior access, off of State Hwy. and county roads and superior utility with potential for residential development in the future.

³ Site classification is an indication of productivity of the land, with Site Class I indicating a 50 year rotation, and Site Class IV-V indicating 100 year rotation and over. Land in Alaska is not classified in this manner. A rotation for the subject lands in Alaska has been established by industry experts at 100 to 150 years.

**Table 4
Cut-over Timber Land Sales Comparables**

	Grantor/Grantee	Location	Sale Date	Size (acres)	Selling Price	Price/Acre Overall	Price/Acre Land	Site Class	Remarks
1	Columbia Investment Co. Albert McMillen	Whatcom Co.	Jan-86	240	\$59,375.00	\$247	\$247	III-IV	Small volume of sawtimber not considered in price
2	Caffall Bros. Forest Prod., Inc. Pope & Talbot, Inc.	Kittitas Co. and W. Wash	Jul-86	2400	\$4,000,000	\$1,667	\$200	II-III-IV	Buyer allocated \$200/ac. for bare land
3	Summit Timber Company Grandy Lake Forest Associates	Snohomish Co. and Skagit Co.	Mar-87	7584	\$2,300,000	\$303.27	\$241.96	III-IV	\$241.96/ac. for land that is 50% stocked (reproduction)
4	Municipality of Metro. Seattle DaPaul, Inc.	King Co.	Jan-88	541.72	\$682,500	\$1,259.00	\$147.68	V	Buyer assigned value of \$80,000 to the land alone
5	Crown Zellerbach Corp. John Hancock Mutual Life	Clallam Co.	Jan-84	2922	\$5,493,800	\$1880.15	\$100-\$200	III	High volume timber; mostly timber land w/development potential. Buyer assigned \$100-\$200/ac. for bare land.
6	Federal Land Bank of Spokane Winney Construction Co.	Clallam Co.	Dec-86	2660.35	\$1,200,000	\$451.07	\$100.00	IV	Buyer assigned value of \$100/ac. to the land
7	Longview Fibre Company ITT Rayonier	Clallam Co.	Feb-88	8903	\$5,750,000	\$646	\$140.00	II-III	U.S. Forest Service appraiser assigned value of \$140/ac. on land based on seller's information on property.

Source: No. 1 - 4: David N. Odahl, U.S. Forest Service, Olympic National Forest
No. 5 - 7: Jim Rodcheaver, U.S. Forest Service, Olympic National Forest

Table 4 (cont'd)
Cut-over Timber Land Sales Comparables

	Grantor/Grantee	Location	Sale Date	Size (acres)	Selling Price	Price/Acre Overall	Price/Acre Land	Site Class	Remarks
8	Gene Updegrave Raymond and Ruth Smith	Multnomah Co.	Aug-88	80	\$16,000	\$200	\$200.00	III	Parcel is considered logged over timber land.
9	Times Mirror Land & Timber (Via Robert Smejkal) Siuslaw Properties, Inc.	Lane Co.	May-89	A-347 B-68	\$400,000	\$1,008.65 \$735.29	\$175.00 \$200.00	II-III	Parcel B timber inferior to Parcel A. Parcel B has superior access and location.
10	Western Timber Company Starker Industries	Benton Co.	Feb-89	733	\$250,000	\$341.06	\$189.00	II-III	Sale consists of 4 non-contiguous parcels of reproduction and cut-over land.
11	C. Wylie Smith IP Western Timberland, Inc.	Coos Co.	Mar-89	242	\$800,000	\$3,305.79	\$300.00	II	High volume timber. 93% of value in timber according to buyer.
	TOTAL (weighted average)			26,721.07	\$20,951,675	\$567.77	\$174.97		

Source: No. 9 - 11: Charles Orman, U.S. Dept. of Agriculture, Forest Service, Siuslaw National Forest.

Comparable No. 6, with an overall \$451.07 per acre value, reflects a low volume of timber and over 600 acres of reproduction. The buyer assigned a value of \$100 per acre to the land. This sale is comparable to the subject in that it consists of 17 non-contiguous parcels, some as small as 20 acres. It is comparable in highest and best use and access. The access is difficult, with steep terrain and long hauling distances over unpaved roads in poor condition.

Comparable No. 7 is superior to the subject in site classification, access, and utility. The seller assigned a value of \$140 per acre to the land. According to the seller, the value was in the timber. This comparable's waterfront location, near a developed urban area, indicates future development potential.

Comparable No. 9 is superior to the subject in its site class and its access. A value of \$175 per acre and \$200 per acre was assigned to the two parcels involved in the sale. It is superior also in that portions of the property are well stocked with mixed conifer reproduction.

Comparable No. 11, with a high overall value per acre of \$3,305.79, reflects the very high volume of merchantable timber on the property. The buyer assigned 93% of the value to the timber. An assigned \$300 per acre bare land value reflects a superior site class (II) and the superior access (off State Hwy.) of the comparable.

The first group of comparables, the bare land comparables, indicates a range of value of \$189/acre to \$247 per acre for the bare land. The second group, the timber land comparables indicates a range of value of \$100 per acre to \$300 per acre for the bare land. Based on this sales comparable evidence, it is suggested that the most probable value falls between \$100 to \$300 per acre.

The second approach to value, the intensive telephone inquiry, provided the following insights:

Efforts to determine bare land value from data gathered from Alaska, Washington and Oregon revealed much the same story.

A State of Alaska assessor cited a value of \$100 per acre as a reasonable value which had been used recently by his office. This is not far from the State of Washington, Department of Revenue's determination of \$75 to \$115 per acre for bare land for forest taxation purposes (Alaska does not tax forest land; thus, no indication of land productivity or site index classification is available for comparison).

An industry expert in southeast Alaska was unwilling to disclose details, but did mention that in the recent acquisition of three parcels (one inland, two coastal) by his company, the bare land value was of little interest. The value was in the timber. An arbitrary value of \$100 per acre was assigned to the sales for the bare land. It is a "convention" in the industry, in Alaska.

An international forest consultant stated a "ball park" for Alaska would be \$75 to \$100 per acre based on the growing ability of the land. This growing ability, rotation of about 100 to 150 years, was also cited by an Alaskan forest consultant as a reason for arriving at low or even negative bare land values.

An informative source at Weyerhaeuser, Inc. in Tacoma, Washington, said they handled the problem of valuing bare land by generating three different values: one internally, from historic company sales data; next, by taking their best shot at current market value; finally, using the values published by the State of Washington Department of Revenue (\$75 to \$115 per acre range). He concluded that the value provided by the DOR was most often arbitrarily agreed upon by the buyer and seller.

Another Weyerhaeuser, Inc. source cited two recent (1989) transactions in Washington, involving two outside parties (with whom Weyerhaeuser has a proprietary agreement that prevents disclosure), in which bare land values assigned to the sales were \$80 per acre and \$100 per acre.

In Washington and in Oregon, State and Federal forest appraisers stated that more often than not the buyer and sellers perceptions of the value of the land determined bare land values on their transactions. This is evidenced in the "Remarks" column of the Timberland Sales Comparables in Table 4, which illustrates the comparables used in the valuation.

It is concluded from this approach that a range of value of \$75 to \$115 per acre is indicated.

Value Reconciliation

The direct sales comparison approach provided a value range of \$100 to \$300 per acre. The best comparable is sales Comparable No. 6. It is more comparable to the subject in utility, site class, configuration and access. It provided a value indication of \$100/acre.

The second approach to value provides a range of \$75 to \$115 per acre.

Based on this evidence, we have concluded that a value of \$100 per acre is indicated for the subject. Thus, it is our opinion that the fair market value of the subject property's 4,435 acres is

FOUR HUNDRED FORTY-THREE THOUSAND FIVE HUNDRED DOLLARS

(\$443,500)

Figure 4
Subject Photographs

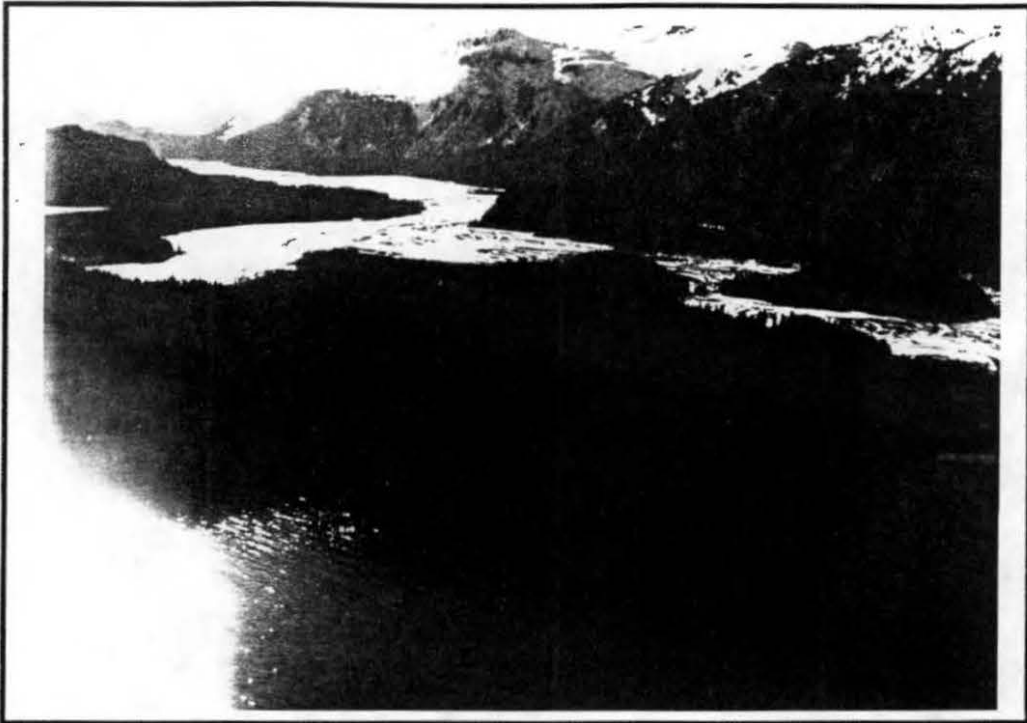


Photo #1

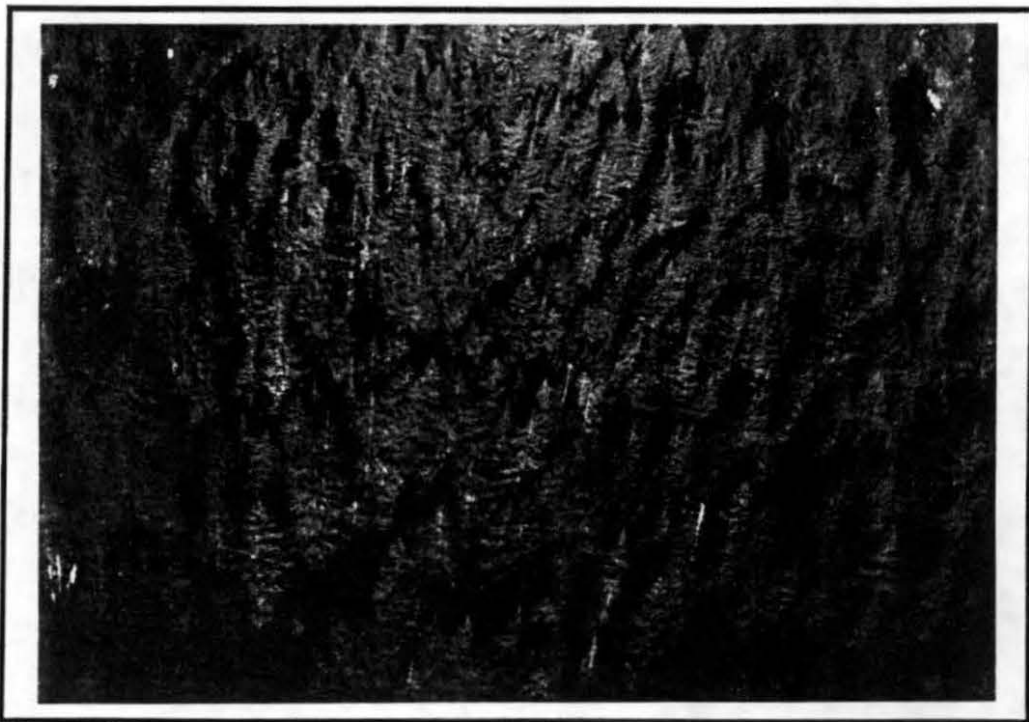


Photo #2

Subject Photographs continued



Photo #3



Photo #4

Subject Photographs continued

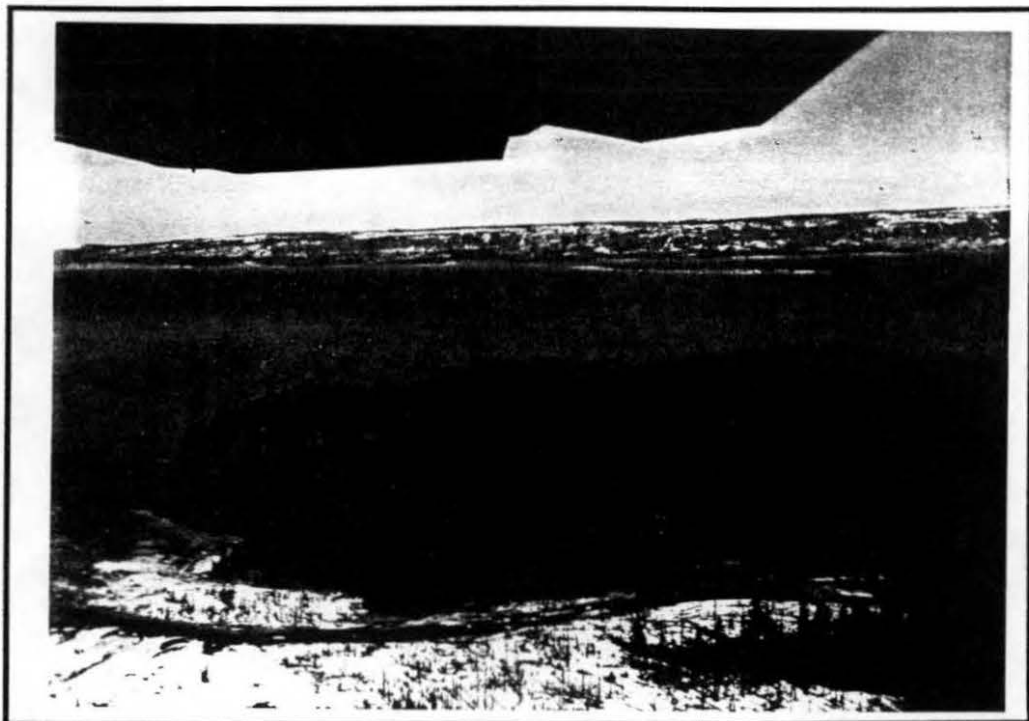
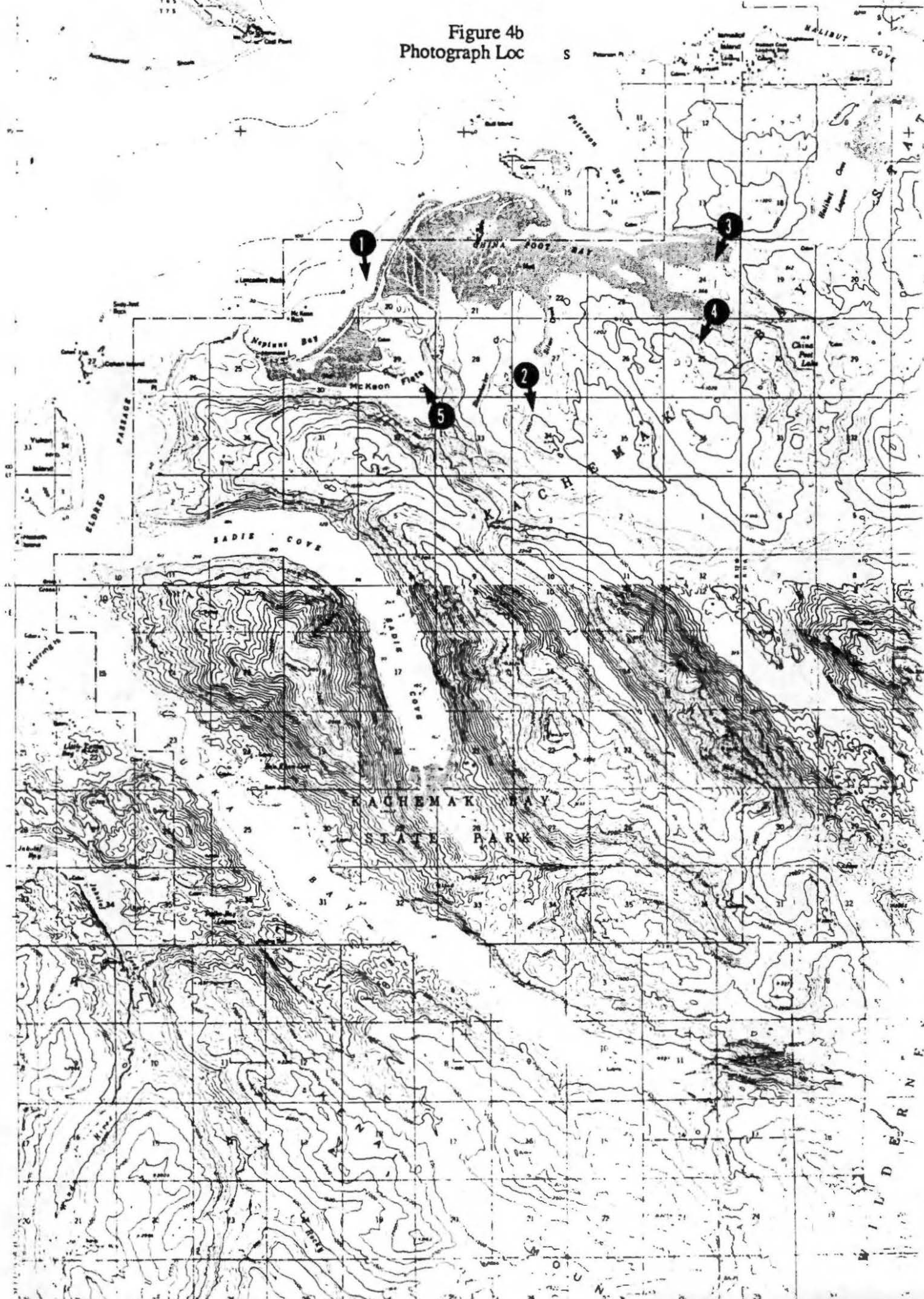


Photo #5

Figure 4b
Photograph Loc



CERTIFICATION

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, unbiased professional analyses, opinions, and conclusions.
- I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the American Institute of Real Estate Appraisers.
- the use of this report is subject to the requirements of the American Institute of Real Estate Appraisers relating to review by its duly authorized representatives.
- I am currently certified under the voluntary continuing education program of the American Institute of Real Estate Appraisers.
- Vicki Adams and I have made a personal inspection of the property that is the subject of this report.
- Vicki Adams and Linda Glover provided significant professional assistance to the person signing this report.

MUNDY-DAY-BUNN

Bill Mundy
Bill Mundy, Ph.D., CRE, MAI

MUNDY-DAY-BUNN

APPENDIX

TIMBER LAND SALES COMPARABLE NO. 1

Location: Whatcom County, Washington
Legal: T.40N, R.5E, Sec. 23, S1/2, NW1/4, SW1/4
Grantor: Columbia Investment Co.
Grantee: Albert McMillen
Date: 1/9/86
Size: 240 acres
Sales Price: \$59,375
Highest & Best Use: Timber production with long-term potential for residential development on 15 acres.
Remarks: \$247 per acre attributed to the land. Small volume of saw timber not a consideration in the sale price. The unit price of \$247/acre is indicative of timberland that is not well stocked.

TIMBER LAND SALES COMPARABLE NO. 2

Location: Kittitas County and others in western Washington
Legal: T.27N, R.8E, Sec. 34, NE1/4, SW1/4, S1/2, SW1/4
Grantor: Caffall Bros. Forest Prod., Inc.
Grantee: Pope & Talbot, Inc.
Date: 7/25/86
Size: 2,400 acres
Sales Price: \$4,000,000
Highest & Best Use: Timber production and potential for residential subdivision

Remarks: Buyer allocated \$200 per acre for bare land value. Good stands of commercial coniferous timber. Well-stocked on 400 acres, 1,700 acres are second growth sawtimber. 300 acres are non-commercial or inoperable.

TIMBER LAND SALES COMPARABLE NO. 3

Location: Snohomish and Skagit County, Washington
Legal: T.32N, R.7-11E, T.33N, R.8, 10, & 11 and Sec. several
Grantor: Summit Timber Co.
Grantee: Grandy Lake Forest Association
Date: 3/25/87
Size: 7,584 acres
Sales Price: \$2,300,000
Highest & Best Use: Timber production

Remarks: Well stocked with mixed conifer reproduction on previously cut areas. Slope from gentle to steep mountainous terrain. Seller reserves rights to commercially viable timber until 1991. This is indicated in value of \$241.96/acre attributed to the land.

TIMBER LAND SALES COMPARABLE NO. 4

Location: King County
Legal: T.24N, R.9E, Sec. 2, Lots 1-4, S1/2, NE1/4, N1/2 SE1/4, Sec. 34 SE1/4
Grantor: Municipality of Metropolitan Seattle
Grantee: DaPaul, Inc.
Date: 1/26/88
Size: 541.72 acres
Sales Price: \$682,500
Highest & Best Use: Timber production

Remarks: 110 acres non-commercial/inoperable. 173 acres logged several years ago and poorly restocked. Site class V at an elevation of 2,800 to 5,000 feet. Buyer assigned value of \$80,000 to land (\$147.68 per acre).

TIMBER LAND SALES COMPARABLE NO. 5

Location: Clallam County, Washington
Legal: T.31N, R.8, 9W, Sec. 28-33
Grantor: Crown Zellerbach Corp.
Grantee: John Hancock Mutual Life Insurance Co.
Date: 1/10/87
Size: 2,922 acres
Sales Price: \$5,493,800
Highest & Best Use: Mostly timberland. 140 acres sold for residential development.

Remarks: Contains 921 acres of various aged reproduction Douglas Fir. Buyer placed value of \$100 to \$200 per acre on land.

TIMBER LAND SALES COMPARABLE NO. 6

Location: Clallam County, Washington

Legal: T.26-32N, R.13-15W, Sec. various

Grantor: Federal Land Bank of Spokane

Grantee: Winney Construction Co.

Date: 12/19/86

Size: 2,660.35 acres

Sales Price: \$1,200,000

Highest & Best Use: Timberland

Remarks: Contains approximately 640 acres of reproduction. Buyer assigned value of \$100 per acre to the land. Buyer purchased for timber value.

TIMBER LAND SALES COMPARABLE NO. 7

Location: Clallam County, Washington
Legal: T.30, 31N, R.7, 10, 11, 12W, Sec. various
Grantor: Longview Fibre Co.
Grantee: ITT Rayonier
Date: 2/26/88
Size: 8,903 acres
Sales Price: \$5,750,000
Highest & Best Use: Timberland; development potential

Remarks: Value of \$140 per acre assigned to land by seller. Buyer purchased property for timber and to add to buyer's land base. Most of the property is in commercial size 40 to 45 year old conifer and alder.

TIMBER LAND SALES COMPARABLE NO. 8

Location: Multnomah County, Oregon
Legal: T.15, R.4E, Sec. 12, Tax Lot No. 08
Grantor: Gene Updegrave
Grantee: Raymond & Ruth Smith
Date: 8/88
Size: 80 acres
Sales Price: \$16,000
Highest & Best Use: Timber production

Remarks: Sale excludes the timber. Parcel considered logged over timberland.
80 ac. x \$200/ac. of land = \$16,000.

TIMBER LAND SALES COMPARABLE NO. 9

Location: Lane County, Oregon
Legal: T.19S, R.11W, Sec. 23 Parcel A; Sec. 26, 17, 20 Parcel B.
Grantor: Times Mirror Land & Timber (via Robert Smejkel)
Grantee: Siuslaw Properties, Inc.
Date: 5/89
Size: 415 acres
Sales Price: \$400,000
Highest & Best Use: Timber production

Remarks: Parcel A (347 acres) land valued at \$175 per acre; Parcel B (68 acres) land valued at \$200 per acre.

TIMBER LAND SALES COMPARABLE NO. 10

Location: Benton County, Oregon
Legal: T.10S, R.7W, Sec. 26-31
Grantor: Western Timber Co.
Grantee: Starker Industries
Date: 2/89
Size: 733 acres
Sales Price: \$250,000
Highest & Best Use: Timber production

Remarks: The land, four non-contiguous parcels, was valued at \$189/acre. There is no merchantable timber that contributes to value. Reproduction 5 to 25 year covers 461 acres. The remainder is cut-over land with logging slash and reforestation left to the purchaser.

TIMBER LAND SALES COMPARABLE NO. 11

Location: Coos County, Oregon
Legal: T.28S, R.13W, Sec. 31, Tax Lots 200 & 600
Grantor: C. Wylie Smith
Grantee: IP Western Timberland, Inc.
Date: 3/89
Size: 242 acres
Sales Price: \$800,000
Highest & Best Use: Timber production

Remarks: High volume timber; \$300 per acre assigned to land; 93% of the value is the timber.

BILL MUNDY

PROFESSIONAL QUALIFICATIONS

EXPERIENCE

Bill Mundy has over twenty years of experience in real estate market, economic and valuation research. Over this time span he has held the following positions:

- Doane Agricultural Service (1965-67). Farm Manager and rural appraiser.
- Fenton, Conger & Ballaine (1967-68). Real estate appraiser and market analyst.
- Weyerhaeuser Real Estate Company (1971-73). Land economist and housing market analyst.
- Bill Mundy & Associates (1976-present). Owner. Real estate development.
- Mundy, Jarvis & Associates, Inc. dba Mundy & Associates (1976-present). President. Real estate market, economic and valuation (appraisal) analysts and consultants.

Dr. Mundy has been and continues to be heavily involved in the educational community. He has taught at the University of Washington and for the American Institute of Real Estate Appraisers (AIREA). He developed a real estate and urban economics curriculum for Seattle University. Professional education development activities for AIREA include membership on the continuing education committee, instructor of the Market Analysis course and developer of the Market Analysis seminar.

Bill has a broad range of analytical experience, including benefit-cost, economic base, market and survey research, and real estate appraisal throughout a significant part of the United States: the Midwest, South, Southwest, Pacific Northwest, Alaska and Hawaii. Several important areas of concentration include market research involving litigation matters and radioactive, hazardous and toxic waste. He has also developed, for his own account, residential, office, retail and rehabilitation properties in the Seattle and Anchorage metropolitan areas.

EDUCATION

Bachelor of Science, Agriculture (Business Option), 1965
Washington State University, Pullman, Washington

Master of Arts, Urban Economics, 1971
University of Washington, Seattle, Washington

Doctor of Philosophy, Marketing, Urban Economics and Survey Research, 1977
University of Washington, Seattle, Washington

SCHOLASTIC HONORS

Beta Gamma Sigma

American Institute of Real Estate Appraisers Scholarship Recipient, 1970-71, 1975-76.

University of Washington representative to doctoral consortium and American Marketing Association Meetings, 1976.

Fellow Invitation, Homer Hoyt Institute, 1987, 1988

Arthur A. May Memorial Award, 1988, American Institute of Real Estate Appraisers, for developing the seminar "Market Analysis."

PUBLICATIONS

"A Methodology to Optimize Building Rent," Bill Mundy & Associates, Inc., 1977, Seattle, Washington.

A Partial Test of a Multi-Stage Theory of Homebuyer Behavior: A Methodological and Substantive Approach Using Judgmental and Behavioral Data, Ph.D. Dissertation, University of Washington, 1977.

"Natural Resource Scarcities and the Cost of Housing" monograph, University of Washington, 1976, Seattle, Washington.

The Seattle Metropolitan Area Economic Base with Population and Housing Projections, 1984, Bill Mundy & Associates, Inc., Seattle, Washington.

Urban Obsolescence - A Case History of Obsolescence-Renewal, Masters Thesis, University of Washington, 1970.

Contributor: *The Mundy Insider*.

PROFESSIONAL AFFILIATIONS

American Arbitration Association.

American Institute of Real Estate Appraisers (MAI #5439).

- Member, Division of Faculty
- Course and seminar instructor
- Curriculum developer

American Society of Real Estate Counselors (CRE #1011).

National Association of Business Economists

Lambda Alpha (National Real Estate Honorary)

ACADEMIC AFFILIATION

Member, Real Estate Curriculum Advisory Board, and Chairman, Finance Committee, Washington State University.

EDUCATIONAL CERTIFICATION

The American Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. Dr. Mundy is certified under this program through September 15, 1992.

TEACHING EXPERIENCE

American Institute of Real Estate Appraisers 5 day courses.

Memphis State University:	Principles, Procedures
University of Houston:	Principles, Procedures
University of Portland:	Market Analysis
University of San Diego:	Market Analysis
University of Colorado:	Market Analysis
Arizona State University:	Market Analysis
University of Oklahoma:	Market Analysis
University of North Carolina:	Market Analysis

AIREA--seminars (Market Analysis)

Chicago, IL	Houston, TX
Omaha, NB	Albuquerque, NM
Anchorage, AK	San Diego, CA
Knoxville, TN	

WRITING/CURRICULUM DEVELOPMENT

AIREA Terminology Handbook, Reviewer
The Appraisal of Real Estate, 8th Edition, Reviewer
Real Estate Market Analysis, forthcoming, Reviewer
AIREA Market Analysis Course, Contributor
AIREA Market Analysis Seminar, Developer
AIREA Survey Research Seminar, Developer
The Mundy Insider, frequent contributor

LICENSES

State of Oregon--Broker, Appraiser
State of Washington--Broker
State of Alaska--Broker

EXPERT WITNESS

Various courts in:
Alaska
Oregon
Washington

RONALD W. BUNN, MAI
6600 Lawlor Circle
Anchorage, Alaska 99502
(907) 248-0534

Appraiser's Experience Data

Ronald W. Bunn, MAI

Ronald W. Bunn, MAI, has managed the Alaska division of a leading regional real estate appraisal, market analysis and consulting firm since May, 1978. He is a member of the American Institute of Real Estate Appraisers, having been awarded the MAI designation on November 20, 1981, Certificate No. 6313. He is a 1970 graduate of Alaska Methodist University with a Bachelor of Science Degree in Business Administration.

Mr. Bunn has a widely diversified background in real estate appraisal, with particular emphasis upon major office and retail, as well as hotel type properties. Property types upon which full narrative appraisal reports have been made include warehouse, industrial plants, office buildings, motels, major first class hotels, resort hotels, apartments, shopping centers and numerous special purpose type properties. Mr. Bunn completes a semi-annual analysis of the Anchorage office market and compiles a semi-annual market letter. He is a published author of technical articles on the Anchorage office market.

The American Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. MAI's and RM's who meet the minimum standards of this program are awarded periodic education certification. I am currently certified under this program.

The following is a partial list of agencies and clients for whom appraisal reports, feasibility studies and market analysis assignments have been prepared:

Carr-Gottstein Corporation	The Rainier Fund, Seattle
Rainier Real Estate Advisors	United Bank Alaska
National Bank of Alaska	Alaska Mutual Savings Bank
Quadrant Capital Investments	Savings Bank of Puget Sound
The Equitable Life Assurance Society	Washington Mortgage
Goldbelt, Incorporated	The Jack White Company
Partnership Management Corporation	Kennedy Associates
Alaska Electrical Pension Fund	Benedict Properties
Nationwide Life Insurance, Columbus, Ohio	State of Alaska, Division of Lands
Seafirst Bank, Seattle, Washington	Alaska National Bank of the North
Bristol Bay Native Corporation	Wells Fargo Bank
Security Pacific Mortgage Corporation	Sealaska Corporation
Washington Mutual Savings Bank	

A partial list of properties for which appraisals and feasibility studies have been prepared are included on the following page.

Appraiser's Experience Data
Ronald W. Bunn, MAI

Office

The Frontier Building
Resolution Plaza
Anglo Energy Building
Denali Towers North and South
4201 Tudor Centre
3111 "C" Street
Fifth Avenue Building
Goldbelt Plaza, Juneau

Resolution Tower
Alaska Mutual Bank
Chugach Alaska Building
Anchorage Business Park
First Interstate Bank at Tudor Centre
101 Benson
Peterson Towers
Sealaska Plaza, Juneau

Industrial

Anchorage Distribution Center
MarkAir Office & Cargo Building
ARCO Warehouse

Alaska International Air Freight Terminal
Air Cargo Center Nos I & II

Retail

Anchorage Fifth Avenue Mall
Northway Mall
Valley River Center
Various other store front retail centers throughout Southcentral Alaska

Dimond Center, Phases I, II & III
Cottonwood Creek Mall

Hotel Properties

Anchorage Hilton
Sheraton Anchorage
Captain Bartlett Inn, Fairbanks
Plaza Inn, Anchorage
Voyager Hotel, Anchorage

Juneau Hilton (Cape Fox)
Breakwater Inn, Juneau
Barratt Inn, Anchorage
Anchorage International Inn

Special Purpose Properties

Alyeska Resort
West Douglas Island & Echo Cove Properties,
Juneau, Alaska
Sheldon Jackson College, Sitka

Zachar Bay Processing Plant, Kodiak Is.
Happy Horse Camp & Industrial
Buildings, Deadhorse, Alaska

JOHN P. DAY, MAI
PROFESSIONAL QUALIFICATIONS

EXPERIENCE

In 1963, employed by Cawdrey & Verno, Inc., General Contractors, Inc., Seattle, as an estimator and project manager. From 1965 to 1974, owned and operated a mechanical subcontracting company and a retail appliance store, along with developing an office building, industrial park and a real estate subdivision. In 1975, completed the American Institute of Real Estate Appraisers Course 1-A, and became associated with the firm of Shorett & Riely. The period from 1976 through 1978, became Resident Manager—Appraiser of the Anchorage, Alaska branch office of Shorett & Riely. In 1978, was appointed to the Board of Equalization, Anchorage Borough. In 1979, completed all requirements of the American Institute of Real Estate Appraisers and was awarded the M.A.I. designation, Certificate No. 5986.

In 1982, was employed by Quadrant Development Company as their Executive Vice President in charge of new acquisitions and projects. In 1982, concurrent with employment with the Quadrant Companies, the appraisal firm of John P. Day, M.A.I. & Associates Company, Inc. was formed.

1983-84 served as co-chairman for the Alaska Railway Transfer Committee in which I supervised and represented the State of Alaska in the evaluation and subsequent acquisition of the Alaska Railway System.

1985 formed the firm of Mundy-Day Associates which is an affiliation with Bill Mundy, Ph.D., CRE, MAI, of Seattle for the purpose of conducting appraisals, consulting and market research throughout the State of Alaska.

Served as an instructor for the American Institute of Real Estate Appraisers and as a national grader for examinations given in their various educational courses. Served on the American Institute of Real Estate Appraisers Educational Committee.

The American Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. MAI and RM Members who meet the minimum standards of this program are awarded periodic educational certification. I am currently certified under the AIREA Volunteer Certification Continuing Education Program.

The types of properties on which full appraisals have been prepared include warehouses, industrial plants, office buildings, motels, apartments, shopping centers, condominiums, and vacant land. The following is a partial list of clients for whom appraisal reports have been written:

Northland Shopping Center (JAFCO)
Seattle First National Bank
Washington Mutual Savings Bank
Security Savings & Loan Association
Pacific Mortgage Corporation
National Bank of Alaska
Alaska Pacific Bank
Alaska National Bank of the North
Alaska Mutual Bank
First Federal Bank
Puget Sound Mutual Savings Bank
Washington Mortgage Company
Rainier Mortgage
Transamerica Investment Services
Blackwell North American
Drever McIntosh Company
Alaska Airlines
Dimond Shopping Center

Northwest Pipeline Company
Bethel Native Corporation
Bureau of Land Management
Department of Interior
Department of the Army, Corps of Engineers
Portland Development Comm.
Sealand Services, Inc.
Vacation Internationale, Ltd.
International Longshoremen's Union
Kaiser Cement & Gypsum/Columbia
Ounalashka Native Corporation
Paug-Vik Native Corporation
Bering Straits Native Corporation
Akutan Native Corporation
Royal Krest Homes
Yarmon Investment Co.
Carr-Gottstein Properties
Alaska Brick Company (Division of
Sea-Alaska Native Corporation)

Expert Witness in the following:

Federal Bankruptcy Court: Anchorage, Tacoma
Superior Court: King County, Pierce County, Anchorage Borough

EDUCATION

M.B.A., Business Administration, 1963
Harvard Business School, Cambridge, Massachusetts

B.S., Civil and Industrial Engineering, 1961
University of Washington, Seattle, Washington

LINDA S. GLOVER

PROFESSIONAL QUALIFICATIONS

RECENT EXPERIENCE AT MUNDY & ASSOCIATES

- Block 2, Seattle Central Business District, retail and residential market study, December, 1988.
- Condemnation appraisal research, Salem, Oregon, November, 1988.
- Highest and best use study, Normandy Park, Washington, October, 1988.
- Land appraisal, Union Pacific Railroad, October, 1988.
- Valuation update, Brooks Range Supply, Deadhorse, Alaska, October, 1988.
- Golf and Country Club market analysis and survey, Gig Harbor, Washington, September, 1988.
- Key Bank appraisal, Fairbanks, Alaska, September, 1988.
- Multi-family market study, Krug/Blakely Development, Issaquah, Washington, September, 1988.
- Kent Valley Industrial market study, August, 1988.
- Downtown Seattle office market study, August, 1988.

EDUCATION

M.B.A. , Marketing/Finance
University of Washington, Seattle, Washington

B.A. , Sociology/Anthropology
Western Washington University, Bellingham, Washington

VICTORIA B. ADAMS

PROFESSIONAL QUALIFICATIONS

RECENT EXPERIENCE AT MUNDY & ASSOCIATES

- Public Interest Valuation of State Park land addition, Seaside, Oregon, January, 1989.
- Appraisal Assistance, Westmark Hotels, Alaska, January, 1989.
- Public Interest Value Appraisal Review, Alaska, December, 1988.
- Highest and best use analysis, Sitkalidak Island, Alaska, November, 1988
- Public Interest Valuation of Wildlife Lands, Karluk, Alaska, October, 1988.
- Elderly Housing market analysis, Kitsap County, Washington, October, 1988.
- Public Interest Valuation of Wildlife Lands, Afognak Island, Alaska, April, 1988.
- Fairbanks, Nenana, Delta Junction, Nome, Kotzebue and Barrow Communities social and economic analyses, Alaska, December 1987.
- Alaska State Economy annual update, November 1987.
- Downtown J.C. Penneys site retail market analysis, Seattle, Washington, November 1987.
- Lakewood-Tacoma Industrial Park Expansion market analysis, Tacoma, Washington, September 1987.
- Active Retirement and Congregate Housing market analysis, Bellevue, Washington, June 1987.
- Elderly Housing market analysis, Winslow, Washington, June 1987.
- Public Interest Valuation of Wildlife Lands, Sitkalidak Island, Alaska, April 1987.
- Review and critique of Economic Feasibility Analysis, Early Winters Ski Resort, April 1987.
- Impact analysis of Hazardous and Solid Waste Disposal Facilities on Residential Property Values, February 1987.
- Public Interest Valuation of Wildlife Lands, Kodiak Island, Alaska, January 1987.
- Elderly Housing market analysis, Grays Harbor and Pacific counties, Washington, October 1986.

RELATED EXPERIENCE

- Attitudinal survey of second home owners and permanent residents, Priest Lake, Idaho.
- The Effects of Recreational Development on Rural Land Uses and Community Structure (M.A. Thesis, 1986).
- Valuation methodologies for assessing aesthetic and recreational resources.
- Optimal location analysis of public health facilities in Idaho counties.
- Carrying Capacity Analysis of natural resources, environmental thresholds and public services, Lake Tahoe, California.
- Historical research: California Theatre in the Gold Rush Era, for Knotts Berry Farm, Inc.

EDUCATION

M.A. Geography/Resource Analysis, 1986
University of Washington, Seattle, Washington

B.A. Interdisciplinary Studies, 1979
University of the Pacific, Stockton, California

AFFILIATIONS

Association of American Geographers